
UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

For the quarter ended March 31, 2006

of

AGCO CORPORATION

A Delaware Corporation
IRS Employer Identification No. 58-1960019
SEC File Number 1-12930

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Duluth, GA 30096
(770) 813-9200

AGCO Corporation (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months and (2) has been subject to such filing requirements for the past 90 days.

As of April 28, 2006, AGCO Corporation had 90,536,321 shares of common stock outstanding. AGCO Corporation is a large accelerated filer.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

AGCO CORPORATION AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTSAGCO CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited and in millions, except shares)

	March 31, 2006	December 31, 2005
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 52.3	\$ 220.6
Accounts and notes receivable, net	698.4	655.7
Inventories, net	1,263.6	1,062.5
Deferred tax assets	42.7	39.7
Other current assets	110.6	107.7
Total current assets	2,167.6	2,086.2
Property, plant and equipment, net	577.4	561.4
Investment in affiliates	174.7	164.7
Deferred tax assets	73.9	84.1
Other assets	56.0	56.6
Intangible assets, net	212.2	211.5
Goodwill	716.3	696.7
Total assets	<u>\$ 3,978.1</u>	<u>\$ 3,861.2</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current portion of long-term debt	\$ 6.3	\$ 6.3
Accounts payable	631.4	590.9
Accrued expenses	517.3	561.8
Other current liabilities	85.9	101.4
Total current liabilities	1,240.9	1,260.4
Long-term debt, less current portion	889.8	841.8
Pensions and postretirement health care benefits	242.2	241.7
Other noncurrent liabilities	119.5	101.3
Total liabilities	<u>2,492.4</u>	<u>2,445.2</u>
Stockholders' Equity:		
Preferred stock; \$0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding in 2006 and 2005	—	—
Common stock; \$0.01 par value, 150,000,000 shares authorized, 90,534,121 and 90,508,221 shares issued and outstanding at March 31, 2006 and December 31, 2005, respectively	0.9	0.9
Additional paid-in capital	896.3	894.7
Retained earnings	842.7	825.4
Unearned compensation	—	(0.1)
Accumulated other comprehensive loss	(254.2)	(304.9)
Total stockholders' equity	1,485.7	1,416.0
Total liabilities and stockholders' equity	<u>\$ 3,978.1</u>	<u>\$ 3,861.2</u>

See accompanying notes to condensed consolidated financial statements.

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AGCO CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited and in millions, except per share data)

	Three Months Ended March 31,	
	2006	2005
Net sales	\$ 1,169.8	\$ 1,256.9
Cost of goods sold	963.5	1,037.4
Gross profit	206.3	219.5
Selling, general and administrative expenses (includes stock compensation expense of \$1.3 million and \$0.1 million for the three months ended March 31, 2006 and 2005, respectively)	126.6	130.6
Engineering expenses	31.6	30.7
Restructuring and other infrequent expenses	0.1	1.0
Amortization of intangibles	4.1	4.2
Income from operations	43.9	53.0
Interest expense, net	13.6	17.0
Other expense, net	6.5	6.8
Income before income taxes and equity in net earnings of affiliates	23.8	29.2
Income tax provision	12.6	12.3
Income before equity in net earnings of affiliates	11.2	16.9
Equity in net earnings of affiliates	6.1	4.6
Net income	<u>\$ 17.3</u>	<u>\$ 21.5</u>
Net income per common share:		
Basic	<u>\$ 0.19</u>	<u>\$ 0.24</u>
Diluted	<u>\$ 0.19</u>	<u>\$ 0.23</u>
Weighted average number of common and common equivalent shares outstanding:		
Basic	<u>90.5</u>	<u>90.3</u>
Diluted	<u>90.7</u>	<u>99.7</u>

See accompanying notes to condensed consolidated financial statements.

AGCO CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited and in millions)

	Three Months Ended March 31,	
	2006	2005
Cash flows from operating activities:		
Net income	\$ 17.3	\$ 21.5
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation	23.2	22.5
Deferred debt issuance cost amortization	1.1	1.5
Amortization of intangibles	4.1	4.2
Stock compensation	1.3	—
Equity in net earnings of affiliates, net of cash received	(3.0)	(4.6)
Deferred income tax provision	2.2	0.2
Changes in operating assets and liabilities:		
Accounts and notes receivable, net	(29.5)	(81.2)
Inventories, net	(185.4)	(258.3)
Other current and noncurrent assets	6.4	(16.0)
Accounts payable	28.8	72.5
Accrued expenses	(42.0)	(51.7)
Other current and noncurrent liabilities	1.5	(16.3)
Total adjustments	(191.3)	(327.2)
Net cash used in operating activities	(174.0)	(305.7)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(23.4)	(14.2)
Proceeds from sales of property, plant and equipment	1.1	6.6
Investments in unconsolidated affiliates	—	(22.7)
Net cash used in investing activities	(22.3)	(30.3)
Cash flows from financing activities:		
Proceeds from debt obligations, net	21.0	41.9
Proceeds from issuance of common stock	0.4	0.4
Net cash provided by financing activities	21.4	42.3
Effect of exchange rate changes on cash and cash equivalents	6.6	(3.9)
Decrease in cash and cash equivalents	(168.3)	(297.6)
Cash and cash equivalents, beginning of period	220.6	325.6
Cash and cash equivalents, end of period	\$ 52.3	\$ 28.0

See accompanying notes to condensed consolidated financial statements.

AGCO CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited, in millions, except per share data)

1. BASIS OF PRESENTATION

The condensed consolidated financial statements of AGCO Corporation and subsidiaries (the “Company” or “AGCO”) included herein have been prepared in accordance with U.S. generally accepted accounting principles for interim financial information and the rules and regulations of the Securities and Exchange Commission (“SEC”). In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments, which are of a normal recurring nature, necessary to present fairly the Company’s financial position, results of operations and cash flows at the dates and for the periods presented. These condensed consolidated financial statements should be read in conjunction with the Company’s audited financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2005. Results for interim periods are not necessarily indicative of the results for the year.

Stock Compensation Plans

During the first quarter of 2006, the Company adopted Statement of Financial Accounting Standards (“SFAS”) No. 123R (Revised 2004), “Share-Based Payment” (“SFAS No. 123R”), which is a revision of SFAS No. 123, “Accounting for Stock-Based Compensation” (“SFAS No. 123”). Prior to the adoption of SFAS No. 123R, the Company accounted for all stock-based compensation awards under its Non-employee Director Incentive Plan (the “Director Plan”), Long-Term Incentive Plan (the “LTIP”) and Stock Option Plan (the “Option Plan”) as prescribed under Accounting Principles Board (“APB”) Opinion No. 25, “Accounting for Stock Issued to Employees” (“APB No. 25”), and also provided the disclosures required under SFAS No. 123 and SFAS No. 148, “Accounting for Stock-Based Compensation – Transition and Disclosure.” APB No. 25 required no recognition of compensation expense for options granted under the Option Plan as long as certain conditions were met. The Company has not recorded any compensation expense in previous years under APB No. 25 related to the Option Plan. APB No. 25 required recognition of compensation expense under the Director Plan and the LTIP at the time the award was earned.

There were no grants of options under the Option Plan or awards under the Director Plan and the LTIP during the three months ended March 31, 2005. For disclosure purposes only, under SFAS No. 123, the Company estimated the fair value of grants under the Company’s Option Plan using the Black-Scholes option pricing model and the Barrier option model for awards granted under the Director Plan and the LTIP.

The fair value of the grants and awards are amortized over the vesting period for stock options and awards earned under the Director Plan and LTIP and over the performance period for unearned awards under the Director Plan and LTIP. The following table illustrates the effect on net income and earnings per common share if the Company had applied the fair value recognition provisions of SFAS No. 123 and SFAS No. 148 for the three months ended March 31, 2005:

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(unaudited, in millions, except per share data)

Net income, as reported	\$ 21.5
Add: Stock-based employee compensation expense included in reported net income, net of related tax effects	—
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(2.1)
Pro forma net income	<u>\$ 19.4</u>
Earnings per share:	
Basic – as reported	<u>\$ 0.24</u>
Basic – pro forma	<u>\$ 0.22</u>
Diluted – as reported	<u>\$ 0.23</u>
Diluted – pro forma	<u>\$ 0.21</u>

Stock Option Plan

The Company's Option Plan provides for the granting of nonqualified and incentive stock options to officers, employees, directors and others. The stock option exercise price is determined by the Board of Directors except in the case of an incentive stock option for which the purchase price shall not be less than 100% of the fair market value at the date of grant. Each recipient of stock options is entitled to immediately exercise up to 20% of the options issued to such person, and the remaining 80% of such options vest ratably over a four-year period and expire no later than ten years from the date of grant.

Stock option transactions during the quarter ended March 31, 2006 were as follows. There were no grants under the Option Plan during the quarter ended March 31, 2006:

Options outstanding at January 1	1,249,058
Options granted	—
Options exercised	(25,900)
Options canceled	(2,360)
Options outstanding at March 31	<u>1,220,798</u>
Options available for grant at March 31	<u>1,919,837</u>
Option price ranges per share:	
Granted	\$ —
Exercised	11.00-15.12
Canceled	22.31-25.50
Weighted average option exercise prices per share:	
Granted	\$ —
Exercised	14.19
Canceled	24.15
Outstanding at March 31	18.09

At March 31, 2006, the outstanding options had a weighted average remaining contractual life of approximately four years and there were 1,208,298 options currently exercisable with option prices ranging from \$8.50 to \$31.25 with a weighted average exercise price of \$18.06 and an aggregate intrinsic value of \$5.1 million.

The following table sets forth the exercise price range, number of shares, weighted average exercise price, and remaining contractual lives by groups of similar price:

Notes to Condensed Consolidated Financial Statements — Continued
(unaudited, in millions, except per share data)

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Number of Shares	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Exercisable as of March 31, 2006	Weighted Average Exercise Price
\$ 8.50 – \$11.88	323,050	4.5	\$11.26	323,050	\$11.26
\$15.12 – \$22.31	711,900	4.5	\$18.61	701,400	\$18.59
\$23.00 – \$31.25	185,848	1.1	\$27.95	183,848	\$28.01
	<u>1,220,798</u>			<u>1,208,298</u>	

The total intrinsic value of options exercised during the first quarter of 2006 was \$0.1 million and the total fair value of shares vested during the same period was less than \$0.1 million. There were 12,500 stock options that were not vested as of March 31, 2006. Cash received from stock option exercises was \$0.4 million for the first quarter of 2006. The Company did not realize a tax benefit from the exercise of these options.

Recent Accounting Pronouncements

In April 2005, the SEC adopted a new rule that changed the adoption date of SFAS No. 123R. The Company adopted SFAS No. 123R effective January 1, 2006, and is using the modified prospective method of adoption. In December 2005, the Company’s Board of Directors elected to terminate the Company’s LTIP and Director Plan, and the outstanding awards under those plans were cancelled. The decision to terminate the plans and related cancellations was made primarily to avoid recognizing compensation cost in the Company’s future financial statements upon adoption of SFAS No. 123R for these awards and to establish a new long-term incentive program. The new accounting provisions of SFAS No. 123R do not allow for the reversal of previously recognized compensation expense if market-based performance awards, such as stock price targets, are not met. The new long-term incentive program will have performance-based targets. As of December 31, 2005, 75,000 awarded but unearned shares under the Director Plan were cancelled. The remaining 15,000 awarded but unearned shares under the Director Plan were cancelled during January 2006. As of December 31, 2005, 857,000 awarded but unearned shares were cancelled under the LTIP. The remaining 135,000 shares were cancelled in January 2006. Awards cancelled prior to December 31, 2005 did not result in any compensation expense under the provisions of APB No. 25. However, awards cancelled after January 1, 2006 are subject to the provisions of SFAS No. 123R, and, therefore, the Company recorded approximately \$1.3 million of stock compensation expense associated with those cancellations. The Company has granted awards under a new long-term incentive program during April 2006 that was approved by the Company’s stockholders at its annual stockholders’ meeting on April 27, 2006. The Company currently estimates that the application of the expensing provisions of SFAS No. 123R will result in a pre-tax expense during 2006 of approximately \$8.1 million, including the \$1.3 million recorded in the first quarter of 2006. Refer to Note 11 where the new long-term incentive program is more fully discussed.

In November 2004, the FASB issued SFAS No. 151, “Inventory Costs—An Amendment of ARB No. 43, Chapter 4” (“SFAS 151”). SFAS 151 amends the guidance in Accounting Research Bulletin No. 43, Chapter 4, “Inventory Pricing” (“ARB No. 43”), to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). Among other provisions, the new rule requires that items such as idle facility expense, excessive spoilage, double freight and rehandling costs be recognized as current-period charges regardless of whether they meet the criterion of “so abnormal” as stated in ARB No. 43. Additionally, SFAS 151 requires that the allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. SFAS 151 is effective for fiscal years beginning after June 15, 2005. The Company’s adoption of SFAS 151 in the first quarter of 2006 did not have a material impact on the Company’s consolidated results of operations or financial condition.

2. RESTRUCTURING AND OTHER INFREQUENT EXPENSES

During the second quarter of 2005, the Company announced that it was changing its distribution arrangements for its Valtra and Fendt products in Scandinavia by entering into a distribution agreement with a third-party distributor to distribute Valtra and Fendt equipment in Sweden and Valtra equipment in Norway and Denmark. As a result of this agreement and the decision to close other Valtra European sales offices, the Company initiated the restructuring and closure of its Valtra sales offices located in the United Kingdom, Spain, Denmark and Norway, resulting in the termination of approximately 24 employees. The Danish and Norwegian sales offices were transferred to the third-party Scandinavian equipment distributor in October 2005, which included the transfer of certain employees, assets and lease and supplier contracts. The Company recorded severance costs, asset write-downs and other facility closure costs of approximately \$0.4 million, \$0.1 million and \$0.1 million, respectively, related to these closures during 2005. During the fourth quarter of 2005, the Company completed the sale of property, plant and equipment associated with the sales offices in the United Kingdom and Norway, and recorded a gain of approximately \$0.2 million, which was reflected within "Restructuring and other infrequent expenses" within the Company's Consolidated Statements of Operations. During the first quarter of 2006, the Company recorded an additional \$0.1 million of severance costs related to these closures. Approximately \$0.3 million of severance and other facility closure costs had been paid as of March 31, 2006, and 21 of the 24 employees had been terminated. The remaining \$0.3 million of severance and other facility closure costs will be paid during 2006.

During the fourth quarter of 2004, the Company initiated the restructuring of certain administrative functions within its Finnish tractor manufacturing operations, resulting in the termination of approximately 58 employees. During 2004, the Company recorded severance costs of approximately \$1.4 million associated with this rationalization. The Company recorded an additional \$0.1 million associated with this rationalization during the first quarter of 2005, and, during the fourth quarter of 2005, reversed \$0.1 million of previously established provisions related to severance costs as severance claims were finalized during the quarter. As of March 31, 2006, all of the 58 employees had been terminated. The \$0.6 million of severance payments accrued at March 31, 2006 will be paid through 2009. In addition, during the first quarter of 2005, the Company incurred and expensed approximately \$0.3 million of contract termination costs associated with the rationalization of its Valtra European parts distribution operations.

In July 2004, the Company announced and initiated a plan related to the restructuring of its European combine manufacturing operations located in Randers, Denmark to include the elimination of the facility's component manufacturing operations, as well as the rationalization of the combine model range to be assembled in Randers. The restructuring plan will reduce the cost and complexity of the Randers manufacturing operations by simplifying the model range. The Company now outsources manufacturing of the majority of parts and components to suppliers and has retained critical key assembly operations at the Randers facility. Component manufacturing operations ceased in February 2005. The Company recorded \$11.5 million of restructuring and other infrequent expenses during 2004 associated with the rationalization and \$0.8 million of restructuring charges during 2005, \$0.6 million of which were recorded during the first quarter of 2005. As of December 31, 2005, all of the 298 employees associated with the rationalization had been terminated and all severance and other facility closure costs had been paid.

Notes to Condensed Consolidated Financial Statements — Continued
(unaudited, in millions, except per share data)

3. GOODWILL AND OTHER INTANGIBLE ASSETS

Changes in the carrying amount of acquired intangible assets during the three months ended March 31, 2006 are summarized as follows:

	Trademarks and Tradenames	Customer Relationships	Patents and Technology	Total
Gross carrying amounts:				
Balance as of December 31, 2005	\$ 32.7	\$ 81.5	\$ 45.1	\$ 159.3
Foreign currency translation	0.1	4.2	1.0	5.3
Balance as of March 31, 2006	<u>\$ 32.8</u>	<u>\$ 85.7</u>	<u>\$ 46.1</u>	<u>\$ 164.6</u>

	Trademarks and Tradenames	Customer Relationships	Patents and Technology	Total
Accumulated amortization:				
Balance as of December 31, 2005	\$ 4.8	\$ 17.7	\$ 13.5	\$ 36.0
Amortization expense	0.3	2.1	1.7	4.1
Foreign currency translation	—	0.9	0.3	1.2
Balance as of March 31, 2006	<u>\$ 5.1</u>	<u>\$ 20.7</u>	<u>\$ 15.5</u>	<u>\$ 41.3</u>

	Trademarks and Tradenames			
Unamortized intangible assets:				
Balance as of December 31, 2005	\$ 88.2			
Foreign currency translation	0.7			
Balance as of March 31, 2006	<u>\$ 88.9</u>			

Changes in the carrying amount of goodwill during the three months ended March 31, 2006 are summarized as follows:

	North America	South America	Europe/Africa/ Middle East	Consolidated
Balance as of December 31, 2005	\$ 174.0	\$ 137.0	\$ 385.7	\$ 696.7
Foreign currency translation	—	10.9	8.7	19.6
Balance as of March 31, 2006	<u>\$ 174.0</u>	<u>\$ 147.9</u>	<u>\$ 394.4</u>	<u>\$ 716.3</u>

SFAS No. 142, “Goodwill and Other Intangible Assets” (“SFAS No. 142”), establishes a method of testing goodwill and other indefinite-lived intangible assets for impairment on an annual basis or on an interim basis if an event occurs or circumstances change that would reduce the fair value of a reporting unit below its carrying value. The Company’s initial assessment and its annual assessments involve determining an estimate of the fair value of the Company’s reporting units in order to evaluate whether an impairment of the current carrying amount of goodwill and other indefinite-lived intangible assets exists. Fair values are derived based on an evaluation of past and expected future performance of the Company’s reporting units. A reporting unit is an operating segment or one level below an operating segment (e.g., a component). A component of an operating segment is a reporting unit if the component constitutes a business for which discrete financial information is available and the Company’s executive management team regularly reviews the operating results of that component. In addition, the Company combines and aggregates two or more components of an operating segment as a single reporting unit if the components have similar economic characteristics. The Company’s reportable segments reported under the guidance of SFAS No. 131, “Disclosures About Segments of an Enterprise and Related Information,” are not its reporting units, with the exception of its Asia/Pacific geographical segment.

Notes to Condensed Consolidated Financial Statements — Continued
(unaudited, in millions, except per share data)

The Company utilized a combination of valuation techniques, including a discounted cash flow approach, a market multiple approach and a comparable transaction approach, when making its initial and subsequent annual and interim assessments. As stated above, goodwill is tested for impairment on an annual basis and more often if indications of impairment exist. The results of the Company's most recent analyses, conducted as of October 1, 2005, indicated that no reduction in the carrying amount of goodwill was required in 2005.

The Company amortizes certain acquired intangible assets primarily on a straight-line basis over their estimated useful lives, which range from 3 to 30 years.

4. LONG-TERM DEBT

Long-term debt consisted of the following at March 31, 2006 and December 31, 2005:

	March 31, 2006	December 31, 2005
Credit facility	\$ 444.2	\$ 401.5
1¾% Convertible senior subordinated notes due 2033	201.3	201.3
6¾% Senior subordinated notes due 2014	242.4	237.0
Other long-term debt	8.2	8.3
	<u>896.1</u>	<u>848.1</u>
Less: Current portion of long-term debt	(6.3)	(6.3)
Total long-term debt, less current portion	<u>\$ 889.8</u>	<u>\$ 841.8</u>

5. INVENTORIES

Inventories are valued at the lower of cost or market using the first-in, first-out method. Market is net realizable value for finished goods and repair and replacement parts. For work in process, production parts and raw materials, market is replacement cost. Cash flows related to the sale of inventories are reported within "Cash flows from operating activities" within the Company's Condensed Consolidated Statements of Cash Flows.

Inventories at March 31, 2006 and December 31, 2005 were as follows:

	March 31, 2006	December 31, 2005
Finished goods	\$ 627.6	\$ 477.3
Repair and replacement parts	330.7	310.9
Work in process	72.7	63.3
Raw materials	232.6	211.0
Inventories, net	<u>\$ 1,263.6</u>	<u>\$ 1,062.5</u>

6. PRODUCT WARRANTY

The warranty reserve activity for the three months ended March 31, 2006 and 2005 consisted of the following:

	Three Months Ended March 31,	
	2006	2005
Balance at beginning of quarter	\$ 122.8	\$ 135.0
Accruals for warranties issued during the period	27.4	28.8
Settlements made (in cash or in kind) during the period	(26.7)	(27.9)
Foreign currency translation	1.2	(3.6)
Balance at March 31	<u>\$ 124.7</u>	<u>\$ 132.3</u>

Notes to Condensed Consolidated Financial Statements — Continued
(unaudited, in millions, except per share data)

The Company's agricultural equipment products are generally warranted against defects in material and workmanship for a period of one to four years. The Company accrues for future warranty costs at the time of sale based on historical warranty experience.

7. NET INCOME PER COMMON SHARE

The computation, presentation and disclosure requirements for earnings per share are presented in accordance with SFAS No. 128, "Earnings Per Share." Basic earnings per common share is computed by dividing net income by the weighted average number of common shares outstanding during each period. Diluted earnings per common share assumes exercise of outstanding stock options and vesting of restricted stock when the effects of such assumptions are dilutive.

During the fourth quarter of 2004, the Emerging Issues Task Force ("EITF") reached a consensus on EITF Issue No. 04-08, "Accounting Issues Related to Certain Features of Contingently Convertible Debt and the Effect on Diluted Earnings per Share," which requires that contingently convertible debt should be included in the calculation of diluted earnings per share using the if-converted method regardless of whether a market price trigger has been met. The Company adopted the statement during the fourth quarter of 2004 and included approximately 9.0 million additional shares of common stock that may have been issued upon conversion of the Company's former 1^{3/4}% convertible senior subordinated notes in its diluted earnings per share calculation through the six months ended June 30, 2005. In addition, diluted earnings per share is required to be restated for each period that the former convertible notes were outstanding. The convertible notes were issued on December 23, 2003. As the Company is not benefiting losses in the United States for tax purposes, the interest expense associated with the convertible notes included in the diluted earnings per share calculation does not reflect a tax benefit. On June 29, 2005, the Company completed an exchange of its \$201.3 million aggregate principal amount of 1^{3/4}% convertible senior subordinated notes. The Company exchanged its existing convertible notes for new notes that provide for (i) the settlement upon conversion in cash up to the principal amount of the converted new notes with any excess conversion value settled in shares of the Company's common stock, and (ii) the conversion rate to be increased under certain circumstances if the new notes are converted in connection with certain change of control transactions occurring prior to December 10, 2010, but otherwise are substantially the same as the old notes. The impact of the exchange resulted in a reduction in the diluted weighted average shares outstanding of approximately 9.0 million shares on a prospective basis. In the future, dilution of weighted shares outstanding will depend on the Company's stock price once the market price trigger or other specified conversion circumstances are met. A reconciliation of net income and weighted average common shares outstanding for purposes of calculating basic and diluted earnings per share for the three months ended March 31, 2006 and 2005 is as follows:

Notes to Condensed Consolidated Financial Statements — Continued
(unaudited, in millions, except per share data)

	Three Months Ended March 31, 2006	Three Months Ended March 31, 2005
Basic net income per share:		
Net income	\$ 17.3	\$ 21.5
Weighted average number of common shares outstanding	90.5	90.3
Basic net income per share	<u>\$ 0.19</u>	<u>\$ 0.24</u>
Diluted net income per share:		
Net income	\$ 17.3	\$ 21.5
After-tax interest expense on contingently convertible senior subordinated notes	—	1.2
Net income for purposes of computing diluted net income per share	<u>\$ 17.3</u>	<u>\$ 22.7</u>
Weighted average number of common shares outstanding	90.5	90.3
Dilutive stock options and restricted stock awards	0.2	0.4
Weighted average assumed conversion of contingently convertible senior subordinated notes	—	9.0
Weighted average number of common and common share equivalents outstanding for purposes of computing diluted earnings per share	<u>90.7</u>	<u>99.7</u>
Diluted net income per share	<u>\$ 0.19</u>	<u>\$ 0.23</u>

There were options to purchase 0.5 million and 0.6 million shares for the three months ended March 31, 2006 and 2005, respectively, that were excluded from the calculation of diluted earnings per share because the option exercise prices were higher than the average market price of the Company's common stock during the related period.

8. COMPREHENSIVE INCOME

Total comprehensive income for the three months ended March 31, 2006 and 2005 was as follows:

	Three Months Ended March 31,	
	2006	2005
Net income	\$ 17.3	\$ 21.5
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	48.9	(23.0)
Unrealized gain on derivatives held by affiliates	1.8	2.2
Total comprehensive income	<u>\$ 68.0</u>	<u>\$ 0.7</u>

9. ACCOUNTS RECEIVABLE SECURITIZATION

At March 31, 2006, the Company had accounts receivable securitization facilities in the United States, Canada and Europe totaling approximately \$483.3 million. Under the securitization facilities, wholesale accounts receivable are sold on a revolving basis to commercial paper conduits either on a direct basis or through a wholly-owned special purpose U.S. subsidiary. The Company has reviewed its accounting for its securitization facilities and its wholly-owned special purpose U.S. subsidiary in accordance with SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities – a Replacement of FASB Statement No. 125" ("SFAS No. 140"), and FIN No. 46R, "Consolidation of Variable Interest Entities – An Interpretation of ARB No. 51" ("FIN 46R"). Due to the fact that the receivables sold to

Notes to Condensed Consolidated Financial Statements — Continued
(unaudited, in millions, except per share data)

the commercial paper conduits are an insignificant portion of the conduits' total asset portfolios and such receivables are not siloed, consolidation is not appropriate under FIN 46R, as the Company does not absorb a majority of losses under such transactions. In addition, these facilities are accounted for as off-balance sheet transactions in accordance with SFAS No. 140.

Outstanding funding under these facilities totaled approximately \$455.6 million at March 31, 2006 and \$462.7 million at December 31, 2005. The funded balance has the effect of reducing accounts receivable and short-term liabilities by the same amount. Losses on sales of receivables primarily from securitization facilities included in other expense, net were \$6.5 million and \$5.0 million for the three months ended March 31, 2006 and 2005, respectively. The losses are determined by calculating the estimated present value of receivables sold compared to their carrying amount. The present value is based on historical collection experience and a discount rate representing the spread over LIBOR as prescribed under the terms of the agreements.

During the second quarter of 2005, the Company completed an agreement to permit transferring, on an ongoing basis, the majority of its wholesale interest-bearing receivables in North America to AGCO Finance LLC and AGCO Finance Canada, Ltd., its U.S. and Canadian retail finance joint ventures. The Company has a 49% ownership interest in these joint ventures. The transfer of the receivables is without recourse to the Company and the Company will continue to service the receivables. As of March 31, 2006, the balance of interest-bearing receivables transferred to AGCO Finance LLC and AGCO Finance Canada, Ltd. under this agreement was approximately \$131.8 million.

10. EMPLOYEE BENEFIT PLANS

The Company has defined benefit pension plans covering certain employees principally in the United States, the United Kingdom, Germany, Finland, Norway, France, Australia and Argentina. The Company also provides certain postretirement health care and life insurance benefits for certain employees principally in the United States, as well as a supplemental executive retirement plan which is an unfunded plan that provides Company executives with retirement income for a period of ten years after retirement.

Net pension and postretirement cost for the plans for the three months ended March 31, 2006 and 2005 are set forth below:

	Three Months Ended March 31,	
	2006	2005
<u>Pension benefits</u>		
Service cost	\$ 1.4	\$ 1.5
Interest cost	9.6	10.3
Expected return on plan assets	(9.1)	(8.7)
Amortization of net actuarial loss and prior service cost	4.7	4.6
Net pension cost	<u>\$ 6.6</u>	<u>\$ 7.7</u>
<u>Postretirement benefits</u>		
Service cost	\$ 0.1	\$ 0.2
Interest cost	0.5	0.6
Amortization of prior service cost	(0.1)	0.1
Amortization of unrecognized net loss	0.2	0.4
Net postretirement cost	<u>\$ 0.7</u>	<u>\$ 1.3</u>

During the quarter ended March 31, 2006, approximately \$5.3 million of contributions had been made to the Company's defined benefit pension plans. The Company currently estimates its minimum contributions for 2006 to its defined benefit pension plans will aggregate approximately \$23.0 million. During the quarter ended March 31, 2006, the Company made approximately \$0.8 million of contributions to its U.S.-based postretirement health care and life insurance benefit plans.

11. STOCK COMPENSATIONS PLANS

Non-employee Director Stock Incentive Plan and Long-Term Incentive Plan

In December 2005, the Company's Board of Directors elected to terminate the Company's LTIP and Director Plan, and the outstanding awards under those plans were cancelled. The decision to terminate the plans and related cancellations was made primarily to avoid recognizing compensation cost in the Company's future financial statements upon adoption of SFAS No. 123R for these awards and to establish a new long-term incentive program. The new accounting provisions of SFAS No. 123R do not allow for the reversal of previously recognized compensation expense if market-based performance awards, such as stock price targets, are not met. The new long-term incentive program will have performance-based targets. As of December 31, 2005, 75,000 awarded but unearned shares under the Director Plan were cancelled. The remaining 15,000 awarded but unearned shares under the Director Plan were cancelled during January 2006. As of December 31, 2005, 857,000 awarded but unearned shares were cancelled under the LTIP. The remaining 135,000 shares were cancelled in January 2006. Awards cancelled prior to December 31, 2005 did not result in any compensation expense under the provisions of APB No. 25. However, awards cancelled after January 1, 2006 are subject to the provisions of SFAS No. 123R, and therefore, the Company recorded approximately \$1.3 million of stock compensation expense associated with those cancellations.

New Stock Incentive Plans

At the Company's April 2006 annual stockholders' meeting, the Company obtained stockholder approval for the authorization to reserve 5,000,000 shares under a new 2006 Long-Term Incentive Plan ("the 2006 Plan"). The 2006 plan will allow the Company, under the direction of the Board of Director's Compensation Committee, to make grants of performance shares, stock appreciation rights, stock options and stock awards to employees, officers and non-employee directors of the Company. The Company's Board of Directors has approved the grants of awards effective under the following employee and director stock incentive plans described below during 2006.

Employee Plans

The Company's Board of Directors has approved two new stock incentive plans to Company executives and key managers. The primary long-term incentive plan is a performance share plan that provides for awards of shares of common stock based on achieving financial targets as determined by the Board of Directors. The stock awards are earned over a performance period, and the number of shares earned is determined based on the cumulative or average results for the period, depending on the measurement. Performance periods are consecutive and overlapping three-year cycles and performance targets are set at the beginning of each cycle. In order to transition to the new performance share plan, the Company has established award targets in 2006 for both a one-year and two-year performance period in addition to the normal three-year targets. The Company's Board of Directors has established initial grants for certain executives and key managers under the plan to be earned over the one, two, and three-year performance periods based on achieving targets for earnings per share and return on invested capital. These grants will entitle participants to receive various levels of shares of the Company's common stock based on the Company's relative achievement compared to established minimum, target and maximum levels of performance. If the Company were to achieve its target level of performance, the initial grant would award 715,200 shares under the performance share plan. The plan provides for participants to earn from 33% to 200% of the target awards depending on the actual performance achieved with no shares earned if performance is below the established minimum target. Awards earned under the performance share plan will be paid in shares of common stock at the end of each performance period. The plan allows for the participant to have the option of forfeiting a portion of the shares earned in lieu of a cash payment contributed to the participant's tax withholding to satisfy the participant's statutory minimum federal, state, and employment taxes which would be payable at the time the award is earned.

In addition to the performance share plan, certain executives and key managers will be eligible to receive grants of stock settled stock appreciation rights ("SSARs") or incentive stock options depending on the

Notes to Condensed Consolidated Financial Statements — Continued
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participant's country of employment. The SSARs provide a participant with the right to receive the aggregate appreciation in stock price over the market price of the Company's common stock at the date of grant, payable in shares of the Company's common stock. The participant may exercise his or her SSAR at any time after the grant is vested but no later than seven years after the date of grant. The SSARs vest ratably over a four-year period from the date of grant. The Company's Board of Directors has established initial grants of 217,500 SSARs for certain executives and key managers with the base price equal to the price of the Company's common stock at the date of the Company's annual stockholders' meeting on April 27, 2006. The plan allows for the participant to have the option of forfeiting a portion of the shares earned in lieu of a cash payment contributed to the participant's tax withholding to satisfy the participant's statutory minimum federal, state, and employment taxes which would be payable at the time the SSARs are exercised.

Director Restricted Stock Grants

The Company's Board of Directors has approved a plan to provide annual restricted stock grants to all non-employee directors. The plan allows for an annual award of stock to each director payable in shares of the Company's common stock. The shares are restricted as to transferability for a period of three years. During the non-transferability period, directors will be restricted from selling, assigning, transferring, pledging or otherwise disposing of any shares, but the shares are not subject to forfeiture. In the event a director departs from the Board of Directors, the non-transferability period would expire immediately. The plan allows for the director to have the option of forfeiting a portion of the shares awarded in lieu of a cash payment contributed to the participant's tax withholding to satisfy the participant's statutory minimum federal, state, and employment taxes which would be payable at the time of grant. Effective January 1, 2006, the Board of Directors awarded restricted stock grants valued at \$25,000 to each non-employee director, which represents a total grant of 9,667 shares of common stock, which is net of shares withheld for withholding taxes.

12. SEGMENT REPORTING

The Company has four reportable segments: North America; South America; Europe/Africa/Middle East; and Asia/Pacific. Each regional segment distributes a full range of agricultural equipment and related replacement parts. The Company evaluates segment performance primarily based on income from operations. Sales for each regional segment are based on the location of the third-party customer. The Company's selling, general and administrative expenses and engineering expenses are charged to each segment based on the region and division where the expenses are incurred. As a result, the components of operating income for one segment may not be comparable to another segment. Segment results for the three months ended March 31, 2006 and 2005 and assets as of March 31, 2006 and December 31, 2005 are as follows:

Three Months Ended March 31,	North America	South America	Europe/Africa /Middle East	Asia/ Pacific	Consolidated
2006					
Net sales	\$320.8	\$141.2	\$ 675.2	\$32.6	\$1,169.8
Income (loss) from operations	(5.4)	11.2	51.3	3.7	60.8
Depreciation	6.4	4.0	12.3	0.5	23.2
Capital expenditures	3.5	1.5	18.3	0.1	23.4
2005					
Net sales	\$392.8	\$152.3	\$ 666.3	\$45.5	\$1,256.9
Income from operations	2.6	12.5	45.4	7.5	68.0
Depreciation	6.3	3.2	11.9	1.1	22.5
Capital expenditures	3.9	0.8	9.5	—	14.2
Assets					
As of March 31, 2006	\$810.0	\$426.9	\$1,225.3	\$75.6	\$2,537.8
As of December 31, 2005	760.3	346.1	1,091.4	79.8	2,277.6

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A reconciliation from the segment information to the consolidated balances for income from operations and total assets is set forth below:

	Three Months Ended March 31,	
	2006	2005
Segment income from operations	\$ 60.8	\$ 68.0
Corporate expenses	(11.4)	(9.7)
Stock compensation expense	(1.3)	(0.1)
Restructuring and other infrequent expenses	(0.1)	(1.0)
Amortization of intangibles	(4.1)	(4.2)
Consolidated income from operations	<u>\$ 43.9</u>	<u>\$ 53.0</u>
	As of March 31, 2006	As of December 31, 2005
Segment assets	\$ 2,537.8	\$ 2,277.6
Cash and cash equivalents	52.3	220.6
Receivables from affiliates	1.6	2.0
Investments in affiliates	174.7	164.7
Deferred tax assets	116.6	123.8
Other current and noncurrent assets	166.6	164.3
Intangible assets, net	212.2	211.5
Goodwill	716.3	696.7
Consolidated total assets	<u>\$ 3,978.1</u>	<u>\$ 3,861.2</u>

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

Our operations are subject to the cyclical nature of the agricultural industry. Sales of our equipment have been and are expected to continue to be affected by changes in net cash farm income, farm land values, weather conditions, demand for agricultural commodities, commodity prices and general economic conditions. We record sales when we sell equipment and replacement parts to our independent dealers, distributors or other customers. To the extent possible, we attempt to sell products to our dealers and distributors on a level basis throughout the year to reduce the effect of seasonal demands on manufacturing operations and to minimize our investment in inventory. Retail sales by dealers to farmers are highly seasonal and are a function of the timing of the planting and harvesting seasons. As a result, our net sales have historically been the lowest in the first quarter and have increased in subsequent quarters.

RESULTS OF OPERATIONS

For the three months ended March 31, 2006, we generated net income of \$17.3 million, or \$0.19 per share, compared to net income of \$21.5 million, or \$0.23 per share, for the same period in 2005.

Net sales during the first quarter of 2006 were 6.9% lower than the first quarter of 2005 primarily due to sales declines in the North America, South America and Asia/Pacific regions, partially offset by sales increases in the Europe/Africa/Middle East region, particularly in Europe. First quarter operating income was \$43.9 million in 2006 compared to \$53.0 million in the first quarter of 2005. The decrease in operating income was primarily due to the decrease in net sales.

Operating income increased in our Europe/Africa/Middle East region in the first quarter of 2006 primarily due to the increase in net sales as a result of strong market conditions in key regions of Europe. The improved operating results were also due to stronger operating margins resulting from productivity gains and a favorable sales mix. In the South America region, operating income decreased in the first quarter of 2006 due to sales declines resulting from the continued deterioration in market conditions. Operating income in North America was lower in the first quarter of 2006 primarily due to a reduction in net sales resulting from our actions to reduce seasonal increases in working capital by leveling production and dealer deliveries in the first half of 2006. Operating income in our Asia/Pacific region was lower in the first quarter of 2006 compared to the same period in 2005 due to lower sales in Asia and negative currency impacts.

Retail Sales

In North America, industry unit retail sales of tractors for the first quarter of 2006 increased approximately 5% over the first quarter of the prior year resulting from increases in all tractor segments, with the largest growth in the utility tractor segment. First quarter industry unit retail sales of combines were approximately 13% higher than the prior year period. Strong farm income in 2005 and stable commodity prices contributed to the increase in industry demand during the first quarter of 2006. Our unit retail sales of tractors and combines were lower in the first quarter of 2006 compared to the same period in 2005.

In Europe, industry unit retail sales of tractors for the first quarter of 2006 were relatively flat compared to the prior year period. Retail demand improved in Germany, the United Kingdom and Scandinavia, but declined in Spain, France and Finland. Industry demand in the first quarter of 2006 in France and Spain was still impacted by the continuing effect of the drought in Southern Europe in the second half of 2005. Our unit retail sales for the first quarter of 2006 were slightly higher when compared to the prior year period.

Management's Discussion and Analysis of Financial Condition and Results of Operations
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South American industry unit retail sales of tractors in the first quarter of 2006 decreased approximately 12% over the prior year period. Retail sales of tractors in the major market of Brazil declined approximately 1% during the first quarter of 2006. Industry unit retail sales of combines for the first quarter of 2006 were approximately 36% lower than the prior year period, with a decline in Brazil of approximately 40% compared to the prior year period. Market demand in South America has continued to decline in 2006, particularly for combines, due to reduced farm profits in 2005, especially in Brazil where strengthening of the Brazilian Real put pressure on commodity exports. Our South American unit retail sales of tractors and combines also decreased in the first quarter of 2006 compared to the same period in 2005.

Outside of North America, Europe and South America, net sales for the first quarter of 2006 were lower than the prior year period due to lower sales in Asia and the Middle East.

STATEMENTS OF OPERATIONS

Net sales for the first quarter of 2006 were \$1,169.8 million compared to \$1,256.9 million for the same period in 2005. The decrease in net sales was primarily due to sales declines in the North America, South America and Asia/Pacific regions, partially offset by sales increases in the Europe/Africa/Middle East region, particularly in Europe. Foreign currency translation negatively impacted net sales by \$39.8 million, or 3.1%, in the first quarter of 2006. The following table sets forth, for the three months ended March 31, 2006 and 2005, the impact to net sales of currency translation by geographical segment (in millions, except percentages):

	Three Months Ended March 31,		Change		Change Due to Currency Translation	
	2006	2005	\$	%	\$	%
North America	\$ 320.8	\$ 392.8	\$ (72.0)	(18.3)%	\$ 2.5	0.6%
South America	141.2	152.3	(11.1)	(7.3)%	19.5	12.8%
Europe/Africa/Middle East	675.2	666.3	8.9	1.3%	(60.1)	(9.0)%
Asia/Pacific	32.6	45.5	(12.9)	(28.3)%	(1.7)	(3.7)%
	<u>\$ 1,169.8</u>	<u>\$ 1,256.9</u>	<u>\$ (87.1)</u>	<u>(6.9)%</u>	<u>\$ (39.8)</u>	<u>(3.1)%</u>

Regionally, net sales in North America decreased during the first quarter of 2006 primarily due to lower seasonal increases in dealer inventories in 2006 compared to 2005. In the Europe/Africa/Middle East region, net sales increased in the first quarter of 2006 primarily due to sales growth in Germany and Eastern Europe. Net sales in South America decreased during the first quarter of 2006 primarily as a result of weak market conditions in the region. In the Asia/Pacific region, net sales decreased in the first quarter of 2006 compared to the same period in 2005 due to decreases in industry demand in the region. We estimate that consolidated price increases during the first quarter of 2006 contributed approximately 2% to the increase in net sales. Consolidated net sales of tractors and combines, which comprised approximately 66% of our net sales in the first quarter of 2006, decreased approximately 9% in the first quarter of 2006 compared to the same period in 2005. Unit sales of tractors and combines decreased approximately 6% during the first quarter of 2006 compared to 2005. The difference between the unit sales decrease and the decrease in net sales was the result of foreign currency translation, pricing and sales mix changes.

The following table sets forth, for the periods indicated, the percentage relationship to net sales of certain items in our consolidated statements of operations (in millions, except percentages):

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	Three Months Ended March 31,			
	2006		2005	
	\$	% of Net Sales ⁽¹⁾	\$	% of Net Sales
Gross profit	\$ 206.3	17.6%	\$ 219.5	17.5%
Selling, general and administrative expenses (includes \$1.3 million and \$0.1 million of stock compensation expense for the three months ended March 31, 2006 and 2005, respectively)	126.6	10.8%	130.6	10.4%
Engineering expenses	31.6	2.7%	30.7	2.5%
Restructuring and other infrequent expenses	0.1	—	1.0	0.1%
Amortization of intangibles	4.1	0.4%	4.2	0.3%
Income from operations	\$ 43.9	3.8%	\$ 53.0	4.2%

(1) Rounding may impact summation of percentages.

Gross profit as a percentage of net sales increased slightly during the first quarter of 2006 versus the prior year period, despite lower production levels, primarily due to productivity gains and a favorable sales mix.

Selling, general and administrative ("SG&A") expenses as a percentage of net sales increased slightly during the first quarter of 2006 compared to the prior year period. Engineering expenses also increased during the first quarter of 2006 compared to the same period in 2005, as a result of our increase in spending to fund product improvements and cost reduction projects. We recorded approximately \$1.3 million of stock compensation expense during the first quarter of 2006 associated with the adoption of SFAS No. 123R, as is more fully explained in "Accounting Changes."

We recorded restructuring and other infrequent expenses of \$0.1 million during the first quarter of 2006, primarily related to severance costs associated with the rationalization of certain Valtra European sales offices located in Denmark, Norway and the United Kingdom. During the first quarter of 2005, we recorded restructuring and other infrequent expenses of \$1.0 million, primarily related to the rationalization of our Randers, Denmark combine manufacturing operations. We also incurred restructuring costs associated with contract termination costs related to the rationalization of our Valtra European parts distribution operations. See "Restructuring and Other Infrequent Expenses."

Interest expense, net was \$13.6 million for the first quarter of 2006 compared to \$17.0 million for the comparable period in 2005. The decrease in interest expense during the first quarter of 2006 is primarily due to the redemption of our \$250 million 9½% senior notes during the second quarter of 2005.

Other expense, net was \$6.5 million during the first quarter of 2006 compared to \$6.8 million for the same period in 2005. Losses on sales of receivables, primarily under our securitization facilities, were \$6.5 million in the first quarter of 2006 compared to \$5.0 million for the same period in 2005.

We recorded an income tax provision of \$12.6 million for the first quarter of 2006 compared to \$12.3 million for the comparable period in 2005. The effective tax rate was 52.9% for the first quarter of 2006 compared to 42.1% in the comparable prior year period. Our effective tax rate was negatively impacted in both periods by losses in the United States where we recorded no tax benefit.

RESTRUCTURING AND OTHER INFREQUENT EXPENSES

During the second quarter of 2005, we announced that we were changing our distribution arrangements for our Valtra and Fendt products in Scandinavia by entering into a distribution agreement with a third-party distributor to distribute Valtra and Fendt equipment in Sweden and Valtra equipment in Norway and Denmark. As a result of this agreement and the decision to close other Valtra European sales offices, we initiated the

Management's Discussion and Analysis of Financial Condition and Results of Operations
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restructuring and closure of our Valtra sales offices located in the United Kingdom, Spain, Denmark and Norway, resulting in the termination of approximately 24 employees. The Danish and Norwegian sales offices were transferred to the third-party Scandinavian equipment distributor in October 2005, which included the transfer of certain employees, assets and lease and supplier contracts. We recorded severance costs, asset write-downs and other facility closure costs of approximately \$0.4 million, \$0.1 million and \$0.1 million, respectively, related to these closures during 2005. During the fourth quarter of 2005, we completed the sale of property, plant and equipment associated with the sales offices in the United Kingdom and Norway, and recorded a gain of approximately \$0.2 million, which was reflected within "Restructuring and other infrequent expenses" within our Consolidated Statements of Operations. During the first quarter of 2006, we recorded an additional \$0.1 million of severance costs related to these closures. Approximately \$0.3 million of severance and other facility closure costs had been paid as of March 31, 2006, and 21 of the 24 employees had been terminated. The remaining \$0.3 million of severance costs will be paid during 2006. These closures were completed to improve our ongoing cost structure and to reduce SG&A expenses.

During the fourth quarter of 2004, we initiated the restructuring of certain administrative functions within our Finnish tractor manufacturing operations, resulting in the termination of approximately 58 employees. During 2004, we recorded severance costs of approximately \$1.4 million associated with this rationalization. We recorded \$0.1 million associated with this rationalization during the first quarter of 2005, and, during the fourth quarter of 2005, reversed \$0.1 million of previously established provisions related to severance costs as severance claims were finalized during the quarter. As of March 31, 2006, all of the 58 employees had been terminated. The \$0.6 million of severance payments accrued at March 31, 2006 will be paid through 2009. In addition, during the first quarter of 2005, we incurred and expensed approximately \$0.3 million of contract termination costs associated with the rationalization of our Valtra European parts distribution operations. These rationalizations were completed to improve our ongoing cost structure and to reduce cost of goods sold as well as SG&A expenses.

In July 2004, we announced and initiated a plan related to the restructuring of our European combine manufacturing operations located in Randers, Denmark to include the elimination of the facility's component manufacturing operations, as well as the rationalization of the combine model range to be assembled in Randers. Component manufacturing operations ceased in February 2005. The restructuring plan will reduce the cost and complexity of the Randers manufacturing operations by simplifying the model range. We now outsource manufacturing of the majority of parts and components to suppliers and have retained critical key assembly operations at the Randers facility. By retaining only the facility assembly operations, we reduced the Randers workforce by 298 employees and permanently eliminated 70% of the square footage utilized. Our plans also include a rationalization of the combine model range to be assembled in Randers, retaining the production of the high specification, high value combines. As a result of the restructuring plan, we estimate that it will generate annual savings of approximately \$7 million to \$8 million during 2006. We recorded \$11.5 million of restructuring and other infrequent expenses during 2004 associated with the rationalization and \$0.8 million of restructuring charges during 2005, \$0.6 million of which were recorded during the first quarter of 2005. As of December 31, 2005, all of the 298 employees associated with the rationalization had been terminated and all severance and other facility closure costs had been paid.

LIQUIDITY AND CAPITAL RESOURCES

Our financing requirements are subject to variations due to seasonal changes in inventory and receivable levels. Internally generated funds are supplemented when necessary from external sources, primarily our revolving credit facility and accounts receivable securitization facilities.

Our current financing and funding sources, with balances outstanding as of March 31, 2006, are our \$201.3 million principal amount 1³/₄% convertible senior subordinated notes due 2033, €200.0 million (or approximately \$242.4 million) principal amount 6⁷/₈% senior subordinated notes due 2014, approximately \$483.3 million of accounts receivable securitization facilities (with \$455.6 million in outstanding funding as of March 31, 2006), a \$300.0 million multi-currency revolving credit facility (with \$40.9 million outstanding as of

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March 31, 2006), a \$271.7 million term loan facility and a €108.6 million (or approximately \$131.6 million) term loan facility.

On December 23, 2003, we sold \$201.3 million of 1³/₄% convertible senior subordinated notes due 2033 under a private placement offering. The notes were unsecured obligations and were convertible into shares of our common stock upon satisfaction of certain conditions, as discussed below. Interest is payable on the notes at 1³/₄% per annum, payable semi-annually in arrears in cash on June 30 and December 31 of each year. The notes were convertible into shares of our common stock at an effective price of \$22.36 per share, subject to adjustment. On June 29, 2005, we exchanged the notes for new notes which provide for (i) the settlement upon conversion in cash up to the principal amount of the converted new notes with any excess conversion value settled in shares of our common stock, and (ii) the conversion rate to be increased under certain circumstances if the new notes are converted in connection with certain change of control transactions occurring prior to December 10, 2010, but otherwise are substantially the same as the old notes. Holders may convert the notes only under the following circumstances: (1) during any fiscal quarter, if the closing sales price of our common stock exceeds 120% of the conversion price for at least 20 trading days in the 30 consecutive trading days ending on the last trading day of the preceding fiscal quarter; (2) during the five business day period after a five consecutive trading day period in which the trading price per note for each day of that period was less than 98% of the product of the closing sale price of our common stock and the conversion rate; (3) if the notes have been called for redemption; or (4) upon the occurrence of certain corporate transactions. Beginning January 1, 2011, we may redeem any of the notes at a redemption price of 100% of their principal amount, plus accrued interest. Holders of the notes may require us to repurchase the notes at a repurchase price of 100% of their principal amount, plus accrued interest, on December 31, 2010, 2013, 2018, 2023 and 2028.

The impact of the exchange completed in June 2005, as discussed above, will be to reduce the diluted weighted average shares outstanding in future periods. The initial reduction in the diluted shares was approximately 9.0 million shares but will vary in the future based on our stock price, once the market price trigger or other specified conversion circumstances have been met. Although we do not currently have in place a financial facility with which to pay the cash amount due upon maturity or conversion of the new notes, our financial position currently is sufficiently strong enough that we would expect to have ready access to a bank loan facility or the broader debt and equity markets to the extent needed. Typically, convertible securities are not converted prior to expiration unless called for redemption, which we would not do if sufficient funds were not available to us. As a result, we do not expect the new notes to be converted in the foreseeable future.

On January 5, 2004, we entered into a new credit facility that provides for a \$300.0 million multi-currency revolving credit facility, a \$300.0 million United States dollar denominated term loan and a €120.0 million Euro denominated term loan. The maturity date of the revolving credit facility was automatically extended from March 2008 to December 2008 due to the redemption of our 9¹/₂% senior notes on June 23, 2005. We were required to prepay approximately \$22.3 million of the United States dollar denominated term loan and €9.0 million of the Euro denominated term loan as a result of excess proceeds received from our common stock public offering in April 2004. We are required to make quarterly payments towards the United States dollar denominated term loan and Euro denominated term loan of \$0.75 million and €0.3 million, respectively (or an amortization of one percent per annum until the maturity date of each term loan). The maturity date for the term loans was automatically extended from March 2008 to June 2009 due to the redemption of our 9¹/₂% senior notes on June 23, 2005. The revolving credit and term loan facilities are secured by a majority of our U.S., Canadian, Finnish and U.K.-based assets and a pledge of a portion of the stock of our domestic and material foreign subsidiaries. Interest accrues on amounts outstanding under the revolving credit facility, at our option, at either (1) LIBOR plus a margin ranging between 1.25% and 2.0% based upon our senior debt ratio or (2) the higher of the administrative agent's base lending rate or one-half of one percent over the federal funds rate plus a margin ranging between 0.0% and 0.75% based on our senior debt ratio. Interest accrues on amounts outstanding under the term loans at LIBOR plus 1.75%. The credit facility contains covenants restricting, among other things, the incurrence of indebtedness and the making of certain payments, including dividends. On March 22, 2006, we amended the revolving credit facility agreement to permit the purchase, redemption, retirement or acquisition of shares of our common stock for cash not to exceed the aggregate of \$100.0 million

Management's Discussion and Analysis of Financial Condition and Results of Operations
(Continued)

plus 50% of excess cash flow, as defined, during the year ended December 31, 2006 and each fiscal year thereafter on a cumulative basis. We also must fulfill financial covenants including, among others, a total debt to EBITDA ratio, a senior debt to EBITDA ratio and a fixed charge coverage ratio, as defined in the facility. As of March 31, 2006, we had total borrowings of \$444.2 million under the credit facility, which included \$271.7 million under the United States dollar denominated term loan facility and €108.6 million (approximately \$131.6 million) under the Euro denominated term loan facility. As of March 31, 2006, we had availability to borrow \$252.0 million under the revolving credit facility. As of March 31, 2005, we had total borrowings of \$417.2 million under the credit facility, which included \$274.7 million under the United States dollar denominated term loan facility and €109.8 million (approximately \$142.5 million) under the Euro denominated term loan facility. As of March 31, 2005, we had availability to borrow \$291.6 million under the revolving credit facility. On March 22, 2005, we amended the term loan agreements to, among other reasons, lower the borrowing rate by 25 basis points from LIBOR plus 2.00% to LIBOR plus 1.75%. On March 22, 2006, we amended the revolving credit facility agreement to lower the borrowing rate by 25 basis points to either (1) LIBOR plus a margin ranging between 1.25% and 2.0% based on our senior debt ratio, or (2) the higher of the administrative agent's base lending rate or one-half of one percent over the federal funds rate plus a margin ranging between 0.0% and 0.75% based on our senior debt ratio.

On April 7, 2004, we sold 14,720,000 shares of our common stock in an underwritten public offering and received net proceeds of approximately \$300.1 million. We used the net proceeds to repay a \$100.0 million interim bridge loan facility that we used in part to acquire Valtra, to repay borrowings under our credit facility and to pay offering related fees and expenses.

On April 23, 2004, we sold €200.0 million of 6⁷/₈% senior subordinated notes due 2014 and received proceeds of approximately \$234.0 million, after offering related fees and expenses. The 6⁷/₈% senior subordinated notes are unsecured obligations and are subordinated in right of payment to any existing or future senior indebtedness. Interest is payable on the notes semi-annually on April 15 and October 15 of each year. Beginning April 15, 2009, we may redeem the notes, in whole or in part, initially at 103.438% of their principal amount, plus accrued interest, declining to 100% of their principal amount, plus accrued interest, at any time on or after April 15, 2012. In addition, before April 15, 2009, we may redeem the notes, in whole or in part, at a redemption price equal to 100% of the principal amount, plus accrued interest and a make-whole premium. Before April 15, 2007, we also may redeem up to 35% of the notes at 106.875% of their principal amount using the proceeds from sales of certain kinds of capital stock. The notes include covenants restricting the incurrence of indebtedness and the making of certain restricted payments, including dividends.

We redeemed our \$250 million 9¹/₂% senior notes on June 23, 2005 at a price of approximately \$261.9 million, which represented a premium of 4.75% over the senior notes face amount. The premium of approximately \$11.9 million was reflected in interest expense, net during the second quarter of 2005. In connection with the redemption, we also wrote off the remaining balance of deferred debt issuance costs of approximately \$2.2 million. The funding sources for the redemption was a combination of cash generated from the transfer of wholesale interest-bearing receivables to our United States and Canadian retail finance joint ventures, AGCO Finance LLC and AGCO Finance Canada, Ltd., as discussed further below, revolving credit facility borrowings and available cash on hand.

Under our securitization facilities, we sell accounts receivable in the United States, Canada and Europe on a revolving basis to commercial paper conduits either on a direct basis or through a wholly-owned special purpose entity. The United States and Canadian securitization facilities expire in April 2009 and the European facility expires in June 2006, but each is subject to annual renewal. As of March 31, 2006, the aggregate amount of these facilities was \$483.3 million. The outstanding funded balance of \$455.6 million as of March 31, 2006 has the effect of reducing accounts receivable and short-term liabilities by the same amount. Our risk of loss under the securitization facilities is limited to a portion of the unfunded balance of receivables sold, which is approximately 15% of the funded amount. We maintain reserves for doubtful accounts associated with this risk. If the facilities were terminated, we would not be required to repurchase previously sold receivables

Management's Discussion and Analysis of Financial Condition and Results of Operations
(Continued)

but would be prevented from selling additional receivables to the commercial paper conduit. The European facility agreement provides that the agent, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. ("Rabobank"), has the right to terminate the securitization facilities if our senior unsecured debt rating moves below B+ by Standard & Poor's or B1 by Moody's Investor Services. Based on our current ratings, a downgrade of two levels by Standard & Poor's or two levels by Moody's would need to occur. We are currently in discussions with the conduit purchaser to eliminate the requirement to maintain certain debt rating levels from Standard and Poor's and Moody's Investors Service from the agreement and to extend the European facility through June 2011.

These facilities allow us to sell accounts receivables through financing conduits which obtain funding from commercial paper markets. Future funding under securitization facilities depends upon the adequacy of receivables, a sufficient demand for the underlying commercial paper and the maintenance of certain covenants concerning the quality of the receivables and our financial condition. In the event commercial paper demand is not adequate, our securitization facilities provide for liquidity backing from various financial institutions, including Rabobank. These liquidity commitments would provide us with interim funding to allow us to find alternative sources of working capital financing, if necessary.

In May 2005, we completed an agreement to permit transferring, on an ongoing basis, the majority of our wholesale interest-bearing receivables in North America to our United States and Canadian retail finance joint ventures, AGCO Finance LLC and AGCO Finance Canada, Ltd. We have a 49% ownership interest in these joint ventures. The transfer of the wholesale interest-bearing receivables is without recourse to AGCO and we will continue to service the receivables. The initial transfer of wholesale interest-bearing receivables resulted in net proceeds of approximately \$94 million, which were used to redeem our \$250 million 9½% senior notes. As of March 31, 2006, the balance of interest-bearing receivables transferred to AGCO Finance LLC and AGCO Finance Canada, Ltd. under this agreement was approximately \$131.8 million.

Our business is subject to substantial cyclical variations, which generally are difficult to forecast. Our results of operations may also vary from time to time resulting from costs associated with rationalization plans and acquisitions. As a result, we have had to request relief from our lenders on occasion with respect to financial covenant compliance. While we do not currently anticipate asking for any relief, it is possible that we would require relief in the future. Based upon our historical working relationship with our lenders, we currently do not anticipate any difficulty in obtaining that relief.

Cash flow used in operating activities was \$174.0 million for the first quarter of 2006 compared to \$305.7 million for the first quarter of 2005. The use of cash in both periods was primarily due to seasonal increases in working capital.

Our working capital requirements are seasonal, with investments in working capital typically building in the first half of the year and then reducing in the second half of the year. We had \$926.7 million in working capital at March 31, 2006, as compared with \$825.8 million at December 31, 2005 and \$1,043.8 million at March 31, 2005 (excluding our \$250 million 9½% senior notes which were redeemed in June 2005). Accounts receivable and inventories, combined, at March 31, 2006 were \$243.8 million higher than at December 31, 2005 and \$222.0 million lower than at March 31, 2005. Production levels during the first quarter of 2006 were approximately 18% below first quarter 2005 levels. The timing of production has been reduced in the first half of 2006, which is expected to reduce our seasonal increase in working capital during 2006.

Capital expenditures for the first quarter of 2006 were \$23.4 million compared to \$14.2 million for the first quarter of 2005. We anticipate that capital expenditures for the full year of 2006 will range from approximately \$90 million to \$100 million and will primarily be used to support the development and enhancement of new and existing products, as well as to expand our engine manufacturing facility.

In February 2005, we made a \$21.3 million investment in our retail finance joint venture with Rabobank in Brazil, as more fully described in "Related Parties" below.

Management's Discussion and Analysis of Financial Condition and Results of Operations
(Continued)

Our debt to capitalization ratio, which is total long-term debt divided by the sum of total long-term debt and stockholders' equity, was 37.6% at March 31, 2006 compared to 37.5% at December 31, 2005.

From time to time, we review and will continue to review acquisition and joint venture opportunities, as well as changes in the capital markets. If we were to consummate a significant acquisition or elect to take advantage of favorable opportunities in the capital markets, we may supplement availability or revise the terms under our credit facilities or complete public or private offerings of equity or debt securities.

We believe that available borrowings under the revolving credit facility, funding under the accounts receivable securitization facilities, available cash and internally generated funds will be sufficient to support our working capital, capital expenditures and debt service requirements for the foreseeable future.

CONTRACTUAL OBLIGATIONS

The future payments required under our significant contractual obligations, excluding foreign currency forward contracts, as of March 31, 2006 are as follows (in millions):

	Total	Payments Due By Period			
		2006 to 2007	2007 to 2009	2009 to 2011	2011 and Beyond
Long-term debt	\$ 896.1	\$ 6.3	\$ 39.3	\$ 404.4	\$ 446.1
Interest payments related to long-term debt (1)	235.7	52.6	99.5	47.8	35.8
Capital lease obligations	1.6	1.0	0.4	0.2	—
Operating lease obligations	153.4	30.4	38.0	19.9	65.1
Unconditional purchase obligations (2)	150.7	62.1	67.8	12.5	8.3
Other short-term and long-term obligations (3)	326.4	80.3	42.7	41.6	161.8
Total contractual cash obligations	\$ 1,763.9	\$ 232.7	\$ 287.7	\$ 526.4	\$ 717.1

	Total	Amount of Commitment Expiration Per Period			
		2006 to 2007	2007 to 2009	2009 to 2011	2011 and Beyond
Standby letters of credit and similar instruments	\$ 7.7	\$ 7.7	\$ —	\$ —	\$ —
Guarantees	77.4	62.5	11.0	3.9	—
Total commercial commitments and lines of credit	\$ 85.1	\$ 70.2	\$ 11.0	\$ 3.9	\$ —

- (1) Estimated interest payments are calculated assuming current interest rates over minimum maturity periods specified in debt agreements. Debt may be repaid sooner or later than such minimum maturity periods.
- (2) Unconditional purchase obligations exclude routine purchase orders entered into in the normal course of business. As a result of the rationalization of our European combine manufacturing operations during 2004, we entered into an agreement with a third-party manufacturer to produce certain combine model ranges over a five-year period. The agreement provides that we will purchase a minimum quantity of 200 combines per year, at a cost of approximately €16.2 million per year (or approximately \$19.6 million), through May 2009.
- (3) Other short-term and long-term obligations include estimates of future minimum contribution requirements under our U.S. and non-U.S. defined benefit pension and postretirement plans. These estimates are based on current legislation in the countries we operate within and are subject to change.

Management's Discussion and Analysis of Financial Condition and Results of Operations
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OFF-BALANCE SHEET ARRANGEMENTS

Guarantees

At March 31, 2006, we were obligated under certain circumstances to purchase, through the year 2010, up to \$10.1 million of equipment upon expiration of certain operating leases between AGCO Finance LLC and AGCO Finance Canada, Ltd., our retail finance joint ventures in North America, and end users. We also maintain a remarketing agreement with these joint ventures whereby we are obligated to repurchase repossessed inventory at market values, limited to \$6.0 million in the aggregate per calendar year. We believe that any losses, which might be incurred on the resale of this equipment, will not materially impact our consolidated financial position or results of operations.

From time to time, we sell certain trade receivables under factoring arrangements to financial institutions throughout the world. We evaluate the sale of such receivables pursuant to the guidelines of SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities – a Replacement of FASB Statement No. 125," and have determined that these facilities should be accounted for as off-balance sheet transactions in accordance with SFAS No. 140.

At March 31, 2006, we guaranteed indebtedness owed to third parties of approximately \$67.3 million, primarily related to dealer and end-user financing of equipment. We believe the credit risk associated with these guarantees is not material to our financial position.

Other

At March 31, 2006, we had foreign currency forward contracts to buy an aggregate of approximately \$113.9 million United States dollar equivalents and foreign currency forward contracts to sell an aggregate of approximately \$87.9 million United States dollar equivalents. All contracts have a maturity of less than one year. See "Quantitative and Qualitative Disclosures About Market Risk – Foreign Currency Risk Management" for further information.

Contingencies

As a result of recent Brazilian tax legislative changes impacting value added taxes ("VAT"), we have recorded a reserve of approximately \$22.5 million against our outstanding balance of Brazilian VAT taxes receivable as of March 31, 2006, due to the uncertainty as to our ability to collect the amounts outstanding.

OUTLOOK

Worldwide industry demand for farm equipment in 2006 is expected to be modestly below 2005 levels. In North America, demand is expected to remain strong, but reduced farm income projected in 2006 may impact demand for the full year. In Europe, 2006 equipment demand is expected to be below 2005 levels due to the continuing impact of last year's drought in Southern Europe and changes in subsidy programs. In South America, equipment demand is expected to decline due to the impact of the strong Brazilian Real on exports of commodities and high farm debt levels.

Our net sales for the full year of 2006 are expected to be slightly below 2005 levels based on lower industry demand, planned dealer inventory reductions and currency translation. We have set a target to improve earnings and working capital utilization in 2006 with higher operating margins and reduced interest expense. Actions to reduce seasonal increases in dealer and company inventories are expected to continue to result in lower sales and earnings for the first half of 2006 compared to 2005.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The discussion and analysis of our financial condition and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with U.S. generally accepted

Management's Discussion and Analysis of Financial Condition and Results of Operations
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accounting principles. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, management evaluates estimates, including those related to reserves, intangible assets, income taxes, pension and other postretirement benefit obligations, derivative financial instruments and contingencies. Management bases these estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. A description of critical accounting policies and related judgment and estimates that affect the preparation of the consolidated financial statements is set forth in our Annual Report on Form 10-K for the year ended December 31, 2005.

ACCOUNTING CHANGES

In April 2005, the SEC adopted a new rule that changed the adoption date of Statement of Financial Accounting Standards ("SFAS") No. 123R (Revised 2004). We adopted SFAS No. 123R effective January 1, 2006, and are using the modified prospective method of adoption. In December 2005, our Board of Directors elected to terminate our Long-Term Incentive Plan (the "LTIP") and the Non-employee Director Incentive Plan (the "Director Plan"), and the outstanding awards under those plans were cancelled. The decision to terminate the plans and related cancellations was made primarily to avoid recognizing compensation cost in our future financial statements upon adoption of SFAS No. 123R for these awards and to establish a new long-term incentive program. The new accounting provisions of SFAS No. 123R do not allow for the reversal of previously recognized compensation expense if market-based performance awards, such as stock price targets, are not met. The new long-term incentive program will have performance-based targets. As of December 31, 2005, 75,000 awarded but unearned shares under the Director Plan were cancelled. The remaining 15,000 awarded but unearned shares under the Director Plan were cancelled during January 2006. As of December 31, 2005, 857,000 awarded but unearned shares were cancelled under the LTIP. The remaining 135,000 shares were cancelled in January 2006. Awards forfeited or cancelled prior to December 31, 2005 did not result in any compensation expense under the provisions of Accounting Principles Board ("APB") Opinion No. 25. However, awards cancelled after January 1, 2006 are subject to the provisions of SFAS No. 123R, and therefore, we recorded approximately \$1.3 million of stock compensation expense associated with those cancellations. We have granted awards under a new long-term incentive program during April 2006 that was approved by our stockholders at our annual stockholders' meeting on April 27, 2006. We currently estimate that the application of the expensing provisions of SFAS No. 123R will result in a pre-tax expense during 2006 of approximately \$8.1 million, including the \$1.3 million recorded in the first quarter of 2006. Refer to Note 11 of our Condensed Consolidated Financial Statements where the new long-term incentive program is more fully discussed.

In November 2004, the Financial Accounting Standards Board, or FASB, issued SFAS No. 151, "Inventory Costs-An Amendment of ARB No. 43, Chapter 4" ("SFAS 151"). SFAS 151 amends the guidance in Accounting Research Bulletin No. 43, Chapter 4, "Inventory Pricing" ("ARB No. 43"), to clarify the accounting for abnormal amounts of idle facility expense, freight, handling costs, and wasted material (spoilage). Among other provisions, the new rule requires that items such as idle facility expense, excessive spoilage, double freight and rehandling costs be recognized as current-period charges regardless of whether they meet the criterion of "so abnormal" as stated in ARB No. 43. Additionally, SFAS 151 requires that the allocation of fixed production overheads to the costs of conversion be based on the normal capacity of the production facilities. SFAS 151 is effective for fiscal years beginning after June 15, 2005. Our adoption of SFAS 151 in the first quarter of 2006 did not have a material impact on our consolidated results of operations or financial condition.

FORWARD LOOKING STATEMENTS

Certain statements in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Quarterly Report on Form 10-Q are forward looking, including certain statements set forth under the headings "Results of Operations," "Restructuring and Other Infrequent Expenses," "Liquidity and Capital Resources," "Off-Balance Sheet Arrangements," "Accounting Changes" and "Outlook." Forward

Management's Discussion and Analysis of Financial Condition and Results of Operations
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looking statements reflect assumptions, expectations, projections, intentions or beliefs about future events. These statements, which may relate to such matters as industry demand conditions, net sales and income, operating income, accounting changes, restructuring and other infrequent expenses, production and inventory levels, future capital expenditures and debt service requirements, working capital needs, currency translation and future acquisition plans, are "forward-looking statements" within the meaning of the federal securities laws. These statements do not relate strictly to historical or current facts, and you can identify certain of these statements, but not necessarily all, by the use of the words "anticipate," "assumed," "indicate," "estimate," "believe," "predict," "forecast," "rely," "expect," "continue," "grow" and other words of similar meaning. Although we believe that the expectations and assumptions reflected in these statements are reasonable in view of the information currently available to us, there can be no assurance that these expectations will prove to be correct. These forward-looking statements involve a number of risks and uncertainties, and actual results may differ materially from the results discussed in or implied by the forward-looking statements. The following are among the important factors that could cause actual results to differ materially from the forward-looking statements:

- general economic and capital market conditions;
- the worldwide demand for agricultural products;
- grain stock levels and the levels of new and used field inventories;
- cost of steel and other raw materials;
- government policies and subsidies;
- weather conditions;
- interest and foreign currency exchange rates;
- pricing and product actions taken by competitors;
- commodity prices, acreage planted and crop yields;
- farm income, land values, debt levels and access to credit;
- pervasive livestock diseases;
- production disruptions;
- supply and capacity constraints;
- our cost reduction and control initiatives;
- our research and development efforts;
- dealer and distributor actions;
- technological difficulties; and
- political and economic uncertainty in various areas of the world.

Any forward-looking statement should be considered in light of such important factors.

Management's Discussion and Analysis of Financial Condition and Results of Operations
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New factors that could cause actual results to differ materially from those described above emerge from time to time, and it is not possible for us to predict all of such factors or the extent to which any such factor or combination of factors may cause actual results to differ from those contained in any forward-looking statement. Any forward-looking statement speaks only as of the date on which such statement is made, and we disclaim any obligation to update the information contained in such statement to reflect subsequent developments or information except as required by law.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**FOREIGN CURRENCY RISK MANAGEMENT**

We have significant manufacturing operations in France, Germany, Brazil, Finland and Denmark, and we purchase a portion of our tractors, combines and components from third-party foreign suppliers, primarily in various European countries and in Japan. We also sell products in over 140 countries throughout the world. The majority of our revenue outside the United States is denominated in the currency of the customer location with the exception of sales in the Middle East, Africa and Asia, where revenue is primarily denominated in British pounds, Euros or United States dollars (See "Segment Reporting" in Note 15 to our Consolidated Financial Statements for the year ended December 31, 2005 for sales by customer location). Our most significant transactional foreign currency exposures are the Euro, the Brazilian Real and the Canadian dollar in relation to the United States dollar. Fluctuations in the value of foreign currencies create exposures, which can adversely affect our results of operations.

We attempt to manage our transactional foreign exchange exposure by hedging foreign currency cash flow forecasts and commitments arising from the settlement of receivables and payables and from future purchases and sales. Where naturally offsetting currency positions do not occur, we hedge certain, but not all, of our exposures through the use of foreign currency forward contracts. Our hedging policy prohibits foreign currency forward contracts for speculative trading purposes. Our translation exposure resulting from translating the financial statements of foreign subsidiaries into United States dollars is not hedged. Our most significant translation exposures are the Euro, the British pound and the Brazilian Real in relation to the United States dollar. When practical, this translation impact is reduced by financing local operations with local borrowings.

All derivatives are recognized on our condensed consolidated balance sheets at fair value. On the date a derivative contract is entered into, we designate the derivative as either (1) a fair value hedge of a recognized liability, (2) a cash flow hedge of a forecasted transaction, (3) a hedge of a net investment in a foreign operation, or (4) a non-designated derivative instrument. We currently engage in derivatives that are non-designated derivative instruments. Changes in fair value of non-designated derivative contracts are reported in current earnings.

The following is a summary of foreign currency forward contracts used to hedge currency exposures. All contracts have a maturity of less than one year. The net notional amounts and fair value gains or losses as of March 31, 2006 stated in United States dollars are as follows (in millions, except average contract rate):

	Net Notional Amount (Sell)/Buy	Average Contract Rate*	Fair Value Gain/(Loss)
Australian dollar	\$ (19.6)	1.35	\$ 0.6
Brazilian real	59.9	2.19	0.8
British pound	30.0	0.57	(0.1)
Canadian dollar	(52.9)	1.16	0.4
Euro dollar	5.1	0.83	—
Japanese yen	18.9	117.73	—
Mexican peso	(8.2)	10.89	—
Norwegian krone	(2.5)	6.49	—
Polish zloty	(3.2)	3.20	—
Swedish krona	(1.5)	7.78	—
			<u>\$ 1.7</u>

* per United States dollar

Because these contracts were entered into for hedging purposes, the gains and losses on the contracts would largely be offset by gains and losses on the underlying firm commitment.

Interest Rates

We manage interest rate risk through the use of fixed rate debt and may in the future utilize interest rate swap contracts. We have fixed rate debt from our senior subordinated notes and our convertible senior subordinated notes. Our floating rate exposure is related to our credit facility and our securitization facilities, which are tied to changes in United States and European LIBOR rates. Assuming a 10% increase in interest rates, interest expense, net and the cost of our securitization facilities for the three months ended March 31, 2006, would have increased by approximately \$1.3 million.

We had no interest rate swap contracts outstanding in the three months ended March 31, 2006.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of March 31, 2006, have concluded that, as of such date, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms.

The Company's management, including the Chief Executive Officer and the Chief Financial Officer, does not expect that the Company's disclosure controls or the Company's internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected. We will conduct periodic evaluations of our internal controls to enhance, where necessary, our procedures and controls.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation described above that occurred during the three months ended March 31, 2006 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are a party to various legal claims and actions incidental to our business. We believe that none of these claims or actions, either individually or in the aggregate, is material to our business or financial condition.

As disclosed in Item 3 of our Form 10-K for the year ended December 31, 2005, in February 2006 we received a subpoena from the SEC in connection with a non-public, fact-finding inquiry entitled "In the Matter of Certain Participants in the Oil for Food Program." (This subpoena requested documents concerning transactions under the United Nations Oil for Food Program by AGCO Corporation and certain of our subsidiaries.) This subpoena does not imply there have been any violations of the federal securities or other laws, and it is not possible to predict the outcome of this inquiry or its impact, if any, on us. We are cooperating fully with the investigation.

ITEM 6. EXHIBITS

Exhibit Number	Description of Exhibit	The filings referenced for incorporation by reference are AGCO Corporation
10.1	Amendment to Credit Agreement	Filed herewith
10.2	Form of non-qualified stock option award under 2006 LTIP	Filed herewith
10.3	Form of incentive stock option award under 2006 LTIP	Filed herewith
10.4	Form of stock appreciation right award under 2006 LTIP	Filed herewith
10.5	Form of restricted stock award under 2006 LTIP	Filed herewith
10.6	Form of performance share award under 2006 LTIP	Filed herewith
31.1	Certification of Martin Richenhagen	Filed herewith
31.2	Certification of Andrew H. Beck	Filed herewith
32.0	Certification of Martin Richenhagen and Andrew H. Beck	Furnished herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

AGCO CORPORATION

Registrant

Date: May 10, 2006

/s/ Andrew H. Beck

Andrew H. Beck
Senior Vice President and Chief Financial Officer
(Principal Financial Officer)

FIFTH AMENDMENT TO CREDIT AGREEMENT

This FIFTH AMENDMENT TO CREDIT AGREEMENT (this "Amendment") dated as of March 22, 2006, by and among AGCO CORPORATION, a Delaware corporation ("AGCO"), AGCO CANADA, LTD., a Saskatchewan corporation ("Canadian Subsidiary"), AGCO LIMITED, an English corporation ("English Subsidiary One"), AGCO INTERNATIONAL LIMITED, an English corporation ("English Subsidiary Two"), AGCO HOLDING B.V., a Netherlands corporation ("Netherlands Subsidiary"), AGCO DEUTSCHLAND HOLDING LIMITED & CO. KG, a German limited partnership ("German Subsidiary"), and VALTRA HOLDING OY, a Finnish limited liability company ("Finnish Subsidiary"; AGCO, Canadian Subsidiary, English Subsidiary One, English Subsidiary Two, Netherlands Subsidiary, German Subsidiary and Finnish Subsidiary are referred to herein collectively as the "Borrowers" and individually as a "Borrower"); the lenders (the "Lenders") signatory hereto; COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., "RABOBANK NEDERLAND", CANADIAN BRANCH, as Canadian administrative agent for the Canadian Lenders (together with any successor, in such capacity, the "Canadian Administrative Agent"); and COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., "RABOBANK NEDERLAND", NEW YORK BRANCH, as administrative agent for the Lenders (together with any successor, in such capacity, the "Administrative Agent").

WITNESSETH:

WHEREAS, the Borrowers, the Administrative Agent, the Canadian Administrative Agent, the Lenders, the Issuing Banks (as defined in the Credit Agreement), SunTrust Bank and Morgan Stanley Senior Funding, Inc., as Co-Syndication Agents, and CoBank, ACB and The Bank of Tokyo-Mitsubishi, Ltd., NY Branch, as Co-Documentation Agents, are parties to that certain Credit Agreement dated as of December 22, 2003 (as amended by that certain First Amendment to Credit Agreement and Consent dated as of April 12, 2004, as further amended by that certain Second Amendment to Credit Agreement dated as of August 17, 2004, as further amended by that certain Third Amendment to Credit Agreement dated as of March 21, 2005, as further amended by that certain Fourth Amendment to Credit Agreement and Consent dated as of June 2, 2005 and as further amended, restated, supplemented or modified from time to time, the "Credit Agreement"); and

WHEREAS, the Borrowers have requested that certain terms and conditions of the Credit Agreement be amended, and the Lenders signatory hereto, the Canadian Administrative Agent and the Administrative Agent have agreed to the requested amendments on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements contained herein, the parties hereto hereby agree that all capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Credit Agreement, and further agree as follows:

SECTION 1. Amendments.

(a) Section 1.1 of the Credit Agreement, Certain Defined Terms, is hereby amended and modified by deleting the table contained in the definition of "Applicable Margin" set forth therein in its entirety and by substituting the following in lieu thereof:

Senior Debt Ratio -----	Applicable Margin for LIBO Rate Revolving Loans and for Base Rate Revolving Loans in Offshore Currencies -----	Applicable Margin for Base Rate Revolving Loans in U.S. Dollars -----	Applicable Margin for Unused Fee -----
Greater than or equal to 3.00 to 1.00	2.00%	0.75%	0.50%
Less than 3.00 to 1.00 but greater than or equal to 2.50 to 1.00	1.75%	0.50%	0.425%
Less than 2.50 to 1.00 but greater than or equal to 2.00 to 1.00	1.50%	0.25%	0.350%
Less than 2.00 to 1.00	1.25%	0.00%	0.275%

(b) Section 7.4 of the Credit Agreement, Restricted Payments and Purchases, is hereby amended and modified as follows: (i) by deleting "and" at the end of subsection (c) (iv) thereof and inserting "," in lieu thereof; (ii) by deleting "." at the end of subsection (c) (v) thereof and inserting "and" in lieu thereof; and (iii) by inserting the following as new subsection (c) (vi):

"(vi) purchase, redeem, retire or otherwise acquire shares of its own outstanding Stock for cash in an aggregate amount for all such shares acquired pursuant to this clause (vi) during the term of this Agreement not to exceed the sum of (A) \$100,000,000, and (B) 50% of the Excess Cash

Flow for the fiscal year ending 2006 and each fiscal year thereafter on a cumulative basis (provided, however, that such percentage of the Excess Cash Flow for any fiscal year shall not be added until the Administrative Agent shall have received the annual audit report for such fiscal year pursuant to Section 6.1(c) hereof)."

(c) Section 7.18 of the Credit Agreement, Financial Covenants, is hereby amended and modified by deleting subsection (a), Total Debt Ratio, in its entirety and by substituting the following in lieu thereof:

"(a) Total Debt Ratio. AGCO shall not allow, as of the end of each fiscal quarter of AGCO, the Total Debt Ratio to exceed the ratio set forth below for the applicable fiscal quarter corresponding thereto:

Fiscal Quarters Ending:	Ratio:
- - - - -	- - - - -
From December 31, 2003 through September 30, 2004	5.35 to 1.00
December 31, 2004 through September 30, 2005	5.10 to 1.00
December 31, 2005 through September 30, 2006	4.60 to 1.00
December 31, 2006 through September 30, 2007	4.25 to 1.00
December 31, 2007 and thereafter	4.00 to 1.00

"

(d) Section 7.18 of the Credit Agreement, Financial Covenants, is hereby further amended and modified by deleting subsection (b), Senior Debt Ratio, in its entirety and by substituting the following in lieu thereof:

"(b) Senior Debt Ratio. AGCO shall not allow, as of the end of each fiscal quarter of AGCO, the Senior Debt Ratio to exceed the ratio set forth below for the applicable fiscal quarter corresponding thereto:

Fiscal Quarters Ending:	Ratio:
-----	-----
From December 31, 2003 through September 30, 2004	3.70 to 1.00
December 31, 2004 through September 30, 2005	3.50 to 1.00
December 31, 2005	3.00 to 1.00
March 31, 2006 through September 30, 2006	3.25 to 1.00
December 31, 2006 through September 30, 2007	3.00 to 1.00
December 31, 2007 and thereafter	2.75 to 1.00

"

(e) Section 7.18 of the Credit Agreement, Financial Covenants, is hereby further amended and modified by deleting subsection (c), Fixed Charge Coverage Ratio, in its entirety and by substituting the following in lieu thereof:

"(c) Fixed Charge Coverage Ratio. AGCO shall maintain, as of the end of each fiscal quarter of AGCO, a Fixed Charge Coverage Ratio for the four fiscal quarter period then ended of not less than the ratio set forth below for the applicable fiscal quarter corresponding thereto:

Fiscal Quarters Ending:	Ratio:
-----	-----
From December 31, 2003 through December 31, 2005	1.50 to 1.00
March 31, 2006 through December 31, 2006	1.50 to 1.00
March 31, 2007 and thereafter	1.60 to 1.00

"

SECTION 2. Representations and Warranties. Each of AGCO and the other Borrowers represents and warrants as follows:

(a) The execution, delivery and performance by each Borrower of this Amendment and the other transactions contemplated hereby, are within such

Borrower's corporate powers, have been duly authorized by all necessary corporate action, and do not (i) contravene such Borrower's charter or bylaws; (ii) violate any Applicable Law (including, without limitation, to the extent applicable, the Securities Exchange Act of 1934, the Racketeer Influenced and Corrupt Organizations Chapter of the Organized Crime Control Act of 1970 and any similar statute); (iii) conflict with or result in the breach of, or constitute a default under, any contract, loan agreement, indenture, mortgage, deed of trust, lease or other instrument binding on or affecting any Borrower, any of its Subsidiaries or any of their properties (including any of the Applicable Capital Market Transaction Documents); or (iv) except for the Liens created under the Security Documents, result in or require the creation or imposition of any Lien upon or with respect to any of the properties of any Borrower or any of its Subsidiaries;

(b) No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or regulatory body or any other third party is required for the due execution, delivery or performance by any Borrower of this Amendment and each other Loan Document contemplated hereby to which it is or is to be a party;

(c) This Amendment and each other document required to be delivered by a Borrower hereunder has been duly executed and delivered by each Borrower thereto, and constitutes the legal, valid and binding obligation of each Borrower thereto, enforceable against such Borrower in accordance with its terms;

(d) The representations and warranties contained in Article 4 of the Credit Agreement, and in each of the other Loan Documents, are true and correct on and as of the date hereof as though made on and as of such date, other than (i) any such representations and warranties that, by their terms, expressly refer to an earlier date, and (ii) as a result of changes permitted by the terms of the Credit Agreement; and

(e) After giving effect hereto, no event has occurred and is continuing which constitutes an Event of Default or would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

SECTION 3. Conditions Precedent to Effectiveness of this Amendment. This Amendment shall be effective as of the date first set forth above when the Administrative Agent shall have received, in form and substance satisfactory to it, each of the following:

(a) this Amendment, duly executed by the Borrowers, the Canadian Administrative Agent and the Administrative Agent, and Lender Addendum, in the form attached hereto, duly executed by all of the Multi-Currency Lenders, all of the Canadian Lenders, and the Required Lenders;

(b) an amendment fee for the account of each Lender that delivered to the Administrative Agent prior to 5:00 p.m. (New York City time) on March

22, 2006 such Lender's executed Lender Addenda to this Amendment, in an amount equal to two and one-half (2.5) basis points for each such Lender's Commitment; and

(c) the payment of such other fees, and the delivery of such other documents, instruments and information, as the Administrative Agent may reasonably request.

SECTION 4. Reference to and Effect on the Credit Agreement. Upon the effectiveness of this Amendment as set forth in Section 3 hereof, on and after the date hereof, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import shall mean and be a reference to the Credit Agreement as amended hereby, and each reference in the Notes and the other Loan Documents to the Credit Agreement shall mean and be a reference to the Credit Agreement as amended hereby.

SECTION 5. Reaffirmation of Guaranty. By executing this Amendment, each Guarantor hereby acknowledges, consents and agrees that all of its obligations and liability under the Guaranty Agreements to which it is a party remain in full force and effect, and that the execution and delivery of this Amendment and any and all documents executed in connection therewith shall not alter, amend, reduce or modify its obligations and liability under such Guaranty Agreements or any of the other Loan Documents to which it is a party.

SECTION 6. Costs, Expenses and Taxes. The Borrowers agree, jointly and severally, to pay on demand all costs and expenses of the Administrative Agent in connection with the preparation, execution and delivery of this Amendment and the other instruments and documents to be delivered hereunder (including, without limitation, the fees and expenses of counsel for the Administrative Agent with respect thereto).

SECTION 7. No Other Amendments. Except as otherwise expressed herein, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the Agents or the Lenders under the Credit Agreement, or any of the other Loan Documents, nor constitute a waiver of any provision of the Credit Agreement or any of the other Loan Documents. Except for the amendments set forth above, the text of the Credit Agreement and all other Loan Documents shall remain unchanged and in full force and effect and the Borrowers hereby ratify and confirm their respective obligations thereunder. This Amendment shall not constitute a modification of the Credit Agreement or a course of dealing with the Administrative Agent at variance with the Credit Agreement such as to require further notice by the Administrative Agent to require strict compliance with the terms of the Credit Agreement and the other Loan Documents in the future, except as expressly set forth herein. The Borrowers acknowledge and expressly agree that the Agents and the Lenders reserve the right to, and do in fact, require strict compliance with all terms and provisions of the Credit Agreement and the other Loan Documents (in each case as amended hereby).

SECTION 8. Execution in Counterparts. This Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument. Delivery of a signature page hereto by facsimile transmission or via email transmission of an Adobe portable document format file (also known as a "PDF File") shall be as effective as delivery of a manually executed counterpart hereof.

SECTION 9. Delivery of Lender Addenda. Each Lender executing this Amendment shall do so by delivering to the Administrative Agent a Lender Addendum, substantially in the form of Annex I attached hereto, duly executed by such Lender.

SECTION 10. Governing Law. This Amendment shall be governed by, and construed in accordance with, the laws (without giving effect to the conflicts of laws principles thereof) of the State of New York.

SECTION 11. Final Agreement. This Amendment represents the final agreement between the Borrowers, the Administrative Agent, the Canadian Administrative Agent and the Lenders as to the subject matter hereof and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements between the parties. The Amendment shall constitute a Loan Document for all purposes.

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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, as of the date first above written.

BORROWERS:

AGCO CORPORATION

By: /s/ Andrew H. Beck

Title: S.V.P.

AGCO CANADA, LTD.

By: /s/ Andrew H. Beck

Title: _____

AGCO LIMITED

By: /s/ Stephen D. Lupton

Title: _____

AGCO INTERNATIONAL LIMITED

By: /s/ Stephen D. Lupton

Title: _____

AGCO HOLDING B.V.

By: /s/ Stephen D. Lupton

Title: _____

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

AGCO DEUTSCHLAND HOLDING LIMITED & CO.
KG

By: /s/ Stephen D. Lupton

Title: -----

By: -----
Title: -----

VALTRA HOLDING OY

By: /s/ Stephen D. Lupton

Title: -----

GUARANTORS:

VALTRA DEUTSCHLAND GMBH
(formerly known as RM 2379
VERMOGENSVERWALTUNGS GMBH)

By: /s/ Stephen D. Lupton

Title: -----

AGCO VERTRIEBS GMBH

By: /s/ Stephen D. Lupton

Title: -----

AGCO GMBH

By: /s/ Stephen D. Lupton

Title: _____

AGCO FRANCE S.A.

By: /s/ Stephen D. Lupton

Title: _____

AGCO S.A.

By: /s/ Stephen D. Lupton

Title: _____

VALTRA TRACTEURS FRANCE S.A.S.

By: /s/ Stephen D. Lupton

Title: _____

VALTRA INTERNATIONAL B.V.

By: /s/ Stephen D. Lupton

Title: _____

MASSEY FERGUSON CORP.

By: /s/ Stephen D. Lupton

Title: -----

AGCO EQUIPMENT COMPANY

By: /s/ Stephen D. Lupton

Title: -----

SUNFLOWER MANUFACTURING COMPANY, INC.

By: /s/ Stephen D. Lupton

Title: -----

AGCO MANUFACTURING LTD.

By: /s/ Stephen D. Lupton

Title: -----

AGCO SERVICES LTD.

By: /s/ Stephen D. Lupton

Title: -----

VALTRA VUOKRAUS OY

By: /s/ Stephen D. Lupton

Title: _____

AGCO DO BRASIL COMERCIA E INDUSTRIA
LTDA.

By: /s/ Stephen D. Lupton

Title: _____

VALTRA DO BRASIL LTDA.

By: /s/ Stephen D. Lupton

Title: _____

EXPORT MARKET SERVICES LLC

By: /s/ Stephen D. Lupton

Title: _____

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

AGENTS, ISSUING BANKS
AND SWING LINE BANK:

COOPERATIEVE CENTRALE RAIFFEISEN-
BOERENLEENBANK B.A., "RABOBANK
NEDERLAND," NEW YORK BRANCH, as
Administrative Agent and Multi-Currency
Issuing Bank

By: /s/ Kimberly English

Title: Executive Director

By: /s/ Brett Delfino

Title: Executive Director

COOPERATIEVE CENTRALE
RAIFFEISEN-BOERENLEENBANK B.A.,
"RABOBANK NEDERLAND," CANADIAN BRANCH,
as Canadian Administrative Agent and
Canadian Issuing Bank

By: /s/ Rommel J. Domingo

Title: Vice President

By: /s/ Khurram Rahman-Khan

Title: Executive Director

LENDERS:

See each Lender Addendum attached hereto

LENDER ADDENDUM

Reference is made to the Credit Agreement dated as of December 22, 2003 (as amended by that certain First Amendment to Credit Agreement and Consent dated as of April 12, 2004, as further amended by that certain Second Amendment to Credit Agreement dated as of August 17, 2004, as further amended by that certain Third Amendment to Credit Agreement dated as of March 21, 2005, as further amended by that certain Fourth Amendment to Credit Agreement and Consent dated as of June 2, 2005 and as further amended, restated, renewed, supplemented or otherwise modified from time to time, the "Credit Agreement") among AGCO Corporation, AGCO Canada Ltd., AGCO Limited, AGCO International Limited, AGCO Holding B.V., AGCO Deutschland Holding Limited & Co. KG and Valtra Holding Oy (collectively, the "Borrowers"), the lenders signatory thereto (together with any other financial institution that subsequently becomes a Lender thereunder, the "Lenders"), the Issuing Banks (as defined in the Credit Agreement), Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland", Canadian Branch, as Canadian Administrative Agent, SunTrust Bank and Morgan Stanley Senior Funding, Inc., as Co-Syndication Agents, CoBank, ACB and The Bank of Tokyo-Mitsubishi, Ltd., NY Branch, as Co-Documentation Agents, and Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland", New York Branch, as the Administrative Agent (the "Administrative Agent"). Capitalized terms used herein without definition shall have the respective meanings ascribed to those terms in the Credit Agreement.

Upon execution and delivery of this Lender Addendum by the undersigned Lender, the undersigned Lender hereby consents to and agrees with all of the terms and conditions contained in, and shall become a party to, the Fifth Amendment to Credit Agreement dated as of March 22, 2006.

THIS LENDER ADDENDUM SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

This Lender Addendum may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page hereof by facsimile transmission or via email transmission of an Adobe portable document file (also known as a "PDF File") shall be effective as delivery of a manually executed counterpart hereof.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Lender Addendum to be duly executed and delivered by their proper and duly authorized officers effective as of the date set forth herein.

[NAME OF LENDER]

By: _____
Name: _____
Title: _____

Lender Addendum
Signature Page

AGCO CORPORATION
2006 LONG-TERM INCENTIVE PLAN

NON-QUALIFIED STOCK OPTION AWARD AGREEMENT

THIS AGREEMENT, entered into as of the Grant Date (as defined in Section 1), by and between the Participant and AGCO Corporation (the "Company");

WHEREAS, the Company maintains the AGCO Corporation 2006 Long-Term Incentive Plan (the "Plan"), which is incorporated into and forms a part of this Agreement, and the Participant has been selected by the committee administering the Plan (the "Committee") to receive a Non-Qualified Stock Option Award under the Plan;

NOW, THEREFORE, IT IS AGREED, by and between the Company and the Participant, as follows:

1. TERMS OF AWARD AND DEFINITIONS. The following terms used in this Agreement shall have the meanings set forth in this Section 1:

(a) COVERED SHARES. The number of "Covered Shares" shall be _____ shares of Stock.

(b) DATE OF TERMINATION. The Participant's "Date of Termination" shall be the first day occurring on or after the Grant Date on which the Participant is neither employed by the Company or any Subsidiary, a director of the Company or any Subsidiary, an independent contractor performing services for the Company or any Subsidiary nor providing services as a consultant to the Company or any Subsidiary; provided that a termination shall not be considered to have occurred while the Participant is on an approved leave of absence from the Company or a Subsidiary. If, as a result of a sale or other transaction, a Participant who is an employee ceases to be an employee of the Company or any Subsidiary (and the Participant's employer is or becomes an entity that is separate from the Company or any Subsidiary), the occurrence of such transaction shall be treated as the Participant's Date of Termination caused by the Participant being discharged by the employer.

(c) DESIGNATED BENEFICIARY. The "Designated Beneficiary" shall be the beneficiary or beneficiaries designated by the Participant in a writing filed with the Committee in such form and at such time as the Committee shall require.

(d) DISABILITY. Except as otherwise provided by the Committee, the Participant shall be considered to have a "Disability" if he is eligible for disability payments under the Company's long-term disability plan.

(e) EXERCISE PRICE. The "Exercise Price" is \$_____ per share.

(f) GRANT DATE. The "Grant Date" is _____.

(g) GOOD CAUSE. With respect to any dismissal of the Participant from his or her employment with the Company or any Subsidiary, shall mean (i) if the Participant is a party to an employment agreement with the Company or any Subsidiary that defines "cause," "good cause" or a similar term, "Good Cause" shall mean such term as so defined, and (ii) otherwise (A) the conviction of the Participant of, or the entry of a plea of guilty, first offender probation before judgment, or nolo contendere by the Participant to, any felony; (B) fraud, misappropriation or embezzlement by the Participant; (C) the Participant's willful failure or gross negligence in the performance of his assigned duties for the Company or any Subsidiary; (D) the Participant's failure to follow reasonable and lawful directives of his supervisor or his breach of his fiduciary duty to the Company or any Subsidiary; (E) any act or omission of the Participant that has a demonstrated and material adverse impact on the Company's or any Subsidiary's business or reputation for honesty and fair dealing, other than an act or failure to act by the Participant in good faith and without reason to believe that such act or failure to act would adversely impact on the Company's or any Subsidiary's business or reputation for honesty and fair dealing; or (F) the breach by the Participant of any confidentiality or non-competition agreement in favor of the Company or any Subsidiary.

(h) IMMEDIATE FAMILY. "Immediate Family" shall mean the Participant's spouse, parents, children, stepchildren, adoptive relationships, sisters, brothers and grandchildren and, for this purpose, shall also include the Participant.

(i) PARTICIPANT. The "Participant" is _____.

(j) RETIREMENT. "Retirement" of the Participant shall mean the occurrence of the Participant's Date of Termination on or after the date the Participant attains age 65 or such earlier date as may be approved by the Committee in its sole discretion.

Except where the context clearly implies or indicates the contrary, a word, term, or phrase used in the Plan is similarly used in this Agreement.

2. AWARD AND EXERCISE PRICE. This Agreement specifies the terms of the option (the "Option") granted to the Participant to purchase the number of Covered Shares of Stock at the Exercise Price per share as set forth in Section 1. The Option is not intended to constitute an "incentive stock option" as that term is used in Code section 422.

3. DATE OF EXERCISE.

(a) Subject to the limitations of this Agreement, the Option shall be exercisable according to the following schedule, with respect to each installment shown in the schedule on and after the Vesting Date applicable to such installment (each an "Installment"):

(b)

INSTALLMENT -----	VESTING DATE APPLICABLE TO INSTALLMENT -----
	[FIRST YEAR ANNIVERSARY OF THE GRANT DATE] [SECOND YEAR ANNIVERSARY OF THE GRANT DATE] [THIRD YEAR ANNIVERSARY OF THE GRANT DATE] [FOURTH YEAR ANNIVERSARY OF THE GRANT DATE]

(c) An Installment shall not become exercisable on the otherwise applicable Vesting Date if the Participant's Date of Termination occurs on or before such Vesting Date. Notwithstanding the foregoing provisions of this Section 3, the Option shall become exercisable with respect to all of the Covered Shares (to the extent it is not then otherwise exercisable) as follows:

(i) The Option shall become fully exercisable upon the Participant's Date of Termination, if the Participant's Date of Termination occurs by reason of the Participant's death or Disability; and

(ii) The Option shall become fully exercisable upon a Change in Control, if the Participant's Date of Termination does not occur on or before the Change in Control.

(d) Otherwise, the Option may be exercised on or after the Date of Termination only as to that portion of the Covered Shares as to which it was exercisable immediately prior to the Date of Termination, or as to which it became exercisable on the Date of Termination in accordance with this Section 3.

4. EXPIRATION. The Option shall not be exercisable after the Company's close of business on the last business day that occurs prior to the Expiration Date. The "Expiration Date" shall be earliest to occur of:

(a) The seven-year anniversary of the Grant Date;

(b) If the Participant's Date of Termination occurs by reason of death, Disability or Retirement, the one-year anniversary of such Date of Termination;

(c) If the Participant's Date of Termination occurs for reasons other than death, Disability, Retirement, or Good Cause the 90-day anniversary of such Date of Termination; or

(d) The date the Participant is dismissed from the Company for Good Cause.

5. METHOD OF OPTION EXERCISE.

(a) Subject to the Agreement and the Plan, the Option may be exercised in whole or in part by filing a written notice in substantially the form attached hereto as Exhibit 1 with the Secretary of the Company at its corporate headquarters prior to the Company's close of business on the last business day that occurs prior to the Expiration Date. Such notice shall specify the number of shares of Stock which the Participant elects to purchase, and shall be accompanied by payment of the Exercise Price for such shares of Stock indicated by the Participant's election.

(b) Payment shall be by cash or by check payable to the Company, or, alternatively as follows to the extent permitted by the Committee at the time of exercise:

(i) all or a portion of the Exercise Price may be paid by the Participant by delivery of shares of Stock owned by the Participant and acceptable to the Committee having an aggregate Fair Market Value (valued as of the date of exercise) that is equal to the amount of cash that would otherwise be required;

(ii) the Participant may pay the Exercise Price by authorizing a third party to sell shares of Stock (or a sufficient portion of the shares) acquired upon exercise of the Option and remit to the Company a sufficient portion of the sale proceeds to pay the entire Exercise Price and any tax withholding resulting from such exercise or,

(iii) the Participant may pay the Exercise Price by authorizing the Company to withhold shares of Stock (or a sufficient portion of the shares) acquired upon exercise of the Option having an aggregate Fair Market Value (valued as of the date of exercise) that is equal to the amount of cash that would be required to pay the entire Exercise Price and any tax withholding resulting from such exercise.

(c) The Option shall not be exercisable if and to the extent the Company determines that such exercise would violate applicable state or Federal securities laws or the rules and regulations of any securities exchange on which the Stock is traded. If the Company makes such a determination, it shall use all reasonable efforts to obtain compliance with such laws, rules or regulations. In making any determination hereunder, the Company may rely on the opinion of counsel for the Company.

(d) If the Company is an S-Corporation at the time a Participant seeks to exercise the Award, the Option shall not be exercisable if and to the extent the Company determines that such exercise would result in the loss of the Company's status as an S Corporation. In making any determination hereunder, the Company may rely on the opinion of counsel for the Company.

(e) As a condition to exercising the Option, the Optionee shall, if requested by the Company, execute a shareholder agreement in the form provided by the Company.

6. WITHHOLDING. To the extent necessary, the Optionee must satisfy his federal, state, and local, if any, withholding taxes imposed by reason of the exercise of the Option either by paying to the Company the full amount of the withholding obligation (i) in cash; (ii) by tendering shares of Stock which are owned by the Optionee prior to the date of exercise having a Fair Market Value equal to the withholding obligation (a "Withholding Election"); (iii) by electing, irrevocably and in writing (also a "Withholding Election"), to have the smallest number of whole shares of Stock withheld by the Company which, when multiplied by the Fair Market Value of the Stock as of the date the Option is exercised, is sufficient to satisfy the amount of withholding tax; or (iv) by any combination of the above. Optionee may make a Withholding Election only if the following conditions are met:

(a) The Withholding Election is made on or prior to the date on which the amount of tax required to be withheld is determined (the "Tax Date") by executing and delivering to the Company a properly completed Notice of Withholding Election in substantially the form attached hereto as Exhibit 2; and

(b) Any Withholding Election will be irrevocable; however, the Committee may, in its sole discretion, disapprove and give no effect to the Withholding Election.

7. TRANSFERABILITY.

(a) Except as otherwise provided in this Section 7, the Option is not transferable other than as designated by the Participant by will or by the laws of descent and distribution, and during the Participant's life, may be exercised only by the Participant.

(b) Notwithstanding the foregoing, the Participant, with the approval of the Committee, may transfer the Option for no consideration to or for the benefit of the Participant's Immediate Family (including, without limitation, to a trust for the benefit of the Participant's Immediate Family, subject to such limits as the Committee may establish, and the transferee shall remain subject to all the terms and conditions applicable to the Option prior to such transfer, specifically including the terms and conditions of the Shareholders Agreement. No such transfer which could result in the loss of the Company's status as an S Corporation will be allowed.

(c) The foregoing right to transfer the Option shall apply to the right to consent to amendments to this Agreement and, in the discretion of the Committee, shall also apply to the right to transfer ancillary rights associated with the Option.

8. HEIRS AND SUCCESSORS.

(a) This Agreement shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business.

(b) If any rights exercisable by the Participant or benefits deliverable to the Participant under this Agreement have not been exercised or delivered, respectively, at the time of the Participant's death, such rights shall be exercisable by the Designated Beneficiary, and such benefits shall be delivered to the Designated Beneficiary, in accordance with the provisions of this Agreement and the Plan.

(c) If a deceased Participant has failed to designate a beneficiary, or if the Designated Beneficiary does not survive the Participant, any rights that would have been exercisable by the Participant and any benefits distributable to the Participant shall be exercised by or distributed to the legal representative of the estate of the Participant.

(d) If a deceased Participant has designated a beneficiary but the Designated Beneficiary dies before the Designated Beneficiary's exercise of all rights under this Agreement or before the complete distribution of benefits to the Designated Beneficiary under this Agreement, then any rights that would have been exercisable by the Designated Beneficiary shall be exercised by the legal representative of the estate of the Designated Beneficiary, and any benefits distributable to the Designated Beneficiary shall be distributed to the legal representative of the estate of the Designated Beneficiary.

9. ADMINISTRATION. The authority to manage and control the operation and administration of this Agreement shall be vested in the Committee, and the Committee shall have all powers with respect to this Agreement as it has with respect to the Plan. Any interpretation of the Agreement by the Committee and any decision made by it with respect to the Agreement is final and binding on all persons.

10. PLAN GOVERNS. Notwithstanding anything in this Agreement to the contrary, the terms of this Agreement shall be subject to the terms of the Plan, a copy of which may be obtained by the Participant from the office of the Secretary of the Company; and this Agreement is subject to all interpretations, amendments, rules and regulations promulgated by the Committee from time to time pursuant to the Plan.

11. NOT AN EMPLOYMENT CONTRACT. The Option will not confer on the Participant any right with respect to continuance of employment or other service with the Company or any Subsidiary, nor will it interfere in any way with any right the Company or any Subsidiary would otherwise have to terminate or modify the terms of such Participant's employment or other service at any time.

12. NOTICES. Any written notices provided for in this Agreement or the Plan shall be in writing and shall be deemed sufficiently given if either hand delivered or if sent by fax or overnight courier, or by postage paid first class mail. Notices sent by mail shall be deemed received three business days after mailed but in no event later than the date of actual receipt. Notices shall be directed, if to the Participant, at the Participant's address indicated by the Company's records, or if to the Company, at the Company's principal executive office.

13. FRACTIONAL SHARES. In lieu of issuing a fraction of a share upon any exercise of the Option, the Company will be entitled to pay to the Participant an amount equal to the fair market value of such fractional share.

14. NO RIGHTS AS SHAREHOLDER. The Participant shall not have any rights of a shareholder with respect to the shares subject to the Option, until a stock certificate has been duly issued following exercise of the Option as provided herein.

15. AMENDMENT. This Agreement may be amended by written Agreement of the Participant and the Company, without the consent of any other person.

16. FORFEITURE. Notwithstanding the foregoing, if, following the Date of Termination, Participant violates any of Participant's post-termination obligations to the Company or any Subsidiary, including, without limitation, any obligation not to compete with the Company or any Subsidiary (regardless of whether such obligation is enforceable under applicable law), not to solicit employees of the Company or any Subsidiary, to maintain the confidentiality on information belonging to the Company or any Subsidiary, or not to disparage the Company or any Subsidiary or any of their affiliates, immediately upon demand by the Company the Participant shall return to the Company the proceeds from this Award to the extent received by the Participant on or after one year prior to Date of Termination.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed in its name and on its behalf as of the Grant Date.

AGCO CORPORATION

By: _____
Its: _____

EXHIBIT 1

NOTICE OF EXERCISE OF
STOCK OPTION TO PURCHASE STOCK OF
AGCO CORPORATION

Name: _____
Address: _____
Date: _____

AGCO Corporation
Attn: Corporate Secretary

Re: Exercise of Non-qualified Stock Option

Dear Sir or Madam:

Subject to acceptance hereof in writing by AGCO Corporation (the "Company") pursuant to the provisions of the AGCO Corporation 2006 Long-Term Incentive Plan, I hereby give at least ten days but not more than thirty days prior notice of my election to exercise options granted to me to purchase _____ shares of Stock of the Company under the Non-qualified Stock Option Award Agreement (the "Award") pursuant to the AGCO Corporation 2006 Long-Term Incentive Plan dated as of _____, _____. The purchase shall take place as of _____, _____ (the "Exercise Date").

On or before the Exercise Date, I will pay the applicable purchase price as follows:

- by delivery of cash or a certified check for \$ _____ for the full purchase price payable to the order of the Company.
- by delivery of a certified check for \$ _____ representing a portion of the purchase price with the balance to consist of shares of Stock that I own and that are represented by a stock certificate I will surrender to the Company with my endorsement. If the number of shares of Stock represented by such stock certificate exceed the number to be applied against the purchase price, I understand that a new stock certificate will be issued to me reflecting the excess number of shares.
- by delivery of a stock certificate representing shares of Stock that I own which I will surrender to the Company with my endorsement as payment of the purchase price. If the number of shares of Stock represented by such certificate exceed the number to be applied against the purchase price, I understand that a new certificate will be issued to me reflecting the excess number of shares.

[] by the Company withholding from the purchased shares a number of shares having an aggregate Fair Market Value on the date of exercise, equal to the aggregate exercise price of all options being exercised.

Or, subject to your receipt of the written approval of the Committee (as defined in the Plan), by _____, _____ I will pay the purchase price by delivery of cash or a certified check for \$_____ representing all or a portion of the purchase price with any remaining balance to consist of Stock that I have owned for at least six months and that are represented by a stock certificate I will surrender to the Company with my endorsement. If the number of shares of Stock represented by such stock certificate exceed the number to be applied against the purchase price, I understand that a new stock certificate will be issued to me reflecting the excess number of shares.

As soon as the stock certificate is registered in my name, please deliver it to me at the above address.

If the Stock being acquired is not registered for issuance to and resale by the Optionee pursuant to an effective registration statement on Form S-8 (or successor form) filed under the Securities Act of 1933, as amended (the "1933 Act"), I hereby represent, warrant, covenant, and agree with the Company as follows:

The shares of the Stock being acquired by me will be acquired for my own account without the participation of any other person, with the intent of holding the Stock for investment and without the intent of participating, directly or indirectly, in a distribution of the Stock and not with a view to, or for resale in connection with, any distribution of the Stock, nor am I aware of the existence of any distribution of the Stock;

I am not acquiring the Stock based upon any representation, oral or written, by any person with respect to the future value of, or income from, the Stock but rather upon an independent examination and judgment as to the prospects of the Company;

The Stock was not offered to me by means of any publicly disseminated advertisements or sales literature, nor am I aware of any offers made to other persons by such means;

I am able to bear the economic risks of the investment in the Stock, including the risk of a complete loss of my investment therein;

I understand and agree that the Stock will be issued and sold to me without registration under any state law relating to the registration of securities for sale, and will be issued and sold in reliance on the exemptions from registration under the 1933 Act, provided by Sections 3(b) and/or 4(2) thereof and the rules and regulations promulgated thereunder;

The Stock cannot be offered for sale, sold or transferred by me other than pursuant to: (A) an effective registration under the 1933 Act or in a transaction otherwise in compliance with the 1933 Act; and (B) evidence satisfactory to the Company of compliance with the applicable securities laws of other jurisdictions. The Company shall be entitled to rely upon an opinion of counsel satisfactory to it with respect to compliance with the above laws;

The Company will be under no obligation to register the Stock or to comply with any exemption available for sale of the Stock without registration or filing, and the information or conditions necessary to permit routine sales of securities of the Company under Rule 144 under the 1933 Act may not now be available and no assurance has been given that it or they will become available. The Company is under no obligation to act in any manner so as to make Rule 144 available with respect to the Stock;

I have and have had complete access to and the opportunity to review and make copies of all material documents related to the business of the Company, including, but not limited to, contracts, financial statements, tax returns, leases, deeds and other books and records. I have examined such of these documents as I wished and am familiar with the business and affairs of the Company. I realize that the purchase of the Stock is a speculative investment and that any possible profit therefrom is uncertain;

I have had the opportunity to ask questions of and receive answers from the Company and any person acting on its behalf and to obtain all material information reasonably available with respect to the Company and its affairs. I have received all information and data with respect to the Company which I have requested and which I have deemed relevant in connection with the evaluation of the merits and risks of my investment in the Company;

I have such knowledge and experience in financial and business matters that I am capable of evaluating the merits and risks of the purchase of the Stock hereunder and I am able to bear the economic risk of such purchase; and

The agreements, representations, warranties and covenants made by me herein extend to and apply to all of the Stock of the Company issued to me pursuant to this Award. Acceptance by me of the certificate representing such Stock shall constitute a confirmation by me that all such agreements, representations, warranties and covenants made herein shall be true and correct at that time.

I understand that the certificates representing the shares being purchased by me in accordance with this notice shall bear a legend referring to the foregoing covenants, representations and warranties and restrictions on transfer, and I agree that a legend to that effect may be placed on any certificate which may be issued to me as a substitute for the certificates being acquired by me in accordance with this notice.

Very truly yours,

AGREED TO AND ACCEPTED:

AGCO CORPORATION

By: _____

Title: _____

Number of Shares Exercised: _____

Number of Shares Remaining: _____ Date: _____

EXHIBIT 2

NOTICE OF WITHHOLDING ELECTION
NON-QUALIFIED STOCK OPTION AWARD
PURSUANT TO THE AGCO CORPORATION
2006 LONG-TERM INCENTIVE PLAN

TO: _____

FROM: _____

RE: Withholding Election

This election relates to the Option identified in Paragraph 3 below. I hereby certify that:

- (1) My correct name and social security number and my current address are set forth at the end of this document.
- (2) I am (check one, whichever is applicable).
 - the original recipient of the Option.
 - the legal representative of the estate of the original recipient of the Option.
 - the legal guardian of the original recipient of the Option.
 - an Immediate Family Member other than the original recipient of the Option.
- (3) The Option to which this election relates was issued under the AGCO Corporation 2006 Long-Term Incentive Plan (the "Plan") in the name of _____ for the purchase of a total of _____ shares of Stock of the Company. This election relates to _____ shares of Stock issuable upon exercise of the Option, provided that the numbers set forth above shall be deemed changed as appropriate to reflect the applicable Plan provisions.
- (4) In connection with any exercise of the Option with respect to the Stock, I hereby elect one or more of the following:
 - to pay cash or certified check in the amount of \$_____ to be applied to pay federal, state, and local, if any, taxes arising from the exercise.
 - to pay the full federal, state, and local, if any, taxes arising from the exercise in cash or certified check.
 - to have certain of the shares issuable pursuant to the exercise withheld by the Company for the purpose of having the value of the shares applied to pay federal, state, and local, if any, taxes arising from the exercise.

[] to tender shares held by me prior to the exercise of the Option for the purpose of having the value of the shares applied to pay such taxes.

The shares to be withheld or tendered, as applicable, shall have, as of the Tax Date applicable to the exercise, a Fair Market Value equal to the minimum statutory tax withholding requirement under federal, state, and local law in connection with the exercise.

- (5) This Withholding Election is made no later than the Tax Date and is otherwise timely made pursuant to the Plan.
- (6) I understand that this Withholding Election may not be revised, amended or revoked by me.
- (7) The Plan has been made available to me by the Company. I have read and understand the Plan and I have no reason to believe that any of the conditions to the making of this Withholding Election have not been met.
- (8) Capitalized terms used in this Notice of Withholding Election without definition shall have the meanings given to them in the Plan.

Dated:

-----	-----
	Signature
-----	-----
Social Security Number	Name (Printed)

	Street Address

	City, State, Zip Code

AGCO CORPORATION
2006 LONG-TERM INCENTIVE PLAN

INCENTIVE STOCK OPTION AWARD AGREEMENT

THIS AGREEMENT, entered into as of the Grant Date (as defined in Section 1), by and between the Participant and AGCO Corporation (the "Company");

WHEREAS, the Company maintains the AGCO Corporation 2006 Long-Term Incentive Plan (the "Plan"), which is incorporated into and forms a part of this Agreement, and the Participant has been selected by the committee administering the Plan (the "Committee") to receive a Stock Option Award under the Plan;

NOW, THEREFORE, IT IS AGREED, by and between the Company and the Participant, as follows:

1. TERMS OF AWARD AND DEFINITIONS. The following terms used in this Agreement shall have the meanings set forth in this Section 1:

(a) COVERED SHARES. The number of "Covered Shares" shall be _____ shares of Stock.

(b) DATE OF TERMINATION. The Participant's "Date of Termination" shall be the first day occurring on or after the Grant Date on which the Participant is neither employed by the Company or any Subsidiary; provided that a termination shall not be considered to have occurred while the Participant is on an approved leave of absence from the Company or a Subsidiary. If, as a result of a sale or other transaction, a Participant ceases to be an employee of the Company or any Subsidiary (and the Participant's employer is or becomes an entity that is separate from the Company or any Subsidiary), the occurrence of such transaction shall be treated as the Participant's Date of Termination caused by the Participant being discharged by the employer.

(c) DESIGNATED BENEFICIARY. The "Designated Beneficiary" shall be the beneficiary or beneficiaries designated by the Participant in a writing filed with the Committee in such form and at such time as the Committee shall require.

(d) DISABILITY. Except as otherwise provided by the Committee, the Participant shall be considered to have a "Disability" if he is eligible for disability payments under the Company's long-term disability plan.

(e) EXERCISE PRICE. The "Exercise Price" is \$_____ per share.

(f) GOOD CAUSE. With respect to any dismissal of the Participant from his or her employment with the Company or any Subsidiary, shall mean (i) if the Participant is a party to an employment agreement with the Company or any Subsidiary that defines "cause," "good cause" or a similar term, "Good Cause" shall mean such term as so defined, and (ii) otherwise (A) the conviction of the Participant of, or the entry of a plea of guilty, first offender probation before judgment, or nolo contendere by the Participant to, any felony; (B) fraud, misappropriation or embezzlement by the Participant; (C) the Participant's willful failure or gross negligence in the performance of his assigned duties for the Company or any Subsidiary; (D) the Participant's failure to follow reasonable and lawful directives of his supervisor or his breach of his fiduciary duty to the Company or any Subsidiary; (E) any act or omission of the Participant that has a demonstrated and material adverse impact on the Company's or any Subsidiary's business or reputation for honesty and fair dealing, other than an act or failure to act by the Participant in good faith and without reason to believe that such act or failure to act would adversely impact on the Company's or any Subsidiary's business or reputation for honesty and fair dealing; or (F) the breach by the Participant of any confidentiality or non-competition agreement in favor of the Company or any Subsidiary.

(g) GRANT DATE. The "Grant Date" is _____.

(h) IMMEDIATE FAMILY. "Immediate Family" shall mean the Participant's spouse, parents, children, stepchildren, adoptive relationships, sisters, brothers and grandchildren and, for this purpose, shall also include the Participant.

(i) PARTICIPANT. The "Participant" is _____.

(j) RETIREMENT. "Retirement" of the Participant shall mean the occurrence of the Participant's Date of Termination on or after the date the Participant attains age 65 or such earlier date as may be approved by the Committee in its sole discretion.

Except where the context clearly implies or indicates the contrary, a word, term, or phrase used in the Plan is similarly used in this Agreement.

2. AWARD AND EXERCISE PRICE. This Agreement specifies the terms of the option (the "Option") granted to the Participant to purchase the number of Covered Shares of Stock at the Exercise Price per share as set forth in Section 1. The Option is intended to constitute an "incentive stock option" as that term is used in Code section 422, and shall be so construed. To the extent that the aggregate fair market value (determined at the time of grant) of Shares with respect to which incentive stock options are exercisable for the first time by the Participant during any calendar year under all plans of the Company and its affiliates exceeds \$100,000, the options or portions thereof which exceed such limit (according to the order in which they were granted) shall be treated as nonstatutory stock options. It should be understood that there is no assurance that the option will, in fact, be treated as an incentive stock option. To the extent an Option is not treated as an incentive stock option, it shall be treated as a nonstatutory stock option.

3. DATE OF EXERCISE.

(a) Subject to the limitations of this Agreement, the Option shall be exercisable according to the following schedule, with respect to each installment shown in the schedule on and after the Vesting Date applicable to such installment (each an "Installment"):

INSTALLMENT -----	VESTING DATE APPLICABLE TO INSTALLMENT -----
	[FIRST YEAR ANNIVERSARY OF THE GRANT DATE]
	[SECOND YEAR ANNIVERSARY OF THE GRANT DATE]
	[THIRD YEAR ANNIVERSARY OF THE GRANT DATE]
	[FOURTH YEAR ANNIVERSARY OF THE GRANT DATE]

(b) An Installment shall not become exercisable on the otherwise applicable Vesting Date if the Participant's Date of Termination occurs on or before such Vesting Date. Notwithstanding the foregoing provisions of this Section 3, the Option shall become exercisable with respect to all of the Covered Shares (to the extent it is not then otherwise exercisable) as follows:

(i) If the Participant's Date of Termination occurs by reason of the Participant's death or Disability, the Option shall become fully exercisable upon the Participant's Date of Termination; and

(ii) If the Participant's Date of Termination does not occur on or before the Change in Control, the Option shall become fully exercisable upon a Change in Control.

(c) Otherwise, the Option may be exercised on or after the Date of Termination only as to that portion of the Covered Shares as to which it was exercisable immediately prior to the Date of Termination, or as to which it became exercisable on the Date of Termination in accordance with this Section 3.

4. EXPIRATION. The Option shall not be exercisable after the Company's close of business on the last business day that occurs prior to the Expiration Date. The "Expiration Date" shall be earliest to occur of:

(a) The seven-year anniversary of the Grant Date (5 years in the case of a 10% or greater shareholder);

(b) If the Participant's Date of Termination occurs by reason of death, Disability or Retirement, the one-year anniversary of such Date of Termination;

(c) If the Participant's Date of Termination occurs for reasons other than death, Disability, Retirement, or Good Cause the 90-day anniversary of such Date of Termination; or

(d) The date the Participant is dismissed from the Company for Good Cause.

5. METHOD OF OPTION EXERCISE.

(a) Subject to the Agreement and the Plan, the Option may be exercised in whole or in part by filing a written notice with the Secretary of the Company at its corporate headquarters prior to the Company's close of business on the last business day that occurs prior to the Expiration Date. Such notice shall specify the number of shares of Stock which the Participant elects to purchase, and shall be accompanied by payment of the Exercise Price for such shares of Stock indicated by the Participant's election.

(b) Payment shall be by cash or by check payable to the Company, or, alternatively, as follows to the extent permitted by the Committee at the time of exercise:

(i) all or a portion of the Exercise Price may be paid by the Participant by delivery of shares of Stock owned by the Participant and acceptable to the Committee having an aggregate Fair Market Value (valued as of the date of exercise) that is equal to the amount of cash that would otherwise be required;

(ii) the Participant may pay the Exercise Price by authorizing a third party to sell shares of Stock (or a sufficient portion of the shares) acquired upon exercise of the Option and remit to the Company a sufficient portion of the sale proceeds to pay the entire Exercise Price and any tax withholding resulting from such exercise or,

(iii) the Participant may pay the Exercise Price by authorizing the Company to withhold shares of Stock (or a sufficient portion of the shares) acquired upon exercise of the Option having an aggregate Fair Market Value (valued as of the date of exercise) that is equal to the amount of cash that would be required to pay the entire Exercise Price and any tax withholding resulting from such exercise.

(c) The Option shall not be exercisable if and to the extent the Company determines that such exercise would violate applicable state or Federal securities laws or the rules and regulations of any securities exchange on which the Stock is traded. If the Company makes such a determination, it shall use all reasonable efforts to obtain compliance with such laws, rules or regulations. In making any determination hereunder, the Company may rely on the opinion of counsel for the Company.

6. WITHHOLDING. To the extent necessary, the Optionee must satisfy his federal, state, and local, if any, withholding taxes imposed by reason of the exercise of the Option either by paying to the Company the full amount of the withholding obligation (i) in cash; (ii) by tendering shares of Stock which are owned by the Optionee prior to the date of exercise having a

Fair Market Value equal to the withholding obligation (a "Withholding Election"); (iii) by electing, irrevocably and in writing (also a "Withholding Election"), to have the smallest number of whole shares of Stock withheld by the Company which, when multiplied by the Fair Market Value of the Stock as of the date the Option is exercised, is sufficient to satisfy the amount of withholding tax; or (iv) by any combination of the above. Optionee may make a Withholding Election only if the following conditions are met:

(a) The Withholding Election is made on or prior to the date on which the amount of tax required to be withheld is determined (the "Tax Date") by executing and delivering to the Company a properly completed Notice of Withholding Election in substantially the form attached hereto as Exhibit 2; and

(b) Any Withholding Election will be irrevocable; however, the Committee may, in its sole discretion, disapprove and give no effect to the Withholding Election.

7. TRANSFERABILITY.

(a) Except as otherwise provided in this Section 7, the Option is not transferable other than as designated by the Participant by will or by the laws of descent and distribution, and during the Participant's life, may be exercised only by the Participant.

(b) Notwithstanding the foregoing, the Participant, with the approval of the Committee, may transfer the Option for no consideration to or for the benefit of the Participant's Immediate Family (including, without limitation, to a trust for the benefit of the Participant's Immediate Family or to a partnership or limited liability company for one or more members of the Participant's Immediate Family, subject to such limits as the Committee may establish, and the transferee shall remain subject to all the terms and conditions applicable to the Option prior to such transfer.

(c) The foregoing right to transfer the Option shall apply to the right to consent to amendments to this Agreement and, in the discretion of the Committee, shall also apply to the right to transfer ancillary rights associated with the Option.

8. HEIRS AND SUCCESSORS.

(a) This Agreement shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business.

(b) If any rights exercisable by the Participant or benefits deliverable to the Participant under this Agreement have not been exercised or delivered, respectively, at the time of the Participant's death, such rights shall be exercisable by the Designated Beneficiary, and such benefits shall be delivered to the Designated Beneficiary, in accordance with the provisions of this Agreement and the Plan.

(c) If a deceased Participant has failed to designate a beneficiary, or if the Designated Beneficiary does not survive the Participant, any rights that would have been exercisable by the Participant and any benefits distributable to the Participant shall be exercised by or distributed to the legal representative of the estate of the Participant.

(d) If a deceased Participant has designated a beneficiary but the Designated Beneficiary dies before the Designated Beneficiary's exercise of all rights under this Agreement or before the complete distribution of benefits to the Designated Beneficiary under this Agreement, then any rights that would have been exercisable by the Designated Beneficiary shall be exercised by the legal representative of the estate of the Designated Beneficiary, and any benefits distributable to the Designated Beneficiary shall be distributed to the legal representative of the estate of the Designated Beneficiary.

9. ADMINISTRATION. The authority to manage and control the operation and administration of this Agreement shall be vested in the Committee, and the Committee shall have all powers with respect to this Agreement as it has with respect to the Plan. Any interpretations of the Agreement by the Committee and any decisions made by it with respect to the Agreement are final and binding on all persons.

10. PLAN GOVERNS. Notwithstanding anything in this Agreement to the contrary, the terms of this Agreement shall be subject to the terms of the Plan, a copy of which may be obtained by the Participant from the office of the Secretary of the Company. This Agreement is subject to all interpretations, amendments, rules and regulations promulgated by the Committee from time to time pursuant to the Plan.

11. NO EMPLOYMENT CONTRACT. The Option will not confer on the Participant any right with respect to continuance of employment or other service with the Company or any Subsidiary, nor will it interfere in any way with any right the Company or any Subsidiary would otherwise have to terminate or modify the terms of such Participant's employment or other service at any time.

12. NOTICES. Any written notices provided for in this Agreement or the Plan shall be in writing and shall be deemed sufficiently given if either hand delivered or if sent by fax or overnight courier, or by postage paid first class mail. Notices sent by mail shall be deemed received three business days after mailed but in no event later than the date of actual receipt. Notices shall be directed, if to the Participant, at the Participant's address indicated by the Company's records, or if to the Company, at the Company's principal executive office.

13. FRACTIONAL SHARES. In lieu of issuing a fraction of a share upon any exercise of the Option, the Company will be entitled to pay to the Participant an amount equal to the fair market value of such fractional share.

14. NO SHAREHOLDER RIGHTS. The Participant shall not have any rights of a shareholder with respect to the shares subject to the Option, until a stock certificate has been duly issued following exercise of the Option as provided herein.

15. AMENDMENT. This Agreement may be amended by written agreement of the Participant and the Company, without the consent of any other person.

16. FORFEITURE. Notwithstanding the foregoing, if, following the Date of Termination, Participant violates any of Participant's post-termination obligations to the Company or any Subsidiary, including, without limitation, any obligation not to compete with the Company or any Subsidiary (regardless of whether such obligation is enforceable under applicable law), not to solicit employees of the Company or any Subsidiary, to maintain the confidentiality on information belonging to the Company or any Subsidiary, or not to disparage the Company or any Subsidiary or any of their affiliates, immediately upon demand by the Company the Participant shall return to the Company the proceeds from this Award to the extent received by the Participant on or after one year prior to Date of Termination.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed in its name and on its behalf, all as of the Grant Date.

AGCO CORPORATION

By: _____

Its: _____

EXHIBIT 1

NOTICE OF EXERCISE OF
STOCK OPTION TO PURCHASE STOCK OF
AGCO CORPORATION

Name: _____
Address: _____
Date: _____

AGCO Corporation
Attn: Corporate Secretary

Re: Exercise of Incentive Stock Option

Dear Sir or Madam:

Subject to acceptance hereof in writing by AGCO Corporation (the "Company") pursuant to the provisions of the AGCO Corporation 2006 Long-Term Incentive Plan, I hereby give at least ten days but not more than thirty days prior notice of my election to exercise options granted to me to purchase _____ shares of Stock of the Company under the Incentive Stock Option Award Agreement (the "Award") pursuant to the AGCO Corporation 2006 Long-Term Incentive Plan dated as of _____, _____. The purchase shall take place as of _____, _____ (the "Exercise Date").

On or before the Exercise Date, I will pay the applicable purchase price as follows:

- by delivery of cash or a certified check for \$_____ for the full purchase price payable to the order of the Company.
- by delivery of a certified check for \$_____ representing a portion of the purchase price with the balance to consist of shares of Stock that I own and that are represented by a stock certificate I will surrender to the Company with my endorsement. If the number of shares of Stock represented by such stock certificate exceeds the number to be applied against the purchase price, I understand that a new stock certificate will be issued to me reflecting the excess number of shares.
- by delivery of a stock certificate representing shares of Stock that I own which I will surrender to the Company with my endorsement as payment of the purchase price. If the number of shares of Stock represented by such certificate exceeds the number to be applied against the purchase price, I understand that a new certificate will be issued to me reflecting the excess number of shares.

[] by the Company withholding from the purchased shares a number of shares having an aggregate Fair Market Value on the date of exercise, equal to the aggregate exercise price of all options being exercised.

Or, subject to your receipt of the written approval of the Committee (as defined in the Plan), by _____, _____ I will pay the purchase price by delivery of cash or a certified check for \$_____ representing all or a portion of the purchase price with any remaining balance to consist of Stock that I have owned for at least six months and that are represented by a stock certificate I will surrender to the Company with my endorsement. If the number of shares of Stock represented by such stock certificate exceeds the number to be applied against the purchase price, I understand that a new stock certificate will be issued to me reflecting the excess number of shares.

As soon as the stock certificate is registered in my name, please deliver it to me at the above address.

If the Stock being acquired is not registered for issuance to and resale by the Optionee pursuant to an effective registration statement on Form S-8 (or successor form) filed under the Securities Act of 1933, as amended (the "1933 Act"), I hereby represent, warrant, covenant, and agree with the Company as follows:

The shares of the Stock being acquired by me will be acquired for my own account without the participation of any other person, with the intent of holding the Stock for investment and without the intent of participating, directly or indirectly, in a distribution of the Stock and not with a view to, or for resale in connection with, any distribution of the Stock, nor am I aware of the existence of any distribution of the Stock;

I am not acquiring the Stock based upon any representation, oral or written, by any person with respect to the future value of, or income from, the Stock but rather upon an independent examination and judgment as to the prospects of the Company;

The Stock was not offered to me by means of any publicly disseminated advertisements or sales literature, nor am I aware of any offers made to other persons by such means;

I am able to bear the economic risks of the investment in the Stock, including the risk of a complete loss of my investment therein;

I understand and agree that the Stock will be issued and sold to me without registration under any state law relating to the registration of securities for sale, and will be issued and sold in reliance on the exemptions from registration under the 1933 Act, provided by Sections 3(b) and/or 4(2) thereof and the rules and regulations promulgated thereunder;

The Stock cannot be offered for sale, sold or transferred by me other than pursuant to: (A) an effective registration under the 1933 Act or in a transaction otherwise in compliance with the 1933 Act; and (B) evidence satisfactory to the Company of compliance with the applicable securities laws of other jurisdictions. The Company shall be entitled to rely upon an opinion of counsel satisfactory to it with respect to compliance with the above laws;

The Company will be under no obligation to register the Stock or to comply with any exemption available for sale of the Stock without registration or filing, and the information or conditions necessary to permit routine sales of securities of the Company under Rule 144 under the 1933 Act may not now be available and no assurance has been given that it or they will become available. The Company is under no obligation to act in any manner so as to make Rule 144 available with respect to the Stock;

I have and have had complete access to and the opportunity to review and make copies of all material documents related to the business of the Company, including, but not limited to, contracts, financial statements, tax returns, leases, deeds and other books and records. I have examined such of these documents as I wished and am familiar with the business and affairs of the Company. I realize that the purchase of the Stock is a speculative investment and that any possible profit therefrom is uncertain;

I have had the opportunity to ask questions of and receive answers from the Company and any person acting on its behalf and to obtain all material information reasonably available with respect to the Company and its affairs. I have received all information and data with respect to the Company which I have requested and which I have deemed relevant in connection with the evaluation of the merits and risks of my investment in the Company;

I have such knowledge and experience in financial and business matters that I am capable of evaluating the merits and risks of the purchase of the Stock hereunder and I am able to bear the economic risk of such purchase; and

The agreements, representations, warranties and covenants made by me herein extend to and apply to all of the Stock of the Company issued to me pursuant to this Award. Acceptance by me of the certificate representing such Stock shall constitute a confirmation by me that all such agreements, representations, warranties and covenants made herein shall be true and correct at that time.

I understand that the certificates representing the shares being purchased by me in accordance with this notice shall bear a legend referring to the foregoing covenants, representations and warranties and restrictions on transfer, and I agree that a legend to that effect may be placed on any certificate which may be issued to me as a substitute for the certificates being acquired by me in accordance with this notice.

Very truly yours,

AGREED TO AND ACCEPTED:

AGCO CORPORATION

By: -----

Title: -----

Number of Shares Exercised: -----

Number of Shares Remaining: ----- Date: -----

EXHIBIT 2

NOTICE OF WITHHOLDING ELECTION
INCENTIVE STOCK OPTION AWARD
PURSUANT TO THE AGCO CORPORATION
2006 LONG-TERM INCENTIVE PLAN

TO: _____

FROM: _____

RE: Withholding Election

This election relates to the Option identified in Paragraph 3 below. I hereby certify that:

- (1) My correct name and social security number and my current address are set forth at the end of this document.
- (2) I am (check one, whichever is applicable).
 - the original recipient of the Option.
 - the legal representative of the estate of the original recipient of the Option.
 - the legal guardian of the original recipient of the Option.
 - an Immediate Family Member other than the original recipient of the Option.
- (3) The Option to which this election relates was issued under the AGCO Corporation 2006 Long-Term Incentive Plan (the "Plan") in the name of _____ for the purchase of a total of _____ shares of Stock of the Company. This election relates to _____ shares of Stock issuable upon exercise of the Option, provided that the numbers set forth above shall be deemed changed as appropriate to reflect the applicable Plan provisions.
- (4) In connection with any exercise of the Option with respect to the Stock, I hereby elect one or more of the following:
 - to pay cash or certified check in the amount of \$_____ to be applied to pay federal, state, and local, if any, taxes arising from the exercise.
 - to pay the full federal, state, and local, if any, taxes arising from the exercise in cash or certified check.
 - to have certain of the shares issuable pursuant to the exercise withheld by the Company for the purpose of having the value of the shares applied to pay federal, state, and local, if any, taxes arising from the exercise.

[] to tender shares held by me prior to the exercise of the Option for the purpose of having the value of the shares applied to pay such taxes.

The shares to be withheld or tendered, as applicable, shall have, as of the Tax Date applicable to the exercise, a Fair Market Value equal to the minimum statutory tax withholding requirement under federal, state, and local law in connection with the exercise.

- (5) This Withholding Election is made no later than the Tax Date and is otherwise timely made pursuant to the Plan.
- (6) I understand that this Withholding Election may not be revised, amended or revoked by me.
- (7) The Plan has been made available to me by the Company. I have read and understand the Plan and I have no reason to believe that any of the conditions to the making of this Withholding Election have not been met.
- (8) Capitalized terms used in this Notice of Withholding Election without definition shall have the meanings given to them in the Plan.

Dated:

-----	-----
	Signature
-----	-----
Social Security Number	Name (Printed)

	Street Address

	City, State, Zip Code

AGCO CORPORATION
2006 LONG-TERM INCENTIVE PLAN

STOCK APPRECIATION RIGHTS AGREEMENT

THIS AGREEMENT, entered into as of the Grant Date (as defined in Section 1), by and between the Participant and AGCO Corporation (the "Company");

WHEREAS, the Company maintains the AGCO Corporation 2006 Long-Term Incentive Plan (the "Plan"), which is incorporated into and forms a part of this Agreement, and the Participant has been selected by the committee administering the Plan (the "Committee") to receive a stock appreciation right ("SAR") Award under the Plan;

NOW, THEREFORE, IT IS AGREED, by and between the Company and the Participant, as follows:

1. TERMS OF AWARD AND DEFINITIONS. The following terms used in this Agreement shall have the meanings set forth in this Section 1:

(a) DATE OF TERMINATION. The Participant's "Date of Termination" shall be the first day occurring on or after the Grant Date on which the Participant is neither employed by the Company or any Subsidiary, a director of the Company or any Subsidiary, an independent contractor performing services for the Company or any Subsidiary nor providing services as a consultant to the Company or any Subsidiary; provided that a termination shall not be considered to have occurred while the Participant is on an approved leave of absence from the Company or a Subsidiary. If, as a result of a sale or other transaction, a Participant who is an employee ceases to be an employee of the Company or any Subsidiary (and the Participant's employer is or becomes an entity that is separate from the Company or any Subsidiary), the occurrence of such transaction shall be treated as the Participant's Date of Termination caused by the Participant being discharged by the employer.

(b) DESIGNATED BENEFICIARY. The "Designated Beneficiary" shall be the beneficiary or beneficiaries designated by the Participant in a writing filed with the Committee in such form and at such time as the Committee shall require.

(c) DISABILITY. Except as otherwise provided by the Committee, the Participant shall be considered to have a "Disability" if he is eligible for disability payments under the Company's long-term disability plan.

(d) EXERCISE PRICE. The "Exercise Price" is \$ _____ per SAR.

(e) GOOD CAUSE. With respect to any dismissal of the Participant from his or her employment with the Company or any Subsidiary, shall mean (i) if the Participant is a party to an employment agreement with the Company or any Subsidiary that defines "cause," "good cause" or a similar term, "Good Cause" shall mean such term as so defined, and (ii) otherwise (A) the conviction of the Participant of, or the entry of a plea of guilty, first offender probation before judgment, or nolo contendere by the Participant to, any felony; (B) fraud, misappropriation or embezzlement by the Participant; (C) the Participant's willful failure or gross negligence in the performance of his assigned duties for the Company or any Subsidiary; (D) the Participant's failure to follow reasonable and lawful directives of his supervisor or his breach of his fiduciary duty to the Company or any Subsidiary; (E) any act or omission of the Participant that has a demonstrated and material adverse impact on the Company's or any Subsidiary's business or reputation for honesty and fair dealing, other than an act or failure to act by the Participant in good faith and without reason to believe that such act or failure to act would adversely impact on the Company's or any Subsidiary's business or reputation for honesty and fair dealing; or (F) the breach by the Participant of any confidentiality or non-competition agreement in favor of the Company or any Subsidiary.

(f) GRANT DATE. The "Grant Date" is _____.

(g) IMMEDIATE FAMILY. "Immediate Family" shall mean the Participant's spouse, parents, children, stepchildren, adoptive relationships, sisters, brothers and grandchildren and, for this purpose, shall also include the Participant.

(h) PARTICIPANT. The "Participant" is _____.

(i) SARs. The number of "SARs" shall be _____. The award of SARs does not entitle the Participant to any rights as a shareholder of the Company with respect to the SARs, including accounting of the payment of dividends on the Company's Stock during the period prior to the exercise of the SARs.

(j) RETIREMENT. "Retirement" of the Participant shall mean the occurrence of the Participant's Date of Termination on or after the date the Participant attains age 65 or such earlier date as may be approved by the Committee in its sole discretion.

Except where the context clearly implies or indicates the contrary, a word, term, or phrase used in the Plan is similarly used in this Agreement.

2. AWARD AND EXERCISE PRICE. This Agreement specifies the terms of the SARs granted to the Participant and the Exercise Price per SAR as set forth in Section 1.

3. DATE OF EXERCISE.

(a) Subject to the limitations of this Agreement, the SARs shall be exercisable according to the following schedule, with respect to each installment shown in the

schedule on and after the Vesting Date applicable to such installment (each an "Installment"):

(b)

INSTALLMENT -----	VESTING DATE APPLICABLE TO INSTALLMENT -----
	[FIRST YEAR ANNIVERSARY OF THE GRANT DATE] [SECOND YEAR ANNIVERSARY OF THE GRANT DATE] [THIRD YEAR ANNIVERSARY OF THE GRANT DATE] [FOURTH YEAR ANNIVERSARY OF THE GRANT DATE]

(c) An Installment shall not become exercisable on the otherwise applicable Vesting Date if the Participant's Date of Termination (as defined in Section 8) occur on or before such Vesting Date. Notwithstanding the foregoing provisions of this Section 3, the SARs shall become exercisable (to the extent not then otherwise exercisable) as follows:

(i) The SARs shall become fully exercisable upon the Participant's Date of Termination, if the Participant's Date of Termination occurs by reason of the Participant's death or Disability.

(ii) The SARs shall become fully exercisable upon a Change in Control, if the Participant's Date of Termination does not occur on or before the Change in Control.

(d) Otherwise, the SARs may be exercised on or after the Date of Termination only as to that portion of the Covered Shares as to which they were exercisable immediately prior to the Date of Termination, or as to which they became exercisable on the Date of Termination in accordance with this Section 3.

4. EXPIRATION. The SARs shall not be exercisable after the Company's close of business on the last business day that occurs prior to the Expiration Date. The "Expiration Date" shall be earliest to occur of:

(a) The seven-year anniversary of the Grant Date;

(b) If the Participant's Date of Termination occurs by reason of death, Disability or Retirement, the one-year anniversary of such Date of Termination;

(c) If the Participant's Date of Termination occurs for reasons other than death, Disability, Retirement, or Good Cause the 90-day anniversary of such Date of Termination; or

(d) The date the Participant is dismissed from the Company for Good Cause.

5. EXERCISE OF SARs. At any time at which the Participant may exercise the SARs in accordance with the provisions of this Agreement, such SARs may be exercised by filing a

written notice with the Secretary of the Company at its corporate headquarters. The right to exercise one or more SARs shall expire in accordance with the provisions of this Agreement. Upon the exercise of a SAR, the Participant shall receive an amount from the Company which is equal to the excess of the Fair Market Value of a share of Stock on the date of exercise over the Exercise Price of one share of Stock. Such amount shall be paid to the Participant, in shares of Stock (based on the Fair Market Value of such shares on the date of exercise).

6. WITHHOLDING. To the extent necessary, the Participant must satisfy his federal, state, and local, if any, withholding taxes imposed by reason of the exercise of the SAR either by paying to the Company the full amount of the withholding obligation (i) in cash; (ii) by tendering shares of Stock which are owned by the Participant prior to the date of exercise having a Fair Market Value equal to the withholding obligation (a "Withholding Election"); (iii) by electing, irrevocably and in writing (also a "Withholding Election"), to have the smallest number of whole shares of Stock withheld by the Company which, when multiplied by the Fair Market Value of the Stock as of the date the SAR is exercised, is sufficient to satisfy the amount of withholding tax; or (iv) by any combination of the above. Participant may make a Withholding Election only if the following conditions are met:

(a) The Withholding Election is made on or prior to the date on which the amount of tax required to be withheld is determined (the "Tax Date") by executing and delivering to the Company a properly completed Notice of Withholding Election in substantially the form attached hereto as Exhibit 1; and

(b) Any Withholding Election will be irrevocable; however, the Committee may, in its sole discretion, disapprove and give no effect to the Withholding Election.

7. TRANSFERABILITY.

(a) Except as otherwise provided in this Section 7, the SARs are not transferable other than as designated by the Participant by will or by the laws of descent and distribution, and during the Participant's life, may be exercised only by the Participant.

(b) Notwithstanding the foregoing, the Participant, with the approval of the Committee, may transfer the SARs for no consideration to or for the benefit of the Participant's Immediate Family (including, without limitation, to a trust for the benefit of the Participant's Immediate Family, subject to such limits as the Committee may establish, and the transferee shall remain subject to all the terms and conditions applicable to the SARs prior to such transfer.

(c) The foregoing right to transfer the SARs shall apply to the right to consent to amendments to this Agreement and, in the discretion of the Committee, shall also apply to the right to transfer ancillary rights associated with the SARs.

8. HEIRS AND SUCCESSORS.

(a) This Agreement shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business.

(b) If any rights exercisable by the Participant or benefits deliverable to the Participant under this Agreement have not been exercised or delivered, respectively, at the time of the Participant's death, such rights shall be exercisable by the Designated Beneficiary, and such benefits shall be delivered to the Designated Beneficiary, in accordance with the provisions of this Agreement and the Plan.

(c) If a deceased Participant has failed to designate a beneficiary, or if the Designated Beneficiary does not survive the Participant, any rights that would have been exercisable by the Participant and any benefits distributable to the Participant shall be exercised by or distributed to the legal representative of the estate of the Participant.

(d) If a deceased Participant has designated a beneficiary but the Designated Beneficiary dies before the Designated Beneficiary's exercise of all rights under this Agreement or before the complete distribution of benefits to the Designated Beneficiary under this Agreement, then any rights that would have been exercisable by the Designated Beneficiary shall be exercised by the legal representative of the estate of the Designated Beneficiary, and any benefits distributable to the Designated Beneficiary shall be distributed to the legal representative of the estate of the Designated Beneficiary.

9. ADMINISTRATION. The authority to manage and control the operation and administration of this Agreement shall be vested in the Committee, and the Committee shall have all powers with respect to this Agreement as it has with respect to the Plan. Any interpretation of the Agreement by the Committee and any decision made by it with respect to the Agreement is final and binding on all persons.

10. PLAN GOVERNS. Notwithstanding anything in this Agreement to the contrary, the terms of this Agreement shall be subject to the terms of the Plan, a copy of which may be obtained by the Participant from the office of the Secretary of the Company; and this Agreement is subject to all interpretations, amendments, rules and regulations promulgated by the Committee from time to time pursuant to the Plan.

11. NOT AN EMPLOYMENT CONTRACT. The SAR will not confer on the Participant any right with respect to continuance of employment or other service with the Company or any Subsidiary, nor will it interfere in any way with any right the Company or any Subsidiary would otherwise have to terminate or modify the terms of such Participant's employment or other service at any time.

12. NOTICES. Any written notices provided for in this Agreement or the Plan shall be in writing and shall be deemed sufficiently given if either hand delivered or if sent by fax or overnight courier, or by postage paid first class mail. Notices sent by mail shall be deemed

received three business days after mailed but in no event later than the date of actual receipt. Notices shall be directed, if to the Participant, at the Participant's address indicated by the Company's records, or if to the Company, at the Company's principal executive office.

13. FRACTIONAL SHARES. In lieu of issuing a fraction of a share upon any exercise of the SARs, the Company will be entitled to pay to the Participant an amount equal to the fair market value of such fractional share.

14. NO RIGHTS AS SHAREHOLDER. The Participant shall not have any rights of a shareholder with respect to the shares subject to the SAR, until a stock certificate has been duly issued following exercise of the SAR as provided herein.

15. AMENDMENT. This Agreement may be amended by written Agreement of the Participant and the Company, without the consent of any other person.

16. FORFEITURE. Notwithstanding the foregoing, if, following the Date of Termination, Participant violates any of Participant's post-termination obligations to the Company or any Subsidiary, including, without limitation, any obligation not to compete with the Company or any Subsidiary (regardless of whether such obligation is enforceable under applicable law), not to solicit employees of the Company or any Subsidiary, to maintain the confidentiality on information belonging to the Company or any Subsidiary, or not to disparage the Company or any Subsidiary or any of their affiliates, immediately upon demand by the Company the Participant shall return to the Company the proceeds from this Award to the extent received by the Participant on or after one year prior to Date of Termination.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed in its name and on its behalf as of the Grant Date.

AGCO CORPORATION

By: _____
Its: _____

EXHIBIT 1

NOTICE OF WITHHOLDING ELECTION
STOCK APPRECIATION RIGHTS AGREEMENT
PURSUANT TO THE AGCO CORPORATION
2006 LONG-TERM INCENTIVE PLAN

TO: _____

FROM: _____

RE: Withholding Election

This election relates to the SAR identified in Paragraph 3 below. I hereby certify that:

(1) My correct name and social security number and my current address are set forth at the end of this document.

(2) I am (check one, whichever is applicable).

the original recipient of the SAR.

the legal representative of the estate of the original recipient of the SAR.

the legal guardian of the original recipient of the SAR.

an Immediate Family Member other than the original recipient of the SAR.

(3) The SAR to which this election relates was issued under the AGCO Corporation 2006 Long-Term Incentive Plan (the "Plan") in the name of _____ for the value appreciation of a total of _____ shares of Stock of the Company. This election relates to _____ shares of Stock, the appreciation of which is payable upon exercise of the SAR, provided that the numbers set forth above shall be deemed changed as appropriate to reflect the applicable Plan provisions.

(4) In connection with any exercise of the SAR with respect to the Stock, I hereby elect one or more of the following:

to pay cash or certified check in the amount of \$_____ to be applied to pay federal, state, and local, if any, taxes arising from the exercise.

to pay the full federal, state, and local, if any, taxes arising from the exercise in cash or certified check.

[] to have certain of the shares issuable pursuant to the exercise withheld by the Company for the purpose of having the value of the shares applied to pay federal, state, and local, if any, taxes arising from the exercise.

[] to tender shares held by me prior to the exercise of the SAR for the purpose of having the value of the shares applied to pay such taxes.

The shares to be withheld or tendered, as applicable, shall have, as of the Tax Date applicable to the exercise, a Fair Market Value equal to the minimum statutory tax withholding requirement under federal, state, and local law in connection with the exercise.

- (5) This Withholding Election is made no later than the Tax Date and is otherwise timely made pursuant to the Plan.
- (6) I understand that this Withholding Election may not be revised, amended or revoked by me.
- (7) The Plan has been made available to me by the Company. I have read and understand the Plan and I have no reason to believe that any of the conditions to the making of this Withholding Election have not been met.
- (8) Capitalized terms used in this Notice of Withholding Election without definition shall have the meanings given to them in the Plan.

Dated:

-----	-----
	Signature
-----	-----
Social Security Number	Name (Printed)

	Street Address

	City, State, Zip Code

AGCO CORPORATION
2006 LONG-TERM STOCK INCENTIVE PLAN

RESTRICTED STOCK AGREEMENT

THIS AGREEMENT, entered into as of the Grant Date (as defined in Section 1), by and between the Participant and AGCO Corporation (the "Company");

WHEREAS, the Company maintains the AGCO Corporation 2006 Long-Term Incentive Plan (the "Plan"), which is incorporated into and forms a part of this Agreement, and the Participant has been granted a Restricted Stock Award under the Plan by the Committee as part of the Participant's compensation for service as a member of the Board of the Company;

NOW, THEREFORE, IT IS AGREED, by and between the Company and the Participant, as follows:

1. TERMS OF AWARD AND DEFINITIONS. The following terms used in this Agreement shall have the meanings set forth in this Section 1:

(a) DESIGNATED BENEFICIARY. The "Designated Beneficiary" shall be the beneficiary or beneficiaries designated by the Participant in a writing filed with the Committee in such form and at such time as the Committee shall require.

(b) GRANT DATE. The "Grant Date" is _____, 20__.

(c) PARTICIPANT. The "Participant" is _____.

(d) RESTRICTED PERIOD. The "Restricted Period" is the period beginning on the Grant Date and ending at 4:00 p.m. EST on third anniversary of the Grant Date..

(e) RESTRICTED STOCK. The number of shares of "Restricted Stock" awarded under this Agreement shall be _____ shares, which is the number of whole shares which, as of the Grant Date, have a value equivalent to \$_____. Shares of "Restricted Stock" are shares of Stock granted under this Agreement and are subject to the terms of this Agreement and the Plan.

Except where the context clearly implies or indicates the contrary, a word, term, or phrase used in the Plan is similarly used in this Agreement.

2. AWARD. The Participant is hereby granted the number of shares of Restricted Stock set forth in Section 1.

3. DIVIDENDS AND VOTING RIGHTS. The Participant shall be entitled to receive any dividends paid with respect to shares of Restricted Stock that become payable during the Restricted Period; provided, however, that no dividends shall be payable to or for the benefit of the Participant with respect to record dates occurring prior to the Grant Date. The Participant shall be entitled to vote the shares of Restricted Stock during the Restricted Period; provided, however, that the Participant shall not be entitled to vote the shares with respect to record dates for such voting rights arising prior to the Grant Date.

4. TRANSFER OF SHARES.

(a) At the end of the Restricted Period, the Participant shall own the shares subject hereto free of all restrictions otherwise imposed by this Agreement.

(b) Otherwise, shares of Restricted Stock may not be sold, assigned, transferred, pledged or otherwise encumbered until the expiration of the Restricted Period or, if earlier, upon a Change in Control.

5. HEIRS AND SUCCESSORS.

(a) This Agreement shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business.

(b) If any rights exercisable by the Participant or benefits deliverable to the Participant under this Agreement have not been exercised or delivered, respectively, at the time of the Participant's death, such rights shall be exercisable by the Designated Beneficiary, and such benefits shall be delivered to the Designated Beneficiary, in accordance with the provisions of this Agreement and the Plan.

(c) If a deceased Participant has failed to designate a beneficiary, or if the Designated Beneficiary does not survive the Participant, any rights that would have been exercisable by the Participant and any benefits distributable to the Participant shall be exercised by or distributed to the legal representative of the estate of the Participant.

(d) If a deceased Participant has designated a beneficiary but the Designated Beneficiary dies before the Designated Beneficiary's exercise of all rights under this Agreement or before the complete distribution of benefits to the Designated Beneficiary under this Agreement, then any rights that would have been exercisable by the Designated Beneficiary shall be exercised by the legal representative of the estate of the Designated Beneficiary, and any benefits distributable to the Designated Beneficiary shall be distributed to the legal representative of the estate of the Designated Beneficiary.

6. ADMINISTRATION. The authority to manage and control the operation and administration of this Agreement shall be vested in the Committee, and the Committee shall have all powers with respect to this Agreement as it has with respect to the Plan. Any interpretation of the Agreement by the Committee and any decision made by it with respect to the Agreement is final and binding on all persons.

7. PLAN GOVERNS. Notwithstanding anything in this Agreement to the contrary, the terms of this Agreement shall be subject to the terms of the Plan, a copy of which may be obtained by the Participant from the office of the Secretary of the Company; and this Agreement is subject to all interpretations, amendments, rules and regulations promulgated by the Committee from time to time pursuant to the Plan.

8. AMENDMENT. This Agreement may be amended by written Agreement of the Participant and the Company, without the consent of any other person.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed in its name and on its behalf as of the Grant Date.

AGCO CORPORATION

By: _____

Its: _____

AGCO CORPORATION
2006 LONG-TERM STOCK INCENTIVE PLAN

PERFORMANCE SHARE AGREEMENT

THIS AGREEMENT, entered into as of the Grant Date (as defined in Section 1), by and between the Participant and AGCO Corporation (the "Company");

WHEREAS, the Company maintains the AGCO Corporation 2006 Long-Term Incentive Plan (the "Plan"), which is incorporated into and forms a part of this Agreement, and the Participant has been selected by the committee administering the Plan (the "Committee") to receive a Performance Share Award under the Plan;

NOW, THEREFORE, IT IS AGREED, by and between the Company and the Participant, as follows:

1. TERMS OF AWARD AND DEFINITIONS. The following terms used in this Agreement shall have the meanings set forth in this Section 1:

(a) DATE OF TERMINATION. The Participant's "Date of Termination" shall be the first day occurring on or after the Grant Date on which the Participant is neither employed by the Company or any Subsidiary, a director of the Company or any Subsidiary, an independent contractor performing services for the Company or any Subsidiary nor providing services as a consultant to the Company or any Subsidiary; provided that a termination shall not be considered to have occurred while the Participant is on an approved leave of absence from the Company or a Subsidiary. If, as a result of a sale or other transaction, a Participant who is an employee ceases to be an employee of the Company or any Subsidiary (and the Participant's employer is or becomes an entity that is separate from the Company or any Subsidiary), the occurrence of such transaction shall be treated as the Participant's Date of Termination caused by the Participant being discharged by the employer.

(b) DESIGNATED BENEFICIARY. The "Designated Beneficiary" shall be the beneficiary or beneficiaries designated by the Participant in a writing filed with the Committee in such form and at such time as the Committee shall require.

(c) DISABILITY. Except as otherwise provided by the Committee, the Participant shall be considered to have a "Disability" if he is eligible for disability payments under the Company's long-term disability plan.

(d) GRANT DATE. The "Grant Date" is _____.

(e) PARTICIPANT. The "Participant" is _____.

(f) PERFORMANCE PERIOD. The "Performance Period" is the period beginning on _____ and ending on _____.

(g) PERFORMANCE SHARES. The number of "Performance Shares" shall be _____ shares. Performance Shares granted under this Agreement are units that will be reflected in a book account maintained by the Company during the Performance Period, and that will be settled in shares of Stock to the extent provided in this Agreement and the Plan. The award of Performance Shares does not entitle the Participant to any rights as a shareholder of the Company with respect to the Performance Shares, including accounting of the payment of dividends on the Company's Stock during the Performance Period.

(h) RETIREMENT. "Retirement" of the Participant shall mean the occurrence of the Participant's Date of Termination on or after the date the Participant attains age 65 or such earlier date as approved by the Committee in its sole discretion,

Except where the context clearly implies or indicates the contrary, a word, term, or phrase used in the Plan is similarly used in this Agreement.

2. AWARD. Subject to the terms of this Agreement and the Plan, the Participant is hereby granted the number of Performance Shares as set forth in Section 1.

3. SETTLEMENT OF AWARDS.

(a) The Company shall deliver to the Participant one share of Stock for each Performance Share earned by the Participant, as determined in accordance with the provisions of Exhibit 1, which is attached to and forms a part of this Agreement.

(b) The earned Performance Shares payable to the Participant in accordance with the provisions of this Section 3 shall be paid solely in shares of Stock, except that cash shall be distributed in lieu of any fractional share of Stock.

4. TIME OF PAYMENT. Except as otherwise provided in this Agreement, payment of Performance Shares earned in accordance with the provisions of Section 3 will be delivered as soon as practicable after the end of the Performance Period; provided, however, that such payment shall occur within two and a half months after the later of (i) the last day of the Participant's taxable year during which the end of the Performance Period occurs or (ii) the last day of the Company's taxable year during which the end of the Performance Period occurs.

5. RETIREMENT, DISABILITY, OR DEATH DURING PERFORMANCE PERIOD. If the Participant's employment with the Company and Subsidiaries terminates during the Performance Period because of the Participant's Retirement, Disability, or death, the Participant shall be entitled to a prorated value of the Performance Shares earned in accordance with Exhibit 1, determined at the end of the Performance Period, and based on the ratio of the number of months the Participant is employed during the Performance Period to the total number of months in the Performance Period.

6. TERMINATION OF EMPLOYMENT DURING PERFORMANCE PERIOD. If the Participant's employment with the Company and the Subsidiaries terminates during the Performance Period for any reason other than the Participant's Retirement, Disability, or death, the Performance Shares granted under this Agreement will be forfeited on the date of such termination of employment; provided, however, that in such circumstances, the Committee, in its discretion, may determine that the Participant will be entitled to receive a pro rata or other portion of the Performance Shares in accordance with Exhibit 1 determined at the end of the Performance Period.

7. CHANGE IN CONTROL. If a Change in Control occurs during the Performance Period, and the Participant's Date of Termination (as defined below) does not occur before the Change in Control date, the Participant shall earn the Performance Shares under any then uncompleted Performance Period at the greater of (a) 100% of the Target level described in Exhibit 1 of that Performance Period or (b) the level of performance dictated by the trend of the Company's actual performance to date (based upon pro rating the completed fiscal years within the Performance Period, and zero until there is a completed fiscal year) versus the Performance Measures in Exhibit 1 of that Performance Period. Notwithstanding the provisions of Section 3, the value of Performance Shares earned in accordance with the foregoing provisions of this Section 7 shall be delivered to the Participant in a lump sum cash payment as soon as practicable after the occurrence of a Change in Control, with the value of a Performance Share equal to the Fair Market Value of a share of Stock determined under the provisions of Section 3 as of the date of the Change in Control. Distributions to the Participant under Section 3 shall not be affected by payments under this Section 7, except that before payments are made under Section 3, and after all computations required under Section 3 have been made, the number of Performance Shares earned by the Participant shall be reduced by the number of Performance Shares with respect to which payment was made to the Participant under this Section 7. The Participant shall not be required to repay any amounts to the Company on account of any distribution made under this Section 7 for any reason, including failure to achieve the Performance Measures.

8. HEIRS AND SUCCESSORS.

(a) This Agreement shall be binding upon, and inure to the benefit of, the Company and its successors and assigns, and upon any person acquiring, whether by merger, consolidation, purchase of assets or otherwise, all or substantially all of the Company's assets and business.

(b) If any rights exercisable by the Participant or benefits deliverable to the Participant under this Agreement have not been exercised or delivered, respectively, at the time of the Participant's death, such rights shall be exercisable by the Designated Beneficiary, and such benefits shall be delivered to the Designated Beneficiary, in accordance with the provisions of this Agreement and the Plan.

(c) If a deceased Participant has failed to designate a beneficiary, or if the Designated Beneficiary does not survive the Participant, any rights that would have been exercisable by the Participant and any benefits distributable to the Participant shall be exercised by or distributed to the legal representative of the estate of the Participant.

(d) If a deceased Participant has designated a beneficiary but the Designated Beneficiary dies before the Designated Beneficiary's exercise of all rights under this Agreement but before the complete distribution of benefits to the Designated Beneficiary under this Agreement, then any rights that would have been exercisable by the Designated Beneficiary shall be exercised by the legal representative of the estate of the Designated Beneficiary, and any benefits distributable to the Designated Beneficiary shall be distributed to the legal representative of the estate of the Designated Beneficiary.

9. FORFEITURE. Notwithstanding the foregoing, if, following the Date of Termination, Participant violates any of Participant's post-termination obligations to the Company or any Subsidiary, including, without limitation, any obligation not to compete with the Company or any Subsidiary (regardless of whether such obligation is enforceable under applicable law), not to solicit employees of the Company or any Subsidiary, to maintain the confidentiality on information belonging to the Company or any Subsidiary, or not to disparage the Company or any Subsidiary or any of their affiliates, immediately upon demand by the Company the Participant shall return to the Company the proceeds from this Award to the extent received by the Participant on or after one year prior to Date of Termination.

10. ADMINISTRATION. The authority to manage and control the operation and administration of this Agreement shall be vested in the Committee, and the Committee shall have all powers with respect to this Agreement as it has with respect to the Plan. Any interpretation of the Agreement by the Committee and any decision made by it with respect to the Agreement is final and binding on all persons.

11. PLAN GOVERNS. Notwithstanding anything in this Agreement to the contrary, the terms of this Agreement shall be subject to the terms of the Plan, a copy of which may be obtained by the Participant from the office of the Secretary of the Company; and this Agreement is subject to all interpretations, amendments, rules and regulations promulgated by the Committee from time to time pursuant to the Plan

12. AMENDMENT. This Agreement may be amended by written Agreement of the Participant and the Company, without the consent of any other person.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed in its name and on its behalf as of the Grant Date.

AGCO CORPORATION

By: _____
Its: _____

EXHIBIT 1

AGCO CORPORATION
2006 LONG-TERM INCENTIVE PLAN

PERFORMANCE SHARE AGREEMENT
FOR: _____

PERFORMANCE MEASURES

- I. PURPOSE. The purpose of this Exhibit 1 is to set forth the Performance Measures that will be applied to determine the amount of the award to be made under the terms of the attached Performance Share Agreement (the "Agreement"). This Exhibit 1 is incorporated into and forms a part of the Agreement.
- II. REVISION OF PERFORMANCE MEASURES. The Performance Measures set forth in this Exhibit 1 may be modified by the Committee during, and after the end of, the Performance Period to reflect significant events that occur during the Performance Period.
- III. PERFORMANCE GOALS. The Performance Goals shall be as follows:
- [INSERT PERFORMANCE GOALS]
- IV. AMOUNT OF AWARD. The amount distributable to the Participant under the Agreement shall be determined in accordance with the following schedule:
- [INSERT SCHEDULE]

Certification Pursuant to § 302 of the Sarbanes-Oxley Act of 2002

I, Martin Richenhagen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of AGCO Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2006

/s/ Martin Richenhagen

Martin Richenhagen
President and Chief Executive
Officer

Certification Pursuant to § 302 of the Sarbanes-Oxley Act of 2002

I, Andrew H. Beck, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of AGCO Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluations; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2006

/s/ Andrew H. Beck

Andrew H. Beck

Senior Vice President and Chief Financial Officer

CERTIFICATION

The undersigned, as the Chief Executive Officer and Chairman of the Board, and as the Chief Financial Officer of AGCO Corporation, respectively, certify that, to the best of their knowledge and belief, the Quarterly Report on Form 10-Q for the period ended March 31, 2006, which accompanies this certification fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 and the information contained in the periodic report fairly presents, in all material respects, the financial condition and results of operations of AGCO Corporation at the dates and for the periods indicated. The foregoing certifications are made pursuant to 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. §1350) and shall not be relied upon for any other purpose.

This 10th day of May 2006.

/s/ Martin Richenhagen

Martin Richenhagen
President and Chief Executive Officer

/s/ Andrew H. Beck

Andrew H. Beck
Senior Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to AGCO Corporation and will be retained by AGCO Corporation and furnished to the Securities and Exchange Commission or its staff upon request.