



**First Quarter 2008  
Financial and Operational Results**  
April 29, 2008



# Forward-Looking Statements



Statements that are not historical facts, including the projections of retail sales, farm income, industry demand, net sales, earnings per share, operating margins, research and development, system/process improvements, growth initiatives, strategic initiatives, engineering expenses, capital expenditures, free cash flow, and production are forward-looking and subject to risks which could cause actual results to differ materially from those suggested by the statements. These forward-looking statements involve a number of risks and uncertainties. The following are among the factors that could cause actual results to differ materially from the results discussed in or implied by the forward-looking statements. Further information concerning these and other factors is included in AGCO's filings with the Securities and Exchange Commission, including its Form 10-K for the year ended December 31, 2007. The Company disclaims any responsibility to update any forward- looking statements.

# Financial Summary

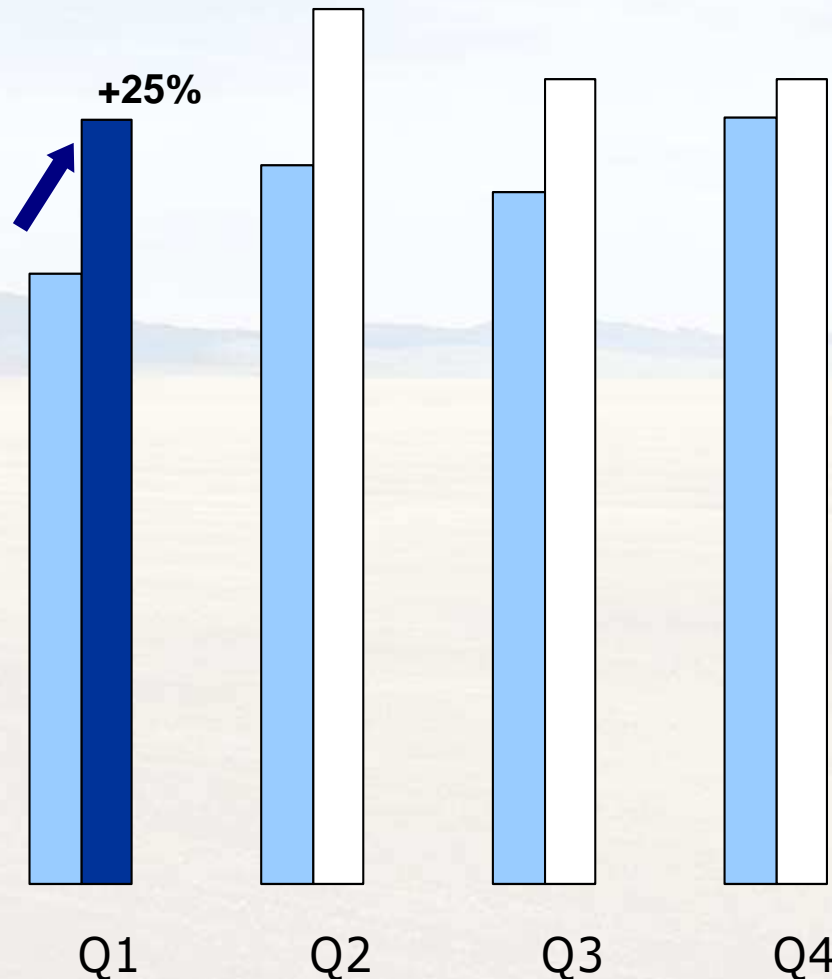


	<u>Q108</u>	<u>Q108 vs</u> <u>Q107</u>
<b>Net Sales (\$Ms)</b>	<b>1,786.6</b>	<b>+34.1%</b>
<b>Gross Profit (\$Ms)</b>	<b>315.2</b>	<b>+43.7%</b>
<b>Adj. Op. Income (\$Ms)</b>	<b>94.3</b>	<b>+106.8%</b>
<b>Adj. Op. Margin</b>	<b>5.3%</b>	<b>+1.9%</b>
<b>Adj. Diluted EPS</b>	<b>\$0.63</b>	<b>+142.3%</b>

# Tractor/Combine Production



## Production Units



- Production up 25% in Q108 vs Q107
- Total 2008 production expected to increase 12-14% from 2008



■ '07 Act ■ '08 Act □ '08 Projected

# Industry Overview



## March YTD Retail Units

### North America

### YTD08 vs YTD07

Tractors – Industry  
– AGCO

-11%



Combines – Industry  
– AGCO

+12%



### Europe

Tractors – Industry  
– AGCO

+3%

Flat

### South America

Tractors – Industry  
– AGCO

+45%



Combines – Industry  
– AGCO

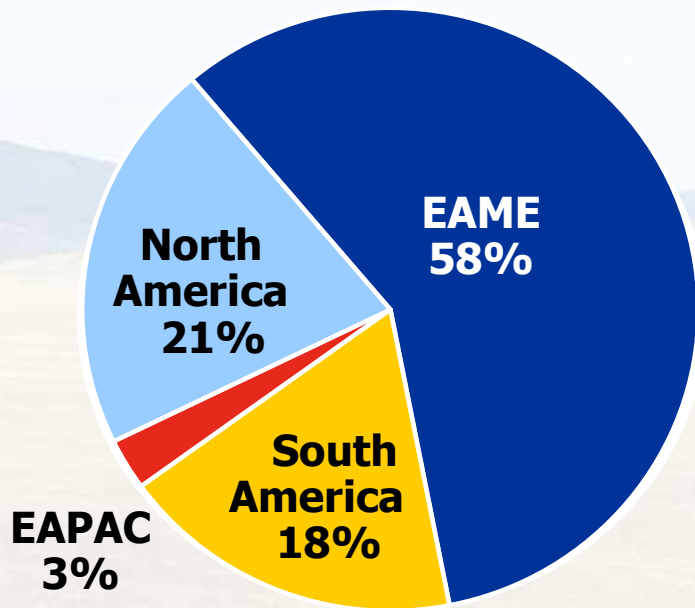
+77%



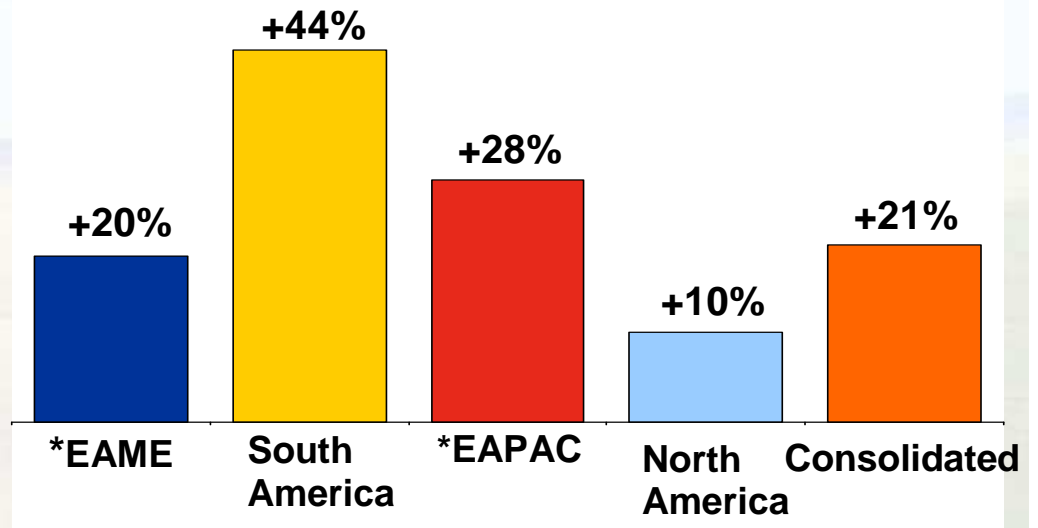
# Regional Net Sales Results



Q108 \$1.8 billion



## Q108 vs Q107 Net Sales Excl. Translation

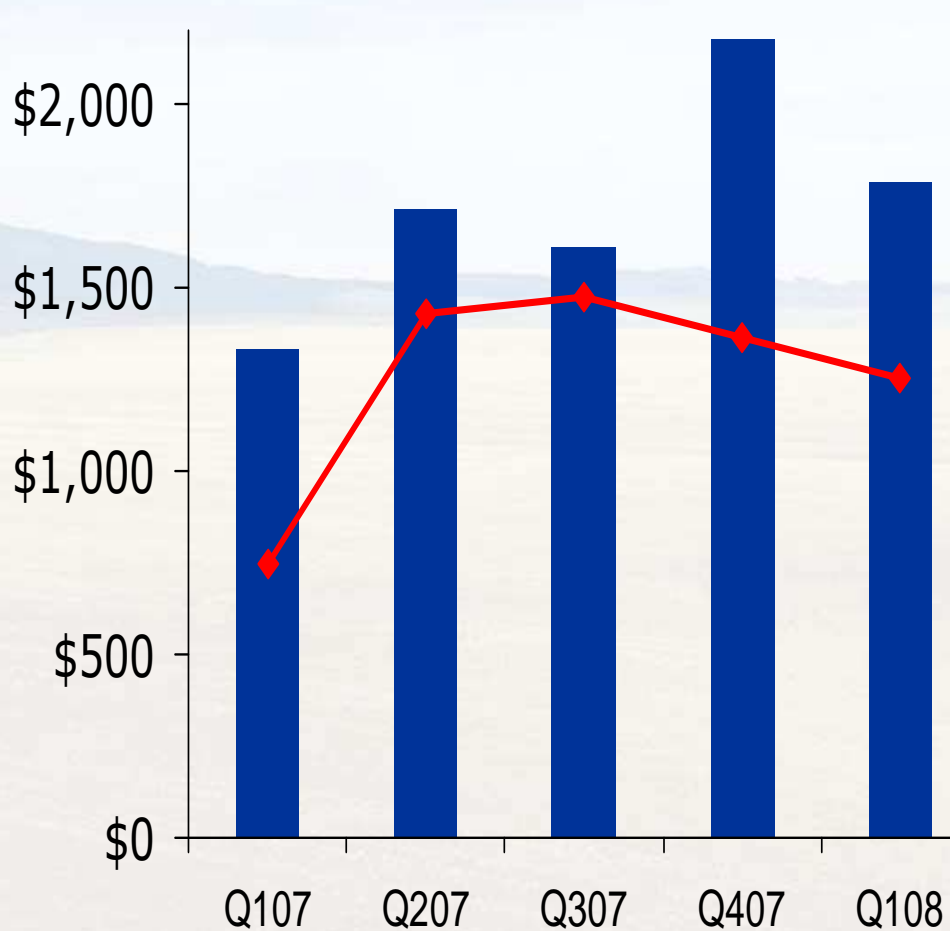


\*EAME – Europe/Africa/Middle East  
EAPAC – East Asia/Pacific

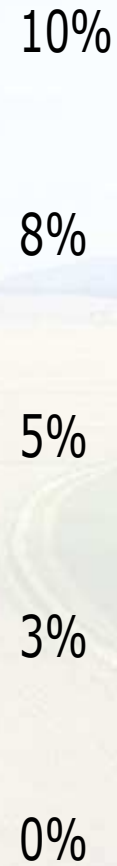
# Sales and Margins



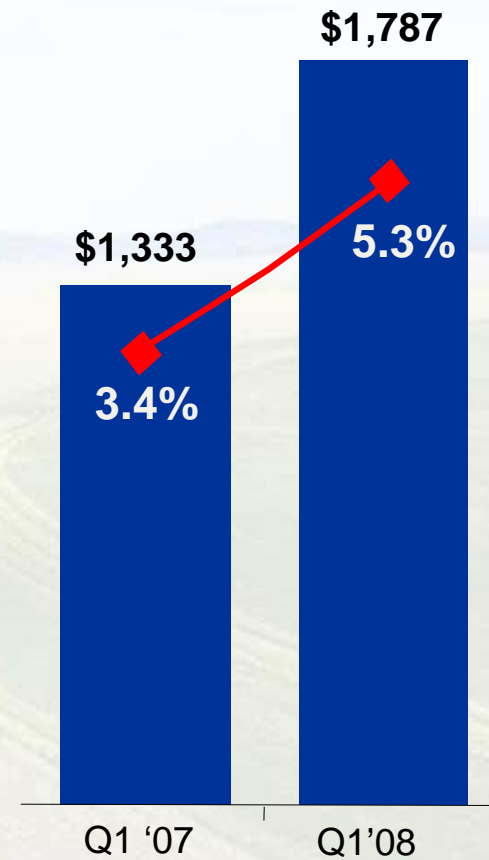
**Sales \$M**



**Adj. Oper. Margin %**



**Adjusted Operating Margins Improved**

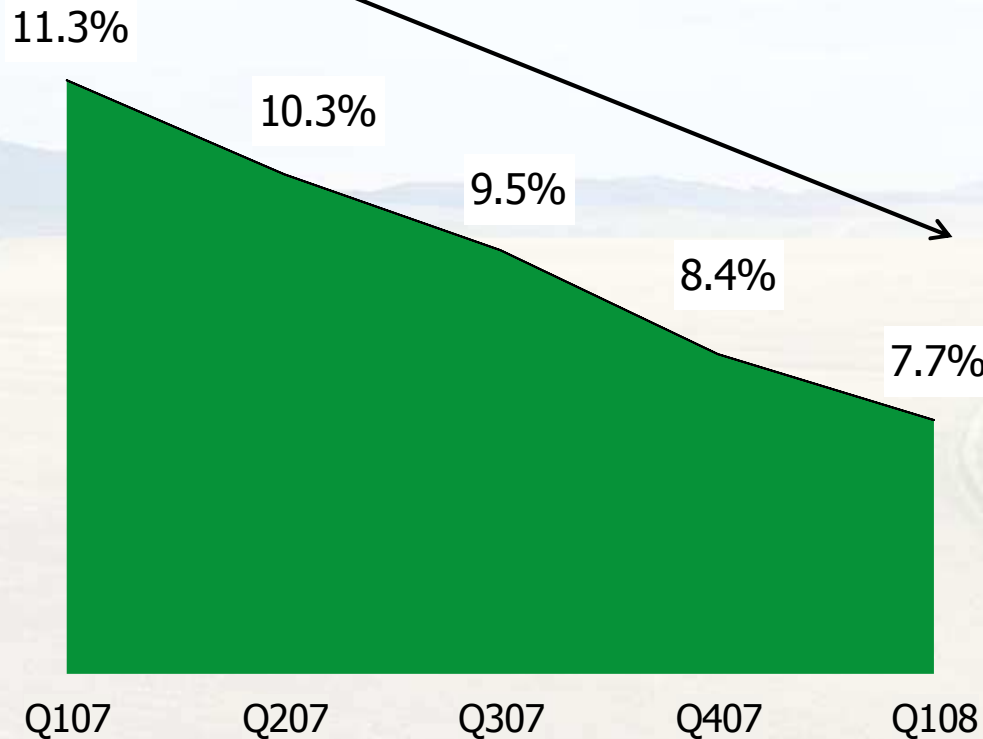


■ Sales    ◆ Op. Margin

# Working Capital Progress



Working Capital\* : Sales  
12-Month Rolling Average



- Progress in NA dealer inventory months supply
- Long-term initiatives
  - build to order
  - distribution strategies



\* Working Capital defined as Avg. A/R + Avg. Inv. – Avg. A/P – Avg. Accrued Exp



# Free Cash Flow



## YTD Free Cash Flow

(3 Months Ended March 31 )

**2007**

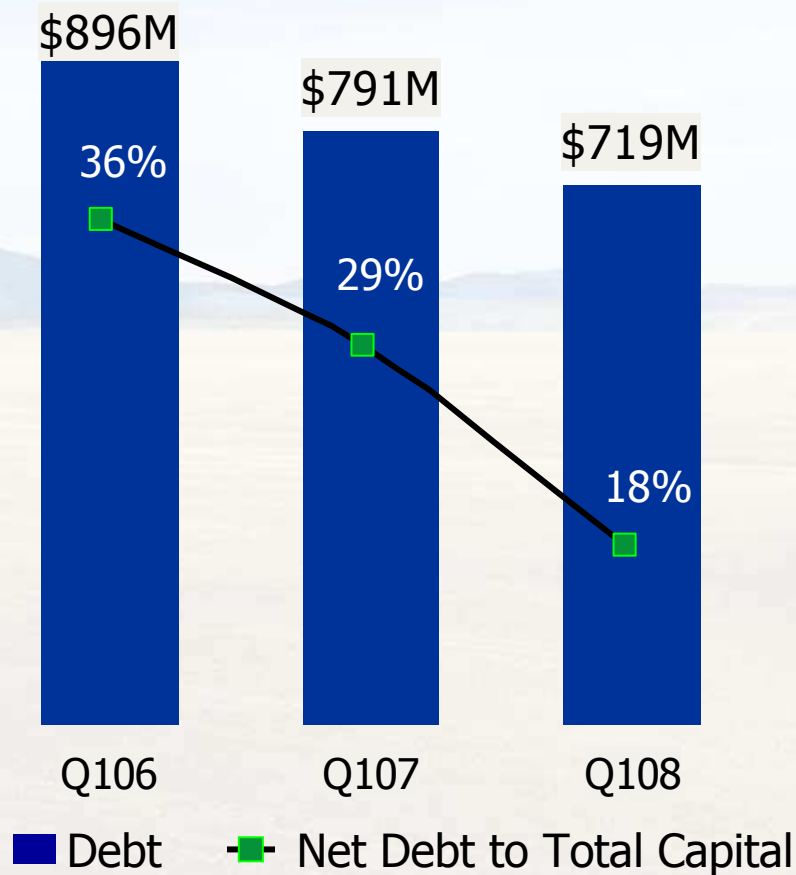
**2008**

**(\$260M)**

**(\$328M)**

- Seasonal working capital build in first half of year
- Second half of year seasonally stronger for Free Cash Flow
- Initiative and R&D spend throughout the year
- On track for strong free cash flow in 2008

# Strong Balance Sheet



- Near targeted capital structure
- Flexibility to consider future investments



# Impacts of Strategic Initiatives



	<b>2008 Incremental Pre-tax Impact</b>
Increased R&D	– \$ 25 M
System/process improvements	– \$ 10 M
Growth initiatives	– \$ 15 M
<b>Total</b>	<b>– \$ 50 M</b>

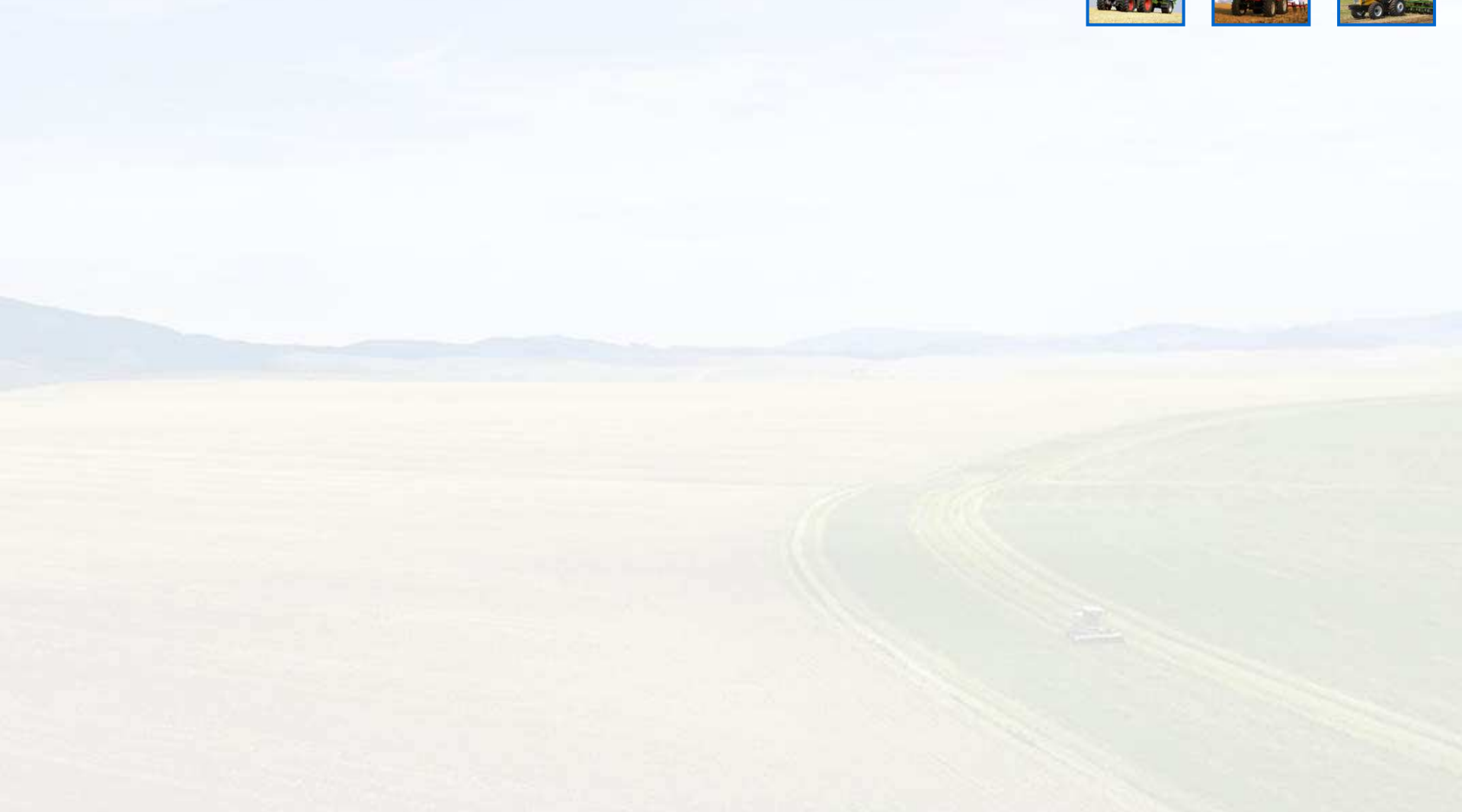
# Financial Targets



## 2008 Targets

Total sales growth	20 to 22%
Diluted EPS	\$3.00 to \$3.15
Capital expenditures	\$190-200 million
Free cash flow	\$175-\$200 million

# Appendix



# GAAP To NON-GAAP Reconciliation



Three months ended March 31,

	2008			2007		
	Income From Operations	Net Income <sup>(1)</sup>	Earnings Per Share <sup>(1)</sup>	Income From Operations	Net Income <sup>(1)</sup>	Earnings Per Share <sup>(1)</sup>
As adjusted	\$ 94.3	\$ 62.4	\$ 0.63	\$ 45.6	\$ 24.5	\$ 0.26
Restructuring and other infrequent expenses	0.1	0.1	—	—	—	—
As reported	<u>\$ 94.2</u>	<u>\$ 62.3</u>	<u>\$ 0.63</u>	<u>\$ 45.6</u>	<u>\$ 24.5</u>	<u>\$ 0.26</u>

(1) After tax.



See accompanying notes in the Company's Press Release

# GAAP To NON-GAAP Reconciliation



<b>Free Cash Flow</b>	<b>Quarter ended March 31, 2008</b>	<b>Quarter ended March 31, 2007</b>
Net cash used in operating activities	\$ (282.1)	\$ (236.0)
Less:		
Capital expenditures	(45.9)	(23.7)
Free cash flow	<u>\$ (328.0)</u>	<u>\$ (259.7)</u>

See accompanying notes in the Company's Press Release

# GAAP To NON-GAAP Reconciliation



<b>Net Debt to Capital Ratio</b>	<u>March 31, 2008</u>	<u>March 31, 2007</u>	<u>March 31, 2006</u>
Long-term debt	\$ 718.5	\$ 790.9	\$ 896.1
<b>Less:</b>			
Cash and cash equivalents	\$ (250.5)	\$ (157.4)	\$ (52.3)
Net debt	\$ 468.0	\$ 633.5	\$ 843.8
<b>Add:</b>			
Total Stockholders' Equity	\$ 2,192.4	\$ 1,550.3	\$ 1,485.7
Total Capital	\$ 2,660.4	\$ 2,183.8	\$ 2,329.5
<b>Net debt to capital ratio</b>	<u>18%</u>	<u>29%</u>	<u>36%</u>

See accompanying notes in the Company's Press Release

