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

FORM 8-K

**Current Report
Dated October 28, 2015**

of

AGCO CORPORATION

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

**4205 River Green Parkway
Duluth, Georgia 30096
(770) 813-9200**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On October 28, 2015, AGCO Corporation issued a press release reporting its financial results for the third quarter ended September 30, 2015. A copy of the press release is attached hereto as Exhibit 99.1.

In the press release, AGCO uses non-GAAP financial measures. For purposes of SEC Regulation G, a “non-GAAP financial measure” is a numerical measure of a registrant’s historical or future performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows of the issuer; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. Non-GAAP financial measures should not be considered as alternatives to operating income, net income, earnings per share, net sales, and inventories, net as computed under GAAP for the applicable period. AGCO has included, as part of the press release, a reconciliation of the non-GAAP financial measures to the most directly comparable GAAP financial measure.

AGCO uses income from operations, net income and earnings per share amounts that have been adjusted to exclude restructuring and other infrequent expenses. Restructuring and other infrequent expenses occur regularly in AGCO’s business, but vary in size and frequency. AGCO believes that the adjusted amounts provide management and investors useful information because the expenses that are excluded relate to events that resulted in a significant impact during the quarter, but will recur only in varied amounts and with unpredictable frequency.

AGCO also provides net sales and reduction in inventories, net amounts that have been adjusted to exclude the impact of currency translation. AGCO believes that the adjusted amounts provide useful information to management and investors to better analyze the causes of changes in between periods.

The information in this Form 8-K and the Exhibit shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing of AGCO under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

99.1 Press Release of AGCO Corporation, issued October 28, 2015.

Exhibit Index

Exhibit No.

Description

99.1

Press Release of AGCO Corporation, issued October 28, 2015

For Immediate Release

Wednesday, October 28, 2015

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AGCO REPORTS THIRD QUARTER RESULTS

Third Quarter EPS of \$0.77 on Sales of \$1.7 Billion

DULUTH, GA – October 28 – AGCO, Your Agriculture Company (NYSE:AGCO), a worldwide manufacturer and distributor of agricultural equipment, reported net sales of approximately \$1.7 billion for the third quarter of 2015, a decrease of approximately 19.4% compared to net sales of approximately \$2.2 billion for the third quarter of 2014. Reported net income was \$0.77 per share for the third quarter of 2015. These results compare to reported net income of \$0.69 per share and adjusted net income, excluding restructuring and other infrequent expenses, of \$0.71 per share for the third quarter of 2014. Excluding unfavorable currency translation impacts of approximately 15.0%, net sales in the third quarter of 2015 decreased approximately 4.4% compared to the third quarter of 2014.

Net sales for the first nine months of 2015 were approximately \$5.5 billion, a decrease of approximately 23.9% compared to the same period in 2014. Excluding the unfavorable impact of currency translation of approximately 13.5%, net sales for the first nine months of 2015 decreased approximately 10.4% compared to the same period in 2014. For the first nine months of 2015, reported net income was \$2.33 per share and adjusted net income, excluding restructuring and other infrequent expenses, was \$2.45 per share. These results compare to reported net income of \$3.50 per share and adjusted net income, excluding restructuring and other infrequent expenses, of \$3.52 per share for the first nine months of 2014.

Third Quarter Highlights

- Regional sales results⁽¹⁾: North America (3.7)%, Europe/Africa/Middle East (“EAME”) 3.7%, South America (23.8)%, Asia/Pacific (“APAC”) (3.8)%
- Regional operating margin performance: EAME 7.7%, North America 8.3%, South America 4.5%, APAC (2.2)%
- Inventory at September 30, 2015: approximately \$305 million lower than September 30, 2014 on a constant currency basis⁽¹⁾
- EPS positively impacted by a lower effective tax rate versus third quarter 2014 (24.9% vs 40.4%)
- Share repurchase program reduced outstanding shares by 3.5 million during the first nine months of 2015
- Full-year 2015 earnings per share guidance increased to approximately \$3.20 (from approximately \$3.10)

⁽¹⁾Excludes currency translation impact. See reconciliation of Non-GAAP measures in appendix.

“Our third quarter was highlighted by focused operational performance with cost control and inventory management efforts helping to lessen the impacts of weak global industry demand and currency pressures,” stated Martin Richenhagen, AGCO’s Chairman, President and Chief Executive Officer. “Our emphasis during these challenging times is on operational execution through efforts like AGCO Production Systems and new product introductions like our new Valtra T-series and N-series tractors. In addition, AGCO recently launched our Fuse[®] Connected Services, a suite of technology-enabled services designed to help growers improve overall farm efficiency by reducing maintenance and input costs, improving yields and enabling more informed business decisions. We will continue to invest in new technologies, product innovation and new precision agriculture service capabilities – both within AGCO, and by partnering with leading technology companies.”

Market Update

Industry Unit Retail Sales

| Nine months ended September 30, 2015 | <u>Tractors</u> Change from Prior Year Period | <u>Combines</u> Change from Prior Year Period |
|--------------------------------------|---|---|
| North America ⁽¹⁾ | (11)% | (33)% |
| South America | (24)% | (35)% |
| Western Europe | (8)% | (11)% |

⁽¹⁾Excludes compact tractors.

“With much of the strong U.S. harvest already in the grain bins, and with healthy crop production across Europe and South America, we are experiencing the third consecutive year of robust global harvests,” continued Mr. Richenhagen. “Elevated crop production is pressuring grain prices and farm income, resulting in softer demand for farm equipment. In North America, industry sales have progressively declined through the first nine months of the year. Weaker demand from the large farm sector resulted in significant declines in industry retail sales of high-horsepower tractors, combines and sprayers. More stable sales of hay and forage equipment and small tractors, due to more normal conditions in the livestock sector, has provided a partial offset to the decline in large agricultural equipment. Industry retail sales in Western Europe declined more modestly from 2014 levels. Margins for dairy producers remained weak, and lower commodity prices kept market demand soft from the arable farming segment. Declines were most pronounced in the United Kingdom, Finland and Germany. Industry demand in South America has weakened throughout 2015. The lower sales were driven primarily by significant declines in Brazil due to weakness in the general economy, changes to the government financing program and softness in the sugar sector. Longer term, we are optimistic about the fundamentals supporting commodity prices and farm income as well as healthy growth in our industry.”

Regional Results

AGCO Regional Net Sales (in millions)

| Three Months Ended September 30, | 2015 | 2014 | % change from 2014 | % change from 2014 due to currency translation ⁽¹⁾ |
|----------------------------------|------------|------------|--------------------|---|
| North America | \$ 494.9 | \$ 531.3 | (6.9)% | (3.1)% |
| South America | 231.4 | 455.0 | (49.1)% | (25.3)% |
| Europe/Africa/Middle East | 894.3 | 1,026.0 | (12.8)% | (16.6)% |
| Asia/Pacific | 115.8 | 142.5 | (18.7)% | (15.0)% |
| Total | \$ 1,736.4 | \$ 2,154.8 | (19.4)% | (15.0)% |
| <hr/> | | | | |
| Nine Months Ended September 30, | 2015 | 2014 | % change from 2014 | % change from 2014 due to currency translation ⁽¹⁾ |
| North America | \$ 1,530.5 | \$ 1,865.0 | (17.9)% | (2.3)% |
| South America | 760.7 | 1,248.8 | (39.1)% | (21.3)% |
| Europe/Africa/Middle East | 2,939.4 | 3,783.8 | (22.3)% | (16.5)% |
| Asia/Pacific | 277.7 | 340.9 | (18.5)% | (12.6)% |
| Total | \$ 5,508.3 | \$ 7,238.5 | (23.9)% | (13.5)% |

⁽¹⁾ See Footnotes for additional disclosures

North America

Net sales in the North American region decreased 15.7% in the first nine months of 2015 compared to the same period of 2014, excluding the negative impact of currency translation. Inventory reduction efforts and weaker industry demand, particularly from the row crop sector, contributed to lower sales. Declines in sales of sprayers, combines and implements were partially offset by modest growth in sales of protein production products. Lower sales and production volumes and a weaker sales mix contributed to a reduction in income from operations of approximately \$71.9 million for the first nine months of 2015 compared to the same period in 2014.

South America

AGCO's South American net sales decreased 17.7% in the first nine months of 2015 compared to the first nine months of 2014, excluding the impact of unfavorable currency translation. Sales declines in Brazil were partially offset by sales growth in Argentina and other South American markets. Income from operations decreased approximately \$55.4 million for the first nine months of 2015 compared to the same period in 2014 due to lower sales and production volumes, the negative impact of currency translation, and a weaker mix of sales.

Europe/Africa/Middle East

Excluding unfavorable currency translation impacts, net sales in EAME declined 5.8% in the first nine months of 2015 compared to the same period in 2014. Sales declines were the largest in Germany, Scandinavia and Russia. Income from operations decreased approximately \$82.0 million for the first nine months of 2015, compared to the same period in 2014, due to lower sales and production volumes as well as unfavorable currency translation impacts. These headwinds were partially offset by the benefits of operational efficiencies, SG&A cost reduction initiatives and new product sales.

Asia/Pacific

Net sales in AGCO's Asia/Pacific region, excluding the negative impact of currency translation, declined 5.9% in the first nine months of 2015 compared to the same period in 2014. Losses from operations increased approximately \$19.8 million in the first nine months of 2015, compared to the same period in 2014, due to lower sales and increased market development costs in China.

Outlook

Lower industry demand for farm equipment across all regions and the unfavorable effect of foreign currency translation are expected to continue to negatively impact AGCO's sales and earnings for the remainder of 2015. AGCO's 2015 net sales are expected to range from \$7.5 to \$7.6 billion. Gross and operating margins are expected to be below 2014 levels due to the negative impact of lower sales and production volumes coupled with a weaker sales mix. Benefits from the Company's restructuring and other cost reduction initiatives and a lower tax rate are expected to partially offset the volume-related impacts. Based on these assumptions, 2015 earnings per share are targeted at approximately \$3.20, excluding restructuring and other infrequent expenses.

* * * * *

AGCO will be hosting a conference call with respect to this earnings announcement at 10:00 a.m. Eastern Time on Wednesday, October 28, 2015. The Company will refer to slides on its conference call. Interested persons can access the conference call and slide presentation via AGCO's website at www.agcocorp.com in the "Events" section on the "Company/Investors" page of our website. A replay of the conference call will be available approximately two hours after the conclusion of the conference call for twelve months following the call. A copy of this press release will be available on AGCO's website for at least twelve months following the call.

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Safe Harbor Statement

Statements that are not historical facts, including the projections of earnings per share, sales, industry demand, market conditions, commodity prices, currency translation, farm income levels, margin levels, investments in product and technology development, restructuring and other cost reduction initiatives, production volumes, tax rates, and general economic conditions, are forward-looking and subject to risks that could cause actual results to differ materially from those suggested by the statements. 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.

- Our financial results depend entirely upon the agricultural industry, and factors that adversely affect the agricultural industry generally, including declines in the general economy, increases in farm input costs, lower commodity prices, lower farm income and changes in the availability of credit for our retail customers, will adversely affect us.
- A majority of our sales and manufacturing take place outside the United States, and, as a result, we are exposed to risks related to foreign laws, taxes, economic conditions, labor supply and relations, political conditions and governmental policies. These risks may delay or reduce our realization of value from our international operations.

- Most retail sales of the products that we manufacture are financed, either by our joint ventures with Rabobank or by a bank or other private lender. Our joint ventures with Rabobank, which are controlled by Rabobank and are dependent upon Rabobank for financing as well, finance approximately 50% of the retail sales of our tractors and combines in the markets where the joint ventures operate. Any difficulty by Rabobank to continue to provide that financing, or any business decision by Rabobank as the controlling member not to fund the business or particular aspects of it (for example, a particular country or region), would require the joint ventures to find other sources of financing (which may be difficult to obtain), or us to find another source of retail financing for our customers, or our customers would be required to utilize other retail financing providers. As a result of the recent economic downturn, financing for capital equipment purchases generally has become more difficult in certain regions and in some cases, can be expensive to obtain. To the extent that financing is not available or available only at unattractive prices, our sales would be negatively impacted.
- Both AGCO and our finance joint ventures have substantial account receivables from dealers and end customers, and we would be adversely impacted if the collectability of these receivables was not consistent with historical experience; this collectability is dependent upon the financial strength of the farm industry, which in turn is dependent upon the general economy and commodity prices, as well as several of the other factors listed in this section.
- We have experienced substantial and sustained volatility with respect to currency exchange rate and interest rate changes, including uncertainty associated with the Euro, which can adversely affect our reported results of operations and the competitiveness of our products.
- Our success depends on the introduction of new products, particularly engines that comply with emission requirements, which requires substantial expenditures.
- Our production levels and capacity constraints at our facilities, including those resulting from plant expansions and systems upgrades at our manufacturing facilities, could adversely affect our results.
- Our expansion plans in emerging markets, including establishing a greater manufacturing and marketing presence and growing our use of component suppliers, could entail significant risks.
- We depend on suppliers for components, parts and raw materials for our products, and any failure by our suppliers to provide products as needed, or by us to promptly address supplier issues, will adversely impact our ability to timely and efficiently manufacture and sell products. We also are subject to raw material price fluctuations, which can adversely affect our manufacturing costs.
- We face significant competition, and if we are unable to compete successfully against other agricultural equipment manufacturers, we would lose customers and our net sales and profitability would decline.
- We have a substantial amount of indebtedness, and, as result, we are subject to certain restrictive covenants and payment obligations that may adversely affect our ability to operate and expand our business.

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, 2014 and subsequent Form 10-Qs. AGCO disclaims any obligation to update any forward-looking statements except as required by law.

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About AGCO

AGCO (NYSE: AGCO) is a global leader in the design, manufacture and distribution of agricultural machinery. AGCO supports more productive farming through a full line of tractors, combines, hay tools, sprayers, forage equipment, grain storage and protein production systems, seeding and tillage implements and replacement parts. AGCO products are sold through five core machinery brands, Challenger®, Fendt®, GSI®, Massey Ferguson® and Valtra® and are distributed globally through a combination of approximately 3,100 independent dealers and distributors in more than 140 countries. Founded in 1990, AGCO is headquartered in Duluth, GA, USA. In 2014, AGCO had net sales of \$9.7 billion. For more information, visit <http://www.AGCOCorp.com>. For company news, information and events, please follow us on Twitter: @AGCOCorp. For financial news on Twitter, please follow the hashtag #AGCOIR.

AGCO: 25 years of identity, centuries of history

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Please visit our website at www.agcocorp.com

AGCO CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited and in millions)

| | September 30, 2015 | December 31, 2014 |
|--|--------------------|-------------------|
| ASSETS | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 425.4 | \$ 363.7 |
| Accounts and notes receivable, net | 946.7 | 963.8 |
| Inventories, net | 1,699.3 | 1,750.7 |
| Deferred tax assets | 210.4 | 217.2 |
| Other current assets | 218.7 | 232.5 |
| Total current assets | 3,500.5 | 3,527.9 |
| Property, plant and equipment, net | 1,361.5 | 1,530.4 |
| Investment in affiliates | 403.3 | 424.1 |
| Deferred tax assets | 20.1 | 25.8 |
| Other assets | 141.8 | 141.1 |
| Intangible assets, net | 520.7 | 553.8 |
| Goodwill | 1,123.7 | 1,192.8 |
| Total assets | <u>\$ 7,071.6</u> | <u>\$ 7,395.9</u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current Liabilities: | | |
| Current portion of long-term debt | \$ 87.4 | \$ 94.3 |
| Senior term loan | 223.4 | — |
| Accounts payable | 650.3 | 670.2 |
| Accrued expenses | 1,091.2 | 1,244.1 |
| Other current liabilities | 159.9 | 208.3 |
| Total current liabilities | 2,212.2 | 2,216.9 |
| Long-term debt, less current portion | 1,230.2 | 997.6 |
| Pensions and postretirement health care benefits | 240.0 | 269.0 |
| Deferred tax liabilities | 232.9 | 238.8 |
| Other noncurrent liabilities | 182.8 | 176.7 |
| Total liabilities | <u>4,098.1</u> | <u>3,899.0</u> |
| Stockholders' Equity: | | |
| AGCO Corporation stockholders' equity: | | |
| Common stock | 0.9 | 0.9 |
| Additional paid-in capital | 399.5 | 582.5 |
| Retained earnings | 3,944.2 | 3,771.6 |
| Accumulated other comprehensive loss | (1,417.2) | (906.5) |
| Total AGCO Corporation stockholders' equity | 2,927.4 | 3,448.5 |
| Noncontrolling interests | 46.1 | 48.4 |
| Total stockholders' equity | <u>2,973.5</u> | <u>3,496.9</u> |
| Total liabilities and stockholders' equity | <u>\$ 7,071.6</u> | <u>\$ 7,395.9</u> |

See accompanying notes to condensed consolidated financial statements.

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

| | Three Months Ended September 30, | |
|--|----------------------------------|------------|
| | 2015 | 2014 |
| Net sales | \$ 1,736.4 | \$ 2,154.8 |
| Cost of goods sold | 1,370.7 | 1,732.9 |
| Gross profit | 365.7 | 421.9 |
| Selling, general and administrative expenses | 205.8 | 221.7 |
| Engineering expenses | 70.0 | 78.2 |
| Restructuring and other infrequent expenses | — | 2.9 |
| Amortization of intangibles | 10.8 | 10.4 |
| Income from operations | 79.1 | 108.7 |
| Interest expense, net | 10.6 | 13.9 |
| Other (income) expense, net | (2.1) | 10.1 |
| Income before income taxes and equity in net earnings of affiliates | 70.6 | 84.7 |
| Income tax provision | 17.6 | 34.2 |
| Income before equity in net earnings of affiliates | 53.0 | 50.5 |
| Equity in net earnings of affiliates | 14.2 | 12.0 |
| Net income | 67.2 | 62.5 |
| Net (income) loss attributable to noncontrolling interests | (0.1) | 2.5 |
| Net income attributable to AGCO Corporation and subsidiaries | \$ 67.1 | \$ 65.0 |
| Net income per common share attributable to AGCO Corporation and subsidiaries: | | |
| Basic | \$ 0.77 | \$ 0.70 |
| Diluted | \$ 0.77 | \$ 0.69 |
| Cash dividends declared and paid per common share | \$ 0.12 | \$ 0.11 |
| Weighted average number of common and common equivalent shares outstanding: | | |
| Basic | 86.6 | 93.5 |
| Diluted | 86.7 | 93.8 |

See accompanying notes to condensed consolidated financial statements.

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

| | Nine Months Ended September 30, | |
|--|---------------------------------|------------|
| | 2015 | 2014 |
| Net sales | \$ 5,508.3 | \$ 7,238.5 |
| Cost of goods sold | 4,345.1 | 5,670.2 |
| Gross profit | 1,163.2 | 1,568.3 |
| Selling, general and administrative expenses | 630.1 | 751.0 |
| Engineering expenses | 210.5 | 252.9 |
| Restructuring and other infrequent expenses | 14.6 | 2.9 |
| Amortization of intangibles | 32.2 | 30.4 |
| Income from operations | 275.8 | 531.1 |
| Interest expense, net | 32.1 | 43.5 |
| Other expense, net | 17.2 | 34.2 |
| Income before income taxes and equity in net earnings of affiliates | 226.5 | 453.4 |
| Income tax provision | 66.1 | 163.8 |
| Income before equity in net earnings of affiliates | 160.4 | 289.6 |
| Equity in net earnings of affiliates | 42.3 | 38.1 |
| Net income | 202.7 | 327.7 |
| Net loss attributable to noncontrolling interests | 1.6 | 5.1 |
| Net income attributable to AGCO Corporation and subsidiaries | \$ 204.3 | \$ 332.8 |
| Net income per common share attributable to AGCO Corporation and subsidiaries: | | |
| Basic | \$ 2.33 | \$ 3.53 |
| Diluted | \$ 2.33 | \$ 3.50 |
| Cash dividends declared and paid per common share | \$ 0.36 | \$ 0.33 |
| Weighted average number of common and common equivalent shares outstanding: | | |
| Basic | 87.7 | 94.2 |
| Diluted | 87.8 | 95.2 |

See accompanying notes to condensed consolidated financial statements.

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

| | Nine Months Ended September 30, | |
|---|---------------------------------|----------|
| | 2015 | 2014 |
| Cash flows from operating activities: | | |
| Net income | \$ 202.7 | \$ 327.7 |
| Adjustments to reconcile net income to net cash provided by (used in) operating activities: | | |
| Depreciation | 162.0 | 180.4 |
| Deferred debt issuance cost amortization | 1.6 | 2.2 |
| Amortization of intangibles | 32.2 | 30.4 |
| Stock compensation expense | 10.6 | (11.0) |
| Equity in net earnings of affiliates, net of cash received | (28.0) | (28.6) |
| Deferred income tax provision | (11.3) | 1.7 |
| Other | (0.2) | 2.3 |
| Changes in operating assets and liabilities, net of effects from purchase of businesses: | | |
| Accounts and notes receivable, net | (76.0) | (151.4) |
| Inventories, net | (140.2) | (422.7) |
| Other current and noncurrent assets | (79.5) | (0.8) |
| Accounts payable | 58.3 | (74.7) |
| Accrued expenses | (35.0) | (96.9) |
| Other current and noncurrent liabilities | (25.0) | 26.1 |
| Total adjustments | (130.5) | (543.0) |
| Net cash provided by (used in) operating activities | 72.2 | (215.3) |
| Cash flows from investing activities: | | |
| Purchases of property, plant and equipment | (147.1) | (229.3) |
| Proceeds from sale of property, plant and equipment | 1.2 | 2.2 |
| Purchase of businesses, net of cash acquired | (25.4) | (130.4) |
| Investment in unconsolidated affiliates | (5.2) | — |
| Restricted cash | (0.4) | — |
| Net cash used in investing activities | (176.9) | (357.5) |
| Cash flows from financing activities: | | |
| Proceeds from debt obligations, net | 462.3 | 450.6 |
| Purchases and retirement of common stock | (187.5) | (340.9) |
| Payment of dividends to stockholders | (31.7) | (30.9) |
| Payment of minimum tax withholdings on stock compensation | (6.2) | (11.9) |
| Payment of debt issuance costs | (0.7) | (1.3) |
| Repurchase or conversion of convertible senior subordinated notes | — | (201.2) |
| Purchase of or distribution to noncontrolling interests | — | (6.1) |
| Net cash provided by (used in) financing activities | 236.2 | (141.7) |
| Effects of exchange rate changes on cash and cash equivalents | (69.8) | (11.8) |
| Increase (decrease) in cash and cash equivalents | 61.7 | (726.3) |
| Cash and cash equivalents, beginning of period | 363.7 | 1,047.2 |
| Cash and cash equivalents, end of period | \$ 425.4 | \$ 320.9 |

See accompanying notes to condensed consolidated financial statements.

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

1. STOCK COMPENSATION EXPENSE (CREDIT)

The Company recorded stock compensation expense (credit) as follows:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|----------------------------------|------------------|---------------------------------|------------------|
| | 2015 | 2014 | 2015 | 2014 |
| Cost of goods sold | \$ 0.3 | \$ (1.8) | \$ 0.8 | \$ (1.0) |
| Selling, general and administrative expenses | 3.2 | (21.0) | 10.1 | (9.8) |
| Total stock compensation expense (credit) | \$ 3.5 | \$ (22.8) | \$ 10.9 | \$ (10.8) |

During the three months ended September 30, 2014, the Company recorded a credit of approximately \$24.1 million for the reversal of previously recorded long-term stock compensation expense.

2. RESTRUCTURING AND OTHER INFREQUENT EXPENSES

During the second half of 2014 and the first half of 2015, the Company announced and initiated several actions to rationalize employee headcount at various manufacturing facilities located in Europe, China, Brazil, Argentina and the United States, as well as various administrative offices located in Europe, Brazil, China and the United States. The aggregate headcount reduction of approximately 1,950 employees in 2014 and 2015 was initiated in order to reduce costs in response to softening global market demand and reduced production volumes. The Company recorded restructuring and other infrequent expenses of approximately \$46.4 million and \$14.6 million, respectively, during 2014 and 2015 associated with these rationalizations, primarily related to severance and other related costs. Approximately \$19.0 million of severance and other related costs were paid during 2014. In addition, during the nine months ended September 30, 2015, the Company paid approximately \$23.2 million of severance and other related costs. The remaining \$15.9 million balance of severance and other related costs accrued as of September 30, 2015, inclusive of approximately \$0.9 million of negative foreign currency translation impacts, will be paid primarily during 2015 and 2016.

3. INDEBTEDNESS

Indebtedness at September 30, 2015 and December 31, 2014 consisted of the following:

| | September 30, 2015 | December 31, 2014 |
|--|--------------------|-------------------|
| 4½% Senior term loan due 2016 | \$ 223.4 | \$ 242.0 |
| Credit facility, expires 2020 | 653.1 | 404.4 |
| 1.056% Senior term loan due 2020 | 223.4 | — |
| 5⅞% Senior notes due 2021 | 301.6 | 300.0 |
| Other long-term debt | 139.5 | 145.5 |
| | 1,541.0 | 1,091.9 |
| Less: Current portion of long-term debt | (87.4) | (94.3) |
| 4½% Senior term loan due 2016 | (223.4) | — |
| Total indebtedness, less current portion | \$ 1,230.2 | \$ 997.6 |

4. INVENTORIES

Inventories at September 30, 2015 and December 31, 2014 were as follows:

| | September 30, 2015 | December 31, 2014 |
|------------------------------|--------------------|-------------------|
| Finished goods | \$ 671.2 | \$ 616.6 |
| Repair and replacement parts | 531.2 | 536.4 |
| Work in process | 118.5 | 130.5 |
| Raw materials | 378.4 | 467.2 |
| Inventories, net | <u>\$ 1,699.3</u> | <u>\$ 1,750.7</u> |

5. ACCOUNTS RECEIVABLE SALES AGREEMENTS

At September 30, 2015 and December 31, 2014, the Company had accounts receivable sales agreements that permit the sale, on an ongoing basis, of a majority of its wholesale receivables in North America and Europe to its 49% owned U.S., Canadian and European finance joint ventures. During the third quarter of 2015, the Company entered into an accounts receivable sales agreement that permits the sale, on an ongoing basis, of its wholesale receivables in Brazil to its Brazilian finance joint venture. As of September 30, 2015 and December 31, 2014, the cash received from receivables sold under the U.S., Canadian, European and Brazilian accounts receivable sales agreements was approximately \$1.1 billion and \$1.2 billion, respectively.

Losses on sales of receivables associated with the accounts receivable financing facilities discussed above, reflected within "Other expense, net" in the Company's Condensed Consolidated Statements of Operations, were approximately \$4.0 million and \$13.4 million during the three and nine months ended September 30, 2015, respectively. Losses on sales of receivables associated with the accounts receivable financing facilities discussed above, reflected within "Other expense, net" in the Company's Condensed Consolidated Statements of Operations, were approximately \$4.8 million and \$19.0 million during the three and nine months ended September 30, 2014, respectively.

The Company's finance joint ventures in Brazil and Australia also provide wholesale financing to the Company's dealers. As of September 30, 2015 and December 31, 2014, these finance joint ventures had approximately \$19.7 million and \$43.3 million, respectively, of outstanding accounts receivable associated with these arrangements. In addition, the Company sells certain trade receivables under factoring arrangements to other financial institutions around the world.

6. NET INCOME PER SHARE

A reconciliation of net income attributable to AGCO Corporation and subsidiaries and weighted average common shares outstanding for purposes of calculating basic and diluted net income per share for the three and nine months ended September 30, 2015 and 2014 is as follows:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|----------------------------------|---------|---------------------------------|----------|
| | 2015 | 2014 | 2015 | 2014 |
| Basic net income per share: | | | | |
| Net income attributable to AGCO Corporation and subsidiaries | \$ 67.1 | \$ 65.0 | \$ 204.3 | \$ 332.8 |
| Weighted average number of common shares outstanding | 86.6 | 93.5 | 87.7 | 94.2 |
| Basic net income per share attributable to AGCO Corporation and subsidiaries | \$ 0.77 | \$ 0.70 | \$ 2.33 | \$ 3.53 |
| Diluted net income per share: | | | | |
| Net income attributable to AGCO Corporation and subsidiaries | \$ 67.1 | \$ 65.0 | \$ 204.3 | \$ 332.8 |
| Weighted average number of common shares outstanding | 86.6 | 93.5 | 87.7 | 94.2 |
| Dilutive stock-settled appreciation rights, performance share awards and restricted stock units | 0.1 | 0.2 | 0.1 | 0.3 |
| Weighted average assumed conversion of contingently convertible senior subordinated notes | — | 0.1 | — | 0.7 |
| Weighted average number of common shares and common share equivalents outstanding for purposes of computing diluted net income per share | 86.7 | 93.8 | 87.8 | 95.2 |
| Diluted net income per share attributable to AGCO Corporation and subsidiaries | \$ 0.77 | \$ 0.69 | \$ 2.33 | \$ 3.50 |

Share Repurchase Program

During the nine months ended September 30, 2015, the Company entered into accelerated share repurchase agreements (“ASRs”) with a financial institution to repurchase an aggregate of \$187.5 million of shares of the Company’s common stock. The Company received approximately 3,488,063 shares during the nine months ended September 30, 2015 related to the ASRs. All shares received under the ASRs were retired upon receipt, and the excess of the purchase price over par value per share was recorded to “Additional paid-in capital” within the Company’s Condensed Consolidated Balance Sheets.

Of the \$1,050.0 million in approved share repurchase programs, the remaining amount authorized to be repurchased is approximately \$344.2 million.

7. SEGMENT REPORTING

The Company's four reportable segments distribute a full range of agricultural equipment and related replacement parts. The Company evaluates segment performance primarily based on income (loss) from operations. Sales for each 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 income (loss) from operations for one segment may not be comparable to another segment. Segment results for the three and nine months ended September 30, 2015 and 2014 are as follows:

| Three Months Ended September 30, | North America | South America | Europe/Africa/ Middle East | Asia/ Pacific | Consolidated |
|----------------------------------|------------------|------------------|-------------------------------|------------------|--------------|
| 2015 | | | | | |
| Net sales | \$ 494.9 | \$ 231.4 | \$ 894.3 | \$ 115.8 | \$ 1,736.4 |
| Income (loss) from operations | 40.9 | 10.5 | 68.9 | (2.5) | 117.8 |
| 2014 | | | | | |
| Net sales | \$ 531.3 | \$ 455.0 | \$ 1,026.0 | \$ 142.5 | \$ 2,154.8 |
| Income (loss) from operations | 37.3 | 36.4 | 57.0 | (1.0) | 129.7 |

| Nine Months Ended September 30, | North America | South America | Europe/Africa/ Middle East | Asia/ Pacific | Consolidated |
|---------------------------------|------------------|------------------|-------------------------------|------------------|--------------|
| 2015 | | | | | |
| Net sales | \$ 1,530.5 | \$ 760.7 | \$ 2,939.4 | \$ 277.7 | \$ 5,508.3 |
| Income (loss) from operations | 116.4 | 38.8 | 284.0 | (25.4) | 413.8 |
| 2014 | | | | | |
| Net sales | \$ 1,865.0 | \$ 1,248.8 | \$ 3,783.8 | \$ 340.9 | \$ 7,238.5 |
| Income (loss) from operations | 188.3 | 94.2 | 366.0 | (5.6) | 642.9 |

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

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|----------------------------------|----------|---------------------------------|----------|
| | 2015 | 2014 | 2015 | 2014 |
| Segment income from operations | \$ 117.8 | \$ 129.7 | \$ 413.8 | \$ 642.9 |
| Corporate expenses | (24.7) | (28.7) | (81.1) | (88.3) |
| Stock compensation (expense) credit | (3.2) | 21.0 | (10.1) | 9.8 |
| Restructuring and other infrequent expenses | — | (2.9) | (14.6) | (2.9) |
| Amortization of intangibles | (10.8) | (10.4) | (32.2) | (30.4) |
| Consolidated income from operations | \$ 79.1 | \$ 108.7 | \$ 275.8 | \$ 531.1 |

RECONCILIATION OF NON-GAAP MEASURES

This earnings release discloses adjusted income from operations, net income and earnings per share, all of which exclude amounts that differ from the most directly comparable measure calculated in accordance with U.S. generally accepted accounting principles (“GAAP”). A reconciliation of each of those measures to the most directly comparable GAAP measure is included below.

The following is a reconciliation of adjusted income from operations, net income and earnings per share to reported income from operations, net income and earnings per share for the three months ended September 30, 2015 and 2014 (in millions, except per share data):

| | Three Months Ended September 30, | | | | | |
|---|----------------------------------|---------------------------|--------------------------------------|---------------------------|---------------------------|--------------------------------------|
| | 2015 | | | 2014 | | |
| | Income From Operations | Net Income ⁽¹⁾ | Earnings Per Share ⁽¹⁾ | Income From Operations | Net Income ⁽¹⁾ | Earnings Per Share ⁽¹⁾ |
| As adjusted | \$ 79.1 | \$ 67.1 | \$ 0.77 | \$ 111.6 | \$ 66.9 | \$ 0.71 |
| Restructuring and other infrequent expenses | — | — | — | 2.9 | 1.9 | 0.02 |
| As reported | <u>\$ 79.1</u> | <u>\$ 67.1</u> | <u>\$ 0.77</u> | <u>\$ 108.7</u> | <u>\$ 65.0</u> | <u>\$ 0.69</u> |

⁽¹⁾ Net income and earnings per share amounts are after tax.

The following is a reconciliation of adjusted income from operations, net income and earnings per share to reported income from operations, net income and earnings per share for the nine months ended September 30, 2015 and 2014 (in millions, except per share data):

| | Nine Months Ended September 30, | | | | | |
|--|---------------------------------|---------------------------|--------------------------------------|---------------------------|---------------------------|--------------------------------------|
| | 2015 | | | 2014 | | |
| | Income From Operations | Net Income ⁽¹⁾ | Earnings Per Share ⁽¹⁾ | Income From Operations | Net Income ⁽¹⁾ | Earnings Per Share ⁽¹⁾ |
| As adjusted | \$ 290.4 | \$ 215.0 | \$ 2.45 | \$ 534.0 | \$ 334.7 | \$ 3.52 |
| Restructuring and other infrequent expenses ⁽²⁾ | 14.6 | 10.7 | 0.12 | 2.9 | 1.9 | 0.02 |
| As reported | <u>\$ 275.8</u> | <u>\$ 204.3</u> | <u>\$ 2.33</u> | <u>\$ 531.1</u> | <u>\$ 332.8</u> | <u>\$ 3.50</u> |

⁽¹⁾ Net income and earnings per share amounts are after tax.

⁽²⁾ The restructuring and other infrequent expenses recorded during the nine months ended September 30, 2015 relate primarily to severance costs associated with the Company’s rationalization of certain European and South American manufacturing operations as well as various administrative offices located in Europe and the United States.

The following is a reconciliation of adjusted targeted earnings per share to targeted earnings per share for the year ended December 31, 2015:

| | Earnings Per Share ⁽¹⁾ | |
|---|-----------------------------------|-------------|
| As adjusted targeted | \$ | 3.20 |
| Restructuring and other infrequent expenses | | 0.13 - 0.14 |
| As targeted | \$ | 3.06 - 3.07 |

⁽¹⁾ Earnings per share amount is after tax.

This earnings release discloses the percentage change in regional net sales due to the impact of currency translation. The following table sets forth, for the three and nine months ended September 30, 2015, the impact to net sales of currency translation by geographical segment (in millions, except percentages):

| | Three Months Ended September 30, | | | Change due to currency translation | |
|---------------------------|----------------------------------|-------------------|--------------------|------------------------------------|----------------|
| | 2015 | 2014 | % change from 2014 | \$ | % |
| North America | \$ 494.9 | \$ 531.3 | (6.9)% | \$ (16.6) | (3.1)% |
| South America | 231.4 | 455.0 | (49.1)% | (115.3) | (25.3)% |
| Europe/Africa/Middle East | 894.3 | 1,026.0 | (12.8)% | (169.9) | (16.6)% |
| Asia/Pacific | 115.8 | 142.5 | (18.7)% | (21.3) | (15.0)% |
| | <u>\$ 1,736.4</u> | <u>\$ 2,154.8</u> | <u>(19.4)%</u> | <u>\$ (323.1)</u> | <u>(15.0)%</u> |

| | Nine Months Ended September 30, | | | Change due to currency translation | |
|---------------------------|---------------------------------|-------------------|--------------------|------------------------------------|----------------|
| | 2015 | 2014 | % change from 2014 | \$ | % |
| North America | \$ 1,530.5 | \$ 1,865.0 | (17.9)% | \$ (42.0) | (2.3)% |
| South America | 760.7 | 1,248.8 | (39.1)% | (266.5) | (21.3)% |
| Europe/Africa/Middle East | 2,939.4 | 3,783.8 | (22.3)% | (624.8) | (16.5)% |
| Asia/Pacific | 277.7 | 340.9 | (18.5)% | (43.1) | (12.6)% |
| | <u>\$ 5,508.3</u> | <u>\$ 7,238.5</u> | <u>(23.9)%</u> | <u>\$ (976.4)</u> | <u>(13.5)%</u> |

This earnings release discloses the reduction in inventory on a constant currency basis, excluding the impact of currency translation, between September 30, 2015 and 2014. The following is a reconciliation of the impact of currency translation on the change in inventory balances (in millions):

| | September 30, 2015 | September 30, 2014 | Change from 2014 | Change due to currency translation | Change excluding currency translation |
|------------------|--------------------|--------------------|------------------|---------------------------------------|--|
| Inventories, net | \$ 1,699.3 | \$ 2,315.1 | \$ (615.8) | \$ (310.7) | \$ (305.1) |