UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

For the quarter ended March 31, 2005

of

AGCO CORPORATION

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

4205 River Green Parkway
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 May 6, 2005, AGCO Corporation had 90,423,492 shares of common stock outstanding. AGCO Corporation is an accelerated filer.

AGCO CORPORATION AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

AGCO CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited and in millions)

	March 31, 2005	December 31, 2004
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 28.0	$ 325.6
Accounts and notes receivable, net	876.4	823.2
Inventories, net	1,307.6	1,069.4
Deferred tax assets	102.5	127.5
Other current assets	76.6	58.8
Total current assets	2,391.1	2,404.5
Property, plant and equipment, net	566.6	593.3
Investment in affiliates	144.6	114.5
Deferred tax assets	138.3	146.1
Other assets	70.1	70.1
Intangible assets, net	228.7	238.2
Goodwill	710.9	730.6
Total assets	$ 4,250.3	$ 4,297.3
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current portion of long-term debt	$ 6.8	$ 6.9
Senior notes (Note 4)	250.0	—
Accounts payable	651.1	601.9
Accrued expenses	572.3	660.3
Other current liabilities	117.1	89.9
Total current liabilities	1,597.3	1,359.0
Long-term debt, less current portion	882.1	1,151.7
Pensions and postretirement health care benefits	242.4	247.3
Other noncurrent liabilities	105.0	116.9
Total liabilities	2,826.8	2,874.9
Stockholders' Equity:		
Common stock; $0.01 par value, 150,000,000 shares authorized, 90,423,492 and 90,394,292 shares issued and outstanding at March 31, 2005 and December 31, 2004, respectively	0.9	0.9
Additional paid-in capital	893.6	893.2
Retained earnings	815.3	793.8
Unearned compensation	(0.2)	(0.2)
Accumulated other comprehensive loss	(286.1)	(265.3)
Total stockholders' equity	1,423.5	1,422.4
Total liabilities and stockholders' equity	$ 4,250.3	$ 4,297.3

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 March 31, 2005	2004
Net sales	$ 1,256.9	$ 1,115.7
Cost of goods sold	1,037.4	908.0
Gross profit	219.5	207.7
Selling, general and administrative expenses (includes restricted stock compensation expense of $0.1 million and $0.3 million for the three months ended March 31, 2005 and 2004, respectively)	130.6	119.9
Engineering expenses	30.7	26.2
Restructuring and other infrequent expenses (income)	1.0	(6.6)
Amortization of intangibles	4.2	4.0
Income from operations	53.0	64.2
Interest expense, net	17.0	22.8
Other expense, net	6.8	5.1
Income before income taxes and equity in net earnings of affiliates	29.2	36.3
Income tax provision	12.3	16.2
Income before equity in net earnings of affiliates	16.9	20.1
Equity in net earnings of affiliates	4.6	4.9
Net income	$ 21.5	$ 25.0
Net income per common share:		
Basic	$ 0.24	$ 0.33
Diluted	$ 0.23	$ 0.31
Weighted average number of common and common equivalent shares outstanding:		
Basic	90.3	75.3
Diluted	99.7	84.8

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, 2005	2004
Cash flows from operating activities:		
Net income	$ 21.5	$ 25.0
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation	22.5	20.9
Deferred debt issuance cost amortization	1.5	2.9
Amortization of intangibles	4.2	4.0
Restricted stock compensation	—	0.1
Equity in net earnings of affiliates, net of cash received	(4.6)	(2.4)
Deferred income tax expense	0.2	3.0
Gain on sale of property, plant and equipment	—	(7.0)
Changes in operating assets and liabilities, net of effects from purchase of businesses:		
Accounts and notes receivable, net	(81.2)	(26.8)
Inventories, net	(258.3)	(180.0)
Other current and noncurrent assets	(16.0)	(1.4)
Accounts payable	72.5	98.8
Accrued expenses	(51.7)	(36.8)
Other current and noncurrent liabilities	(16.3)	(22.3)
Total adjustments	(327.2)	(147.0)
Net cash used in operating activities	(305.7)	(122.0)
Cash flows from investing activities:		
Purchases of property, plant and equipment	(14.2)	(13.9)
Proceeds from sales of property, plant and equipment	6.6	34.7
Purchase of businesses, net of cash acquired	—	(760.9)
Investments in unconsolidated affiliates	(22.7)	—
Net cash used in investing activities	(30.3)	(740.1)
Cash flows from financing activities:		
Proceeds from debt obligations, net	41.9	780.7
Payment of debt issuance costs	—	(16.2)
Proceeds from issuance of common stock	0.4	0.4
Net cash provided by financing activities	42.3	764.9
Effect of exchange rate changes on cash and cash equivalents	(3.9)	0.5
Decrease in cash and cash equivalents	(297.6)	(96.7)
Cash and cash equivalents, beginning of period	325.6	147.0
Cash and cash equivalents, end of period	$ 28.0	$ 50.3

See accompanying notes to condensed consolidated financial statements.

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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, 2004. Certain reclassifications of previously reported financial information were made to conform to the current presentation. Results for interim periods are not necessarily indicative of the results for the year.

Stock Compensation Plans

The Company accounts for all stock-based compensation awarded 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") No. 25, "Accounting for Stock Issued to Employees" ("APB No. 25") and also provides the disclosures required under Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123") and SFAS No. 148, "Accounting for Stock-Based Compensation – Transition and Disclosure" ("SFAS No. 148"). APB No. 25 requires no recognition of compensation expense for options granted under the Option Plan as long as certain conditions are met. There was no compensation expense recorded under APB No. 25 for the Option Plan. APB No. 25 requires recognition of compensation expense under the Director Plan and the LTIP at the time the award is 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 and no grants of options under the Option Plan or awards under the Director Plan during the three months ended March 31, 2004. 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. Based on these models, the weighted average fair value of options granted under the Option Plan and the weighted average fair value of awards granted under the Director Plan and the LTIP, were as follows for the three months ended March 31, 2005 and 2004:

	Three Months Ended March 31, 2005	
	2005	2004
Director Plan	$ —	$ —
LTIP	—	16.08
Option Plan	—	—
Weighted average assumptions under Black-Scholes and Barrier option models:		
Expected life of awards (years)	—	4.0
Risk-free interest rate	—	2.3%
Expected volatility	—	39.9%
Expected dividend yield	—	—

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 (in millions, except per share data):

	Three Months Ended March 31,	
	2005	2004
Net income, as reported	$ 21.5	$ 25.0
Add: Stock-based employee compensation expense included in reported net income, net of related tax effects	—	0.1
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(2.1)	(1.8)
Pro forma net income	$ 19.4	$ 23.3
Earnings per share:		
Basic – as reported	$ 0.24	$ 0.33
Basic – pro forma	$ 0.22	$ 0.31
Diluted – as reported	$ 0.23	$ 0.31
Diluted – pro forma	$ 0.21	$ 0.29

Recent Accounting Pronouncements

In April 2005, the SEC adopted a new rule that changes the adoption dates of Statement of Financial Accounting Standards No. 123R (Revised 2004), (“SFAS No. 123R”), “Share-Based Payment,” which is a revision of SFAS No. 123. The SEC’s new rule allows companies to implement SFAS No. 123R at the beginning of their next fiscal year, instead of the next reporting period, that begins after June 15, 2005. The rule does not change the accounting required by SFAS No. 123R; it only changes the dates for compliance with the standard. The Company plans to adopt SFAS No. 123R using the modified prospective method effective January 1, 2006 and based upon current outstanding awards, estimates the application of the expensing provisions of SFAS No. 123R will result in a pre-tax expense of approximately $7.2 million in 2006.

In March 2005, the Financial Accounting Standards Board (“FASB”) issued FASB Interpretation (“FIN”) No. 47, “Accounting for Conditional Asset Retirement Obligations – An Interpretation of FASB Statement No. 143” (“FIN 47”), which will result in (a) more consistent recognition of liabilities relating to asset retirement obligations, (b) more information about expected future cash outflows associated with those obligations, and (c) more information about investments in long-lived assets because additional asset retirement costs will be recognized as part of the carrying amounts of the assets. FIN 47 clarifies that the term conditional asset retirement obligation as used in SFAS No. 143, “Accounting for Asset Retirement Obligations,” refers to a legal obligation to perform an asset retirement activity in which the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity. The obligation to perform the asset retirement activity is unconditional even though uncertainty exists about the timing and (or) method of settlement. Uncertainty about the timing and (or) method of settlement of a conditional asset retirement obligation should be factored into the measurement of the liability when sufficient information exists. FIN 47 also clarifies when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation. FIN 47 is effective no later than the end of fiscal years ending after December 15, 2005. The Company plans to adopt FIN 47 at the end of its 2005 fiscal year and is currently evaluating the impact on its results of operations and financial position.

In November 2004, the FASB issued SFAS No. 151, “Inventory Costs-An Amendment of ARB No. 43, Chapter 4” (“SFAS No. 151”). SFAS No. 151 amends the guidance in Accounting Research Bulletin (“ARB”) 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 No. 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 No. 151 is effective for fiscal years beginning after June 15, 2005 and is required to be adopted in the first quarter of 2006. The Company is currently evaluating the effect that the adoption of SFAS No. 151 will have on its consolidated results of operations and financial position.

On October 22, 2004, the American Jobs Creation Act of 2004 (“AJCA”) was enacted. The AJCA provides a deduction for income from qualified domestic production activities, which will be phased in from 2005 through 2010. The AJCA also provides for a two-year phase out of the existing extra-territorial income exclusion (“ETI”) for foreign sales that was viewed to be inconsistent with international trade protocols by the European Union. Under the guidance in FASB Staff Position No. 109-1, “Application of FASB Statement No. 109, ‘Accounting for Income Taxes,’ to the Tax Deduction on Qualified Production Activities Provided by the American Jobs Creation Act of 2004,” the deduction will be treated as a “special deduction” as described in SFAS No. 109. As such, the special deduction has no effect on deferred tax assets and liabilities existing at the enactment date.

In December 2004, the FASB issued Staff Position No. 109-2, “Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004.” The AJCA provides multi-national companies an election to deduct from taxable income 85% of eligible dividends repatriated from foreign subsidiaries. The Company’s eligible dividend cannot exceed $718.2 million, which is the amount of permanently invested earnings outside the United States, as disclosed in the Company’s Annual Report on Form 10-K for the year ended December 31, 2002. The eligible dividend must meet certain business purposes to qualify for the deduction. In addition, there are provisions which prohibit the use of net operating losses to avoid a tax liability on the taxable portion of a qualifying dividend. The estimated impact to current tax expense in the United States is generally equal to 5.25% of the qualifying dividend. The AJCA generally allows companies to take advantage of this special deduction from November 2004 through the end of calendar year 2005. The Company did not propose a qualifying plan of repatriation for 2004. The Company is continuing to assess whether it will propose a plan of qualifying repatriation in 2005. The estimated range of dividend amounts that the Company may consider would not exceed eligible dividend amounts allowable under the AJCA.

On May 19, 2004, the FASB issued FASB Staff Position No. 106-2 (“FSP No. 106-2”), “Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003.” FSP No. 106-2 relates to the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the “Act”) signed into law on December 8, 2003. The Act introduced a prescription drug benefit under Medicare, as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare. The Company is currently evaluating whether or not the benefits provided by its postretirement benefit plans are actuarially equivalent to Medicare Part D under the Act. Decisions regarding the impact of the Act on its plans will be addressed after the completion of that evaluation, but the Company currently does not expect the impact to be material.

(unaudited, in millions, except per share data)

2. RESTRUCTURING AND OTHER INFREQUENT EXPENSES

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 incurred and paid $0.4 million of severance costs. As of March 31, 2005, 23 of the 58 employees had been terminated. The $1.1 million of severance payments accrued at March 31, 2005 will be paid during 2005. 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.

On July 2, 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 operation, by simplifying the model range. The Company will outsource manufacturing of the majority of parts and components to suppliers and retain critical key assembly operations at the Randers facility. Component manufacturing operations ceased in February 2005. The components of the restructuring expenses are summarized in the following table:

	Write-down of Property, Plant and Equipment	Employee Severance	Employee Retention Payments	Facility Closure Costs	Total
2004 provision	$ 8.2	$ 1.1	$ 2.1	$ 0.1	$ 11.5
Less: Non-cash expense	8.2	—	—	—	8.2
Cash expense	—	1.1	2.1	0.1	3.3
2004 cash activity	—	(0.2)	(0.4)	—	(0.6)
Foreign currency translation	—	—	0.1	—	0.1
Balances as of December 31, 2004	—	0.9	1.8	0.1	2.8
First quarter 2005 provision	—	—	0.4	0.2	0.6
First quarter 2005 cash activity	—	(0.5)	(1.5)	(0.3)	(2.3)
Foreign currency translation	—	—	(0.1)	—	(0.1)
Balances as of March 31, 2005	$ —	$ 0.4	$ 0.6	$ —	$ 1.0

The write-down of certain property, plant and equipment within the component manufacturing operation represents the impairment of real estate and machinery and equipment resulting from the restructuring, as the rationalization will eliminate a majority of the square footage utilized in the facility. The impairment charge was based upon the estimated fair value of the assets compared to their carrying value. The estimated fair value of the property, plant and equipment was determined based on current conditions in the market. The carrying value of the property, plant and equipment was approximately $11.6 million before the $8.2 million impairment charge. The machinery, equipment and tooling will be disposed of or will be sold. The buildings, land and improvements are being marketed for sale. The impaired property, plant and equipment associated with the Randers rationalization is reported within the Company's Europe/Africa/Middle East segment. The severance costs relate to the termination of 298 employees. As of March 31, 2005, 277 of the 298 employees had been terminated. The employee retention payments relate to incentives paid to Randers employees who will remain employed until certain future termination dates and are accrued over the term of the retention period. The facility closure costs include certain noncancelable operating lease terminations and other facility exit costs. Total cash restructuring costs associated with the plan are expected to be approximately $4.0 million to $5.0 million. The Company also recorded a write-down of approximately $3.7 million of inventory, reflected in costs of goods sold, during 2004, related to inventory that was identified as obsolete as a result of the rationalization. The $1.0 million of restructuring costs accrued at March 31, 2005 are expected to be incurred during 2005.

(unaudited, in millions, except per share data)

During 2002, the Company announced and initiated a restructuring plan related to the closure of its tractor manufacturing facility in Coventry, England and the relocation of existing production at Coventry to the Company's Beauvais, France and Canoas, Brazil manufacturing facilities. The closure of this facility was consistent with the Company's strategy to reduce excess manufacturing capacity. This particular facility manufactured transaxles and assembled tractors in the range of 50-110 horsepower. The trend towards higher horsepower tractors resulting from the consolidation of farms had caused this product segment of the industry to decline over recent years, which negatively impacted the facility's utilization. The components of the restructuring expenses are summarized in the following table:

	Write-down of Property, Plant and Equipment	Employee Severance	Employee Retention Payments	Facility Closure Costs	Total
Balances as of December 31, 2002	$ —	$ 8.2	$ 18.0	$ 2.1	$ 28.3
2003 provision	—	—	10.2	1.8	12.0
2003 cash activity	—	(8.9)	(26.7)	(2.5)	(38.1)
Foreign currency translation	—	1.2	0.5	0.2	1.9
Balances as of December 31, 2003	—	0.5	2.0	1.6	4.1
2004 provision reversal	—	—	(0.4)	(0.5)	(0.9)
2004 cash activity	—	(0.5)	(1.4)	(0.8)	(2.7)
Foreign currency translation	—	—	0.1	0.1	0.2
Balances as of December 31, 2004	—	—	0.3	0.4	0.7
First quarter 2005 cash activity	—	—	(0.3)	(0.3)	(0.6)
Balances as of March 31, 2005	$ —	$ —	$ —	$ 0.1	$ 0.1

During 2003, the Company sold certain machinery and equipment of the Coventry facility at auction and, as a result of those sales, recognized a net gain of approximately $2.0 million. This gain was reflected in "Restructuring and other infrequent expenses" in the Company's Consolidated Statements of Operations for the year ended December 31, 2003. On January 30, 2004, the Company sold the land, buildings and improvements of the Coventry facility for approximately $41.0 million, and as a result of that sale, recognized a net gain, after selling costs, of approximately $6.9 million. This gain was reflected in "Restructuring and other infrequent expenses" in the Company's Consolidated Statements of Operations for the year ended December 31, 2004. The Company will lease part of the facility back from the buyers for a period of three years, with the ability to exit the lease within two years from the date of the sale. The Company received approximately $34.4 million of the sale proceeds on January 30, 2004 and the remaining $6.6 million on January 28, 2005. In addition, the Company completed the auctions of the remaining machinery and equipment, as well as finalized the sale of the facility (and associated selling costs) during the second quarter of 2004, and recorded an additional $1.4 million in net gains related to such actions. The net gains were reflected in "Restructuring and other infrequent expenses" in the Company's Consolidated Statements of Operations for the year ended December 31, 2004.

The employee severance costs relate to the termination of 1,049 employees. All employees had been terminated as of December 31, 2004. The employee retention payments relate to incentives paid to Coventry employees who remain employed until certain future termination dates and were accrued over the term of the retention period. The facility closure costs include certain noncancelable operating lease terminations and other facility exit costs. During 2004, the Company reversed approximately $0.9 million of provisions related to the restructuring that had been previously established. The reversals were necessary to adequately reflect more accurate estimates of remaining obligations related to retention payments, lease termination payouts and other exit costs, as some employees had been redeployed or had been terminated earlier than anticipated, and as some supplier and rental contracts had been finalized and terminated earlier than anticipated. The $0.1 million of restructuring costs accrued at March 31, 2005 are expected to be incurred during 2005.

(unaudited, in millions, except per share data)

In October 2002, the Company applied to the High Court in London, England, for clarification of a provision in its U.K. pension plan that governs the value of pension payments payable to an employee who is over 50 years old and who retires from service in certain circumstances prior to his normal retirement date. The primary matter before the High Court was whether pension payments to such employees, including those who take early retirement and those terminated due to the closure of the Company's Coventry facility, should be reduced to compensate for the fact that the pension payments begin prior to a normal retirement age of 65. In July 2003, a U.K. Court of Appeal ruled that employees terminated as a result of the closure of the Coventry facility do not qualify for full pensions, but ruled that other employees might qualify.

As a result of the ruling in that case, certain employees who took early retirement in prior years under voluntary retirement arrangements would be entitled to additional payments, and therefore the Company recorded a charge in the second quarter of 2003, included in "Restructuring and other infrequent expenses," of approximately £7.5 million (or approximately $12.4 million) to reflect its estimate of the additional pension liability associated with previous early retirement programs. Subsequently, as full details of the Court of Appeal judgment were published, the Company received more detailed legal advice regarding the specific circumstances in which the past voluntary retirements would be subject to the Court's ruling. Based on this advice, the Company completed a detailed review of past terminations during the fourth quarter of 2004, and concluded that the number of former employees who are considered to be eligible to receive enhanced pensions under the Court's ruling was lower than the Company's initial estimate. The Company therefore recorded a reversal of the established provision of approximately £2.5 million (or approximately $4.1 million) during the fourth quarter of 2004, which was included in "Restructuring and other infrequent expenses" in the Company's Consolidated Statements of Operations.

During 2002 through 2004, the Company initiated several rationalization plans and recorded restructuring and other infrequent expenses in total of approximately $5.1 million during 2002, 2003 and 2004. The expenses primarily related to severance costs and certain lease termination and other exit costs associated with the rationalization of the Company's European engineering and marketing personnel, certain components of the Company's German manufacturing facilities located in Kempten and Marktoberdorf, Germany, the rationalization of the Company's European combine engineering operations and the closure and consolidation of the Company's Valtra U.S. and Canadian sales offices into the its existing U.S. and Canadian sales organizations. The Company did not record any costs associated with these rationalizations during the first quarter of 2005. Of the $5.1 million of total costs, approximately $4.0 million relate to severance costs associated with the termination of approximately 215 employees in total. At March 31, 2005, a total of approximately $4.8 million of expenses had been incurred and paid. The remaining accrued balance of $0.3 million as of March 31, 2005 is expected to be incurred during 2005.

3. GOODWILL AND OTHER INTANGIBLE ASSETS

Changes in the carrying amount of acquired intangible assets during the three months ended March 31, 2005 are summarized as follows:

	Trademarks and Tradenames	Customer Relationships	Patents and Technology	Total
Gross carrying amounts:				
Balance as of December 31, 2004	$ 32.9	$ 81.7	$ 51.4	$ 166.0
Foreign currency translation	(0.1)	(2.1)	(2.1)	(4.3)
Balance as of March 31, 2005	$ 32.8	$ 79.6	$ 49.3	$ 161.7

Notes to Condensed Consolidated Financial Statements – Continued

(unaudited, in millions, except per share data)

	Trademarks and Tradenames	Customer Relationships	Patents and Technology	Total
Accumulated amortization:				
Balance as of December 31, 2004	$ 3.7	$ 9.4	$ 7.8	$ 20.9
Amortization expense	0.3	2.0	1.9	4.2
Foreign currency translation	—	(0.2)	(0.4)	(0.6)
Balance as of March 31, 2005	$ 4.0	$ 11.2	$ 9.3	$ 24.5

	Trademarks and Tradenames
Unamortized intangible assets:	
Balance as of December 31, 2004	$ 93.1
Foreign currency translation	(1.6)
Balance as of March 31, 2005	$ 91.5

Changes in the carrying amount of goodwill during the three months ended March 31, 2005 are summarized as follows:

	North America	South America	Europe/Africa/ Middle East	Consolidated
Balance as of December 31, 2004	$ 165.5	$ 120.8	$ 444.3	$ 730.6
Foreign currency translation	—	(1.1)	(18.6)	(19.7)
Balance as of March 31, 2005	$ 165.5	$ 119.7	$ 425.7	$ 710.9

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 are not its reporting units, with the exception of its Asia/Pacific geographical segment.

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, 2004, indicated that no reduction in the carrying amount of goodwill was required in 2004.

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.

(unaudited, in millions, except per share data)

4. LONG-TERM DEBT

Long-term debt consisted of the following at March 31, 2005 and December 31, 2004:

	March 31, 2005	December 31, 2004
Credit facility	$ 417.2	$ 424.7
1 3/4% Convertible senior subordinated notes due 2033	201.3	201.3
9 1/2% Senior notes due 2008	—	250.0
6 7/8% Senior subordinated notes due 2014	259.5	271.1
Other long-term debt	10.9	11.5
	888.9	1,158.6
Less: Current portion of long-term debt	(6.8)	(6.9)
Total long-term debt, less current portion	$ 882.1	$ 1,151.7

Subject to the completion of certain transactions and the availability of adequate funding, the Company intends to redeem its $250 million 9 1/2% Senior notes during the second quarter of 2005 at a price of approximately $261.9 million, which represents a premium of 4.75% over the senior notes face amount. The premium of approximately $11.9 million is expected to be reflected in interest expense, net in the second quarter of 2005. If redeemed, the Company will be required to write-off the remaining balance of the deferred debt issuance costs of approximately $2.1 million at the time of the redemption. The sources for the redemption price is expected to be a combination of cash generated from the transfer of wholesale interest-bearing receivables to AGCO Finance LLC and AGCO Finance Canada, Ltd., its U.S. and Canadian retail finance joint ventures (Note 9), revolving credit facility borrowings, and available cash on hand. As a result of its intention to redeem the Senior Notes, the Company has reclassified the $250 million Senior Notes from long-term debt to current liabilities as of March 31, 2005.

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.

Inventories at March 31, 2005 and December 31, 2004 were as follows:

	March 31, 2005	December 31, 2004
Finished goods	$ 652.6	$ 432.5
Repair and replacement parts	328.1	313.2
Work in process	112.6	103.6
Raw materials	214.3	220.1
Inventories, net	$ 1,307.6	$ 1,069.4

6. PRODUCT WARRANTY

The warranty reserve activity for the three months ended March 31, 2005 and 2004 consisted of the following:

	2005	2004
Balance at beginning of quarter	$ 135.0	$ 98.5
Acquisitions	—	14.9
Accruals for warranties issued during the period	28.8	26.2
Settlements made (in cash or in kind) during the period	(27.9)	(19.4)
Foreign currency translation	(3.6)	(0.7)
Balance at March 31	$ 132.3	$ 119.5

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.

(unaudited, in millions, except per share data)

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.” EITF Issue No. 04-08 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 has included approximately nine million additional shares of common stock that may be issued upon conversion of the Company’s outstanding 1 3/4% convertible senior subordinated notes in its diluted earnings per share calculation for the three months ended March 31, 2005 and 2004. Diluted earnings per share is required to be restated for each period that the 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. 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, 2005 and 2004 is as follows:

	Three Months Ending March 31, 2005	Three Months Ending March 31, 2004
Basic net income per share:		
Net income	$ 21.5	$ 25.0
Weighted average number of common shares outstanding	90.3	75.3
Basic net income per share	$ 0.24	$ 0.33
Diluted net income per share:		
Net income	$ 21.5	$ 25.0
After-tax interest expense on contingently convertible senior subordinated notes	1.2	1.1
Net income for purposes of computing diluted net income per share	$ 22.7	$ 26.1
Weighted average number of common shares outstanding	90.3	75.3
Dilutive stock options and restricted stock awards	0.4	0.5
Weighted average assumed conversion of contingently convertible senior subordinated notes	9.0	9.0
Weighted average number of common and common share equivalents outstanding for purposes of computing diluted earnings per share	99.7	84.8
Diluted net income per share	$ 0.23	$ 0.31

There were options to purchase 0.6 million shares for both the three months ended March 31, 2005 and March 31, 2004 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.

(unaudited, in millions, except per share data)

8. COMPREHENSIVE INCOME

Total comprehensive income for the three months ended March 31, 2005 and 2004 was as follows:

	Three Months Ended March 31, 2005	Three Months Ended March 31, 2004
Net income	$ 21.5	$ 25.0
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	(23.0)	(24.3)
Unrealized gain (loss) on derivatives held by affiliates	2.2	(1.2)
Total comprehensive income (loss)	$ 0.7	$ (0.5)

9. ACCOUNTS RECEIVABLE SECURITIZATION

At March 31, 2005, the Company had accounts receivable securitization facilities in the United States, Canada and Europe totaling approximately $492.7 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. entity 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 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 $449.3 million at March 31, 2005 and $458.9 million at December 31, 2004. 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 $5.0 million and $3.8 million for the three months ended March 31, 2005 and 2004, 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.

The Company is working towards completing an agreement during the second quarter of 2005 that would transfer, 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 are without recourse to the Company and the Company will continue to service the receivables. If completed, the initial transfer of wholesale interest-bearing receivables would net approximately $100 million and the proceeds would be used to redeem the Company’s $250 million Senior Notes (Note 4).

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 Brazil. The Company also provides certain post-retirement health care and life insurance benefits for certain employees principally in the United States, as well 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.

(unaudited, in millions, except per share data)

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Net pension and postretirement cost for the plans for the three months ended March 31, 2005 and 2004 are set forth below:

Pension benefits	Three Months Ended March 31, 2005	Three Months Ended March 31, 2004
Service cost	$ 1.5	$ 1.7
Interest cost	10.3	7.8
Expected return on plan assets	(8.7)	(6.8)
Amortization of net actuarial loss and prior service cost	4.6	3.7
Net quarterly pension cost	$ 7.7	$ 6.4

Post-retirement benefits	2005	2004
Service cost	$ 0.2	$ 0.1
Interest cost	0.6	0.5
Amortization of transition and prior service cost	0.1	(0.2)
Amortization of unrecognized net loss	0.4	0.3
Net quarterly postretirement cost	$ 1.3	$ 0.7

As of March 31, 2005, approximately $6.1 million of contributions had been made to the Company's defined benefit pension plans. The Company currently estimates its minimum contributions for 2005 to its defined benefit pension plans will aggregate approximately $27.8 million. As of March 31, 2005, the Company had made approximately $0.9 million of contributions to its U.S.-based post-retirement health care and life insurance benefit plans.

11. 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, 2005 and 2004 are as follows:

Three Months Ended March 31,	North America	South America	Europe/Africa /Middle East	Asia/ Pacific	Consolidated
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
2004					
Net sales	$ 293.7	$ 174.9	$ 601.3	$ 45.8	$ 1,115.7
Income from operations	6.1	31.1	25.4	6.9	69.5
Depreciation	4.9	2.5	12.6	0.9	20.9
Capital expenditures	2.1	0.6	8.5	2.7	13.9
Assets					
As of March 31, 2005	$ 1,011.2	$ 389.5	$ 1,251.2	$ 83.6	$ 2,735.5
As of December, 31, 2004	766.9	298.0	1,349.5	63.6	2,478.0

(unaudited, in millions, except per share data)

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, 2005	Three Months Ended March 31, 2004
Segment income from operations	$ 68.0	$ 69.5
Corporate expenses	(9.7)	(7.6)
Restricted stock compensation expense	(0.1)	(0.3)
Restructuring and other infrequent (expenses) income	(1.0)	6.6
Amortization of intangibles	(4.2)	(4.0)
Consolidated income from operations	$ 53.0	$ 64.2

	As of March 31, 2005	As of December 31, 2004
Segment assets	$ 2,735.5	$ 2,478.0
Cash and cash equivalents	28.0	325.6
Receivables from affiliates	15.1	7.9
Investments in affiliates	144.6	114.5
Other current and noncurrent assets	387.5	402.5
Intangible assets, net	228.7	238.2
Goodwill	710.9	730.6
Consolidated total assets	$ 4,250.3	$ 4,297.3

12. CONTINGENCIES

The Company has received assessments from Brazilian tax authorities regarding transaction taxes payable on certain foreign currency gains and losses. The Company is currently contesting the assessments and disputing the calculation method applied by the tax authorities. The Company believes that it is not probable or likely the assessments will have to be paid. The total assessment approximates $9.0 million to $9.5 million. The Company anticipates that it may take significant time to resolve the dispute with the Brazilian tax authorities.

In October 2004 the Company was notified of a customer claim for costs and damages arising out of alleged breaches of a supply agreement. The customer's initial evaluation indicated a claim of approximately €10.5 million (or approximately $14.0 million). The Company is vigorously contesting the claim. No legal proceedings have been initiated and discussions between the Company and the customer are ongoing.

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, 2005, we generated net income of $21.5 million, or $0.23 per share, compared to net income of $25.0 million, or $0.31 per share, for the same period in 2004.

The results for the first quarter of 2005 included restructuring and other infrequent expenses ("restructuring expenses") of $1.0 million, or $0.01 per share, primarily related to the rationalization of our Randers, Denmark combine manufacturing operations and our Finnish tractor manufacturing and parts operations. The results for the first quarter of 2004 included restructuring income of $6.6 million, or $0.05 per share, primarily related to the gain on the sale of our Coventry, England facility, which occurred in January 2004.

Sales during the first quarter of 2005 were 12.7% higher than the first quarter of 2004 primarily due to sales growth in Western Europe and North America, as well as positive currency translation impacts. First quarter operating income was $53.0 million in 2005 compared to $64.2 million in 2004. The decline in operating income was primarily related to reduced margins in South America as a result of a significant reduction in industry demand, as well as in North America, resulting from the impact of the weak dollar on products imported and sold in North America. In addition, operating income declined due to the elimination of the gain on the sale of our Coventry, England facility, reflected in operating income during the first quarter of 2004.

Operating income improved in our Europe/Africa/Middle East region, as a result of sales increases, improved margins and currency translation benefits. In the South American region, weaker market conditions in 2005 contributed to sales declines and lower margins resulted from lower production, unfavorable sales mix and currency impacts. Operating income in North America also declined in 2005 compared to 2004. While improved market conditions in North America contributed to sales growth, operating margins in North America were reduced due to the impact of the weak dollar on products imported from Europe and Brazil. Our Asia/Pacific region achieved increased operating income in 2005 primarily resulting from improved margins.

Retail Sales

In North America, industry unit retail sales of tractors for the first quarter of 2005 increased approximately 5% over the first quarter of the prior year with increases in all tractors segments. First quarter industry unit retail sales of combines were approximately 34% higher than the prior year. Our unit retail sales of tractors and combines for the first quarter of 2005 were higher than the prior year, due to stronger market conditions.

In Western Europe, industry unit retail sales of tractors for the first quarter of 2005 were relatively flat over the comparable prior year period. Retail demand improved in Italy but declined in Finland and France. Our unit retail sales for the first quarter of 2005 were also relatively flat when compared to the prior year period.

South American industry unit retail sales of tractors in the first quarter of 2005 decreased approximately 16% over the prior year period. Tractor demand declined in Brazil and Argentina, offset by a slight increase in other South American markets. Industry unit retail sales of combines for the first quarter of 2005 were 59% lower than the prior year, with sharp declines in both Brazil and Argentina. Market demand in South America has declined significantly in 2005 primarily due to drought conditions in southern Brazil which impacted the recent harvest, as well as the impact of lower commodity prices and the weak dollar on farm income. Our South American unit retail sales of tractors and combines also decreased in the first quarter of 2005 compared to the same period in 2004.

Outside of North America, Western Europe and South America, net sales for the first quarter of 2005 were higher than the prior year period due to higher sales in Australia and Eastern Europe.

STATEMENTS OF OPERATIONS

Net sales for the first quarter of 2005 were $1,256.9 million compared to $1,115.7 million for the same period in 2004. The increase in net sales was primarily due to sales growth in Western Europe and North America, as well as positive currency translation impacts. Foreign currency translation positively impacted net sales by $42.1 million, or 3.8%, in the first quarter of 2005. The following table sets forth, for the three months ended March 31, 2005 and 2004, the impact to net sales of currency translation by geographical segment (in millions, except percentages):

			Change		Change Due to Currency Translation	
	2005	2004	$	%	$	%
North America	$ 392.8	$ 293.7	$ 99.1	33.7%	$ 3.4	1.2%
South America	152.3	174.9	(22.6)	(12.9)%	9.5	5.4%
Europe/Africa/Middle East	666.3	601.3	65.0	10.8%	28.3	4.7%
Asia/Pacific	45.5	45.8	(0.3)	(0.7)%	0.9	1.9%
	$ 1,256.9	$ 1,115.7	$ 141.2	12.7%	$ 42.1	3.8%

Regionally, net sales in North America increased during the first quarter of 2005 primarily due to stronger end markets, favorable response to new products and distribution and the timing of deliveries to dealers compared to the first quarter of 2004. In the Europe/Africa/Middle East region, net sales increased in the first quarter of 2005 primarily due to sales growth in Germany, Eastern Europe and the Middle East. Net sales in South America decreased during the first quarter of 2005 primarily as a result of weak market conditions in the region. In the Asia/Pacific region, net sales were relatively flat in the first quarter of 2005 compared to the same period in 2004. We estimate that consolidated price increases during the first quarter of 2005 contributed approximately 4% to the increase in net sales. Consolidated net sales of tractors and combines, which consisted of approximately 66% of our sales in the first quarter of 2005, increased approximately 12% in 2005 compared to the same period in 2004. Unit sales of tractors and combines increased approximately 5% during the first quarter of 2005 compared to 2004. The difference between the unit sales increase and the increase in net sales is 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):

	2005		2004	
	$	% of Net Sales	$	% of Net Sales
Gross profit	$ 219.5	17.5%	$ 207.7	18.6%
Selling, general and administrative expense (including $0.1 million and $0.3 million of restricted stock compensation in three months ended March 31, 2005 and 2004, respectively)	130.6	10.4%	119.9	10.7%
Engineering expenses	30.7	2.5%	26.2	2.3%
Restructuring and other infrequent expenses (income)	1.0	0.1%	(6.6)	(0.6)%
Amortization of intangibles	4.2	0.3%	4.0	0.4%
Income from operations	$ 53.0	4.2%	$ 64.2	5.8%

Gross profit as a percentage of sales declined during the first quarter of 2005 versus the prior year period as a result of weaker market conditions in South America, which resulted in lower production levels, unfavorable sales mix and currency impacts. These declines were partially offset by improved margins in Europe, which were positively impacted by improved productivity and new product introductions. Margins in North America continue to be negatively impacted by the weak dollar on products imported from Europe and Brazil.

Selling, general and administrative ("SG&A") expenses as a percentage of sales decreased during the first quarter of 2005 compared to the prior year period primarily as a result of higher sales levels and cost reduction initiatives. Engineering expenses increased during the first quarter of 2005 compared to 2004 as a result of our increase in spending to fund product improvements, cost reduction projects and the expansion of our engine manufacturing facility.

We recorded restructuring and other infrequent expenses of $1.0 million during the first quarter of 2005, primarily related to the rationalization of our Randers, Denmark combine manufacturing operations announced in July 2004, consisting primarily of employee retention payments and other facility closure costs. We also incurred restructuring costs associated with contract termination costs related to the rationalization of our Valtra European parts distribution operations. During the first quarter of 2004, we recorded restructuring and other infrequent income of approximately $6.6 million, primarily related to a gain on the sale of land, buildings and improvements associated with the rationalization of our Coventry, England tractor manufacturing facility. The net gain was offset by restructuring charges associated with various European and U.S. rationalization initiatives. See "Restructuring and Other Infrequent Expenses."

Interest expense, net was $17.0 million for the first quarter of 2005 compared to $22.8 million for the comparable period in 2004. The decrease in interest expense was due to lower debt levels in 2005 versus 2004. In April 2004, we completed a common stock offering and received proceeds of approximately $300.1 million. We used the net proceeds to repay borrowings under our credit facility, as well as to repay a $100.0 million interim bridge loan facility.

Other expense, net was $6.8 million during the first quarter of 2005 compared to $5.1 million for the same period in 2004. Losses on sales of receivables primarily under our securitization facilities were $5.0 million in the first quarter of 2005 compared to $3.8 million for the same period in 2004. The increase during the first quarter of 2005 was primarily due to higher interest rates in 2005 compared to 2004.

We recorded an income tax provision of $12.3 million for the first quarter of 2005 compared to $16.2 million for the same period in 2004. The effective tax rate was 42.1% for the first quarter of 2005 compared to 44.6% in the comparable prior year period. In 2005 and 2004, our effective tax rate was negatively impacted by losses in Denmark, where we recorded no tax benefit.

RESTRUCTURING AND OTHER INFREQUENT 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 an additional $0.1 million associated with this rationalization during the first quarter of 2005 and incurred and paid $0.4 million of severance costs. As of March 31, 2005, 23 of the 58 employees had been terminated. The $1.1 million of severance payments accrued at March 31, 2005 will be paid during 2005. 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.

On July 2, 2004, we announced a plan to restructure our European combine manufacturing operations located in Randers, Denmark. The restructuring plan will reduce the cost and complexity of the Randers manufacturing operation by simplifying the model range and eliminating the facility's component manufacturing operations. Component manufacturing operations ceased in February 2005. 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 will reduce the Randers workforce by 298 employees and permanently eliminate 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 by 2007, with savings in 2005 projected at approximately $5 million. These savings will primarily impact cost of goods sold. Cash restructuring costs are estimated to be approximately $4 million to $5 million. During 2004, we recorded an $8.2 million write-down of property, plant and equipment as well as $3.3 million of severance costs, employee retention payments and facility closure costs. We also recorded approximately $3.7 million of inventory write-downs during 2004, reflected in costs of goods sold, related to inventory that was identified as obsolete as a result of the restructuring plan. During the first quarter of 2005, we recorded an additional $0.6 million of restructuring costs related to the rationalization, primarily related to employee retention payments and other facility closure costs. As of March 31, 2005, 277 of the 298 employees had been terminated. The components of the restructuring expenses incurred during 2004 and 2005 are summarized in Note 2 to our Condensed Consolidated Financial Statements.

During 2002, we announced and initiated a restructuring plan related to the closure of our tractor manufacturing facility in Coventry, England and the relocation of existing production at Coventry to our Beauvais, France and Canoas, Brazil manufacturing facilities, resulting in the termination of 1,049 employees. The closure of this facility is consistent with our strategy to reduce excess manufacturing capacity. In 2003, we completed the transfer of production to our Beauvais facility, although we experienced cost inefficiencies and production delays primarily due to supplier delivery issues. Those inefficiencies were largely corrected in 2004. We estimate that we have reduced manufacturing overhead costs as a result of the Coventry rationalization project by approximately $20 million when adjusted for changes in production volume from year to year. During 2004, we recorded a gain of $6.9 million on the sale of our Coventry, England facility as well as gains totaling approximately $2.3 million related to the sale of machinery and equipment at the Coventry facility and certain Coventry closure reserve reductions. During 2004, we also recorded a $4.1 million reversal of a previously established provision related to our pension scheme in the U.K. The components of the restructuring expenses incurred related to the Coventry rationalization are summarized in Note 2 to our Condensed Consolidated Financial Statements.

In addition, during 2002 through 2004, we initiated several rationalization plans and recorded restructuring and other infrequent expenses which in aggregate totaled approximately $5.1 million during 2002, 2003 and 2004. The expenses primarily related to severance costs and certain lease termination and other exit costs associated with the rationalization of our European engineering and marketing personnel, the rationalization of certain components of our German manufacturing facilities located in Kempten and Marktoberdorf, Germany, the rationalization of our European combine engineering operations and the closure and consolidation of our Valtra U.S. and Canadian sales organizations. These rationalizations were completed to improve our ongoing cost structure and to reduce cost of goods sold, as well as engineering and SG&A expenses. These expenses are discussed more fully in Note 2 to our Condensed Consolidated Financial Statements.

LIQUIDITY AND CAPITAL RESOURCES

Our financing requirements are subject to variations due to seasonal changes in inventory and dealer 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 are $201.3 million principal amount $1\,^{3}/_{4}\%$ convertible senior subordinated notes due 2033, €200.0 million principal amount $6\,^{7}/_{8}\%$ senior subordinated notes due 2014, $250.0 million principal amount $9\,^{1}/_{2}\%$ senior notes due 2008, approximately $492.7 million of accounts receivable securitization facilities, a $300.0 million revolving credit facility, a $274.7 million term loan facility and a €109.8 million term loan facility.

On December 23, 2003, we sold $201.3 million of $1\,^{3}/_{4}\%$ convertible senior subordinated notes due 2033 under a private placement offering. The convertible senior subordinated notes are unsecured obligations and are convertible into shares of our common stock upon satisfaction of certain conditions, as discussed below. Interest is payable on the notes at $1\,^{3}/_{4}\%$ per annum, payable semi-annually in arrears in cash on September 30 and December 31 of each year, beginning September 30, 2004. The convertible senior subordinated notes are convertible into shares of our common stock at an effective price of $22.36 per share, subject to adjustment. Holders of the notes may convert the notes into shares of our common stock at a conversion rate of 44.7193 shares per $1,000 principal amount of notes, subject to adjustment, prior to the close of business on December 31, 2033, 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.

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 U.S. dollar denominated term loan and a €120.0 million Euro denominated term loan. This facility replaced our $350.0 million multi-currency revolving credit facility. The revolving credit facility will mature in March 2008. The maturity date of the revolving credit facility may be extended to December 2008 if our existing $9\,^{1}/_{2}\%$ senior notes due 2008 are refinanced on terms specified by the lenders prior to March 2008. We were required to prepay approximately $22.3 million of the U.S. 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 U.S. 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 is March 2008. The maturity date of the term loans may be extended to June 2009 if the $9\,^{1}/_{2}\%$ senior notes are refinanced on terms specified by the lenders prior to March 2008. 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 1.50% and 2.25% 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 0.25% and 1.0% 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. We must also 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, 2005, we had total borrowings of $417.2 million under the credit facility, which included $274.7 million under the U.S. 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 2.00% to 1.75%.

On April 7, 2004, we sold 14,720,000 shares of our common stock in an underwritten public offering and received proceeds of approximately $300.1 million. We used the net proceeds to repay a $100.0 million interim bridge loan facility, 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 6 $^{7}/_{8}$% senior subordinated notes due 2014 and received proceeds of approximately $234.0 million, after offering related fees and expenses. The 6 $^{7}/_{8}$% senior subordinated notes are unsecured obligations and are subordinated in right of payment to our 9 $^{1}/_{2}$% Senior notes, and any existing or future senior indebtedness. Interest is payable on the notes semi-annually on April 15 and October 15 of each year, beginning October 15, 2004. 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 used the net proceeds received from the issuance of the 6 $^{7}/_{8}$% senior subordinated notes, as well as available cash, to redeem our $250.0 million principal amount of 8 $^{1}/_{2}$% senior subordinated notes on May 24, 2004.

The 9 $^{1}/_{2}$% senior notes are unsecured obligations and are redeemable at our option, in whole or in part, commencing May 1, 2005 initially at 104.75% of their principal amount, plus accrued interest, declining to 100% of their principal amount, plus accrued interest, on May 1, 2007. The indenture governing the senior notes requires us to offer to repurchase the senior notes at 101% of their principal amount, plus accrued interest to the date of the repurchase, in the event of a change in control. The senior notes include covenants restricting the incurrence of indebtedness and the making of certain restricted payments, including dividends.

Subject to completion of certain transactions and the availability of adequate funding, we intend to redeem our $250 million 9 $^{1}/_{2}$% Senior notes during the second quarter of 2005 at a price of approximately $261.9 million, which represents a premium of 4.75% over the senior notes face amount. The premium of approximately $11.9 million is expected to be reflected in interest expense, net in the second quarter of 2005. If redeemed, we will be required to write-off the remaining balance of the deferred debt issuance costs of approximately $2.1 million at the time of the redemption. The sources for the redemption price is expected to be a combination of cash generated from the transfer of wholesale interest-bearing receivables to our U.S. 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. As a result of our intention to redeem the Senior Notes, we have reclassified the Senior Notes from long-term debt to current liabilities as of March 31, 2005.

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.

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. As of March 31, 2005, the aggregate amount of these facilities was $492.7 million. The outstanding funded balance of $449.3 million as of March 31, 2005 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 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 and two levels by Moody's would need to occur. We are currently in discussions with the conduit purchaser to have the ratings triggers eliminated from the agreement.

The U.S. and Canadian securitization facilities expire in April 2009 and the European facility expires in April 2006, but each is subject to annual renewal. 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.

We are working towards the completion of an agreement during the second quarter of 2005 that would transfer, on an ongoing basis, the majority of our wholesale interest-bearing receivables in North America to our U.S. 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 are without recourse to AGCO and we will continue to service the receivables. If completed, the initial transfer of wholesale interest-bearing receivables would net approximately $100 million and the proceeds would be used to redeem our $250 million Senior Notes.

Cash flow used in operating activities was $305.7 million for the first quarter of 2005, compared to $122.0 million for the first quarter of 2004. 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 $793.8 million in working capital at March 31, 2005, as compared with $1,045.5 million at December 31, 2004 and $957.3 million at March 31, 2004. Accounts receivable and inventories, combined, at March 31, 2005 were $291.4 million higher than at December 31, 2004. The increase in inventories and receivables is due primarily to seasonal inventory requirements, primarily in North America. The decline in working capital at March 31, 2005 is primarily due to the reclassification of our $250 million $9^{1}/_{2}$% Senior Notes to current liabilities as a result of our intent to redeem our Senior notes during the second quarter of 2005, as discussed above.

Capital expenditures for the first quarter of 2005 were $14.2 million compared to $13.9 million for the first quarter of 2004. We anticipate that capital expenditures for the full year of 2005 will range from approximately $110 million to $120 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.

Our debt to capitalization ratio, which is total long-term debt divided by the sum of total long-term debt and stockholders' equity, was 44.5% at March 31, 2005 compared to 44.9% at December 31, 2004.

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, 2005 are as follows (in millions):

		Payments Due By Period			
	Total	2005 to 2006	2006 to 2008	2008 to 2010	2010 and Beyond
Long-term debt	$ 1,138.9	$ 6.8	$ 666.3	$ 1.6	$ 464.2
Interest payments related to long-term debt (1)	334.2	64.6	128.6	55.0	86.0
Capital lease obligations	1.0	0.7	0.3	—	—
Operating lease obligations	91.9	26.8	31.8	14.7	18.6
Unconditional purchase obligations (2)	121.5	35.3	45.7	39.6	0.9
Other short-term and long-term obligations (3)	299.4	90.6	37.7	37.8	133.3
Total contractual cash obligations	$ 1,986.9	$ 224.8	$ 910.4	$ 148.7	$ 703.0

		Amount of Commitment Expiration Per Period			
	Total	2005 to 2006	2006 to 2008	2008 to 2010	2010 and Beyond
Standby letters of credit and similar instruments	$ 8.4	$ 8.4	$ —	$ —	$ —
Guarantees	92.2	70.6	16.7	4.9	—
Standby repurchase obligations	0.3	0.1	0.2	—	—
Total commercial commitments and lines of credit	$ 100.9	$ 79.1	$ 16.9	$ 4.9	$ —

(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 $21.0 million per year, through December 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.

OFF-BALANCE SHEET ARRANGEMENTS

Guarantees

At March 31, 2005, we were obligated under certain circumstances to purchase, through the year 2009, up to $14.2 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 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, 2005, we guaranteed indebtedness owed to third parties of approximately $78.0 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, 2005, we had foreign currency forward contracts to buy an aggregate of approximately $56.9 million United States dollar equivalents and foreign currency forward contracts to sell an aggregate of approximately $132.8 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

We have received assessments from Brazilian tax authorities regarding transaction taxes payable on certain foreign currency gains and losses. We are currently contesting the assessments and disputing the calculation method applied by the tax authorities. We believe that it is not probable or likely the assessments will have to be paid. The total assessment approximates $9.0 million to $9.5 million. We anticipate that it may take significant time to resolve the dispute with the Brazilian tax authorities.

In October 2004, we were notified of a customer claim for costs and damages arising out of alleged breaches of a supply agreement. The customer's initial evaluation indicated a claim of approximately €10.5 million (or approximately $14.0 million). We are vigorously contesting the claim. No legal proceedings have been initiated and discussions between us and the customer are ongoing.

OUTLOOK

North America industry equipment demand in 2005 is expected to be at or above 2004 levels supported by farm income levels which are expected to remain strong in 2005. In Western Europe, market conditions are expected to be relatively stable in 2005 compared to 2004. In South America, market demand is expected to decline significantly in 2005 compared to 2004 primarily due to the impact on farm income of lower commodity prices, the weak dollar and drought conditions in southern Brazil.

For the full year of 2005, net income is expected to remain relatively flat compared to 2004. Sales increases outside of South America and cost reduction benefits are expected to offset lower profitability in South America resulting from continued anticipated market declines. In addition, we plan to fund an increase in engineering expense in 2005 for new product introductions, common product platform designs and the expansion of our engine production.

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 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, 2004.

ACCOUNTING CHANGES

In April 2005, the SEC adopted a new rule that changes the adoption dates of SFAS No. 123R (Revised 2004), ("SFAS No. 123R") "Share-Based Payment", which is a revision of SFAS No. 123. The SEC's new rule allows companies to implement SFAS No. 123R at the beginning of their next fiscal year, instead of the next reporting period, that begins after June 15, 2005. The rule does not change the accounting required by SFAS No. 123R; it only changes the dates for compliance with the standard. We plan to adopt SFAS No. 123R using the modified prospective method effective January 1, 2006 and based upon current outstanding awards, estimate the application of the expensing provisions of SFAS No. 123R will result in a pre-tax expense of approximately $7.2 million in 2006.

In March 2005, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation ("FIN") No. 47, "Accounting for Conditional Asset Retirement Obligations – An Interpretation of FASB Statement No. 143" ("FIN 47"), which will result in (a) more consistent recognition of liabilities relating to asset retirement obligations, (b) more information about expected future cash outflows associated with those obligations, and (c) more information about investments in long-lived assets because additional asset retirement costs will be recognized as part of the carrying amounts of the assets. FIN 47 clarifies that the term conditional asset retirement obligation as used in SFAS No. 143, "Accounting for Asset Retirement Obligations," refers to a legal obligation to perform an asset retirement activity in which the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity. The obligation to perform the asset retirement activity is unconditional even though uncertainty exists about the timing and (or) method of settlement. Uncertainty about the timing and (or) method of settlement of a conditional asset retirement obligation should be factored into the measurement of the liability when sufficient information exists. FIN 47 also clarifies when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation. FIN 47 is effective no later than the end of fiscal years ending after December 15, 2005. We plan to adopt FIN 47 at the end of our 2005 fiscal year and are currently evaluating the impact on our results of operations and financial position.

In November 2004, the FASB issued SFAS No. 151, "Inventory Costs-An Amendment of ARB No. 43, Chapter 4" ("SFAS No. 151"). SFAS No. 151 amends the guidance in Accounting Research Bulletin ("ARB") 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 No. 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 No. 151 is effective for fiscal years beginning after June 15, 2005 and is required to be adopted in the first quarter of 2006. We are currently evaluating the effect that the adoption of SFAS No. 151 will have on our consolidated results of operations and financial position.

On October 22, 2004, the American Jobs Creation Act of 2004 ("AJCA") was enacted. The AJCA provides a deduction for income from qualified domestic production activities, which will be phased in from 2005 through 2010. The AJCA also provides for a two-year phase out of the existing extra-territorial income exclusion ("ETI") for foreign sales that was viewed to be inconsistent with international trade protocols by the European Union. Under the guidance in FASB Staff Position No. 109-1, "Application of FASB Statement No. 109, 'Accounting for Income Taxes,' to the Tax Deduction on Qualified Production Activities Provided by the American Jobs Creation Act of 2004," the deduction will be treated as a "special deduction" as described in SFAS No. 109. As such, the special deduction has no effect on deferred tax assets and liabilities existing at the enactment date.

In December 2004, the FASB issued Staff Position No. 109-2, "Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004." The AJCA provides multi-national companies an election to deduct from taxable income 85% of eligible dividends repatriated from foreign subsidiaries. Our eligible dividend cannot exceed $718.2 million, which is the amount of permanently invested earnings outside the United States as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2002. The eligible dividend must meet certain business purposes to qualify for the deduction. In addition, there are provisions which prohibit the use of net operating losses to avoid a tax liability on the taxable portion of a qualifying dividend. The estimated impact to current tax expense in the United States is generally equal to 5.25% of the qualifying dividend. The AJCA generally allows companies to take advantage of this special deduction from November 2004 through the end of calendar year 2005. We did not propose a qualifying plan of repatriation for 2004. We are continuing to assess whether we will propose a plan of qualifying repatriation in 2005. The estimated range of dividend amounts that we may consider would not exceed eligible dividend amounts allowable under the AJCA.

On May 19, 2004, the FASB issued FASB Staff Position No. 106-2 ("FSP No. 106-2"), "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003." FSP No. 106-2 relates to the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "Act") signed into law on December 8, 2003. The Act introduced a prescription drug benefit under Medicare, as well as a federal subsidy to sponsors of retiree health care benefit plans that provide a benefit that is at least actuarially equivalent to Medicare. We are currently evaluating whether or not the benefits provided by our postretirement benefit plans are actuarially equivalent to Medicare Part D under the Act. Decisions regarding the impact of the Act on our plans will be addressed after the completion of that evaluation, but we currently do not expect the impact to be material.

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," "Liquidity and Capital Resources" and "Outlook." Forward looking statements reflect assumptions, expectations, projections, intentions or beliefs about future events. These statements, which may relate to such matters as industry conditions, net sales and income, restructuring and other infrequent expenses, impairment charges, future capital expenditures, fulfillment of working capital needs, the impact of war and political unrest 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.

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.

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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, 2004 for sales by customer location). Our most significant transactional foreign currency exposures are the Euro and 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 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.

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, 2005 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	$ (6.8)	1.31	$ —
British pound	42.6	0.53	0.1
Canadian dollar	(36.2)	1.22	(0.3)
Danish krone	(2.1)	5.74	—
Euro dollar	(18.8)	0.51	1.9
Japanese yen	14.3	105.30	(0.3)
Mexican peso	(33.7)	11.27	(0.1)
New Zealand dollar	(1.4)	1.41	—
Norwegian krone	(19.4)	6.33	—
Polish zloty	(2.2)	3.14	—
South African rand	(0.6)	6.01	—
Swedish krona	(11.6)	7.01	0.1
			$ 1.4

* 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 notes, 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, 2005, would have increased by approximately $0.2 million.

We had no interest rate swap contracts outstanding in the three months ended March 31, 2005.

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 and Exchange Act of 1934, as amended (the “Exchange Act”) as of March 31, 2005, 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 controls over financial reporting identified in connection with the evaluation described above that occurred during the three months ended March 31, 2005 that have materially affected or are reasonably likely to materially affect our internal control over financial reporting.

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PART II. OTHER INFORMATION

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
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, 2005

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

EXHIBIT 10.1

THIRD AMENDMENT TO CREDIT AGREEMENT

This THIRD AMENDMENT TO CREDIT AGREEMENT (this "Amendment") dated as of March 21, 2005, 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, 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) Amendment to Section 1.1. Section 1.1 of the Credit Agreement, Certain Defined Terms, is hereby amended and modified by deleting clauses (a), (b), (c) and (d) of the definition of "Applicable Margin" set forth therein in the entirety and by substituting the following in lieu thereof:

"(a) if the relevant Obligation is a US Term Loan that is a Base Rate Loan, 0.50%, (b) if the relevant Obligation is a Euro Term Loan that is a Base Rate Loan, 1.75%, (c) if the relevant Obligation is a US Term Loan that is a LIBO Rate Loan, 1.75%, (d) if the relevant Obligation is a Euro Term Loan that is a LIBO Rate Loan, 1.75%, or"

(b) Amendment to Section 1.1. Section 1.1 of the Credit Agreement, Certain Defined Terms, is hereby further amended and modified by deleting the definitions of "Applicable Capital Market Transaction Documents," "Funded Debt," "New Capital Market Transactions," "Revolving Loan Maturity Date," "Securitization Documents," "Securitization Facility," "Securitization Funding," "Securitization Intercreditor Agreement," "Senior Debt Ratio" and "Term Loan Maturity Date" and by substituting the following in lieu thereof:

""Applicable Capital Market Transaction Documents" means, collectively, as of any date, the Convertible Note Documents, the Existing 2008 Note Documents, the New Senior Subordinated Note Documents, and, after the completion of the Convertible Exchange Offer, the New Convertible Note Documents, and any other document governing the Capital Market Transactions that are in effect and binding on AGCO, as of such date of determination."

""Funded Debt" means without double-counting, with respect to AGCO on a Consolidated basis, as of any date of determination, all obligations of the type described in clauses (a) through (e) of the definition of "Indebtedness" set forth in Article 1 hereof and any Guaranty of any of the foregoing for which a demand for payment has been received, and specifically including, without limitation, the amount of Borrower Outstandings hereunder. Upon the consummation of the Acquisition, for purposes of calculating the amount of "Funded Debt" hereunder outstanding as of the last day of any fiscal quarter during which the financial performance of Target was not Consolidated with AGCO, an additional amount of U.S. $450,000,000 of Funded Debt shall be deemed to have been outstanding as of the last day of each such fiscal quarter."

""New Capital Market Transactions" means, collectively, the transactions contemplated by the Convertible Note Documents, the New Senior Subordinated Note Documents, and, after the completion of the

Convertible Exchange Offer, the New Convertible Note Documents, together with any issuance of common stock by AGCO prior to the Initial Funding Date."

""Revolving Loan Maturity Date" means (a) March 31, 2008, if prior to such date AGCO has not either (x) repurchased the Existing 2008 Notes in accordance with Section 7.13 or (y) refinanced the Existing 2008 Notes from the Net Cash Proceeds received by AGCO from the issuance of securities (i) maturing no earlier than January 1, 2010 and (ii) having a priority not greater than the existing priority of the Existing 2008 Notes, or (b) January 5, 2009, if AGCO has refinanced or repurchased the Existing 2008 Notes in accordance with and prior to the date set forth in clause (a) of this, definition."

""Securitization Documents" means the US Securitization Documents, the European Securitization Documents, the Canadian Securitization Documents and the Dealer Receivable Factoring Program Documents, each in form and substance satisfactory to the Administrative Agent."

""Securitization Facility" means, individually or collectively, the US Securitization, the European Securitization, the Canadian Securitization and the Dealer Receivable Factoring Program."

""Securitization Funding" means any Indebtedness, trust participations or any other interests that the Administrative Agent determines are equivalent thereto, incurred or issued by any Person purchasing Receivables in a Securitization Facility (other than a Dealer Receivable Factoring Program) and applicable to the purchase of such Receivables. Any reference to the principal amount of Securitization Funding on any date refers to the "invested amount," "capital," "investment," or analogous term reflecting the amount paid for the purchase of Receivables in a Securitization Facility or any trust participations or other equivalent interests issued in connection therewith, in each case as of such date as determined by the Administrative Agent. Any reference to the interest expense attributable to any Securitization Funding refers to any interest expense in respect of any Indebtedness comprising the same or the equivalent of such interest expense, as determined by the Administrative Agent, with respect to such purchase of Receivables or any trust participations or other equivalent interests issued in connection therewith, in each case for such period."

""Securitization Intercreditor Agreement" means, collectively or individually, (a) that certain Intercreditor Agreement dated as of the Initial Funding Date by and among Rabobank, in its capacity as Administrative Agent, and Rabobank, in its capacity as Agent under the US Securitization, (b) that certain Intercreditor Agreement dated as of the

Initial Funding Date by and among Rabobank, in its capacity as Administrative Agent, and Rabobank, in its capacity as Agent under the Canadian Securitization, and (c) one or more intercreditor agreements executed by the Administrative Agent in connection with the Dealer Receivable Factoring Program, in each case, as the same may be amended, restated supplemented or otherwise modified from time to time."

""Senior Debt Ratio" means, on any date of determination, the ratio of (a)(i) the average of the principal amount of Funded Debt outstanding as of the last day of each fiscal quarter for the four fiscal quarter period then ended, minus (ii) the amount of Indebtedness outstanding under the Existing 2008 Notes, the Convertible Notes, the New Convertible Notes and any other New Capital Market Transaction that is contractually subordinated to the Obligations as of the last day of the most recent fiscal quarter end, to (b) Consolidated EBITDA for the most recent fiscal quarter of AGCO for which financial statements have been delivered to the Administrative Agent pursuant to Section 6.1(b) and for the three complete fiscal quarters of AGCO immediately preceding such fiscal quarter."

""Term Loan Maturity Date" means (a) March 31,2008, if prior to such date AGCO has not either (x) repurchased the Existing 2008 Notes in accordance with Section 7.13 or (y) refinanced the Existing 2008 Notes from the Net Cash Proceeds received by AGCO from the issuance of securities (i) maturing no earlier than January 1, 2010 and (ii) having a priority not greater than the existing priority of the Existing 2008 Notes, or (b) July 3, 2009, if AGCO has refinanced or repurchased the Existing 2008 Notes in accordance with and prior to the date set forth in clause (a) of this definition."

(c) Amendment to Section 1.1. Section 1.1 of the Credit Agreement, Certain Defined Terms, is hereby further amended and modified by inserting the following definitions in appropriative alphabetical order therein:

""Canadian Dealer Receivable Factoring Program" means a program of sales (without recourse for loss resulting from an account debtor's inability to pay) by AGCO Canada of interest bearing Receivables subject to the Canadian Securitization to a Finance Company, as more fully set forth in the Canadian Dealer Receivable Factoring Program Documents."

""Canadian Dealer Receivable Factoring Program Documents" means (a) a Repurchased Receivables Purchase Agreement among AGCO Canada, as the seller, and AGCO Finance Canada, Ltd., as buyer; (b) a Servicing and Support Agreement, dated on or about April 1, 2005 among AGCO, as initial servicer, AGCO Finance Canada, Ltd., as purchaser, and (c) all other agreements executed in connection with, or in replacement of, the foregoing, in each case in form and substance satisfactory to the

Administrative Agent, as the same may be amended, supplemented or modified from time to time with the consent of the Administrative Agent."

""Convertible Exchange Offer" means an exchange offer whereby AGCO will offer to the holders of the Convertible Notes the option to exchange, on a dollar for dollar basis, their outstanding Convertible Notes for New Convertible Notes, the terms and conditions of which shall be in form and substance reasonably acceptable to the Administrative Agent."

""Dealer Receivable Factoring Program" means, individually and collectively, the Canadian Dealer Receivable Factoring Program and the US Dealer Receivable Factoring Program."

""Dealer Receivable Factoring Program Documents" means, individually and collectively, the US Dealer Receivable Factoring Program Documents and the Canadian Dealer Receivable Factoring Program Documents."

""New Convertible Note Documents" means the New Convertible Note Indenture, the New Convertible Notes and such other documents executed by AGCO in connection therewith."

""New Convertible Note Indenture" means the Indenture by and among AGCO, as issuer, and the New Convertible Note Trustee, as trustee, executed in connection with the Convertible Exchange Offer, as amended, modified and supplemented from time to time."

""New Convertible Notes" means those 1 3/4% Convertible Senior Subordinated Notes due 2035 in a principal amount not to exceed U.S. $201,250,000 issued by AGCO pursuant to the New Convertible Note Indenture."

""New Convertible Note Trustee" means SunTrust Bank, in its capacity as trustee under the New Convertible Note Indenture, and any successor trustee under the New Convertible Note Indenture."

""US Dealer Receivable Factoring Program" means a program of sales (without recourse for loss resulting from an account debtor's inability to pay) by AGCO Funding Corporation of interest bearing Receivables subject to the US Securitization to a Finance Company, as more fully set forth in the US Dealer Receivable Factoring Program Documents."

""US Dealer Receivable Factoring Program Documents" means (a) a Repurchased Receivables Purchase Agreement among AGCO Funding

Corporation, as originator, AGCO, as servicer, and AGCO Finance LLC, as buyer, (b) a Servicing and Support Agreement, dated on or about April 1, 2005 among AGCO, as servicer and originator, and AGCO Finance LLC, as purchaser, and (c) all other agreements executed in connection with, or in replacement of, the foregoing, in each case in form and substance satisfactory to the Administrative Agent, as the same may be amended, supplemented or modified from time to time with the consent of the Administrative Agent."

(d) Amendment to Section 2.5. Section 2.5 of the Credit Agreement, Prepayments and Deposits, is hereby amended and modified by deleting subsection 2.5(b)(i) in its entirety and by substituting the following in lieu thereof:

"(i) If, at any time after the Initial Funding Date, any Borrower shall (A) incur any Funded Debt (other than (1) the Obligations, (2) Indebtedness under the Bridge Facility or under the New Convertible Notes, and (3) Indebtedness permitted under clauses (b), (d), (e), and (g) through (j) of Section 7.1) or (B) issue any Stock (other than (1) the issuance of Stock to AGCO or any Restricted Subsidiary, (2) the issuance of Stock of AGCO to any employee, executive, director or officer under an incentive compensation program, (3) the issuance of any Stock of a Restricted Subsidiary to directors of such Restricted Subsidiaries to the extent the issuance thereof is required by applicable law, and (4) the issuance of Stock of AGCO to the extent that the Net Cash Proceeds thereof are used substantially concurrently to purchase equity securities of AGCO from management, directors or key employees of AGCO or any of its Subsidiaries), then one hundred percent (100%) of the Net Cash Proceeds received by such Borrower pursuant to clause (A) and seventy-five percent (75%) of the Net Cash Proceeds received by such Borrower pursuant to clause (B) shall be paid within seven (7) Business Days of receipt thereof by such Borrower to the Administrative Agent as a prepayment of the Loans (in either case to be applied as set forth in Section 2.5(b)(xii) below). Notwithstanding the foregoing, AGCO shall be permitted to retain the Net Cash Proceeds from a Stock issuance or an incurrence of Funded Debt received at any time after the Initial Funding Date by AGCO to the extent such Net Cash Proceeds are concurrently used to repay the Existing 2008 Notes. In the event AGCO elects to apply Net Cash Proceeds to repay the Existing 2008 Notes and such Net Cash Proceeds are from the issuance of Stock and incurrence of Funded Debt simultaneously or in a related transaction or series of related transactions, the Net Cash Proceeds from the Stock issuance shall be deemed to be applied first to the to the repayment of the Existing 2008 Notes and the Net Cash Proceeds from the Funded Debt incurrence shall be deemed to be applied thereafter to the repayment of the Existing 2008 Notes. Nothing in this Section shall authorize any Borrower to issue any Stock or incur any Funded Debt except as expressly permitted by this Agreement."

(e) Amendment to Section 2.5. Section 2.5 of the Credit Agreement, Payments and Deposits, is hereby further amended and modified by deleting subsection 2.5(b)(iii) in its entirety and by substituting the following in lieu thereof:

"(iii) Intentionally Omitted."

(f) Amendment to Section 4.1. Section 4.1 of the Credit Agreement, Representation and Warranties of Borrowers, is hereby amended and modified by deleting section (k) thereof in its entirety and by substituting the following in lieu thereof:

"(k) Senior Indebtedness. All Borrowings under this Agreement will be "Senior Indebtedness," under and as defined in the Convertible Note Indenture and the New Convertible Note Indenture. Upon the making of the initial Loans hereunder and the delivery of the notice specified in Section 3.2(q)(xii) hereof, this Agreement and all Loan Documents shall be (i) the "Bank Credit Agreement," as defined in the Existing 2008 Note Indenture and the Convertible Note Indenture, and (ii) a "Designated Credit Facility", as defined in the New Senior Subordinated Note Documents. Upon the completion of the Convertible Exchange Offer, this Agreement and all Loan Documents shall be the "Bank Credit Agreement," as defined in the New Convertible Note Indenture."

(g) Amendment to Section 6.1. Section 6.1 of the Credit Agreement, Reporting Requirements, is hereby amended and modified by deleting subsection 6.1 (k) in its entirety and by substituting the following in lieu thereof:

"(k) Creditor Reports. Copies of any statement, notice of default or other material notice delivered to or received from the applicable parties under the New Capital Market Transactions, the New Convertible Note Indenture or the Existing 2008 Note Indenture and, upon request by either Agent or any Lender, copies of any statement or report furnished to any other holder of the securities of any Loan Party or of any of its Subsidiaries pursuant to the terms of any indenture, loan or credit or similar agreement and not otherwise required to be furnished to the Lenders pursuant to any other clause of this Section 6.1."

(h) Amendment to Section 7.7. Section 7.7 of the Credit Agreement, Sales of Assets, is hereby amended and modified by deleting subsection 7.7(c) in its entirety and by substituting the following in lieu thereof:

"(c) sales of wholesale Receivables (together with the Related Assets) invoiced to third parties at addresses located in the United States, Canada, and/or Europe under the US Securitization, the Canadian Securitization and/or the European Securitization, but only so long as the aggregate face amount of Receivables purchased by the purchasers under such facility and outstanding on any date of determination may not exceed U.S. $500,000,000.

(i) Amendment to Section 7.7. Section 7.7 of the Credit Agreement, Sales of Assets, is hereby further amended and modified by deleting the word "and" at the end of subsection 7.7(g), by replacing the period at the end of subsection 7.7(h) with "; and", and by inserting the following subsection 7.7(i) immediately following subsection 7.7(h):

"(i) sales (without recourse for loss resulting from an account debtor's inability to pay) of wholesale Receivables previously subject to the Canadian Securitization or the US Securitization (together with the Related Assets) under the Dealer Receivable Factoring Program."

(j) Amendment to Section 7.13. Section 7.13 of the Credit Agreement, Prepayment of Indebtedness, is hereby amended and modified by deleting such Section in its entirety and by substituting the following in lieu thereof:

"Section 7.13 Prepayments of Indebtedness. From and after the Initial Funding Date, AGCO shall not, and shall not permit its Restricted Subsidiaries to, prepay, redeem, defease or purchase in any manner, or deposit or set aside funds for the purpose of any of the foregoing, make any payment in respect of principal of, or make any payment in respect of interest on, any Funded Debt, except AGCO and its Restricted Subsidiaries may (a) make regularly scheduled payments of principal or interest required in accordance with the terms of the Applicable Capital Market Transaction Documents or the terms of the documents evidencing other Funded Debt permitted hereunder, (b) prepay Indebtedness pursuant to refinancings permitted pursuant to Section 7.1 (c), (c) prepay the Existing Capital Market Transactions and the Bridge Facility from the Net Cash Proceeds received from the issuance of common stock of AGCO, (d) redeem the New Convertible Notes provided that (i) any such redemption is mandatory and results from the exercise of a right of conversion by the holders of such notes pursuant to the New Convertible Note indenture, and (ii) at the time of such redemption, no Default or Event of Default shall have occurred and be continuing or would result therefrom, and (e) redeem or prepay the Existing 2008 Notes provided that at the time of such redemption or prepayment of the Existing 2008 Notes, no Default or Event of Default shall have occurred and be continuing or would result therefrom."

(k) Amendment to Section 7.17. Section 7.17 of the Credit Agreement, No Notice Under Indentures, is hereby amended and modified by deleting such Section in its entirety and by substituting the following in lieu thereof:

"Section 7.17. No Notice Under Indentures. AGCO shall not deliver, or permit there to be delivered, to the Existing 2008 Note Trustee under the Existing 2008 Note Indenture, the Convertible Note Trustee under the Convertible Note Indenture, the New Convertible Note Trustee under the New Convertible Note Indenture, or any other trustee under any Applicable Capital Market Transaction Documents, any notice that any agreement, instrument or document, other than this Agreement and the Loan Documents, is the "Bank Credit Agreement" thereunder."

SECTION 2. Waiver of Prepayment. The Administrative Agent and the Lenders hereby waive the provisions of Section 2.5(b)(iii) of the Credit Agreement with respect to any prepayment which may have been required to have been made on March 31, 2005 in connection with Excess Cash Flow received by Borrowers for the fiscal year ending December 31, 2004.

SECTION 3. Consent to Exchange Offer. To the extent required under the Credit Agreement and pursuant to the terms and conditions set forth in this Amendment, the Administrative Agent and the Lenders hereby consent to the Convertible Exchange Offer provided that (i) no Default or Event of Default shall have occurred and be continuing at the time the Convertible Exchange Offer is consummated, (ii) the documents governing the Convertible Exchange Offer shall have terms and conditions consistent with clause (iii) of this Section 3 and otherwise be in form and substance reasonably acceptable to the Administrative Agent, (iii) the terms and conditions of the New Convertible Note Documents shall be substantially the same as the terms and conditions of the Convertible Notes except that the New Convertible Notes may (A) provide upon conversion of such New Convertible Notes, AGCO would pay the holders thereof cash equal to the principal amount of their New Convertible Notes and AGCO common stock for the remainder of the conversion value in excess of the principal amount, if any, and (B) provide for an increase in the conversion value upon the occurrence of a change of control and (iv) all Borrowings under the Credit Agreement will be "Senior Indebtedness" or the equivalent under the New Convertible Note Documents.

SECTION 4. Consent to Release of Real Property. To the extent required under the Credit Agreement and pursuant to the terms and conditions set forth in this Amendment, the Administrative Agent and the Lenders hereby consent to the release of the Liens granted to the Administrative Agent by Valtra Holding Oy in certain Real Property located in Suolahti, Finland (as more fully described on Exhibit A attached hereto, the "Released Property") for the purpose of constructing additional building facilities at such location. All documents evidencing such release shall be in form and substance satisfactory to the Administrative Agent, and each Lender hereby authorizes the Administrative Agent to execute and deliver such release documents.

SECTION 5. 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 (i) 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, or (ii) is required on the date hereof for the consummation of the transactions contemplated hereby;

(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 any such representations and warranties that, by their terms, expressly refer to an earlier date;

(e) The Fair Market Value (as defined in Section 7.7(h) of the Credit Agreement) of the Released Property (as defined above) does not exceed U.S.$200,000; and

(f) 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 6. 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 Addenda, in the form attached hereto, duly executed by all of the Term Loan 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 18, 2005, such Lender's executed Lender Addenda to this Amendment, in an amount equal to seven and one-half (7.5) basis points of 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 7. Post Closing Deliverables. AGCO shall deliver each of the following to the Administrative Agent:

(a) Prior to the consummation of the Convertible Exchange Offer, drafts of the New Convertible Note Documents and the documents governing and related to the Convertible Exchange Offer, each with terms consistent with Section 3 hereof and otherwise in form and substance reasonably acceptable to the Administrative Agent; and

(b) Within 3 Business Days after the consummation of the Convertible Exchange Offer, (i) fully executed copies of the New Convertible Note Documents and the documents governing the Convertible Exchange Offer; each of which shall be in substantially the same form as the drafts consented to by the Administrative Agent, with such changes as the Administrative Agent may approve in its reasonable credit judgment and (ii) upon request of the Administrative Agent, evidence reasonably satisfactory to the Administrative Agent that the Credit Agreement and the Loan Documents are the "Bank Credit Agreement" under the New Convertible Note Documents.

(c) Within 3 Business Days after the closing of the Canadian Dealer Receivable Factoring Program and the US Dealer Receivable Factoring Program, fully executed copies of the Canadian Dealer Receivable Factoring Program Documents and the US Dealer Receivable Factoring Program Documents, respectively, each of which shall be in substantially the same form as the drafts consented to by the Administrative Agent, with such changes as the Administrative Agent may approve in its reasonable credit judgment.

SECTION 8. Reference to and Effect on the Credit Agreement. Upon the effectiveness of this Amendment as set forth in Section 6 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 9. 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 10. Authorization. The Agents, the Lenders and each Issuing Bank hereby authorize the Administrative Agent to (i) amend, restate, supplement or otherwise modify the existing Securitization Intercreditor Agreements or (ii) enter into one or more new intercreditor agreements by and among AGCO, certain of AGCO's Subsidiaries, Rabobank, in its capacity as Administrative Agent, Rabobank, in its capacity as agent under the Canadian Securitization and/or the US Securitization, and Rabobank, in its capacity as agent under a Dealer Receivable Factoring Program, in each case in connection with the Dealer Receivable Factoring Program and on substantially the same terms as the existing Securitization Intercreditor Agreements.

SECTION 11. 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 12. 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 13. 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 14. 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 15. 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 16. 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 duty authorized, as of the date first above written.

BORROWERS:

AGCO CORPORATION

BY:/s/ [ILLEGIBLE]

Title: SVP. & GENERAL COUNSEL

AGCO CANADA, LTD.

By: /s/ [ILLEGIBLE]

Title: VP

AGCO LIMITED

By: /s/ [ILLEGIBLE]

Title: DIRECTOR

AGCO INTERNATIONAL LIMITED

By: /s/ [ILLEGIBLE]

Title: DIRECTOR

AGCO HOLDING B. V.

By: /s/ [ILLEGIBLE]

Title: DIRECTOR

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

AGCO DEUTSCHLAND HOLDING
LIMITED & CO, KG

By: /s/ [ILLEGIBLE]

Title: DIRECTOR

By: /s/ [ILLEGIBLE]

Title:

VALTRA HOLDING OY

By: /s/ [ILLEGIBLE]

Title: DIRECTOR

GUARANTORS:

RM2379
VERMOGENS VERWALTUNGS GMBH

By: /s/ [ILLEGIBLE]

Title: DIRECTOR

AGCO VERTRIEBS GMBH

By: /s/ [ILLEGIBLE]

Title: DIRECTOR

AGCO GMBH AND CO.

By: /s/ [ILLEGIBLE]

Title: DIRECTOR

AGCO VERWALTUNGS GMBH

By: /s/ [ILLEGIBLE]

Title: DIRECTOR

AGCO GMBH

By: /s/ [ILLEGIBLE]

Title: DIRECTOR

AGCO FRANCE S. A.

By: /s/ [ILLEGIBLE]

Title: DIRECTOR

AGCO S. A.

By: /s/ [ILLEGIBLE]

TITLE: DIRECTOR

VALTRA TRACTEURS FRANCE S. A. S.

By: /s/ [ILLEGIBLE]

Title: DIRECTOR

VALTRA INTERNATIONAL B. V.

By: /s/ [ILLEGIBLE]

Title: DIRECTOR

MASSEY FERGUSON CORP.

By: /s/ [ILLEGIBLE]

Title: VP.

AGCO EQUIPMENT COMPANY

BY: /s/ [ILLEGIBLE]

Title: VP

VALTRA USA, INC.

BY: /s/ [ILLEGIBLE]

TITLE: VP

SUNFLOWER MANUFACTURING COMPANY, INC.

By: /s/ [ILLEGIBLE]

Title: VP

AGCO ACCEPTANCE CORPORATION

By: /s/ [ILLEGIBLE]

Title: VP

AGCO MANUFACTURING LTD.

By: /s/ [ILLEGIBLE]

Title: DIRECTOR

AGCO SERVICES LTD.

By: /s/ [ILLEGIBLE]

Title: DIRECTOR

VALTRA VUOKRAUS OY

By: /s/ [ILLEGIBLE]

Title: DIRECTOR

AGCO DO BRASIL COMERCIA E INDUSTRIA LTDA.

By: /s/ [ILLEGIBLE]

Title: DIRECTOR

VALTRA DO BRASIL LTDA.

By: /s/ [ILLEGIBLE]

Title: DIRECTOR

[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/ Betty H. Mills

Betty H. Mills
Title: Executive Director

By: /s/ Rebecca O. Morrow

Rebecca O. Morrow
Title: Executive Director

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

By: ___________________________________

Title: ________________________________

By: ___________________________________

Title: _________________________________

LENDERS: See each Leder Addendum attached hereto

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: ______________________________ Title: ___________________________ By: ______________________________ Title: ___________________________ COOPERATIEVE CENTRALE RAIFFEISEN-BOERENLEENBANK B.A., "RABOBANK NEDERLAND," CANADIAN BRANCH, as Canadian Administrative Agent and Canadian Issuing Bank By: /s/ Andrew Chewpa ------------------------ Andrew Chewpa Title: Executive Director By: /s/ Craig Squires ------------------------ Craig Squires Title: Vice President
LENDERS:	See each Lender Addendum attached hereto

EXHIBIT A

DESCRIPTION OF RELEASED PROPERTY

That certain unseparated 1.200m2 parcel from the parcel Register Number 774-7-1-1 located in Suolahti, Finland, as more fully described on the attached map.

[MAP]

[FLOOR PLAN]

Exhibit 31.1

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, 2005

/s/ Martin Richenhagen
Martin Richenhagen
President and Chief Executive Officer

Exhibit 31.2

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, 2005

/s/ Andrew H. Beck
Andrew H. Beck
Senior Vice President and Chief Financial Officer

Exhibit 32.0

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, 2005, 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 2005.

/s/ Martin Richenhagen
Martin Richenhagen
President and Chief Executive Office

/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.