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

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): November 1, 1996

AGCO CORPORATION
(Exact name of registrant as specified in charter)

Delaware	0-19898	58-1960019
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

4830 River Green Parkway
Duluth, Georgia 30136
(Address of principal executive offices)

(770) 813-9200
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

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Item 2. Acquisition or Disposition of Assets.

Effective November 1, 1996, AGCO Corporation ("the Company") entered into an agreement with De Lage Landen International, B.V., a wholly owned subsidiary of Cooperatieve Raiffeisen-Boerenleenbank B.A., "Rabobank Nederland" (together, "Rabobank") to be its joint venture partner in Agricredit Acceptance Company ("Agricredit"), the Company's retail finance subsidiary in North America (the "Agricredit Joint Venture"). As a result of the agreement, the Company sold a 51% interest in Agricredit to Rabobank. The Company received total consideration of approximately \$44.3 million in the transaction. Under the Agricredit Joint Venture, Rabobank will have a 51% interest in Agricredit and the Company will retain a 49% interest in the finance company. Substantially all of the net assets of Agricredit were transferred to the Agricredit Joint Venture. At September 30, 1996, Agricredit had total assets of approximately

\$646.2 million and total liabilities of approximately \$577.8 million.

The Agricredit Joint Venture will continue the current business of Agricredit and seek to build a broader asset-based finance business. The Company has similar joint venture arrangements with Rabobank and its affiliates with respect to its retail finance companies located in the United Kingdom, France and Germany.

Item 7. Pro Forma Financial Statements and Exhibits

(a) Pro Forma Financial Information

The unaudited pro forma financial information required by Item 7(b) relative to the disposition of a 51% interest in Agricredit described in Item 2 of this Form 8-K of AGCO Corporation is attached hereto as an exhibit and incorporated herein by this reference.

(b) Exhibits

Exhibit No.	Description
99.1	Pro Forma Financial Information required by Item 7(b)

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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: November 14, 1996

By: Chris E. Perkins

Chris E. Perkins
Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit No.	Description	Sequentially Numbered Page
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99.1	Pro Forma Financial Information required by Item 7(b)	

EXHIBIT 99.1

PRO FORMA FINANCIAL INFORMATION

The Pro Forma Consolidated Statements of Income are based on the historical Consolidated Financial Statements of the Company, adjusted to give effect to the following as if it had occurred on January 1, 1995: (i) the disposition of a 51% interest in Agricredit, (ii) the acquisition of certain assets and liabilities of the agricultural and industrial equipment business of Iochpe-Maxion S.A. (the "Maxion Acquisition") on June 28, 1996, (iii) the Company's issuance in March 1996 of \$250.0 million of its 8-1/2% Senior Subordinated Notes due 2006 (the "March Offering") and the application of the net proceeds therefrom and (iv) the Company's replacement in March 1996 of its \$550.0 million secured revolving credit facilities (the "Old Credit Facility") with a new five year \$650.0 million unsecured multi-currency revolving credit facility (the "New Credit Facility"). The Pro Forma Consolidated Balance Sheet as of September 30, 1996 is based on the historical Consolidated Financial Statement of the Company, adjusted to give effect to the disposition of a 51% interest in Agricredit as if the transaction had occurred on September 30, 1996.

The Maxion Acquisition was accounted for under the purchase method of accounting. The total purchase price for the Maxion Acquisition was allocated to tangible and identifiable intangible assets and liabilities based upon the Company's preliminary estimates of their fair values with the excess of cost over net assets acquired allocated to goodwill. The allocation of the purchase price for this acquisition is subject to revision when additional information concerning asset and liability valuations is obtained. The Company does not believe that the asset and liability valuation for this acquisition will be materially different from the pro forma information presented herein. For purposes of presenting pro forma results, no changes in revenues and expenses have been made to reflect the results of any modification to operations that might have been made had such transactions been consummated on the assumed

effective date of the transactions. The pro forma expenses include the recurring costs which are directly attributable to these transactions, such as interest expense, depreciation expense and amortization of the excess of cost over net assets acquired.

The Pro Forma Financial Information does not purport to represent what the Company's results of operations or financial position would actually have been had such transactions actually occurred on any of the dates set forth above or to project the Company's results of operations for any future period.

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Pro Forma Statement of Income
Year Ended December 31, 1995
(in thousands, except per share data)

Revenues:	Consolidated Operations	(1)Agricredit	(2) Maxion	(3) Adjustments	Pro Forma
Net sales	\$ 2,068,427	\$ -	\$ 265,208	\$ (19,587) (4) 1,971 (5)	\$ 2,316,019
Finance income	56,621	(56,621)	-	-	-
	2,125,048	(56,621)	265,208	(17,616)	2,316,019
Costs and Expenses:					
Cost of goods sold	1,627,716	-	237,562	(19,587) (4) 6,048 (6) 1,327 (7)	1,853,066
Selling, general and administrative expenses	200,588	(13,836)	60,903	1,971 (5) (704) (8)	248,922
Engineering expenses	27,350	-	4,869	-	32,219
Interest expense (income), net	63,211	(31,721)	33,503	(3,366) (9) 23,271 (10)	84,898
Other expense (income), net	9,602	52	685	(5,000) (11) 704 (8) 2,843 (12)	8,886
Nonrecurring expenses	6,000	-	-	-	6,000
Corporate overhead allocation from Iochpe-Maxion	-	-	10,429	-	10,429
Foreign exchange losses	-	-	9,952	-	9,952
	1,934,467	(45,505)	357,903	7,507	2,254,372
Income (loss) before income taxes, equity in net earnings of unconsolidated subsidiary and affiliates	190,581	(11,116)	(92,695)	(25,123)	61,647
Provision (benefit) for income taxes	65,897	(4,334)	(20,281)	3,263 (13) (10,248) (14)	34,297
Income (loss) before equity in net earnings of unconsolidated subsidiary and affiliates.	124,684	(6,782)	(72,414)	(18,138)	27,350
Equity in net earnings of unconsolidated subsidiary and affiliates	4,458	-	-	3,323 (15)	7,781
Net income (loss)	129,142	(6,782)	(72,414)	(14,815)	35,131
Preferred stock dividends	2,012	-	-	-	2,012
Net income (loss) available for common stockholders	\$ 127,130	\$ (6,782)	\$ (72,414)	\$ (14,815)	\$ 33,119
Income per Common Share:					
Primary	\$ 2.76				\$ 0.72
Fully diluted	\$ 2.30				\$ 0.64
Weighted Average Number of Common and Common Equivalent Shares Outstanding:					
Primary	46,126				46,126
Fully diluted	56,684				56,684

Pro Forma Statement of Income
Nine Months Ended September 30, 1996
(in thousands, except per share data)

Revenues:	Consolidated Operations	(1)	Agricredit	(2)	Maxion	(3)	Adjustments	Pro Forma
Net sales.	\$ 1,627,424	\$	-	\$	96,409	\$	(4,001) 727	(4) \$ 1,720,559 (5)
Finance income	51,404		(51,404)		-		-	-
	1,678,828		(51,404)		96,409		(3,274)	1,720,559
Costs and Expenses:								
Cost of goods sold	1,294,350		-		108,727		(4,001) 422	(4) 1,400,162 (6)
Selling, general and administrative expenses	161,000		(9,886)		24,647		664 727	(7) 176,369 (8)
Engineering expenses	20,805		-		1,022		(119)	(10) 21,827
Interest expense (income), net	51,677		(27,959)		11,215		(2,093) 10,377	(9) 43,217 (11)
Other expense (income), net.	8,003		2		(1,430)		(5,000) 119	(12) 3,116 (8)
Nonrecurring expenses.	12,878		-		-		1,422	(12) 12,878
Corporate overhead allocated from Iochpe-Maxion.	-		-		4,201		-	4,201
Foreign exchange losses.	-		-		(77)		-	(77)
	1,548,713		(37,843)		148,305		2,518	1,661,693
Income (loss) before income taxes, equity in net earnings of unconsolidated subsidiary and affiliates and extraordinary loss.	130,115		(13,561)		(51,896)		(5,792)	58,866
Provision (benefit) for income taxes.	45,570		(5,082)		(15,859)		2,766 (3,938)	(13) 23,457 (14)
Income (loss) before equity in net earnings of unconsolidated subsidiary and affiliates and extraordinary loss	84,545		(8,479)		(36,037)		(4,620)	35,409
Equity in net earnings of unconsolidated subsidiary and affiliates.	4,857		-		-		4,155	(15) 9,012
Income (loss) before extraordinary loss . . . \$	89,402	\$	(8,479)	\$	(36,037)	\$	(465)	\$ 44,421
Income before Extraordinary Loss per Common Share:								
Primary.	\$ 1.64							\$ 0.82
Fully diluted.	\$ 1.57							\$ 0.78
Weighted Average Number of Common and Common Equivalent Shares Outstanding:								
Primary.	54,374							54,374
Fully diluted.	57,341							57,341

NOTES TO PRO FORMA STATEMENTS OF INCOME

- (1) The Pro Forma Income Statement Data under the caption "Consolidated Operations" reflects the consolidation of all operations of the Company and its subsidiaries, including Agricredit.
- (2) Represents the actual results of operations of Agricredit for the year ended December 31, 1995 and the nine months ended September 30, 1996.
- (3) Represents the actual results of the agricultural and industrial equipment business acquired in the Maxion Acquisition ("Maxion") for the year ended December 31, 1995 and the six months ended June 30, 1996.

- (4) To reflect the elimination of sales of machinery and equipment from the Company to Maxion of \$5,032 and from Maxion to the Company of \$14,555 for the year ended December 31, 1995 and from the Company to Maxion of \$269 and from Maxion to the Company of \$3,732 for the six months ended June 30, 1996.
- (5) To reflect the elimination of sales commissions paid by Maxion to the Company which Maxion recorded as a reduction to net sales and the Company recorded as a reduction to selling, general and administrative expenses.
- (6) To reflect a write-up in the cost of engines purchased from the Iochpe-Maxion S.A. engine division based on an imputed profit margin on the interdivisional transfers. Maxion's historical financial statements under the heading "Maxion" in the Pro Forma Consolidated Statements of Income included herein reflect the engine prices at the cost to Iochpe-Maxion S.A. without such imputed profit margin.
- (7) To reflect increased depreciation expense related to the write-up over book value of the acquired fixed assets based on management's preliminary estimates of the fair value.
- (8) To reflect the elimination of royalties paid by Maxion to the Company which Maxion recorded as selling, general and administrative expenses and the Company recorded as other income.
- (9) To reflect the decrease in interest expense with respect to the following:

Year Ended December 31, 1995 -----	Nine Months Ended September 30, 1996 -----
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Reduced interest expense on the Company's Revolving Credit Facility in connection with the use of \$44.3 million in proceeds from the disposition of a 51% interest in Agricredit for payment on the Revolving Credit Facility at an interest rate of 7.6% and 6.3% for the year ended December 31, 1995 and the nine months ended September 30, 1996, respectively..

\$3,366

\$2,093

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NOTES TO PRO FORMA STATEMENT OF INCOME (Continued)

- (10) To reflect the increase in interest expense with respect to the following:

Year Ended December 31, 1995 -----	Nine Months Ended September 30, 1996 -----
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Interest and fees incurred on the Company's Revolving Credit Facility in connection with the financing of the Maxion Acquisition in the principal amount of \$260 million at an interest rate of 7.6% for the year ended December 31, 1995 and 6.7% for the six months ended June 30, 1996.....

\$19,760

\$8,710

Increase in interest expense and fees on borrowings incurred in connection with the March Offering and the replacement of the Old Credit Facility with the New Credit Facility. Excludes the write-off of capitalized fees and expenses associated with the refinancing

of the Old Credit Facility, which were \$3.5 million, net of taxes, and which were recorded as an extraordinary loss in the first quarter of 1996.....

3,511	1,667
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\$ 23,271	\$10,377
=====	=====

- (11) To reflect the gain on the disposition of a 51% interest in Agricredit.
- (12) To reflect amortization of the preliminary estimate of the excess of cost over net assets acquired related to the Maxion Acquisition.
- (13) To reflect the additional tax provision related to the net effect of the pro forma adjustments for Agricredit recorded at the statutory rate of 39.0% in effect at December 31, 1995 and September 30, 1996.
- (14) To reflect the additional tax benefit related to the net effect of the pro forma adjustments for Maxion recorded at the statutory rate of 30.6% in effect at December 31, 1995 and June 30, 1996.
- (15) To reflect the Company's 49.0% interest in the equity in net earnings of Agricredit.

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Pro Forma Consolidated Balance Sheet
As of September 30, 1996
(In thousands)

	Consolidated Operations	(1)	Agricredit	(2)	Adjustments	Pro Forma
	-----		-----		-----	-----
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 28,331		\$ (1,572)		\$ -	\$ 26,759
Accounts and notes receivable, net of allowances	805,218		-		-	805,218
Receivables from unconsolidated subsidiary and affiliates	4,527		-	2,780	(3)	7,307
Credit receivables, net	210,409		(210,409)		-	-
Inventories, net	481,603		-		-	481,603
Other current assets	60,894		(3,334)		-	57,560
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Total current assets	1,590,982		(215,315)		2,780	1,378,447
Noncurrent credit receivables, net	430,534		(430,534)		-	-
Property, plant and equipment, net	247,564		(307)		-	247,257
Investments in unconsolidated subsidiary and affiliates	48,629		-	29,114	(4)	77,743
Other assets	56,506		-		-	56,506
Intangible assets, net	218,727		-		-	218,727
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Total assets	\$ 2,592,942		\$ (646,156)		\$ 31,894	\$ 1,978,680
	=====		=====		=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current Liabilities:						
Current portion of long-term debt	\$ 455,702		\$ (455,702)		\$ -	\$ -
Accounts payable	284,899		(3,456)		-	281,443
Payables to unconsolidated subsidiary and affiliates	16,248		(2,780)	2,780	(3)	16,248
Accrued expenses	266,363		(11,458)		-	254,905
Other current liabilities	11,928		-	1,950	(5)	13,878
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Total current liabilities	1,035,140	(473,396)	4,730	566,474
Long-term debt	778,753	(94,500)	(44,290) (6)	639,963
Convertible subordinated debentures	-	-	-	-
Postretirement health care benefits	24,229	-	-	24,229
Other noncurrent liabilities	38,910	(9,856)	-	29,054
Total liabilities	1,877,032	(577,752)	(39,560)	1,259,720
Stockholders' Equity:				
Common stock	572	(1)	1 (4)	572
Additional paid-in capital	360,057	(48,834)	48,834 (4)	360,057
Retained earnings	372,006	(19,629)	22,679 (4)	375,056
Unearned compensation	(24,301)	-	-	(24,301)
Additional minimum pension liability	(2,619)	-	-	(2,619)
Cumulative translation adjustment	10,195	60	(60) (4)	10,195
Total stockholders' equity	715,910	(68,404)	71,454	718,960
Total liabilities and stockholders' equity	\$ 2,592,942	\$ (646,156)	\$ 31,894	\$ 1,978,680

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NOTES TO PRO FORMA BALANCE SHEET

1. The Balance Sheet Data captioned "Consolidated Operations" reflects the consolidation of all operations of the Company and its subsidiaries, including Agricredit.
2. Represents the Balance Sheet of Agricredit as of September 30, 1996.
3. To reflect certain intercompany balances between Agricredit and the Company.
4. To reflect the Company's 49% investment in Agricredit, under the equity method of accounting, subsequent to the disposition of a 51% interest in Agricredit.
5. To reflect a tax liability for the gain on the disposition of a 51% interest in Agricredit recorded at the statutory rate of 39.0% in effect at September 30, 1996.
6. To reflect the use of proceeds from the disposition of a 51% interest in Agricredit for repayment on the Company's Revolving Credit Facility. The proceeds of \$44.3 million include a dividend paid by Agricredit to the Company of \$11.9 million immediately prior to the sale transaction.

