

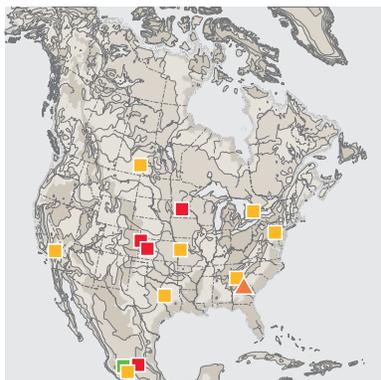
A World of Solutions for Your Growing Needs



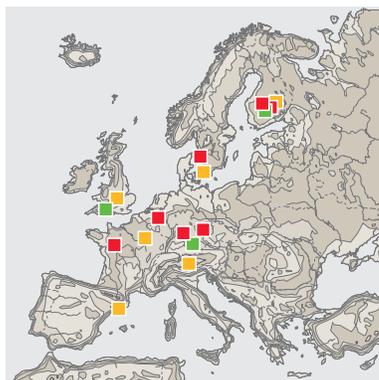
2004 Annual Report



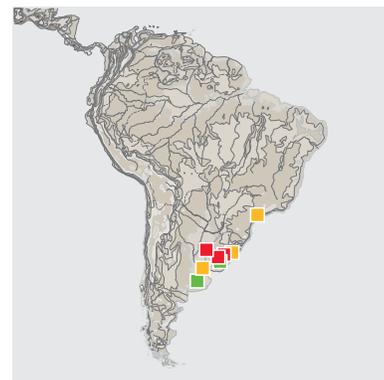
## Worldwide Locations



North America

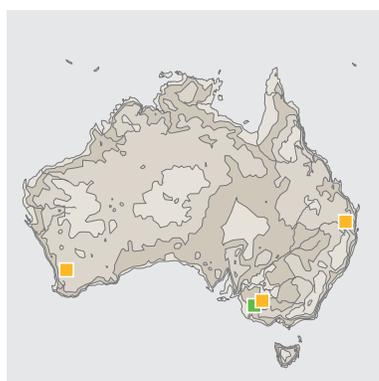


Europe

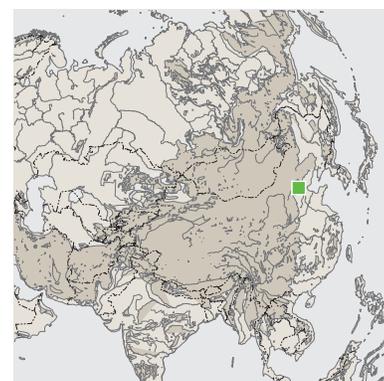


South America

- ▲ Corporate Headquarters  
Duluth, Georgia, USA
- Regional Sales Offices
- Parts Distribution
- Manufacturing



Australia



China

## Financial Highlights

### AGCO Corporation

(in millions, except per share amounts)

	2004	2003	2002
Net sales	\$ 5,273.3	\$ 3,495.3	\$ 2,922.7
Income from operations	323.5	184.3	103.5
Net income (loss)	158.8	74.4	(84.4)
Total assets	4,297.3	2,839.4	2,349.0
Stockholders' equity	1,422.4	906.1	717.6
Earnings (loss) per share <sup>(1)</sup>	\$ 1.71	\$ 0.98	\$ (1.14)
Adjusted earnings per share <sup>(2)</sup>	\$ 1.75	\$ 1.25	\$ 1.17

<sup>(1)</sup>On a diluted basis.

<sup>(2)</sup>For a reconciliation of adjusted earnings per share, see footnote one on page 15.

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# Geographic Markets and Brands

## Challenger Worldwide

### Tractors

- Track
- High-Horsepower
- Mid Range
- Compacts

### Hay Tools

- Balers
- Mower Conditioners
- Disc Mowers

### Application Equipment

- Spra-Coupe
- RoGator
- Terra-Gator

## North America

### Massey Ferguson

- Tractors - Compacts to High-Horsepower
- Harvesting
- Hay Tools
- Implements

### Fendt

- Tractors

### AGCO

- Tractors - Compacts to High-Horsepower
- Implements

### Valtra

- Tractors

### Hesston

- Hay Tools

### New Idea

- Hay Tools

### Gleaner

- Harvesting

### White Planters

- Planting

### Sunflower

- Tillage
- Planting

### Terra-Gator, RoGator, Spra-Coupe

- Application Equipment

## South America

### Massey Ferguson

- Tractors - Compacts to High-Horsepower
- Harvesting
- Hay Tools

### Valtra

- Tractors

### Terra-Gator, RoGator, Spra-Coupe

- Application Equipment

## Europe Africa Middle East

### Massey Ferguson

- Tractors - Compacts to High-Horsepower
- Cultivation & Planting
- Harvesting
- Hay Tools
- Material Handling
- Grounds Care
- ATV

### Fendt

- Tractors
- Harvesting

### Valtra

- Tractors

### Terra-Gator, RoGator, Spra-Coupe

- Application Equipment

## Forward-Looking Information

Statements that are not historical facts, including goals and projections with the intent to reduce operating costs and product cost and to generate market share in the agricultural equipment market, and the impact of plant closures and relocations, which could cause actual results to differ materially from those suggested, are forward-looking information. The Company believes that the statements it has made are based on reasonable assumptions and, accordingly, the Company can give no assurance that the results will be achieved. The Company bases its outlook on key operating, economic and agricultural factors, but not limited to, farm cash income, worldwide demand for agricultural products, weather, crop production, farmer debt levels, existing government programs and the Company's financial results are sensitive to movement in interest rates, economic conditions, pricing and product actions taken by competitors, customer demand, the success of its facility rationalization process and other cost-cutting measures, government financing programs, production disruptions and changes in environmental regulations that may impact the way in which it conducts its business. Further information concerning the Company's results is included in the Company's filings with the Securities and Exchange Commission, its Form 10-K for the year ended December 31, 2004. The Company's forward-looking statements.

## East Asia Pacific

### Massey Ferguson

- Tractors - Compacts to High-Horsepower
- Harvesting
- Hay Tools

### Fendt

- Tractors

### Gleaner

- Harvesting

### Valtra

- Tractors

### Terra-Gator, RoGator, Spra-Coupe

- Application Equipment

## Technology Worldwide

### Global Technologies by AGCO

#### Engines

- SisuDiesel

## Customer Support Worldwide

### AGCO Parts

- OEM
- Heritage
- Remanufactured
- Lubricants & Accessories
- Product Reliability
- Technical Publications are developed in all core languages to serve worldwide markets
- Warranty: New warranty systems streamline submitting and prompt payment of claims

### Service

- Experienced Field Service and Call Center personnel provide rapid response to customer issues

### Training

- Expanded training courses and approaches to support advanced technologies and new markets

### AGCO Finance

- Provide the customer with the right financing solutions to meet their unique needs
- Support the sales of AGCO equipment by providing retail finance to end customers to meet their cash flow requirements

## AGCO Offers a World of Solutions

Since 1990, AGCO has built a successful global business by providing innovative and reliable agricultural equipment and a growing portfolio of trusted brands, alongside valued customer service. Today, we offer a wide range of products to meet changing customer needs with the most trusted brand names in the industry.

in respect to earnings and sales, initiatives to improvements, expectations with respect to the operations, are forward-looking and subject to risks identified by the statements. Although the Company's forecasts, they are based on current information and assumptions, the results suggested by its statements will be achieved. Financial data that are subject to change including, commodity prices, grain stock levels, government policies and farm-related legislation. Additionally, exchange rates and foreign currencies, as well as general economic conditions, customer acceptance of product introductions, availability of governmental subsidized programs, international trade and other laws which may have an effect on the Company's operations. The Company disclaims any responsibility to update any

AGCO Corporation is a global designer, manufacturer and distributor of agricultural equipment and related replacement parts. We offer a full line of products under multiple brands through one of the largest global distribution networks in the industry, including approximately 3,900 independent dealers and distributors in more than 140 countries. We provide retail financing through AGCO Finance in North America and through Agricredit in Australia, the United Kingdom, France, Germany, Ireland and Brazil. Since 1990, the Company has grown from its initial revenue of \$220 million to \$5.3 billion in 2004. With shareholders worldwide, AGCO is traded on the New York Stock Exchange under the symbol "AG."

Our mission: Profitable growth through superior customer service, innovation, quality and commitment.

*Visit us online at [www.agcocorp.com](http://www.agcocorp.com)*



## To Our Stockholders

March 17, 2005

This is my first Annual Report letter to AGCO stockholders, and I am pleased to have this opportunity to communicate with you and discuss our business achievements in 2004.

First, though, allow me to speak on behalf of every AGCO employee and acknowledge the exceptional contributions of my predecessor, Mr. Robert J. Ratliff. We are grateful for his proactive leadership and enlightened corporate governance that has made our Company a global leader in our industry.

As one of the world's leading manufacturers and distributors of agricultural equipment, AGCO confronts many different challenges in different markets each year. Last year was no exception. However, thanks to the hard work of our dealers, employees and management, I am pleased to report another year of rewarding financial results, including:

- Adjusted earnings per share was \$1.87 in 2004 compared to \$1.25 in 2003 (before adoption of a new accounting rule). See footnote three on page 15.
- Net sales for 2004 increased 51% over 2003 to approximately \$5.3 billion, the highest level achieved in the history of the Company.

- We continued gross margin improvement through increased production volume and improved productivity.
- We demonstrated strong free cash flow of \$187.5 million which contributed to an improved balance sheet and a net debt to capital ratio of 37% at year's end.

## Strategic Acquisitions

Our acquisition of Valtra tractors and their SisuDiesel engine business in 2004 was a significant event in our Company's history. Valtra, based in Finland, is a leading brand in the Nordic region and is also well established in Brazil. Valtra is an excellent complement to our leading brands in Western Europe and gives AGCO a stronger competitive position in the overall market. Their longstanding and successful presence in Brazil also strengthens our market position in a region that presents significant opportunity for future growth.

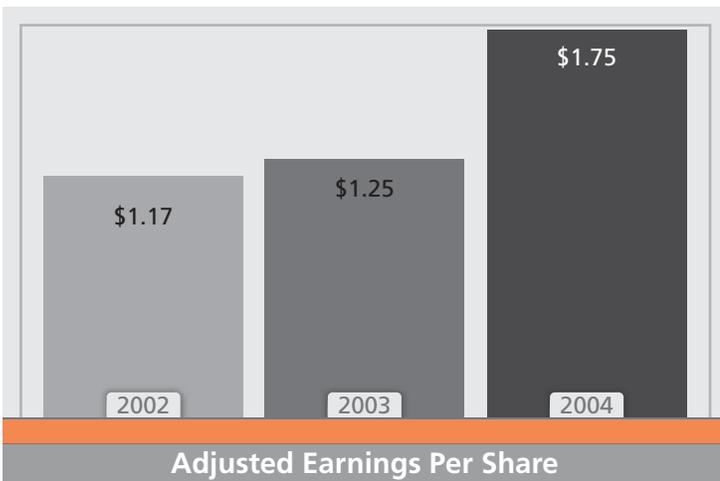
The SisuDiesel engine business provides another important opportunity. These high-performance, low-emission engines can be used in a variety of AGCO tractors to improve performance and reduce costs. The after-market parts and service business also offers more opportunity for our dealers and the Company than outsourcing from competitive suppliers.

Valtra had a very positive impact on 2004 financial results, and we anticipate a much greater impact in the future as we continue to leverage the positive synergy between Valtra and AGCO companies. More details are presented in a special section of this Annual Report.

## Record Sales in Multiple Markets

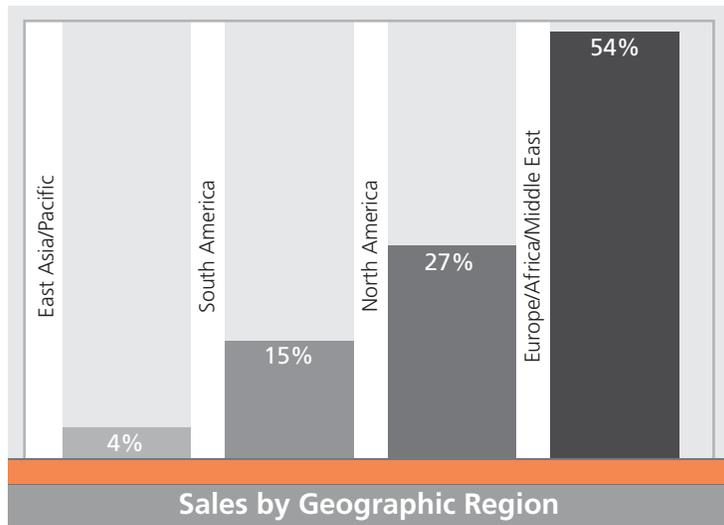
AGCO performed well in all major markets last year. Unit retail sales of tractors and combines were higher in key regions for the full year of 2004 over 2003.

In North America, equipment demand improved significantly over prior years as farmers enjoyed record harvests, strong commodity prices and tax incentives. In South America, the market in 2004 remained strong, driven by high farm income. However, we saw some softening in demand in the fourth quarter resulting from the effects of lower commodity prices and the weak dollar. In Western Europe, the end markets demonstrated mixed results



but were relatively flat, as a whole, despite improved harvest and yields.

Australia, Asia, Eastern Europe and the Middle East also reported higher sales over 2003.



### Worldwide Corporate Initiatives

Our profitable growth in 2004 reflects the success of key initiatives we have established worldwide. These initiatives continue to provide impressive results and they may be grouped according to two general objectives: productivity improvement and revenue growth.

We seek productivity improvement to meet the rising demand of professional farmers worldwide for reliable equipment at a competitive value. Various initiatives support this objective. We continue to minimize the number of platforms we use in our products without compromising our customers' requirements or true brand differentiation. AGCO's use of common platforms creates a competitive advantage in the global marketplace and significantly lowers our cost of design and manufacturing. We are streamlining our cost structure through purchasing initiatives and also by leveraging synergies created by the Valtra acquisition.

We continue to simplify all aspects of our business in order to enhance efficiency and profits. This may include information systems, internal business processes, the number of equipment models or versions of products offered and migrating our dealer network to fewer and larger dealerships. In addition, we are

improving asset utilization through reductions of working capital, outsourcing initiatives and plans that achieve optimal vertical integration for each of our plants.

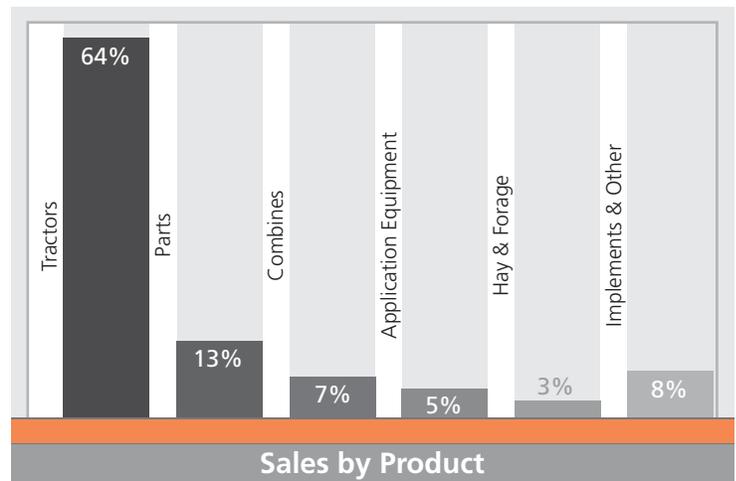
A number of initiatives support revenue growth. We seek to capitalize on geographic regions with vast potential, such as Brazil (with approximately 220 million acres of additional land available for agricultural operations), Russia, and Central and Eastern Europe. Our product development is focused on delivering innovative, high-value equipment that supports our multi-brand and segmentation strategies.

The Valtra acquisition is a good example of AGCO's strategy to acquire companies that enhance product development, market share and dealer offerings. We are working to consolidate and strengthen dealers for a more efficient, profitable distribution network. Our Challenger products and dealerships offer a vital opportunity for growing revenues and increasing market share worldwide (especially in North America where our efforts are focused today).

In addition, we have carefully positioned AGCO brands to continue our success in meeting customer demand in key market segments with differentiated products that all deliver AGCO innovation, reliability and value.

### Efficiency by Design

A key component of our business strategy is an ongoing commitment to cost control. For example, we implemented core



process redesign in a number of AGCO factories in 2004, including Beauvais, France and Canoas, Brazil to maximize production efficiencies. Improved productivity and supply chain performance contributed to better product availability and higher margins.

In 2004, we also implemented the restructuring of our combine manufacturing operations in Randers, Denmark. The restructuring plan reduced the cost and complexity of the Randers manufacturing operation by simplifying the model range and outsourcing the majority of parts and components while retaining critical assembly operations on high-specification, high-value combines. This action enables us to reduce costs and provide AGCO dealers and distributors in Europe with a more competitive line of combine harvesters.

## A World of Opportunity

We recognize the challenges ahead in 2005, but focus on the significant opportunities for growth. We anticipate retail sales conditions to be mixed with a meaningful decline in our South American sales due to lower commodity prices, increasing input costs and the weak dollar – all having an impact on the soybean sector and delaying farm expansion.

Today, we are focused on offsetting the impact of the decline in South America and we are taking important actions to ensure our future growth. We plan to leverage our improved level of profitability by increasing our investments in product development and cost reduction projects which are expected to improve our competitive position and productivity.

We plan to fund a 20% increase in engineering expense in 2005 to accelerate new product introductions, common product platform designs and the expansion of the Company's SisuDiesel engine production. In addition, we are focusing on improving our distribution and customer support network in all our markets. We believe these initiatives will enable AGCO to achieve profitable growth through superior customer service, innovation, quality and commitment.

Moreover, AGCO is entering a new era. We have reached a sufficient size and scale where we can now focus on leveraging the positive synergies in our business. As President and CEO, I look forward to building on the legacy of leadership that has made AGCO brands highly valued around the world. I am confident of our continued success in 2005 and in the future.

Looking ahead, we see a world of opportunity. Population growth is advancing in many areas of the world and in these areas there is increasing demand for higher quality food – and reliable and efficient tools to help farmers produce high-quality food. In addition, agricultural products such as corn are increasingly being utilized to provide alternative sources of energy. With rising demand for agricultural products and increasing restrictions on available land, professional farmers must improve efficiency and productivity – and AGCO is ready to help. We're fulfilling our vision to provide "high-tech solutions for professional farmers feeding the world."

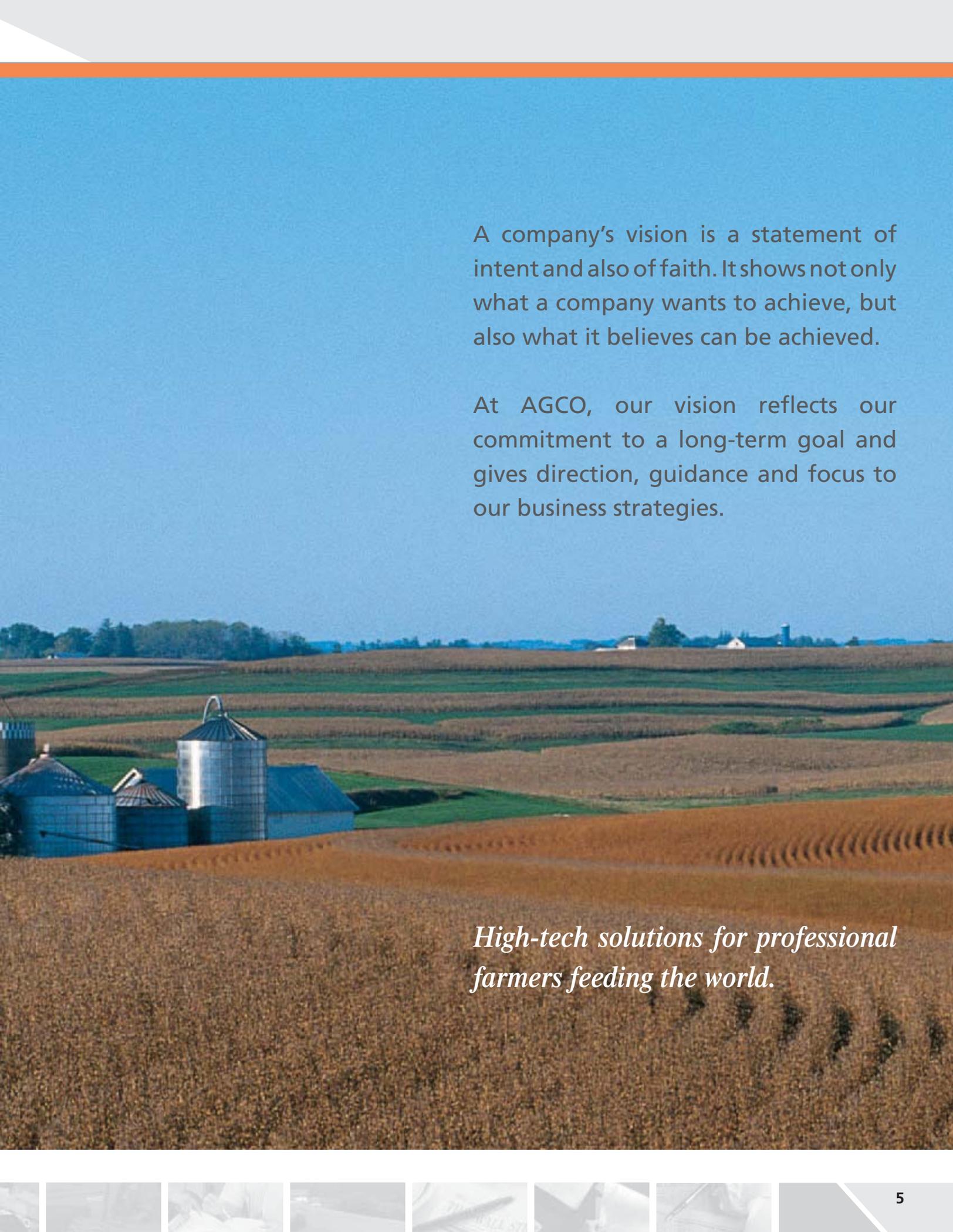
As we continue to pursue new opportunities in the global marketplace, we believe that our efforts will translate into significant value for you, our stockholders.



Martin Richenhagen

President and  
Chief Executive Officer





A company's vision is a statement of intent and also of faith. It shows not only what a company wants to achieve, but also what it believes can be achieved.

At AGCO, our vision reflects our commitment to a long-term goal and gives direction, guidance and focus to our business strategies.

*High-tech solutions for professional farmers feeding the world.*

## The Power of Synergy

Strategic acquisitions providing new technology or market advantage have contributed significantly to our business growth over the years. The acquisition of Valtra tractors in 2004 was a continuation of this strategy, but also reflects our commitment to achieving growth through positive synergy – that is, a more efficient, more productive interaction of AGCO companies and competencies leading to new opportunities in the global marketplace.

In addition, the Valtra acquisition supports our multi-brand strategy. Since its inception, AGCO has been dedicated to maintaining the identity of each of its brand names. With multiple brands and product differentiation, we can offer more options to satisfy our

customers' needs and brand loyalty while enabling our dealers to increase sales volume and profitability in a competitive marketplace.

### Valtra Tractors Deliver Value



*Valtra T-Series tractor with front-end loader.*

In January 2004, AGCO completed the acquisition of Valtra tractors and their SisuDiesel engine business. Valtra, based in Finland, is a leading brand in the Nordic region and is also well established in Brazil.

Valtra is renowned for its high-quality tractors that are extremely reliable and user-friendly. In fact, Valtra specializes in providing tractors custom-made according to customer specifications, including a wide choice of colors. Valtra offers a range of products featuring innovative designs: high-horsepower tractors, mid-range tractors, specialty tractors and loaders.

Valtra tractors provide significant value for customers and promise to do the same for AGCO shareholders. In 2004, Valtra had a positive impact on AGCO's net sales, representing approximately 29% of the growth for the full year with Valtra net sales of approximately \$1,007.5 million.

### Creating New Business Advantages

Valtra has always been a market innovator and brings high-quality, state-of-the-art products to the AGCO line. AGCO is a worldwide leader in providing exceptional customer support services, including



*New Valtra tractors lined up and waiting to be shipped in Brazil.*

expert field service, high-quality parts, practical training on advanced technologies and experienced financing.

Today, these two organizations are working together in the U.S., Mexico and Canada to deliver Valtra tractors and parts more effectively to the North American market. Sales and servicing organizations are being combined and distribution activities are being transferred to AGCO. This will help Valtra expand its dealer network much faster in North America and increase future sales. Plus, AGCO's established warehousing and distribution capabilities allow Valtra to ensure the availability of parts and rapid, cost-effective shipments to customers.

AGCO is continually working to increase efficiencies in production. Valtra brings a wealth of experience in this area and proven processes for state-of-the-art manufacturing, quality control and inventory management.

## Engine for Growth

AGCO's multi-brand strategy also supports another key initiative – the migration of leading technologies to other product lines. With the acquisition of the SisuDiesel business, AGCO has a powerful engine to help drive business growth.

SisuDiesel engines are high-performance, low-emission engines from 50 to 450 horsepower manufactured specifically for off-highway use. These high-quality engines can be utilized in a variety of AGCO products, which will enhance their performance

and also help to reduce their costs.

Besides tractors, the engine is used in a variety of applications, including forestry equipment, boats, irrigation systems and back-up or emergency power sources. The after-market parts and service business also provides more opportunity for our dealers and the Company than outsourcing from competitive suppliers.

There is tremendous demand for powerful, environmentally clean engines and AGCO is well positioned to meet this demand. Growing our engine business also means increasing the quantity of engines built to provide economies of scale.



*Assembly of air conditioner unit at Valtra's Suolahti, Finland plant.*



*Valtra S-Series tractor sowing a field in Finland.*



## Driving Innovation and Value

AGCO offers the global agricultural community a variety of respected brands and an increasing range of products within each brand. Today, the Company is a leading supplier of tractors, combines, hay and forage tools, application equipment, implements and new technologies for precision farming. Moreover, we constantly update and refine our products in support of our mission to achieve profitable growth through superior customer service, innovation, quality and commitment.

### The World's Most Efficient Transmission

AGCO pioneered continuously variable transmission (CVT) technology in agriculture equipment. For more than a decade, we've been an industry leader in the development and production of this innovative technology – the world's most efficient transmission.

In 2004, we extended CVT technology in heavy-duty, high-horsepower tractors to help row-crop farmers achieve more efficiency and productivity. This transmission combines both hydraulic and mechanical power to provide smooth shifting through "infinite" speeds. Two infinitely variable speed ranges, for field or transport applications,

provide operators with exceptional flexibility on the job. They are able to attain the optimal working speed and the most productive transmission ratio to maximize tractor performance and also reduce operating costs.



*Challenger MT600B tractor with Techstar CVT transmission.*



*Massey Ferguson 8480 tractor with Dyna-Step transmission.*

AGCO is the only supplier of CVT technology in high-horsepower tractors and our tractors also feature advanced hydraulics, powerful engines with improved fuel economy, and ergonomic design of the operator environment for unsurpassed comfort, convenience and quiet.

Last year, we extended CVT technology to AGCO DT Series tractors with PowerMaxx CVT™, Challenger MT600B Series tractors with TechStar CVT™ and, in Europe, Massey Ferguson 8400 Series tractors with Dyna-VT™ transmission. In North America, Massey Ferguson 8400 Series tractors feature the Dyna-Step™ transmission that offers smooth shifting in a transport range selection of 21 forward and 15 reverse speeds, plus a work range selection of 21 forward and 18 reverse speeds.



## Compact Tractors are Big Business

The demand for compact tractors is growing every year and AGCO is well positioned to profit from this growth. We offer a variety of compacts that farmers, landscapers, specialty farmers, contractors and hobby farmers will value for their performance, comfort and ease of use. Our compacts are specially designed for the quick removal and replacement of mounted attachments such as a loader or backhoe. Tilt-up hoods and removable side panels simplify access to the engine and radiator components for regular service. Plus, operators have a choice of transmissions, tires and other features to turn their compact tractor into a big advantage on the job.

Challenger MT200B Series compacts range from 23 to 52 gross engine horsepower. They feature new front axles with higher load capacities, new piston and fuel injection technology, improved durability and greater hydraulic flow. For customers and dealers, these compacts add to the increasing variety of Challenger equipment sold and serviced exclusively by Caterpillar dealers.



*AGCO DT 240A Tractor with PowerMaxx CVT.*



Massey Ferguson 1500 Series compacts offer full-size tractor styling, quieter and more durable engines and more comfort. The 3-cylinder MF 1533 (33 hp) and turbocharged 3-cylinder MF 1540 (40 hp) are the first two models in this new series. First-time tractor operators will quickly learn to appreciate the simple and easy operation of the tractor and the easy-to-read, automotive-style dash.

AGCO ST Series tractors feature nine models from 22 to 55 horsepower. In addition, AGCO offers an exciting entry into the growing market for sub-compacts: the ST22A (22 engine hp) with big-tractor features for comfort and convenience, four-wheel drive, Category 1 three-point hitch and hydrostatic transmission. The large-chassis ST Series compacts may also be equipped with factory-installed cab for year-round operator comfort.



*Challenger MT200B with PowerShuttle.*

### Extending Our Combine Range in Europe

Massey Ferguson produces more than 3,500 combines each year and is a major force in the harvesting business around the world. Within Europe, the company is using its valuable experience, particularly of tough and marginal harvesting conditions, to develop their combine range, gain

market share and meet growers' demands – whatever the acreage or crop they are harvesting. In 2004, MF launched two new ranges of combines: the entry level MF 7200 Activa and mid-range MF 7200 Beta machines, providing valuable extensions to its high-capacity combine range.



*Fendt 5270C combine with innovative Freeflow cutting table.*

Fendt has a well-deserved reputation for innovative farm equipment and exceptional engineering – and more than 100 years of experience in designing and manufacturing threshers and combines. Building on this experience, Fendt has introduced two new ranges of combines, the C Series and E Series, designed for the special requirements of mid-sized farms and agricultural contracting businesses. Both series feature the newly developed Freeflow cutting table with working widths ranging from 4.80 to 6.60 meters. Excellent product design ensures an optimal cut and fast, uniform intake into the feedhouse for more productive harvesting and more satisfied customers.

### A Better Way for Making Hay

Making hay is serious business for hay producers and now they have a way to do it better and faster – with much less cost – thanks to the Hesston 9040 Auger Header with Advanced Conditioner System (ACS). This features two distinct sets of conditioning rolls, one steel-on-steel and another set of intermeshing rubber rolls, to “double condition” hay. It is designed to crimp and crush stems with less damage to nutritious leaves, smoothly feeding the hay crop through,



leaving the hay better conditioned for faster drydown and softer for improved palatability. The Hesston 9040 ACS outperforms conventional roll conditioners and spoke conditioners and for far less cost than aftermarket double-conditioner alternatives.



*Hesston 9240 Self-Propelled Windrower with new 9040 ACS header.*

## Applied Science Generates Growth

Our sprayer brands give AGCO the leading market position in the self-propelled sprayer market in North America and we're keeping ahead in the application business by applying our expertise through innovative products. In 2004, we introduced Spra-Coupe 7000 Series sprayers offering growers more power, more traction, more comfort and more tank capacity with a reliable and accurate spray system.



*The new Spra-Coupe 7000 Series sprayer.*

At AGCO, we're continually working to deliver more valuable products for our customers and more value for our partners and shareholders.

## Winning Technology

In 2004, AGCO products won some of the most prestigious accolades in the industry. These include:

- Massey Ferguson 8480 Series tractor with Dyna-VT™ continuously variable transmission awarded Tractor of the Year (2005), one of the industry's most important honors, at EIMA Agricultural Show in Bologna, Italy
- Valtra C Series compact tractors awarded Golden Tractor Award for outstanding design and technical solutions at EIMA Agricultural Show
- AE-50 certification by the American Society of Agricultural Engineers for
  - AGCO RT Series tractors
  - Fendt 200 V/P Series tractors and 800 Vario TMS Series tractors
  - Hesston Top Auger Pickup for Large Square Balers
- AGCO of Brazil selected as best tractor manufacturer by *A Granja* magazine, one of Brazil's oldest and most respected agri-business publications



## Valuable Support for Growing Businesses

Around the world, AGCO dealers and distributors offer a variety of trusted brands and a wide range of products, but they all go to work each day with one purpose: to provide exceptional solutions to meet the changing needs of their customers and exceed their expectations.

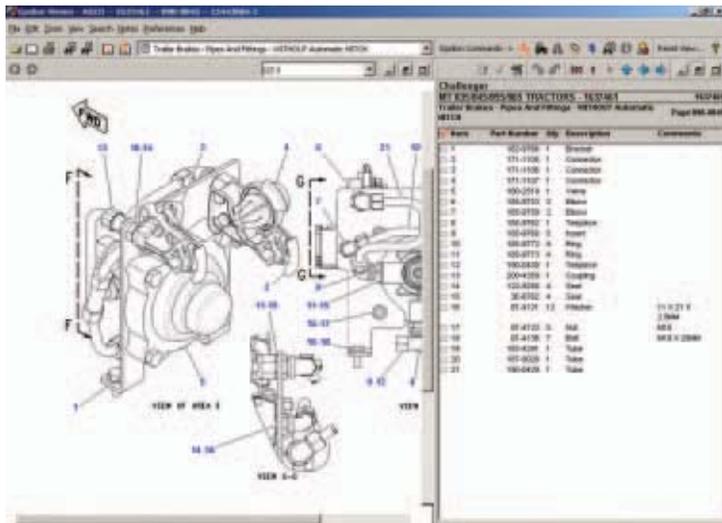
At AGCO, we understand the significant value our dealers provide to their customers and to our Company. Since our inception, we have focused on building a strong dealer network as the foundation for our continued success in the global marketplace. This remains a primary objective today. By helping our dealers grow their business, we succeed in growing our own business – and create more value for our Company, business partners and shareholders.

to operator manuals, service manuals and service bulletins. Though dealers have used online parts sourcing and ordering for some time, Epsilon offers new convenience for dealers – and faster, more responsive service for customers.

AGCO dealers now have the ability to go online and view accurate, up-to-date service information for current and heritage brand equipment. This is especially helpful when new products are being introduced, since engineering changes can be updated frequently and there is no data delay due to printing or distribution schedules.

In addition, Epsilon will also be made available to major customers to help them work more efficiently with our dealers. Epsilon allows dealers and customers to get the right information faster and easier to keep equipment working at peak performance. Epsilon helps reduce transition and transposition issues caused by human error and increases staff productivity.

## Online Tools Speed Up Service



Parts ordering through AGCO's new Epsilon online support service.

To help our dealers be more competitive and profitable, we continue to deliver reliable products, effective product training, and proven marketing and financing expertise.

In 2004, we launched a new support service for dealers worldwide. AGCO's Epsilon service provides online access

## High-Tech Solutions for Precision Farming

Today, professional farmers face increasing pressure to maximize efficiency, improve crop yield, comply with changing regulations and implement environmentally responsible management practices – all while growing their business. To meet these challenges, more and more farmers are using high-tech solutions from AGCO that enhance the value and performance of AGCO equipment.



GTA provides comprehensive solutions for precision farming.

Global Technologies by AGCO (GTA) provides specific solutions for satellite-based steering, data collection, yield-mapping and other capabilities as well as more comprehensive solutions for precision farming. With GTA, growers can better control equipment, apply treatments, manage sensor data, communicate in real time and conduct agronomic analyses.



*Massey Ferguson 8480 completes a headland turn with the assistance of Global Technologies by AGCO.*

As an important value-add service, GTA reflects our ongoing commitment to both customer and dealer support. GTA not only makes farming more productive, it also leads to more productive customer relationships.

### **Dedicated Teams for Training and Support**

In 2004, AGCO formed new training teams to assist dealers with sales and marketing efforts – and to ensure that our high-tech solutions are used to maximum advantage in the field. These teams are designed to enhance existing training programs.

Through seminars and on-site visits, AGCO personnel now provide multi-brand training on specific equipment series, such as high-horsepower tractors, combines, sprayers or

balers. With state-of-the-art transmission technology, high-performance engines, and many computerized functions, these products are highly sophisticated today.

Our dedicated trainers help dealers provide better overall service to their customers. Diagnostic service is also improved and warranty costs are reduced.

Another team specializes in providing updates and training on AGCO's leading-edge technology such as GTA.

In addition, a brand new Technical Training Center was opened in Marktoberdorf, Germany, heart of the Fendt operation, to accelerate training delivery.

Besides the service teams, a dedicated parts team was formed to support new product introductions. This team ensures more proactive parts distribution and inventory management worldwide to improve service to dealers and their customers.



*Training on Fendt tractors at Hesston, Kansas.*

## A Natural Priority

As we help professional farmers work their land in communities around the world, AGCO is also helping to care for the Earth we all share. In all our activities, we seek to protect the natural environment from harmful influences, conserve natural resources and promote environmental awareness.

At every AGCO manufacturing plant, we comply with all environmental regulations; however, we are constantly working in a proactive way to meet higher standards. There are many examples: replacing fluorescent lighting to reduce waste mercury pollution; adopting painting materials and procedures that reduce air pollution inside and outside the plants; recycling wooden pallets and crates; recycling water; substituting biodegradable solvents for chloride solvents and more.

Innovative equipment design also provides environmental benefits. Our leading-edge transmission and engine technologies reduce emissions and noise while improving fuel economy. We are also advancing the use of biodegradable fuels and bio-diesel fuels (such as sugar cane fuel in Brazil).

AGCO is a leader in providing high-tech, integrated solutions for precision farming. Today, farmers are using our proven technology to save fuel, manage chemical and fertilizer applications, increase crop yield and ensure compliance with environmental regulations.

At AGCO, we take our environmental responsibility very seriously – as an important measure of good corporate citizenship and ethical corporate governance.



*A manufacturing facility in Brazil uses aquatic plants as part of its ecological treatment and recycling of wastewater.*



*High-performance, low-emission engines that meet next-generation Tier III standards will be built at our plant in Nokia, Finland.*



*AGCO is a leading supplier of high-tech solutions that help farmers implement environmentally responsible management practices.*

## Selected Financial Information

(in millions, except per share amounts and employees)

Years Ended December 31,	2004	2003	2002	2001	2000
<b>Operating Results</b>					
Net sales	\$ 5,273.3	\$ 3,495.3	\$ 2,922.7	\$ 2,545.9	\$ 2,341.2
Gross profit	952.9	616.4	531.8	439.2	381.7
Percent of net sales	18.1%	17.6%	18.2%	17.3%	16.3%
Income from operations	323.5	184.3	103.5	97.1	67.1
Percent of net sales	6.1%	5.3%	3.5%	3.8%	2.9%
Net income (loss)	158.8	74.4	(84.4)	22.6	3.5
Net income (loss) per common share – diluted <sup>(1)</sup>	\$ 1.71	\$ 0.98	\$ (1.14)	\$ 0.33	\$ 0.06
Weighted average shares outstanding – diluted	95.6	75.8	74.2	68.5	59.7
Dividends declared per common share	\$ –	\$ –	\$ –	\$ 0.01	\$ 0.04
Cash flow from operations	\$ 265.9	\$ 88.0	\$ 73.2	\$ 225.4	\$ 174.4
<b>Balance Sheet Data</b>					
Working capital	\$ 1,045.5	\$ 755.4	\$ 599.4	\$ 539.7	\$ 603.9
Total assets	4,297.3	2,839.4	2,349.0	2,173.3	2,104.2
Long-term debt, less current portion	1,151.7	711.1	636.9	617.7	570.2
Total liabilities	2,874.9	1,933.3	1,631.4	1,373.9	1,314.3
Stockholders' equity	1,422.4	906.1	717.6	799.4	789.9
<b>Other Data</b>					
Number of employees	14,313	11,278	11,555	11,325	9,785

(1) The Company makes reference to adjusted earnings per share, as reconciled below:

	2004 <sup>(3)</sup>	2003 <sup>(3)</sup>	2002	2001	2000
Net income (loss) per common share – diluted	\$ 1.71	\$ 0.98	\$ (1.14)	\$ 0.33	\$ 0.06
Restructuring and other infrequent expenses <sup>(2)</sup>	0.04	0.26	0.38	0.12	0.22
Restricted stock compensation <sup>(2)</sup>	–	0.01	0.39	0.06	0.04
Deferred tax valuation allowance adjustment	–	–	1.21	–	–
Cumulative effect of a change in accounting principle <sup>(2)</sup>	–	–	0.33	–	–
Net income per common share – adjusted	\$ <u>1.75</u>	\$ <u>1.25</u>	\$ <u>1.17</u>	\$ <u>0.51</u>	\$ <u>0.32</u>

(2) After tax.

(3) Excluding the impact of the Company's contingently convertible debt to the calculation of diluted net income per share as a result of the adoption of EITF Issue No. 04-08, weighted average shares outstanding would decrease by approximately 9.0 million shares from 95.6 million shares to 86.6 million shares, resulting in adjusted earnings per share of \$1.87 per share for the year ended December 31, 2004. In addition, diluted earnings per share is required to be restated for each period that the convertible debt was outstanding. Weighted average shares outstanding would decrease by 0.2 million shares for the year ended December 31, 2003, with no impact to adjusted earnings per share.

## Consolidated Statements of Operations

(in millions, except per share data)

Years Ended December 31,	2004	2003	2002
Net sales	\$ 5,273.3	\$ 3,495.3	\$ 2,922.7
Cost of goods sold	4,320.4	2,878.9	2,390.9
Gross profit	952.9	616.4	531.8
Selling, general and administrative expenses (includes restricted stock compensation expense of \$0.5 million, \$0.6 million and \$44.1 million for the years ended December 31, 2004, 2003 and 2002, respectively)	509.8	331.4	327.0
Engineering expenses	103.7	71.4	57.2
Restructuring and other infrequent expenses	0.1	27.6	42.7
Amortization of intangibles	15.8	1.7	1.4
Income from operations	323.5	184.3	103.5
Interest expense, net	77.0	60.0	57.4
Other expense, net	22.1	26.0	20.3
Income before income taxes, equity in net earnings of affiliates and cumulative effect of a change in accounting principle	224.4	98.3	25.8
Income tax provision	86.2	41.3	99.8
Income (loss) before equity in net earnings of affiliates and cumulative effect of a change in accounting principle	138.2	57.0	(74.0)
Equity in net earnings of affiliates	20.6	17.4	13.7
Income (loss) before cumulative effect of a change in accounting principle	158.8	74.4	(60.3)
Cumulative effect of a change in accounting principle, net of taxes	—	—	(24.1)
Net income (loss)	\$ 158.8	\$ 74.4	\$ (84.4)
Net income (loss) per common share:			
Basic:			
Income (loss) before cumulative effect of a change in accounting principle	\$ 1.84	\$ 0.99	\$ (0.81)
Cumulative effect of a change in accounting principle, net of taxes	—	—	(0.33)
Net income (loss)	\$ 1.84	\$ 0.99	\$ (1.14)
Diluted:			
Income (loss) before cumulative effect of a change in accounting principle	\$ 1.71	\$ 0.98	\$ (0.81)
Cumulative effect of a change in accounting principle, net of taxes	—	—	(0.33)
Net income (loss)	\$ 1.71	\$ 0.98	\$ (1.14)
Weighted average number of common and common equivalent shares outstanding:			
Basic	86.2	75.2	74.2
Diluted	95.6	75.8	74.2

The Consolidated Statements of Operations should be read in conjunction with the Company's Management's Discussion and Analysis of Financial Condition and Results of Operations and the Company's audited Consolidated Financial Statements and the accompanying Notes to Consolidated Financial Statements, which are included in the Company's Annual Report on Form 10-K.

## Consolidated Balance Sheets

(in millions)

<i>December 31,</i>	<b>2004</b>	<b>2003</b>
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 325.6	\$ 147.0
Accounts and notes receivable, net	823.2	553.6
Inventories, net	1,069.4	803.6
Deferred tax assets	127.5	128.3
Other current assets	58.8	52.0
Total current assets	<u>2,404.5</u>	<u>1,684.5</u>
Property, plant and equipment, net	593.3	434.2
Investment in affiliates	114.5	91.6
Deferred tax assets	146.1	138.8
Other assets	70.1	72.5
Intangible assets, net	238.2	86.1
Goodwill	730.6	331.7
Total assets	<u>\$ 4,297.3</u>	<u>\$ 2,839.4</u>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities:</b>		
Current portion of long-term debt	\$ 6.9	\$ 2.2
Accounts payable	601.9	393.2
Accrued expenses	660.3	490.2
Other current liabilities	89.9	43.5
Total current liabilities	<u>1,359.0</u>	<u>929.1</u>
Long-term debt, less current portion	1,151.7	711.1
Pensions and postretirement health care benefits	247.3	201.9
Other noncurrent liabilities	116.9	91.2
Total liabilities	<u>2,874.9</u>	<u>1,933.3</u>
<b>Stockholders' Equity:</b>		
Common stock; \$0.01 par value, 150,000,000 shares authorized, 90,394,292 and 75,409,655 shares issued and outstanding in 2004 and 2003, respectively	0.9	0.8
Additional paid-in capital	893.2	590.3
Retained earnings	793.8	635.0
Unearned compensation	(0.2)	(0.5)
Accumulated other comprehensive loss	(265.3)	(319.5)
Total stockholders' equity	<u>1,422.4</u>	<u>906.1</u>
Total liabilities and stockholders' equity	<u>\$ 4,297.3</u>	<u>\$ 2,839.4</u>

The Consolidated Balance Sheets should be read in conjunction with the Company's Management's Discussion and Analysis of Financial Condition and Results of Operations and the Company's audited Consolidated Financial Statements and the accompanying Notes to Consolidated Financial Statements, which are included in the Company's Annual Report on Form 10-K.

## Consolidated Statements of Stockholders' Equity

(in millions, except share amounts)

	Preferred Stock		Common Stock		Additional Paid-In Capital
	Shares	Amount	Shares	Amount	
Balance, December 31, 2001	–	\$ –	72,311,107	\$ 0.7	\$ 531.5
Net loss	–	–	–	–	–
Issuance of common stock, net of offering expenses	–	–	1,020,356	0.1	21.3
Issuance of restricted stock	–	–	1,088,072	–	24.5
Stock options exercised	–	–	777,750	–	9.0
Income tax benefit of stock options exercised	–	–	–	–	1.3
Amortization of unearned compensation	–	–	–	–	–
Additional minimum pension liability, net	–	–	–	–	–
Deferred gains and losses on derivatives, net	–	–	–	–	–
Deferred gains and losses on derivatives held by affiliates, net	–	–	–	–	–
Change in cumulative translation adjustment	–	–	–	–	–
Balance, December 31, 2002	–	–	75,197,285	0.8	587.6
Net income	–	–	–	–	–
Issuance of restricted stock	–	–	14,150	–	0.3
Stock options exercised	–	–	198,220	–	2.4
Amortization of unearned compensation	–	–	–	–	–
Additional minimum pension liability, net	–	–	–	–	–
Deferred gains and losses on derivatives, net	–	–	–	–	–
Deferred gains and losses on derivatives held by affiliates, net	–	–	–	–	–
Change in cumulative translation adjustment	–	–	–	–	–
Balance, December 31, 2003	–	–	75,409,655	0.8	590.3
Net income	–	–	–	–	–
Issuance of common stock, net of offering expenses	–	–	14,720,000	0.1	299.4
Issuance of restricted stock	–	–	7,487	–	0.2
Stock options exercised	–	–	257,150	–	3.3
Amortization of unearned compensation	–	–	–	–	–
Additional minimum pension liability, net	–	–	–	–	–
Deferred gains and losses on derivatives held by affiliates, net	–	–	–	–	–
Change in cumulative translation adjustment	–	–	–	–	–
Balance, December 31, 2004	–	\$ –	90,394,292	\$ 0.9	\$ 893.2

The Consolidated Statements of Stockholders' Equity should be read in conjunction with the Company's Management's Discussion and Analysis of Financial Condition and Results of Operations and the Company's audited Consolidated Financial Statements and the accompanying Notes to Consolidated Financial Statements, which are included in the Company's Annual Report on Form 10-K.

	Retained Earnings	Unearned Compensation	Accumulated Other Comprehensive Loss				Total Stockholders' Equity	Comprehensive Income (Loss)
			Additional Minimum Pension Liability	Cumulative Translation Adjustment	Deferred Gains (Losses) on Derivatives	Accumulated Other Comprehensive Loss		
\$	645.0	\$ (0.6)	\$ (37.1)	\$ (334.2)	\$ (5.9)	\$ (377.2)	\$ 799.4	
	(84.4)	-	-	-	-	-	(84.4)	\$ (84.4)
	-	-	-	-	-	-	21.4	
	-	(3.1)	-	-	-	-	21.4	
	-	-	-	-	-	-	9.0	
	-	-	-	-	-	-	1.3	
	-	3.0	-	-	-	-	3.0	
	-	-	(56.8)	-	-	(56.8)	(56.8)	(56.8)
	-	-	-	-	0.9	0.9	0.9	0.9
	-	-	-	-	0.4	0.4	0.4	0.4
	-	-	-	2.0	-	2.0	2.0	2.0
	560.6	(0.7)	(93.9)	(332.2)	(4.6)	(430.7)	717.6	(137.9)
	74.4	-	-	-	-	-	74.4	74.4
	-	-	-	-	-	-	0.3	
	-	-	-	-	-	-	2.4	
	-	0.2	-	-	-	-	0.2	
	-	-	(34.5)	-	-	(34.5)	(34.5)	(34.5)
	-	-	-	-	(0.8)	(0.8)	(0.8)	(0.8)
	-	-	-	-	2.7	2.7	2.7	2.7
	-	-	-	143.8	-	143.8	143.8	143.8
	635.0	(0.5)	(128.4)	(188.4)	(2.7)	(319.5)	906.1	185.6
	158.8	-	-	-	-	-	158.8	158.8
	-	-	-	-	-	-	299.5	
	-	-	-	-	-	-	0.2	
	-	-	-	-	-	-	3.3	
	-	0.3	-	-	-	-	0.3	
	-	-	(18.9)	-	-	(18.9)	(18.9)	(18.9)
	-	-	-	-	3.8	3.8	3.8	3.8
	-	-	-	69.3	-	69.3	69.3	69.3
\$	793.8	\$ (0.2)	\$ (147.3)	\$ (119.1)	\$ 1.1	\$ (265.3)	\$ 1,422.4	\$ 213.0

## Consolidated Statements of Cash Flows

(in millions)

Years Ended December 31,	2004	2003	2002
Cash flows from operating activities:			
Net income (loss)	\$ 158.8	\$ 74.4	\$ (84.4)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Cumulative effect of a change in accounting principle, net of taxes	–	–	24.1
Depreciation	84.3	58.8	47.8
Deferred debt issuance cost amortization	13.2	5.4	3.1
Amortization of intangibles	15.8	1.7	1.4
Restricted stock compensation	0.3	0.5	24.4
Equity in net earnings of affiliates, net of cash received	(6.1)	(0.8)	(2.7)
Deferred income tax (benefit) provision	14.5	(12.3)	48.4
Gain on sale of property, plant and equipment	(8.7)	–	–
Write-down of property, plant and equipment	9.5	1.6	11.6
Changes in operating assets and liabilities, net of effects from purchase of businesses:			
Accounts and notes receivable, net	(39.9)	11.5	43.4
Inventories, net	(65.1)	13.8	(119.0)
Other current and noncurrent assets	(10.5)	(20.4)	2.2
Accounts payable	53.2	(16.5)	7.4
Accrued expenses	38.5	(50.9)	66.2
Other current and noncurrent liabilities	8.1	21.2	(0.7)
Total adjustments	107.1	13.6	157.6
Net cash provided by operating activities	265.9	88.0	73.2
Cash flows from investing activities:			
Purchases of property, plant and equipment	(78.4)	(78.7)	(54.9)
Proceeds from sales of property, plant and equipment	46.0	14.9	13.8
(Purchase)/sale of businesses, net of cash acquired	(765.7)	1.5	(60.7)
Proceeds from sale of unconsolidated affiliates, net	1.0	4.5	1.2
Net cash used for investing activities	(797.1)	(57.8)	(100.6)
Cash flows from financing activities:			
Proceeds from debt obligations	1,450.5	1,372.8	659.8
Repayments of debt obligations	(1,036.9)	(1,288.5)	(637.6)
Proceeds from issuance of common stock	303.0	2.5	10.3
Payment of debt issuance costs	(21.1)	(9.8)	–
Net cash provided by financing activities	695.5	77.0	32.5
Effects of exchange rate changes on cash and cash equivalents	14.3	5.5	0.3
Increase in cash and cash equivalents	178.6	112.7	5.4
Cash and cash equivalents, beginning of year	147.0	34.3	28.9
Cash and cash equivalents, end of year	\$ 325.6	\$ 147.0	\$ 34.3

The Consolidated Statements of Cash Flows should be read in conjunction with the Company's Management's Discussion and Analysis of Financial Condition and Results of Operations and the Company's audited Consolidated Financial Statements and the accompanying Notes to Consolidated Financial Statements, which are included in the Company's Annual Report on Form 10-K.

## Board of Directors



From Left to Right, Top to Bottom: Henry Claycamp, Wolfgang Sauer, George Benson, Gerald Johanneson, David Momot, Wolfgang Deml, Anthony Loehnis, Herman Cain, Martin Richenhagen, Robert Ratliff, Wayne Booker, Curtis Moll, Hendrikus Visser

**P. George Benson**  
Dean, Terry College of Business  
*Governance Committee*

**W. Wayne Booker**  
Former Vice Chairman, Ford Motor Company  
*Executive, Audit, and Compensation Committees*

**Herman Cain**  
T.H.E. New Voice, Inc.  
*Audit Committee*

**Dr. Henry J. Claycamp**  
Former President, MOSAIX Associates  
*Executive, Governance, Succession Planning, and Strategic Planning Committees*

**Wolfgang Deml**  
President & Chief Executive Officer, BayWa Corporation  
*Succession Planning Committee*

**Gerald B. Johanneson**  
Former President and Chief Executive Officer, Haworth  
*Executive, Compensation, and Succession Planning Committees*

**Anthony D. Loehnis**  
Director, St. James's Place Capital  
*Audit and Governance Committees*

**Curtis E. Moll**  
Chairman of the Board and Chief Executive Officer, MTD Products  
*Audit, Governance, and Strategic Planning Committees*

**David E. Momot**  
Former Vice President, General Electric  
*Audit and Compensation Committees*

**Robert J. Ratliff**  
Chairman of the Board, AGCO Corporation  
*Executive, Succession Planning, and Strategic Planning Committees*

**Martin H. Richenhagen**  
President & Chief Executive Officer, AGCO Corporation  
*Executive, Succession Planning, and Strategic Planning Committees*

**Dr. Wolfgang Sauer**  
Principal, Wolfgang Sauer & Associates S/C Ltda.  
*Executive, Compensation, and Succession Planning Committees*

**Hendrikus Visser**  
Former Executive Board Member of Rabobank and Nuon, N.V.  
*Audit, Governance, and Strategic Planning Committees*

## Executive Officers



From Left to Right, Top to Bottom: Garry Ball, Stephen Lupton, Dexter Schaible, David Caplan, Andy Beck, Frank Lukacs, Randy Hoffman, Martin Richenhagen, Gary Collar, Norm Boyd, James Seaver

**Martin H. Richenhagen**  
*President and Chief Executive Officer*

**Garry L. Ball**  
*Senior Vice President—Engineering*

**Andrew H. Beck**  
*Senior Vice President—Chief Financial Officer*

**Norman L. Boyd**  
*Senior Vice President—Human Resources*

**David L. Caplan**  
*Senior Vice President—Materials Management*

**Gary L. Collar**  
*Senior Vice President & General Manager—Europe, Africa & Middle East*

**Randall G. Hoffman**  
*Senior Vice President & General Manager—Challenger Worldwide*

**Frank C. Lukacs**  
*Senior Vice President—Manufacturing Technologies and Quality*

**Stephen D. Lupton**  
*Senior Vice President—Corporate Development, General Counsel*

**Dexter E. Schaible**  
*Senior Vice President—Product Development*

**James M. Seaver**  
*Senior Vice President & General Manager—Americas*

## Stockholder Information

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

**Transfer Agent & Registrar**  
Suntrust Bank Atlanta  
P.O. Box 4625  
Mail Code 0258  
Atlanta, Georgia USA 30302

**Stock Exchange**  
AGCO Corporation common stock (trading symbol "AG") is traded on the New York Stock Exchange.

**Independent Auditors**  
KPMG LLP  
Atlanta, Georgia USA

**Annual Meeting**  
The annual meeting of the Company's stockholders will be held at 9:00 a.m. ET, on April 21st, 2005 at the offices of AGCO Corporation, 4205 River Green Parkway, Duluth, Georgia USA 30096.

**Form 10-K**  
The Form 10-K annual report to the Securities and Exchange Commission is available on our corporate web site ([www.agcocorp.com](http://www.agcocorp.com)), under Investor Center, or upon request from the Investor Relations Department at corporate headquarters.

The most recent certifications by AGCO Corporation's Chief Executive Officer and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 regarding the quality of the Company's public disclosures are included as exhibits to the Company's Annual Report on Form 10-K for fiscal year 2004 filed with the Securities and Exchange Commission. In addition, AGCO's Chief Executive Officer submitted to the New York Stock Exchange the Annual CEO Certification for 2004 as required by Section 303A.12(a) of the NYSE Listed Company Manual.



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(770) 813-9200  
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