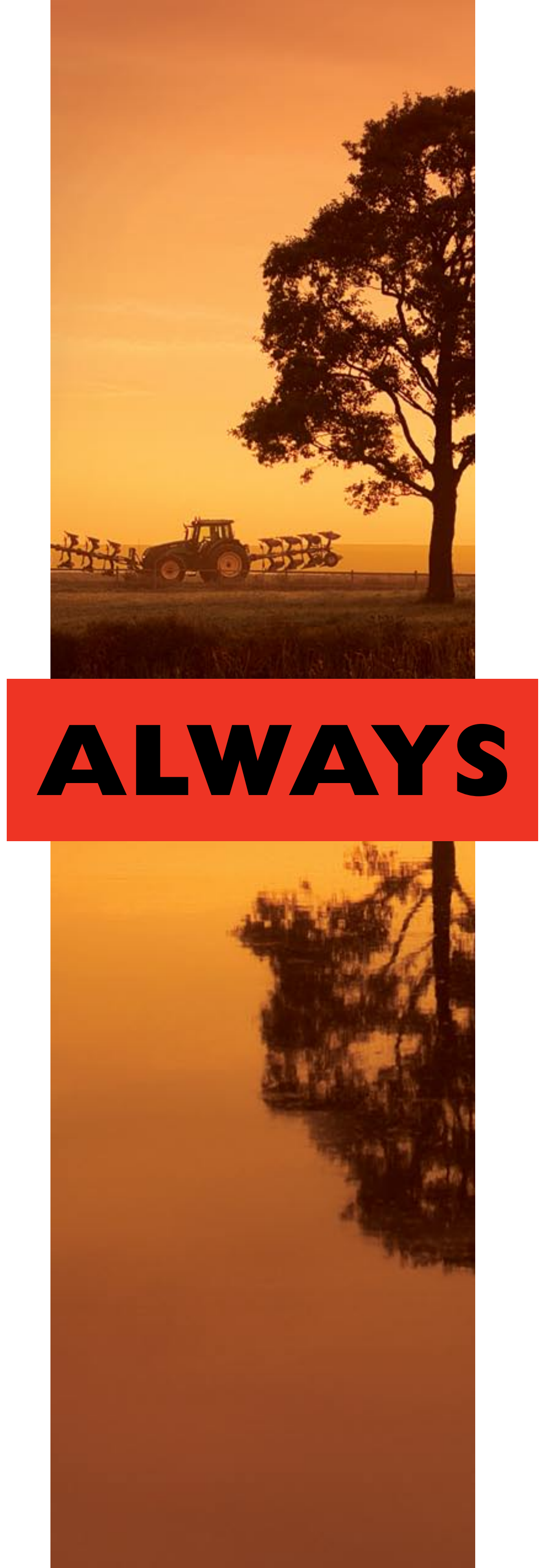

AGCO

2006 Annual Report

FINANCIAL HIGHLIGHTS

(In millions except per share amounts)

	2006	2005	2004
Net sales	$ 5,435.0	$ 5,449.7	$ 5,273.3
Income from operations	68.9	274.7	323.5
Net (loss) income	(64.9)	31.6	158.8
Total assets	4,114.5	3,861.2	4,297.3
Stockholders' equity	1,493.6	1,416.0	1,422.4
Earnings (loss) per share[1]	$ (0.71)	$ 0.35	$ 1.71
Adjusted earnings per share[2]	$ 1.12	$ 1.46	$ 1.75

[1] On a diluted basis.
[2] For a reconciliation of adjusted earnings per share, see footnote 1 on page 17

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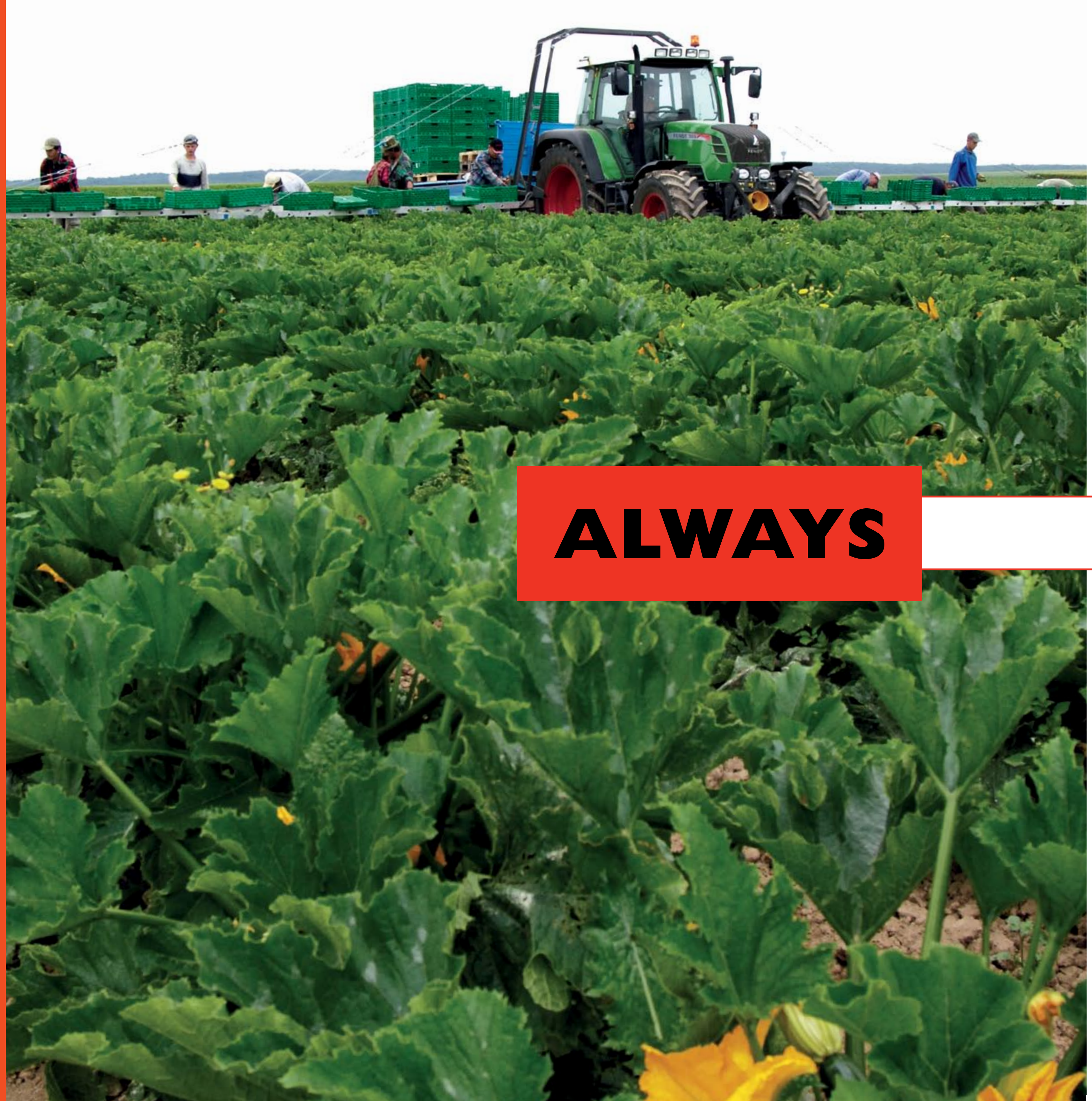


ALWAYS Growing

COMPANY PROFILE

AGCO Corporation is a global 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 3,200 independent dealers and distributors in more than 140 countries. We provide retail financing through AGCO Finance. Since 1990, the Company has grown from its initial revenue of $200 million to net sales of $5.4 billion in 2006. 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.

www.agcocorp.com

Martin Richenhagen
Chairman, President and
Chief Executive Officer

It is an exciting time to be in the agricultural industry. The global market for food production is changing, and AGCO is making significant investments to support our growth in the years ahead. The world's population is expanding, and per capita land available for food production is declining. There are emerging markets and expanding opportunities in Brazil, Eastern Europe and Asia. Farms are consolidating, driving an increase in mega-farming operations and growth in the sales of larger, more sophisticated farm equipment. There is also an accelerating demand for renewable energies among industrialized nations that has reduced global grain inventories and greatly improved commodity prices.

AGCO has ambitious plans to operate in these conditions and grow our global presence. We intend to maintain and develop our position as a technology leader and offer outstanding customer service as we redefine our place in the agricultural machinery industry.

TO OUR Stockholders

2006 was an important year for AGCO – a year of transition. Important events included the retirement of our key founder, the shift in corporate direction from growth through acquisition to organic growth and the rollout of a new strategic plan.

In August, Robert J. Ratliff retired as Chairman of the Board. Under Bob's direction, AGCO became one of the largest agricultural equipment companies in the global marketplace. Over the course of the past 16 years, AGCO has been a major force behind industry consolidation with 21 key acquisitions that built our Company from $200 million in net sales in 1990 to more than $5.4 billion in 2006. Bob's knowledge and expertise within the agricultural industry provided a solid foundation for AGCO's growth and our future success. As Bob's successor as Chairman and CEO, I would like to thank Bob for his vision and leadership during AGCO's formative years.

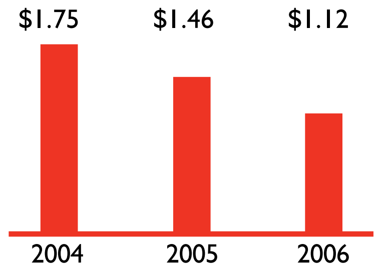
In 2006, we introduced an aggressive, strategic business plan supported by organic growth initiatives that will continue our advancement as one of the leading players in the global agricultural machinery marketplace. Our strategic initiatives are grouped in three primary areas of focus: strength, performance and simplicity. The first area – strength – refers to growing our sales and global market position. We are focusing on our four key global brands, the quality of our dealer networks and the enhancement of our service support programs. We intend to solidify our technological advantage in the high-end professional farming segment, as well as provide an attractive value to our customers in the lower-end market segment. We will augment our product line in a number of areas, most notably through a globally competitive harvesting offering.

In the second area – performance – we seek to increase our profitability by harmonizing and improving our processes. We have initiated a global best practice enterprise project to implement a common IT system. In addition, we will further leverage synergies between our business operations as well as optimize our global manufacturing and sourcing activities. Finally, we will continue to develop our most important resource, our employees. Through a number of key initiatives, we are providing them with a stimulating and motivating work environment in all regions.

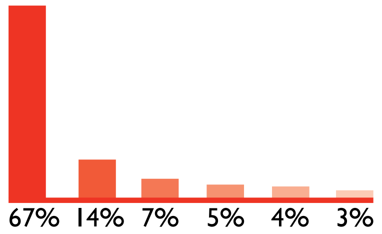
In the third area – simplicity – we are aiming at optimizing our asset base and working capital requirements. The initiatives in this area seek to improve our production and inventory management processes. Our "build to order" initiative aims at introducing order-driven production in all of our operations. Our inventory initiatives seek to reduce investments in excess inventory, and our sourcing initiatives are aimed at lowering costs. These strategic initiatives will help us achieve our goals of improving our earnings and returns on capital.

AGCO's financial performance in 2006 has the Company well-positioned to fund our strategic growth initiatives. In 2006, AGCO's net sales were $5.4 billion, which were flat compared to 2005. Our 2006 adjusted earnings per share, excluding restructuring charges and a non-cash goodwill impairment charge, was $1.12. In 2006, one of our primary objectives was to reduce working capital and generate cash flow. AGCO exceeded expectations and generated record operating cash flow in 2006. This strong performance enabled us to reduce debt and improve our balance sheet. Our 2006 results were highlighted by record sales and operating income in our Europe/ Africa/Middle East segment. In our other regional segments, we experienced mixed results. South America's weaker industry conditions resulted in sales declines, but our cost-reduction efforts allowed us to achieve improved operating income. The improvements in our European and South American segments were offset by lower sales and operating income in our North American and Asia/Pacific segments, where weaker market conditions impacted our results. In North America, our results were also negatively impacted by our initiatives to reduce working capital, where we successfully reduced dealer inventories. While this had a positive impact on our cash flow results in 2006, it also put pressure on our sales and operating income in North America.

AGCO derives strength from the heritage of our brands, and our passion to develop innovative technologies. We are creating a solid foundation for future growth by investing in our products. Our research and development investments in 2006 were up by more than 20 percent from 2004 levels. Our increased R&D investment delivered more than 40 new products in 2006. Leading the way was our Fendt brand with 21 new tractor introductions last year. Fendt products, which are manufactured in Germany, have been recognized worldwide as the pioneers in agricultural engineering for many years. Most recently, the 360 horsepower top Vario model received the Design Award of the Federal Republic of Germany in Frankfurt in February 2007. Other 2006 product introductions include the world's biggest tractor in the market today – the articulated, 4-wheel drive Challenger MT975B with 570 horsepower, and the Massey Ferguson, Gleaner and Challenger branded Class VIII combines with their 425 horsepower engines and fastest unloading rate in the industry. We also introduced one of the



ADJUSTED EARNINGS PER SHARE



SALES BY PRODUCT

- TRACTORS
- PARTS
- IMPLEMENTS AND OTHERS
- APPLICATION EQUIPMENT
- COMBINES
- HAY AND FORAGE

most powerful and versatile 4-cylinder tractors in the market with the new N Series from Valtra.

During 2006, we began major improvement projects in our manufacturing facilities at Hesston, Kansas, and Marktoberdorf, Germany. These projects have three key objectives: 1) increase labor productivity, 2) further improve our product quality and 3) reduce our finished goods inventories. These initiatives represent significant investments in our plants and are expected to reduce our operating costs and satisfy the additional capacity requirements generated by our aggressive growth plan.

We also made significant investments in our SisuDiesel engine facility in Finland, adding capacity and a new robotics line, making it one of the most advanced agricultural equipment manufacturing facilities in the world. In January 2007, we opened our new research and development center in Finland for our Valtra brand, underscoring our continuing commitment to providing some of the most innovative products and services in the industry.

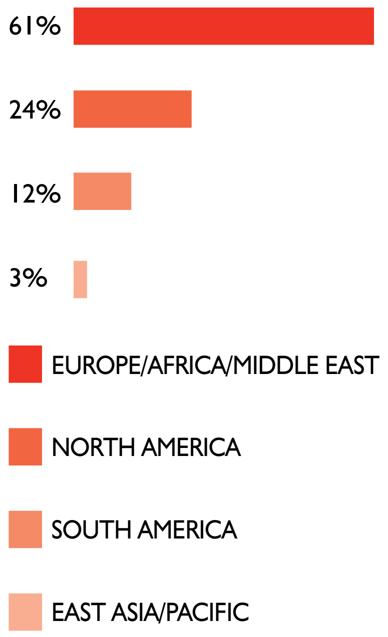
In 2006, we entered new markets and are poised to enter into other emerging markets in the coming years. In May, AGCO formed a joint venture with the Russian SM Group called AGCO SM, of which we are the majority partner. This joint venture provides AGCO with access to one of Russia's largest distribution networks in this fast-growing, emerging market. Our licensee in India provides us with a low-cost tractor for export to other global markets as well as extensive distribution within the country. We are also improving our distribution channels in key markets. In North America, we are engaging partners who share our same commitment for quality, customer service and success. Worldwide, we have consolidated our brand offering. By focusing on just four key brands, we can better implement product line additions, engine upgrades, advanced technologies and improved quality control. We are currently exploring sourcing materials, components and products from China in the near future and improving our distribution in that region. As we move forward, additional strategic partners and joint ventures will continue to enhance AGCO's product portfolio and distribution network.

I want to thank everyone who contributed to our successes in 2006, especially our employees, our directors, our dealers and our customers. We are unable to succeed without you and your commitment to AGCO and our future. I also want to express my appreciation to our stockholders. We are working hard to repay your trust and to reward you for your investment.

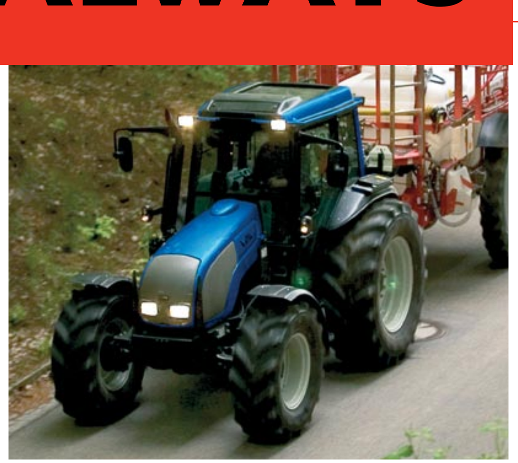
As we look ahead, we are inspired by the opportunities for our Company, and we remain focused on delivering the products and service levels that will drive strong financial results and keep AGCO "Always Growing."

Martin Richenhagen
Chairman, President and
Chief Executive Officer

SALES BY GEOGRAPHIC REGION



ALWAYS Moving OUR BRANDS CONTINUE TO COVER MORE GROUND.



Africa, Asia, Australia, Europe, North America, South America – wherever crops are grown, wherever livestock is raised, wherever high quality machinery is needed, AGCO brands are there. Ours are some of the most recognized and respected agricultural machinery brands in the world. They deliver unmatched power, speed and efficiency, making AGCO a market leader in many parts of the world. Our brand line-up contains industry giants like Massey Ferguson, a perennial leader in the number of tractors sold worldwide; Fendt, a global leader in technology development; Valtra, a market leader in the Nordic region of Europe and Brazil; and Challenger, another growing worldwide brand sold through Caterpillar dealers in both the North American and Eastern European markets. Today, our brands are helping us expand our global footprint even more, propelling us into rapidly emerging markets like Eastern Europe and East Asia. We're not stopping there, however. As we see it, there's plenty of ground left for us to cover.

ALWAYS Building

Regardless of location in the world, our commitment to quality is unwavering. Each and every one of our employees is dedicated to building the finest product available for our customers.

WE'RE BUILDING OUR FUTURE ON A STRONG FOUNDATION.

The agricultural marketplace is changing and is calling for more efficient utilization of resources through increased mechanization and automation. That, in turn, increases the opportunity for our broad, high-quality, multi-brand product line.

The common thread that unites all AGCO brands is our continuing focus on quality, innovation and reliability. Together, they form the foundation for all we do – helping us evolve into an even greater force in the global agricultural machinery industry. Today, we look at our business as an enterprise, not as a portfolio of different manufacturing companies. Through strategic initiatives we are focused on accelerating growth and improving performance. We are identifying and implementing programs targeted at optimizing global manufacturing and sourcing as well as time to market. To drive quality, we are also sharing leading technologies and best practices across all of our brands. Most importantly, we are continuing to invest in our people with the goal of having one of the premier workforces in the industry.

Our customers demand tractors, combines, engines and implements that not only meet, but exceed, their expectations. Since we focus solely on agricultural machinery, we build products that strive to reach the highest levels of dependability and reliability, allowing our customers to be among the most efficient and productive in the industry.

ALWAYS Helping

AGCO PARTS

To help keep our customers up and running worldwide, the AGCO Parts division utilizes computerized inventory tracking systems, rapid response capabilities and a streamlined distribution organization to ensure our dealers and customers have the right parts when and where they need them.

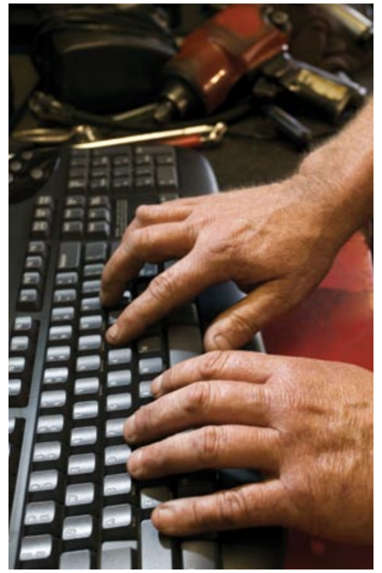
AGCO FINANCE

AGCO Finance, our retail finance joint venture, is both an agricultural industry specialist and a financing specialist. When customers are ready to buy or lease equipment, AGCO Finance has the expertise, financial strength, systems and comprehensive financing programs to help them meet their needs.

At AGCO, our farm machinery roots go back more than a century and a half. Along the way, we've learned what superior customer service is all about. Today, AGCO provides dealers and professional farmers around the world with advanced engineering solutions, technical leadership and high-quality customer service and support. AGCO creates expert solutions for customers by carefully listening to their needs – then exceeding their expectations. Our inventory management systems link inventory with customer demand, making customization easier. AGCO remains closely aligned with the needs of our customers. Our field specialists are equipped with the necessary training and information to take care of our dealers and customers day in, day out throughout the year.

On the dealer side of our business, we continue to deliver reliable products, effective product training, expert field service teams, high-quality parts, proven marketing expertise and competitive financing and leasing solutions through AGCO Finance. In short, we provide everything the dealer needs to help close the sale and grow its business. This also includes AGCO's Electronic Parts and Service Information system, which gives our dealer network online access to vital product information including operator manuals, service manuals and service bulletins. As an example of our continued focus on service, Fendt dealerships have access to Fendias, an advanced electronic diagnostic system that can help cut diagnostic and repair times by up to 50 percent. So, now our dealers and customers get the right information faster and easier to keep their customers' equipment operating at peak performance.

"CUSTOMER SERVICE" IS MORE THAN A PHRASE, IT'S PART OF OUR DNA.



On-farm service is just one way Caterpillar dealers continue to strengthen relationships with their customers.

Customer service is lip service at many companies. Not at AGCO. We continually invest in the technology and training to ensure our technicians are among the best trained and equipped in the industry.

AGCO is well-positioned to handle the demand for alternative fuels – from engine development to maintenance – and is dedicated to doing the right thing for the environment.

ALWAYS Innovating

A constant stream of leading-edge technology and innovative product introductions helps drive AGCO's growth. In 2006 alone, we introduced 43 new products, 110 product upgrades, 100 product extensions and 23 re-powered models. Our product introduction list includes new high-horsepower models, like the Fendt 936, which continues to win international acclaim for both its performance and design, as do many of our other brands.

AGCO Global Technologies is dedicated to developing proven, integrated solutions to help farmers increase profitability through delivering fuel savings, managing chemical and fertilizer applications and controlling tractor functions. Our Global Technologies team focuses on creating precision farming systems featuring the latest satellite-based steering technology, data collection, yield mapping and implement control and monitoring solutions.

AGCO remains a leader in advanced transmission technology. The Continuously Variable Transmission (CVT) was developed by Fendt for agricultural application and remains one of the world's most efficient transmissions. The CVT has been joined by new 4-speed and 6-speed semi-powershift transmissions offering the high performance, reliability and flexibility demanded by today's customer.

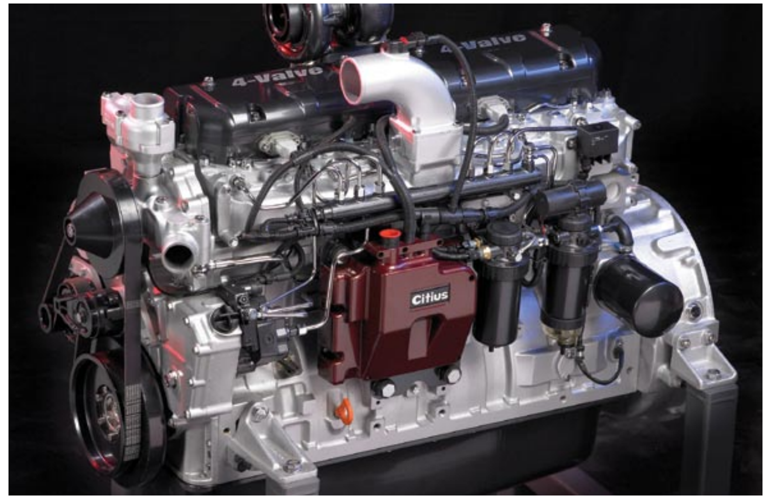
We increased our research and development activities again in 2006. AGCO is committed to producing an array of advanced, automated solutions that enhance the value and performance of AGCO equipment, helping farmers become increasingly effective, efficient and environmentally responsible. Our SisuDiesel engines, for example, utilize cleaner-burning biodiesel fuel mixtures (made from diesel oil and vegetable oils) at rates ranging from 5 to 100 percent. Market demand for the SisuDiesel engines is increasing. Not only is the engine used in many AGCO brands worldwide, but other equipment manufacturers rely on the SisuDiesel quality and dependability in a variety of external applications, including forestry equipment, marine applications, irrigation systems and back-up or emergency power sources.

WHAT DRIVES FARMERS TO DRIVE AGCO? LEADING-EDGE TECHNOLOGY.

The list of awards our brands won in 2006 is an extensive one. Here are a few highlights:
Valtra Brazil – MasterCana Award named Valtra the Best Tractor Manufacturer for the Brazilian sugar and ethanol production segment
Challenger MT900B – Won 2006 PTC Design Award in the Heavy Equipment category for engineering and design
Massey Ferguson 8400 – Received FinOvation Award from Farm Industry News for product of choice
Fendt and Massey Ferguson – Both received Agritechnica Machine of the Year 2006 awards in different horsepower classes
AGCO Tractors – Won five AE-50 awards from ASABE for product innovation, design and engineering

AGCO is continually incorporating innovative technologies into our equipment, providing tangible benefits to our customers...from engines that deliver the necessary levels of fuel efficiency and lowest levels of emissions, to productivity-enhancing satellite guidance technology.

In the past year, AGCO has received numerous awards for its products. AGCO is also proud to have received additional awards for its social responsibility and community involvement in many regions of the world.



ALWAYS Raising the bar

FOCUSING ON THE NEXT LEVEL OF GROWTH.

Left to Right

Norman L. Boyd
Senior Vice President
Human Resources

Andrew H. Beck
Senior Vice President
Chief Financial Officer

Randall G. Hoffman
Senior Vice President
Global Sales and Marketing

Martin H. Richenhagen
Chairman of the Board
President and
Chief Executive Officer

Hubertus M. Muehlhaeuser
Senior Vice President
Strategy & Integration and IT
General Manager, Engines

Andre M. Carioba
Senior Vice President
General Manager, South America

Robert B. Crain
Senior Vice President
General Manager, North America

Gary L. Collar
Senior Vice President
Gen. Manager, Europe/Africa/
Middle East; East Asia/Pacific

David L. Caplan
Senior Vice President
Materials Management,
Worldwide

Frank C. Lukacs
Senior Vice President
Manufacturing and Quality

Stephen D. Lupton
Senior Vice President
Corporate Development &
General Counsel

Garry L. Ball
Senior Vice President
Engineering

AGCO's tractors, combines, application equipment, implements and technology products touch farmers every day and in virtually every time zone around the world. We have a solid foundation on which to build. Through an exhaustive strategic planning process, we have implemented numerous initiatives targeted to strengthening our Company, ultimately resulting in increased revenues and profitability.

AGCO has launched numerous initiatives that focus on key brands, develop new products and services, help facilitate the growth of our dealers and distribution, and enter into emerging markets such as Eastern Europe and East Asia. We will continue to rationalize our product line and take advantage of low-cost country sourcing and other strategic opportunities designed to trim costs and increase process efficiency. In addition, we continue to identify best practices in manufacturing, using many different world-class companies as benchmarks. We rigorously track six essential elements of our business: speed, cost, customer service, asset management, environmental health and safety. Moreover, we track the performance of every AGCO factory on those same six points. And, we are moving toward a worldwide "build to order" manufacturing process, which is designed to reduce inventories, decrease working capital costs and ensure that the right product is delivered to our customers when promised. We have also intensified our focus on the harvesting market segment and expect to add more models to our line of combines and harvesting machinery.

AGCO is expanding its global presence, planning and investing for the future and is, as never before, committed to meeting the needs our customers, dealers, distributors and employees worldwide. In short, we are ***"Always Growing."***

NEW PARTNERS | ***NEW MARKETS*** | ***NEW PRODUCTS*** | ***NEW CUSTOMERS*** | ***NEW HEIGHTS***

FORWARD-LOOKING STATEMENTS

This annual report includes forward-looking statements including the statements in the letter to stockholders and other statements herein regarding future products, growth and markets. These statements are subject to risks that could cause actual results to differ materially from those suggested by the statements, including:

Our financial results depend significantly upon the agricultural industry, and factors that adversely affect the agricultural industry generally will adversely affect us.

The agricultural equipment industry is highly seasonal, and seasonal fluctuations significantly impact our results of operations and cash flows.

Our success depends on the introduction of new products, which require substantial expenditures.

We face significant competition and, if we are unable to compete successfully against other agricultural equipment manufacturers, we would lose customers and our revenues and profitability would decline.

We depend on suppliers for components and parts for our products, and any failure by our suppliers to provide products as needed, or by us to promptly address supplier issues, will adversely impact our ability to timely and efficiently manufacture and sell our products.

A majority of our sales and manufacturing takes place outside of the United States, and, as a result, we are exposed to risks related to foreign laws, taxes, economic conditions, labor supply and relations, political conditions and governmental policies. These risks may delay or reduce our realization of value from our international operations.

Currency exchange rate and interest rate changes can adversely affect the profitability of our products.

We are subject to extensive environmental laws and regulations, and our compliance with, or our failure to comply with, existing or future laws and regulations could delay production of our products or otherwise adversely affect our business.

Our labor force is heavily unionized, and our contractual and legal obligations under collective bargaining agreements and labor laws subject us to the risks of work interruption or stoppage and could cause our costs to be higher.

We have significant pension obligations with respect to our employees.

We are subject to fluctuations in raw material prices and availability, which may cause delays in the production of our products or otherwise adversely affect our manufacturing costs.

We have a substantial amount of indebtedness, and, as a result, we are subject to certain restrictive covenants and payment obligations that may adversely affect our ability to operate and expand our business.

Further information concerning these and other factors is included in the Company's filings with the Securities and Exchange Commission, including its Form 10-K for the year ended December 31, 2006. The Company disclaims any obligation to update any forward-looking statements.

SELECTED FINANCIAL INFORMATION

(in millions, except percentages, per share amounts and employees)

Years Ended December 31,	2006	2005	2004	2003	2002
Operating Results					
Net sales	**$ 5,435.0**	$ 5,449.7	$ 5,273.3	$ 3,495.3	$ 2,922.7
Gross profit	**927.8**	933.6	952.9	616.4	531.8
Percent of net sales	**17.1%**	17.1%	18.1%	17.6%	18.2%
Income from operations	**68.9**	274.7	323.5	184.3	103.5
Percent of net sales	**1.3%**	5.0%	6.1%	5.3%	3.5%
Net (loss) income	**(64.9)**	31.6	158.8	74.4	(84.4)
Net (loss) income per common share – diluted[1]	**$ (0.71)**	$ 0.35	$ 1.71	$ 0.98	$ (1.14)
Weighted average shares outstanding – diluted	**90.8**	90.7	95.6	75.8	74.2
Cash flows from operations	**$ 442.2**	$ 246.3	$ 265.9	$ 88.0	$ 73.2
Balance Sheet Data					
Working capital	**$ 685.4**	$ 825.8	$ 1,045.5	$ 755.4	$ 599.4
Total assets	**4,114.5**	3,861.2	4,297.3	2,839.4	2,349.0
Long-term debt, less current portion	**577.4**	841.8	1,151.7	711.1	636.9
Total liabilities	**2,620.9**	2,445.2	2,874.9	1,933.3	1,631.4
Stockholders' equity	**1,493.6**	1,416.0	1,422.4	906.1	717.6
Other Data					
Number of employees	**12,804**	13,023	14,313	11,278	11,555

[1] The Company makes reference to adjusted earnings per share, as reconciled below:

	2006	2005	2004	2003	2002
Net (loss) income per common share – diluted	**$ (0.71)**	$ 0.35	$ 1.71	$ 0.98	$ (1.14)
Restructuring and other infrequent expenses[2]	**0.01**	–	0.04	0.26	0.38
Goodwill impairment charge[2]	**1.81**	–	–	–	–
Bond redemption costs[2]	**–**	0.15	–	–	–
Deferred income tax valuation allowance adjustment	**–**	0.95	–	–	1.21
Cumulative effect of a change in accounting principle[2]	**–**	–	–	–	0.33
Weighted average share impact	**0.01**	–	–	–	–
Net income per common share – adjusted	**$ 1.12**	$ 1.46	$ 1.75	$ 1.24	$ 0.78

[2] After tax.

Rounding may impact the summation of certain line items.

CONSOLIDATED STATEMENTS OF OPERATIONS

(in millions, except per share data)

Years Ended December 31,	2006	2005	2004
Net sales	$ 5,435.0	$ 5,449.7	$ 5,273.3
Cost of goods sold	4,507.2	4,516.1	4,320.4
Gross profit	927.8	933.6	952.9
Selling, general and administrative expenses	541.7	520.7	509.8
Engineering expenses	127.9	121.7	103.7
Restructuring and other infrequent expenses	1.0	–	0.1
Goodwill impairment charge	171.4	–	–
Amortization of intangibles	16.9	16.5	15.8
Income from operations	68.9	274.7	323.5
Interest expense, net	55.2	80.0	77.0
Other expense, net	32.9	34.6	22.1
(Loss) income before income taxes and equity in net earnings of affiliates	(19.2)	160.1	224.4
Income tax provision	73.5	151.1	86.2
(Loss) income before equity in net earnings of affiliates	(92.7)	9.0	138.2
Equity in net earnings of affiliates	27.8	22.6	20.6
Net (loss) income	$ (64.9)	$ 31.6	$ 158.8
Net (loss) income per common share:			
Basic	$ (0.71)	$ 0.35	$ 1.84
Diluted	$ (0.71)	$ 0.35	$ 1.71
Weighted average number of common and common equivalent shares outstanding:			
Basic	90.8	90.4	86.2
Diluted	90.8	90.7	95.6

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, except share amounts)

December 31,	2006	2005
Assets		
Current Assets:		
Cash and cash equivalents	$ 401.1	$ 220.6
Accounts and notes receivable, net	677.1	655.7
Inventories, net	1,064.9	1,062.5
Deferred tax assets	36.8	39.7
Other current assets	129.1	107.7
Total current assets	2,309.0	2,086.2
Property, plant and equipment, net	643.9	561.4
Investment in affiliates	191.6	164.7
Deferred tax assets	105.5	84.1
Other assets	64.5	56.6
Intangible assets, net	207.9	211.5
Goodwill	592.1	696.7
Total assets	$ 4,114.5	$ 3,861.2
Liabilities and Stockholders' Equity		
Current Liabilities:		
Current portion of long-term debt	$ 6.3	$ 6.3
Convertible senior subordinated notes	201.3	–
Accounts payable	706.9	590.9
Accrued expenses	629.7	561.8
Other current liabilities	79.4	101.4
Total current liabilities	1,623.6	1,260.4
Long-term debt, less current portion	577.4	841.8
Pensions and post-retirement health care benefits	268.1	241.7
Deferred tax liabilities	114.9	88.1
Other noncurrent liabilities	36.9	13.2
Total liabilities	2,620.9	2,445.2
Stockholders' Equity:		
Preferred stock; $0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding in 2006 and 2005	–	–
Common stock; $0.01 par value, 150,000,000 shares authorized, 91,177,903 and 90,508,221 shares issued and outstanding in 2006 and 2005, respectively	0.9	0.9
Additional paid-in capital	908.9	894.7
Retained earnings	774.1	825.4
Unearned compensation	–	(0.1)
Accumulated other comprehensive loss	(190.3)	(304.9)
Total stockholders' equity	1,493.6	1,416.0
Total liabilities and stockholders' equity	$ 4,114.5	$ 3,861.2

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)

	Common Stock					Accumulated Other Comprehensive Loss					
	Shares	Amount	Additional Paid-In Capital	Retained Earnings	Unearned Compensation	Defined Benefit Pension Plans	Cumulative Translation Adjustment	Deferred Gains (Losses) on Derivatives	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity	Comprehensive Income (Loss)
Balance, December 31, 2003	75,409,655	$ 0.8	$ 590.3	$ 635.0	$ (0.5)	$ (128.4)	$ (188.4)	$ (2.7)	$ (319.5)	$ 906.1	
Net income	—	—	—	158.8	—	—	—	—	—	158.8	$ 158.8
Issuance of common stock, net of offering expenses	14,720,000	0.1	299.4	—	—	—	—	—	—	299.5	
Issuance of restricted stock	7,487	—	0.2	—	—	—	—	—	—	0.2	
Stock options exercised	257,150	—	3.3	—	—	—	—	—	—	3.3	
Amortization of unearned compensation	—	—	—	—	0.3	—	—	—	—	0.3	
Additional minimum pension liability, net of taxes	—	—	—	—	—	(18.9)	—	—	(18.9)	(18.9)	(18.9)
Deferred gains and losses on derivatives held by affiliates, net	—	—	—	—	—	—	—	3.8	3.8	3.8	3.8
Change in cumulative translation adjustment	—	—	—	—	—	—	69.3	—	69.3	69.3	69.3
Balance, December 31, 2004	90,394,292	0.9	893.2	793.8	(0.2)	(147.3)	(119.1)	1.1	(265.3)	1,422.4	213.0
Net income	—	—	—	31.6	—	—	—	—	—	31.6	31.6
Issuance of restricted stock	4,449	—	0.1	—	—	—	—	—	—	0.1	
Stock options exercised	109,480	—	1.4	—	—	—	—	—	—	1.4	
Amortization of unearned compensation	—	—	—	—	0.1	—	—	—	—	0.1	
Additional minimum pension liability, net of taxes	—	—	—	—	—	(2.8)	—	—	(2.8)	(2.8)	(2.8)
Deferred gains and losses on derivatives held by affiliates, net	—	—	—	—	—	—	—	2.8	2.8	2.8	2.8
Change in cumulative translation adjustment	—	—	—	—	—	—	(39.6)	—	(39.6)	(39.6)	(39.6)
Balance, December 31, 2005	90,508,221	0.9	894.7	825.4	(0.1)	(150.1)	(158.7)	3.9	(304.9)	1,416.0	(8.0)
Cumulative effect of adjustments from the adoption of SAB No. 108, net of taxes	—	—	—	13.6	—	—	—	—	—	13.6	
Adjusted balance, January 1, 2006	90,508,221	0.9	894.7	839.0	(0.1)	(150.1)	(158.7)	3.9	(304.9)	1,429.6	
Net loss	—	—	—	(64.9)	—	—	—	—	—	(64.9)	(64.9)
Issuance of restricted stock	8,832	—	0.2	—	—	—	—	—	—	0.2	
Stock options exercised	660,850	—	10.8	—	—	—	—	—	—	10.8	
Stock compensation	—	—	3.3	—	—	—	—	—	—	3.3	
Reclassification due to the adoption of SFAS No. 123R	—	—	(0.1)	—	0.1	—	—	—	—	—	
Additional minimum pension liability, net of taxes	—	—	—	—	—	6.6	—	—	6.6	6.6	6.6
Deferred gains and losses on derivatives, net	—	—	—	—	—	—	—	0.1	0.1	0.1	0.1
Deferred gains and losses on derivatives held by affiliates, net	—	—	—	—	—	—	—	(2.0)	(2.0)	(2.0)	(2.0)
Adjustments related to the adoption of SFAS No. 158, net of taxes	—	—	—	—	—	(26.8)	—	—	(26.8)	(26.8)	
Change in cumulative translation adjustment	—	—	—	—	—	—	136.7	—	136.7	136.7	136.7
Balance, December 31, 2006	91,177,903	$ 0.9	$ 908.9	$ 774.1	$ —	$ (170.3)	$ (22.0)	$ 2.0	$ (190.3)	$ 1,493.6	$ 76.5

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.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)

Years Ended December 31,	2006	2005	2004
Cash flows from operating activities:			
Net (loss) income	$ (64.9)	$ 31.6	$ 158.8
Adjustments to reconcile net (loss) income to net cash provided by operating activities:			
Depreciation	98.6	89.4	84.3
Deferred debt issuance cost amortization	6.4	7.2	13.2
Goodwill impairment charge	171.4	–	–
Amortization of intangibles	16.9	16.5	15.8
Stock compensation	3.5	0.2	0.3
Equity in net earnings of affiliates, net of cash received	(8.8)	(14.5)	(6.1)
Deferred income tax provision	10.6	107.9	14.5
Gain on sale of property, plant and equipment	(0.8)	(3.0)	(8.7)
Write-down of property, plant and equipment	0.3	0.3	9.5
Changes in operating assets and liabilities, net of effects from purchase of businesses:			
Accounts and notes receivable, net	32.5	103.6	(39.9)
Inventories, net	66.2	(42.1)	(65.1)
Other current and noncurrent assets	(26.5)	(22.3)	(10.5)
Accounts payable	55.1	39.8	53.2
Accrued expenses	44.3	(44.6)	38.5
Other current and noncurrent liabilities	37.4	(23.7)	8.1
Total adjustments	507.1	214.7	107.1
Net cash provided by operating activities	442.2	246.3	265.9
Cash flows from investing activities:			
Purchases of property, plant and equipment	(129.1)	(88.4)	(78.4)
Proceeds from sales of property, plant and equipment	3.9	10.5	46.0
Sale/(purchase) of businesses, net of cash acquired	—	0.4	(765.7)
(Investments in)/proceeds from sale of unconsolidated affiliates, net	(2.9)	(23.4)	1.0
Net cash used in investing activities	(128.1)	(100.9)	(797.1)
Cash flows from financing activities:			
Proceeds from debt obligations	538.2	670.2	1,450.5
Repayments of debt obligations	(708.2)	(901.1)	(1,036.9)
Proceeds from issuance of common stock	10.8	1.4	303.0
Payment of debt issuance costs	(4.9)	–	(21.1)
Net cash (used in) provided by financing activities	(164.1)	(229.5)	695.5
Effects of exchange rate changes on cash and cash equivalents	30.5	(20.9)	14.3
Increase (decrease) in cash and cash equivalents	180.5	(105.0)	178.6
Cash and cash equivalents, beginning of year	220.6	325.6	147.0
Cash and cash equivalents, end of year	$ 401.1	$ 220.6	$ 325.6

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.

Wolfgang Deml
President and Chief Executive Officer, BayWa Corporation
Governance and Succession Planning Committees

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

P. George Benson
President
College of Charleston
Audit, Executive and Governance Committees

Gerald B. Johanneson
Former President & Chief Executive Officer, Haworth, Inc.
Executive, Governance and Succession Planning Committees

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

Francisco R. Gros
President and Chief Executive Officer, Fosfertil
Audit and Governance Committees

▲ Standing, left to right

Seated, left to right ▶

Martin H. Richenhagen
Chairman, President & CEO
AGCO Corporation
Executive and Succession Planning Committees

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

Gerald L. Shaheen
Group President
Caterpillar Inc.
Compensation, Executive and Succession Planning Committees

Herman Cain
Chairman of
T.H.E. New Voice, Inc.
Compensation and Succession Planning Committees

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

Corporate Headquarters
4205 River Green Parkway
Duluth, Georgia, 30096 U.S.A.
770-813-9200

Transfer Agent & Registrar
Computershare Investor Services, LLC
P.O. Box 43078
Providence, RI 02940-3078

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

Independent Registered Public Accounting Firm
KPMG LLP
Atlanta, Georgia U.S.A.

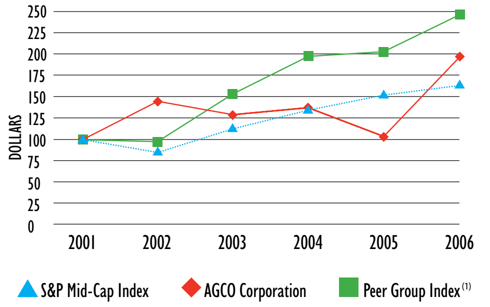
Annual Meeting
The annual meeting of the Company's stockholders will be held at 9:00 a.m. ET, on April 26, 2007 at the offices of AGCO Corporation, 4205 River Green Parkway, Duluth, Georgia 30096 U.S.A.

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), under "Investors & Media," or upon request from the Investor Relations Department at corporate headquarters.

Performance Graph

The graph shown below is a line graph presentation of the Company's cumulative stockholder returns on an indexed basis as compared to the S&P Mid-Cap 400 Index and a self-constructed peer group of the companies listed in footnote 1 to the performance graph ("Peer Group"). Returns for the Company in the graph are not necessarily indicative of future performance.

Compare 5-Year Cumulative Total Return Among AGCO Corporation, S&P Mid-Cap Index And Peer Group Index



Assumes $100 Invested On January 1, 2002
Assumes Dividends Reinvested

(1) Based on information for a self-constructed per group of companies which includes the following companies: Caterpillar Inc., CNH Global NV, Cummins Inc., Deere & Company, Eaton Corporation, Ingersoll-Rand Company, Navistar International Corporation, PACCAR Inc., Parker Hannifin Corporation and Terex Corporation.

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 2006 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 2006 as required by Section 303A.12(a) of the NYSE Listed Company Manual.

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770-813-9200
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