



2007 Annual Report



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Brands + People + Innovation + Opportunity + Strategy



FINANCIAL HIGHLIGHTS

(In millions, except per share amounts)

	2007	2006	Change
Net sales	\$ 6,828.1	\$ 5,435.0	+ 25.6%
Income from operations	394.8	68.9	+ 473.0%
Net income (loss)	246.3	(64.9)	
Total assets	4,787.6	4,114.5	+ 16.4%
Stockholders' equity	2,043.0	1,493.6	+ 36.8%
Earnings (loss) per share ⁽¹⁾	\$ 2.55	\$ (0.71)	
Adjusted earnings per share ⁽²⁾	\$ 2.52	\$ 1.12	+ 125.0%

⁽¹⁾On a diluted basis.

⁽²⁾For a reconciliation of adjusted earnings per share, see footnote 1 on page 17

MISSION

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

VISION

High-tech solutions for professional farmers feeding the world.

From the Brazilian sugar cane fields, to the American corn belt, to the wheat fields of Europe and the emerging markets of Asia, the Middle East and Africa – demand for AGCO's quality brands has never been greater. The 2007 annual report focuses on what's behind our brands, and it looks at the five key factors that contribute to the growth of AGCO Corporation. With net sales of more than \$6.8 billion, AGCO is continuing to broaden into one of the strongest agricultural equipment companies worldwide.





Fellow Stockholders

I am pleased to tell you that AGCO Corporation achieved record sales and net income in 2007. Over the last 12 months, AGCO's 13,700 employees and 3,000 independent dealers applied their dedication, creativity and passion to the task of providing innovative products and service to our customers. The major global markets for agricultural equipment saw a healthy start in 2007 and most strengthened as the year progressed. Around the globe, there are factors supporting grain prices and providing opportunities for our industry. The increasing demand for soft commodities from the growing population, improved diets and increased bio-fuel production has resulted in grain inventories dropping to record lows and grain prices rising to historic highs. These positive developments drive more land into crop production and suggest higher visibility for future farm cash flows and large farm equipment demand. The market outlook for agricultural equipment remains positive, and AGCO is well-positioned with strong brands and quality products to take advantage of the favorable market conditions.

AGCO's sales and earnings for 2007 both showed impressive growth compared to 2006. For 2007, AGCO's

Martin Richenhagen
Chairman, President and Chief Executive Officer

sales increased approximately 25.6% to \$6.8 billion, and our adjusted diluted earnings per share increased over 125% compared to 2006. The strength of our end markets continued to produce very positive results. Brazil's farm economy improved significantly driving strong growth in our South American sales. Our Europe/Africa/Middle East segment delivered another strong performance with our Fendt, Valtra and Massey Ferguson brands making important contributions. Fendt's new high horsepower tractor models were enthusiastically received by our customers, and the sales of these high margin products factored into our improvements in sales and margins in Europe. We also achieved improved sales in both our North American and Asia/Pacific segments. Our profitability improved in 2007 with our operating margins rising 1.3 percentage points compared to 2006.

In 2007, one of our primary objectives was to reduce working capital and generate cash flow. AGCO exceeded expectations by generating over \$360 million of free cash flow during 2007, which was also a record for our company. The strong cash flow allowed us to reduce debt, improve our balance sheet and increase our research and

development efforts. Looking at just our 2007 new product introductions, we launched three new Indian sourced tractors to the North American market, eight new Valtra tractors, 15 new combines, 23 new planter and tillage models, the new high horsepower Fendt 900 series and 16 other new tractor models in Europe. In 2008 and 2009, the number of AGCO's new product introductions is expected to increase by nearly one-third compared to our 2007 activity.

AGCO has ambitious plans to take advantage of the strong markets and grow its global presence. We intend to maintain and develop our position as a technology leader and offer outstanding customer service. Our annual report is organized around the five key elements that we feel are necessary to attain our ambitions for profitable growth. First, strong brands – demand for our brands has never been greater and we are working to ensure this momentum continues. Next, we consider our people our most important resource, and we are making investments to deliver quality products, services and support to our customers. Third, innovation is driving a full roster of award-winning new products designed to deliver productivity solutions to farmers. Fourth, AGCO is focused on the many opportunities for growth that exist in our dynamic industry. Finally, we have a results-driven strategy to deliver our growth ambitions.

Brands

Over the past 17 years, AGCO has been a major force behind industry consolidation. Through a series of acquisitions, our sales have grown from \$200 million in 1990 to over \$6.8 billion in 2007. AGCO acquired many well-known and respected equipment brands that our customers rely on to meet their agricultural equipment needs. With our multi-brand strategy and product differentiation, AGCO offers more options to satisfy customers' needs and reward their brand loyalty. We differentiate our products by feature, functionality and price. In addition, our brands are enhanced by a network of dealers and distributors that provide superior sales and service support to our customers.

Through our four core brands, Massey Ferguson, Fendt, Valtra and Challenger, we are providing high-tech solutions for the growing sector of professional farmers. Massey Ferguson is one of the most widely sold tractor brands in the world, with more than 150 years of innovation and experience, and offers one of the most complete lines of agricultural equipment in the industry. Fendt is a market leader in Europe with a reputation for superior technology and engineering. Valtra has achieved a leading market

position in the Nordic region and a strong presence in Brazil with innovative solutions and unsurpassed customer service. Challenger markets its full line of high-end farm equipment to customers requiring high performing, powerful and rugged machinery.

People

At AGCO, the foundation for our success is a work force that consists of top talent from around the world. We understand that motivated employees are essential for the achievement of our corporate goals. By continually enhancing the leadership, business and people management skills of our current and potential managers, we expect to have employees who can provide the necessary vision, leadership and execution to achieve our financial and operational goals. Recognizing that our employees are critical to the success of our initiatives, we will continue to invest in market-leading training, knowledge management and human resources programs. We are also making increased investments in dealer training and parts and service support to improve the service experience of our customers.

Innovation

Our objective is to deliver the highest quality products and services that exceed our customers' expectations at the right price. We are working to produce innovative products that provide our customers with high-tech solutions to meet their need for improved efficiency, productivity and profitability. With that aim in mind, we have tripled our research and development spending over the last six years to approximately \$155 million in 2007. Our spending is focused on new technology for our high horsepower tractor products, new products that fill regional product niches and investments in our re-energized harvesting program.

In 2007, we centralized our technology efforts and formed AGCO's Advanced Technology Solutions (ATS) group. This group is a global organization responsible for providing

technology to the family of AGCO brands for use in all markets around the world. To more effectively manage the development and introduction of new technologies, we have separated ATS into three distinct areas of responsibility: Machine Control, defined as automated guidance or steering assist; Precision Farming, which facilitates enhanced planting, fertilizer and chemical application and harvesting operations; and Machine Management, which enables farmers to record and manage data to help increase the efficiency of their operations.

Opportunity

AGCO's focus for 2008 and beyond includes satisfying the needs of a rapidly changing agricultural market. Our challenge is to take advantage of these growing opportunities by developing new products and innovations, improving distribution and expanding business in emerging markets. We also have the opportunity to develop tractors and machinery to support the needs of fuel crop growers, evolve equipment to comply with bio-fuel requirements and be part of an industry that sets standards for bio-fuel cleanliness and performance. The developing markets of Russia and Eastern Europe provide a significant growth opportunity, and we are making investments to expand our distribution footprint in those regions. AGCO is committed to meeting or exceeding increasingly strict emissions requirements via our substantial product development efforts. We expect to grow AGCO by increasing the breadth of products, delivering technology-based solutions to our customers and expanding our presence in the emerging markets of the world with investments that drive market growth and deliver outstanding returns.

Strategy

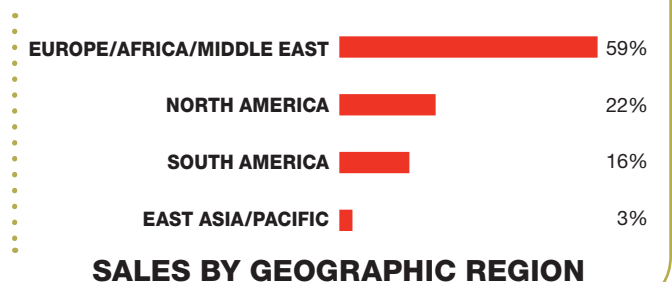
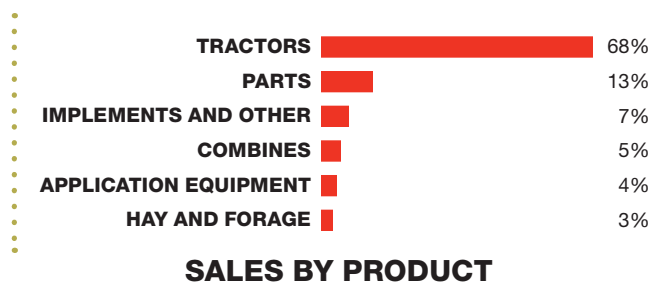
The vision that guides our strategy is to provide "high-tech solutions for professional farmers feeding the world" by increasing the efficiency and productivity of farmers. AGCO's mission is to achieve profitable growth through superior customer service, innovation, quality and

commitment. Being successful requires consistent execution of strategic principles that drive performance every year. To ensure AGCO continues to improve its competitive position and its performance, we have put strategic initiatives in place aimed at growing our sales, reducing costs and better utilizing capital. Our growth strategies are focused on increasing investments in new products to provide leading technology to the family of AGCO brands. We are also working to improve our distribution network to expand our reach and upgrade our customer service. In addition, our cost reduction strategies drive the efficiency and productivity of our manufacturing and purchasing functions.

Whether it's one acre or thousands of hectares, we're dedicated to improving our customers' productivity, efficiency and profitability. We're confident that the quality of our products, combined with ingenuity of our employees and dealer network, will ensure that our customers and AGCO are Always Growing.

While I am proud of what we achieved in 2007, we have much work to do. I believe our business is well positioned to grow sustainably and profitably. AGCO's achievements in 2007 establish a solid foundation for continued earnings growth. I thank our Board of Directors for their continued counsel and guidance. I am grateful for your confidence, and I look forward to the opportunities ahead for AGCO.

Martin Richenhagen
 Chairman, President and
 Chief Executive Officer





Brands

The world's farmers seek greater efficiency and profitability. AGCO delivers.



AGCO brands provide farmers the world over with a strong foundation for growth. AGCO's extensive family of brands includes many of the most trusted global names in agricultural equipment, including Challenger, Fendt, Massey Ferguson and Valtra. These four corporate brands, alone, accounted for more than 86 percent of AGCO total machinery net sales in 2007. Challenger, a popular and respected full line of machinery, delivers high specification, powerful, high technology equipment to professional farmers around the world. Fendt, based in Germany, remains a market leader in Europe, positioned on the cutting edge of design, engineering and

- technological leadership. Massey Ferguson, one of the most widely sold tractor brands in the world, offers a complete, rugged and versatile product line to fit virtually all types of farming applications. Valtra continues to hold a dominant position in both the Nordic region and the fast-growing Brazilian market with tractors built to deliver the highest levels of performance in some of the toughest working conditions.
- Because Valtra tractors are built to individual customer specifications, Valtra proudly hosted more than 3,000 customers at Valtra's Suolahti, Finland factory to watch their tractors being built. We like it when customers look over our shoulders.



Challenger

FENDT



MASSEY FERGUSON



VALTRA

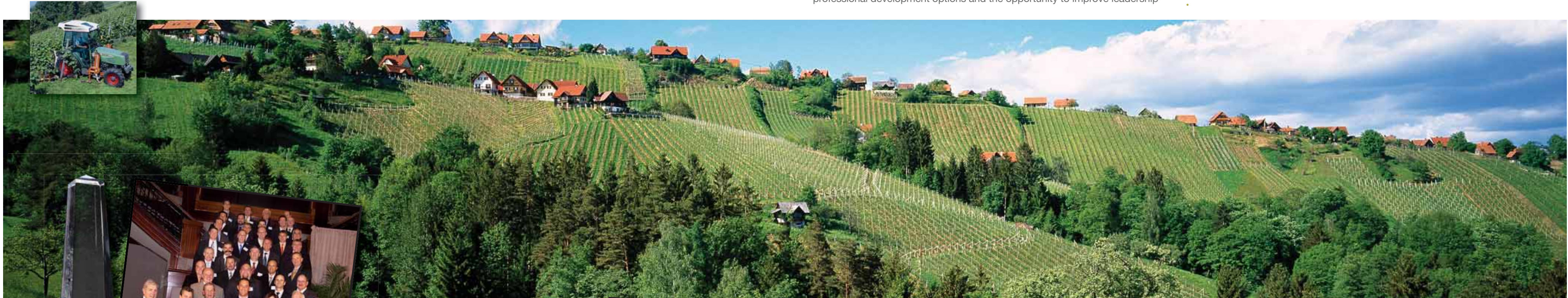


People

Our customers expect high quality products, service and support. AGCO people are driven to exceed expectations.

The people of AGCO share a common mission: to create profitable growth through superior customer service, innovation, quality and commitment. In 2007, our mission underscored quality, as we launched AGCO Improvement Methods (AIM). AIM provides AGCO employees with a wide range of proven problem-solving and quality tools. AGCO University, created from just one of a series of Human Resources initiatives, continues to train future managers and leaders – providing employees around the globe with additional education and professional development options and the opportunity to improve leadership

skills. In 2007, AGCO University launched “Cultivating Our Leaders,” a global training program that provides high potential employees with the tools they need to enhance their leadership skills. AGCO also offers employees the Growing Resources and Opportunity Worldwide (GROW) program, which helps manage performance and develop core competencies necessary to support global growth strategies. Of course, it’s not only our employees that benefit from all of this training. Our customers do as well.



Chairman's Award and 2007 Recipients



AGCO Parts Supports AGCO Brands Worldwide



Challenger's Revolutionary Track System and Innovative Suspension System Help Raise Farm Productivity



AGCO Finance Makes Delivery Possible for Farmers



AGCO Participates in Raising Awareness for a Breast Cancer Charity With a Pink Massey Ferguson Tractor



Excited Families Watch Assembly of Their Valtra Tractor



Innovation

AGCO is always growing.
So is our roster of innovative, award-winning machinery.

Fendt is synonymous with cutting-edge technology and forward-looking design. 2007 saw the introduction of the Fendt TRISIX Vario triple-axle concept tractor, which is one of the most technologically advanced tractors ever developed. A Challenger MT875B put its technology to the test, setting a new world record for cultivation in 2007 – 1,590 acres in 24 hours. And Massey Ferguson introduced new, big-square baler technology that allows bales to be 30 percent more dense, resulting in lower transportation costs for our customers. AGCO also launched its Advanced Technology Solutions (ATS) Group. The primary mission of this

- key group is to develop and incorporate advanced technologies – from the latest in satellite-guided machine control to industry-leading precision farming and machine management solutions. All AGCO machinery brands worldwide incorporate these advanced technology products. To help our customers become increasingly more productive and efficient, AGCO is dedicated to innovation. In 2007, this commitment was demonstrated in part by AGCO's worldwide engineering team filing the most patent applications in our history. At AGCO, Always Growing means "always innovating," too.



Fendt Introduces the TRISIX Vario, a High-Performance Concept Tractor



Valtra Recognition for South American Tractors



World Record Award Plaque for Challenger



Fendt Recognized for Marketing Innovation



Richard Markwell, AGCO EAME, Receives the 2007 SIMA Palmares de L'Innovation Award for Massey Ferguson



Advanced Technology Solutions (ATS) Group Integrates Latest Technology Into All AGCO Brands



Using Virtual Reality, Engineers Develop Products With Greater Speed and Efficiency



Opportunity

The future of farming will provide many challenges. AGCO is focused on the future.

As the world's population grows at an ever-increasing pace, the amount of arable land per capita continues to decrease. For AGCO, and for farmers across the globe, one solution to this paradox lies in increasing farm productivity through the use of more efficient farm equipment. In short, doing more with less. At AGCO, we've built our vision on that idea – providing high-tech solutions for professional farmers feeding the world. Emerging markets also present new opportunities. Brazil, for example, still has abundant land available for farming. Russia, with its aging tractor fleet, has a growing need and appetite for Western

technology. And China, with 22 percent of the world's population and 10 percent of the world's arable land, represents an important growth market. Bio-fuel production is another growth driver. U.S. ethanol production, alone, is expected to double within the next few years. The worldwide focus on renewable energy from crops is contributing to the increase in commodity prices. And, in turn, that is helping fuel the demand for more advanced and efficient farm equipment. At AGCO, we're leaving no stone unturned.



Massey Ferguson and Farmers Feeding the World



Advanced Technology Solutions Improve Productivity and Efficiency



Fendt Wins Demopark Gold Award for Innovation for the 900 Vario



Sugar Cane in High Demand in South America



Outstanding Customer Service Makes Valtra an Easy Choice



Strategy

AGCO is focused on growth.
Ours as well as our customers'.

Always Growing is the philosophical and strategic foundation of all that AGCO does. No one is more committed to this than AGCO's senior management team. Under its leadership, AGCO ramped up new product development and, over the past six years, has increased R&D spending threefold. We opened a new office in Schaffhausen, Switzerland to guide the progress of our growth in the Europe/Africa/Middle East markets. From this central European location, we are better able to manage key strategic growth initiatives and facilitate the exchange of ideas and best practices. The new Massey Ferguson "Technology Centre" also opened in 2007 in Beauvais, France. Its purpose: to showcase our advanced

equipment design and technology to the farm machinery industry. We are reenergizing our harvesting business. In 2007, we strengthened our market position, acquiring a 50 percent stake in Laverda S.p.A., a leading European manufacturer of harvesting equipment. We are also growing our Sisu Diesel business. Today, Sisu Diesel engines power much of AGCO's equipment, and the distribution of these engines outside of AGCO continues to grow. AGCO's leadership team is focused on quality, innovation, growth and the satisfaction of every AGCO machinery customer.



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

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

Garry L. Ball
Senior Vice President
Engineering

David L. Caplan
Senior Vice President
Materials Management,
Worldwide

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

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

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

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

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

AGCO Senior Management Team



Beauvais, France

Forward-Looking Statements

This annual report includes forward-looking statements, including the statements in the letter to new stockholders and other statements herein regarding new products, growth, market conditions, strategic initiatives and results of operations. 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 entirely upon the agricultural industry, and factors that adversely affect the agricultural industry generally will adversely affect us.

Our success depends on the introduction of new products, which requires 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 pricing and 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 our filings with the Securities and Exchange Commission, including our Form 10-K for the year ended December 31, 2007. 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,	2007	2006	2005	2004	2003
Operating Results					
Net sales	\$ 6,828.1	\$ 5,435.0	\$ 5,449.7	\$ 5,273.3	\$ 3,495.3
Gross profit	1,191.0	927.8	933.6	952.9	616.4
Percent of net sales	17.4%	17.1%	17.1%	18.1%	17.6%
Income from operations	394.8	68.9	274.7	323.5	184.3
Percent of net sales	5.8%	1.3%	5.0%	6.1%	5.3%
Net income (loss)	246.3	(64.9)	31.6	158.8	74.4
Net income (loss) per common share – diluted ⁽¹⁾	\$ 2.55	\$ (0.71)	\$ 0.35	\$ 1.71	\$ 0.98
Weighted average shares outstanding – diluted	96.6	90.8	90.7	95.6	75.8
Cash flows from operations	\$ 504.3	\$ 442.2	\$ 246.3	\$ 265.9	\$ 88.0
Balance Sheet Data					
Working capital	\$ 638.4	\$ 685.4	\$ 825.8	\$ 1,045.5	\$ 755.4
Total assets	4,787.6	4,114.5	3,861.2	4,297.3	2,839.4
Long-term debt, less current portion	294.1	577.4	841.8	1,151.7	711.1
Total liabilities	2,744.6	2,620.9	2,445.2	2,874.9	1,933.3
Stockholders' equity	2,043.0	1,493.6	1,416.0	1,422.4	906.1
Other Data					
Number of employees	13,720	12,804	13,023	14,313	11,278

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

	2007	2006	2005	2004	2003
Net income (loss) per common share – diluted	\$ 2.55	\$ (0.71)	\$ 0.35	\$ 1.71	\$ 0.98
Restructuring and other infrequent (income) expenses ⁽²⁾	(0.03)	0.01	–	0.04	0.26
Goodwill impairment charge ⁽²⁾	–	1.81	–	–	–
Bond redemption costs ⁽²⁾	–	–	0.15	–	–
Deferred income tax valuation allowance adjustment	–	–	0.95	–	–
Weighted average share impact	–	0.01	–	–	–
Net income per common share – adjusted	\$ 2.52	\$ 1.12	\$ 1.46	\$ 1.75	\$ 1.24

⁽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,	2007	2006	2005
Net sales	\$ 6,828.1	\$ 5,435.0	\$ 5,449.7
Cost of goods sold	<u>5,637.1</u>	<u>4,507.2</u>	<u>4,516.1</u>
Gross profit	1,191.0	927.8	933.6
Selling, general and administrative expenses	625.7	541.7	520.7
Engineering expenses	154.9	127.9	121.7
Restructuring and other infrequent (income) expenses	(2.3)	1.0	—
Goodwill impairment charge	—	171.4	—
Amortization of intangibles	<u>17.9</u>	<u>16.9</u>	<u>16.5</u>
Income from operations	394.8	68.9	274.7
Interest expense, net	24.1	55.2	80.0
Other expense, net	<u>43.4</u>	<u>32.9</u>	<u>34.6</u>
Income (loss) before income taxes and equity in net earnings of affiliates	327.3	(19.2)	160.1
Income tax provision	<u>111.4</u>	<u>73.5</u>	<u>151.1</u>
Income (loss) before equity in net earnings of affiliates	215.9	(92.7)	9.0
Equity in net earnings of affiliates	30.4	27.8	22.6
Net income (loss)	<u>\$ 246.3</u>	<u>\$ (64.9)</u>	<u>\$ 31.6</u>
Net income (loss) per common share:			
Basic	<u>\$ 2.69</u>	<u>\$ (0.71)</u>	<u>\$ 0.35</u>
Diluted	<u>\$ 2.55</u>	<u>\$ (0.71)</u>	<u>\$ 0.35</u>
Weighted average number of common and common equivalent shares outstanding:			
Basic	<u>91.5</u>	<u>90.8</u>	<u>90.4</u>
Diluted	<u>96.6</u>	<u>90.8</u>	<u>90.7</u>

CONSOLIDATED BALANCE SHEETS

(in millions, except share amounts)

December 31,	2007	2006
Assets		
Current Assets:		
Cash and cash equivalents	\$ 582.4	\$ 401.1
Accounts and notes receivable, net	766.4	677.1
Inventories, net	1,134.2	1,064.9
Deferred tax assets	52.7	36.8
Other current assets	<u>186.0</u>	<u>129.1</u>
Total current assets	2,721.7	2,309.0
Property, plant and equipment, net	753.0	643.9
Investment in affiliates	284.6	191.6
Deferred tax assets	89.1	105.5
Other assets	67.9	64.5
Intangible assets, net	205.7	207.9
Goodwill	<u>665.6</u>	<u>592.1</u>
Total assets	<u>\$ 4,787.6</u>	<u>\$ 4,114.5</u>
Liabilities and Stockholders' Equity		
Current Liabilities:		
Current portion of long-term debt	\$ 0.2	\$ 6.3
Convertible senior subordinated notes	402.5	201.3
Accounts payable	827.1	706.9
Accrued expenses	773.2	629.7
Other current liabilities	<u>80.3</u>	<u>79.4</u>
Total current liabilities	2,083.3	1,623.6
Long-term debt, less current portion	294.1	577.4
Pensions and post retirement health care benefits	150.3	268.1
Deferred tax liabilities	163.6	114.9
Other noncurrent liabilities	<u>53.3</u>	<u>36.9</u>
Total liabilities	2,744.6	2,620.9
Stockholders' Equity:		
Preferred stock; \$0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding in 2007 and 2006	—	—
Common stock; \$0.01 par value, 150,000,000 shares authorized, 91,609,895 and 91,177,903 shares issued and outstanding in 2007 and 2006, respectively	0.9	0.9
Additional paid-in capital	942.7	908.9
Retained earnings	1,020.4	774.1
Accumulated other comprehensive income (loss)	<u>79.0</u>	<u>(190.3)</u>
Total stockholders' equity	2,043.0	1,493.6
Total liabilities and stockholders' equity	<u>\$ 4,787.6</u>	<u>\$ 4,114.5</u>

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(in millions, except share amounts)

	Common Stock		Additional Paid-In Capital	Retained Earnings	Unearned Compensation	Accumulated Other Comprehensive Income (Loss)					Total Stockholders' Equity	Comprehensive Income (Loss)
	Shares	Amount				Defined Benefit Pension Plans	Cumulative Translation Adjustment	Deferred Gains (Losses) on Derivatives	Accumulated Other Comprehensive Income (Loss)			
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		
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	
Net income	—	—	—	246.3	—	—	—	—	—	246.3	246.3	
Issuance of restricted stock	6,346	—	0.2	—	—	—	—	—	—	0.2		
Stock options and SSARs exercised	425,646	—	8.0	—	—	—	—	—	—	8.0		
Stock compensation	—	—	25.6	—	—	—	—	—	—	25.6		
Defined benefit pension plans, net of taxes:												
Prior service cost arising during year	—	—	—	—	—	1.4	—	—	1.4	1.4	1.4	
Net actuarial gain arising during year	—	—	—	—	—	71.1	—	—	71.1	71.1	71.1	
Amortization of prior service cost included in net periodic pension cost	—	—	—	—	—	0.1	—	—	0.1	0.1	0.1	
Amortization of net actuarial losses included in net periodic pension cost	—	—	—	—	—	10.6	—	—	10.6	10.6	10.6	
Deferred gains and losses on derivatives, net	—	—	—	—	—	—	—	7.7	7.7	7.7	7.7	
Deferred gains and losses on derivatives held by affiliates, net	—	—	—	—	—	—	—	(4.4)	(4.4)	(4.4)	(4.4)	
Change in cumulative translation adjustment	—	—	—	—	—	—	182.8	—	182.8	182.8	182.8	
Balance, December 31, 2007	91,609,895	\$ 0.9	\$ 942.7	\$ 1,020.4	\$ —	\$ (87.1)	\$ 160.8	\$ 5.3	\$ 79.0	\$ 2,043.0	\$ 515.6	

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions)

Years Ended December 31,

Cash flows from operating activities:

	2007	2006	2005
Net income (loss)	\$ 246.3	\$ (64.9)	\$ 31.6
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation	115.6	98.6	89.4
Deferred debt issuance cost amortization	4.7	6.4	7.2
Goodwill impairment charge	—	171.4	—
Amortization of intangibles	17.9	16.9	16.5
Stock compensation	25.7	3.5	0.2
Equity in net earnings of affiliates, net of cash received	(3.5)	(8.8)	(14.5)
Deferred income tax provision	2.5	10.6	107.9
Gain on sale of property, plant and equipment	(2.9)	(0.8)	(3.0)
Write-down of property, plant and equipment	—	0.3	0.3
Changes in operating assets and liabilities, net of effects from purchase of businesses:			
Accounts and notes receivable, net	(3.0)	32.5	103.6
Inventories, net	10.7	66.2	(42.1)
Other current and noncurrent assets	(41.4)	(26.5)	(22.3)
Accounts payable	54.1	55.1	39.8
Accrued expenses	86.4	44.3	(44.6)
Other current and noncurrent liabilities	(8.8)	37.4	(23.7)
Total adjustments	258.0	507.1	214.7
Net cash provided by operating activities	504.3	442.2	246.3
Cash flows from investing activities:			
Purchases of property, plant and equipment	(141.4)	(129.1)	(88.4)
Proceeds from sales of property, plant and equipment	6.0	3.9	10.5
(Purchase)/sale of businesses, net of cash acquired	(17.8)	—	0.4
Investments in unconsolidated affiliates, net	(68.0)	(2.9)	(23.4)
Other	(2.7)	—	—
Net cash used in investing activities	(223.9)	(128.1)	(100.9)
Cash flows from financing activities:			
Proceeds from debt obligations	208.8	538.2	670.2
Repayments of debt obligations	(329.5)	(708.2)	(901.1)
Proceeds from issuance of common stock	8.2	10.8	1.4
Payment of debt issuance costs	(0.3)	(4.9)	—
Net cash used in financing activities	(112.8)	(164.1)	(229.5)
Effects of exchange rate changes on cash and cash equivalents	13.7	30.5	(20.9)
Increase (decrease) in cash and cash equivalents	181.3	180.5	(105.0)
Cash and cash equivalents, beginning of year	401.1	220.6	325.6
Cash and cash equivalents, end of year	\$ 582.4	\$ 401.1	\$ 220.6

Board of Directors

(Left to right, standing)

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

Curtis E. Moll
Chairman of the Board and CEO
MTD Products, Inc.
Audit and Compensation
Committees

Herman Cain
President and CEO
T.H.E. New Voice, Inc.
Compensation and Succession
Planning Committees

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

Gerald B. Johanneson
Former President and CEO
Haworth, Inc.
Executive, Governance and
Succession Planning Committees

Hendrikus Visser
Chairman of Bever Holding N.V. and
Royal Huisman Shipyards N.V.
Audit and Governance
Committees

(Left to right, sitting)

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

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

Francisco R. Gros
President and CEO
EBX S.A.
Audit and Governance
Committees

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

Wolfgang Deml
President and CEO
BayWa Corporation
Governance and Succession
Planning Committees

George E. Minnich* (Not Shown)
Former Senior Vice President
and CFO of ITT Corporation
Audit and Compensation Committees
*Appointed January 2008



In Memoriam
W. Wayne Booker
Mr. Booker served on AGCO Corporation's Board of Directors for almost seven years. He was the former Vice Chairman of Ford Motor Company. We remember him for his sound guidance and appreciate his many contributions.



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 24, 2008 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.

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 2007 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 2007 as required by Section 303A.12(a) of the NYSE Listed Company Manual.

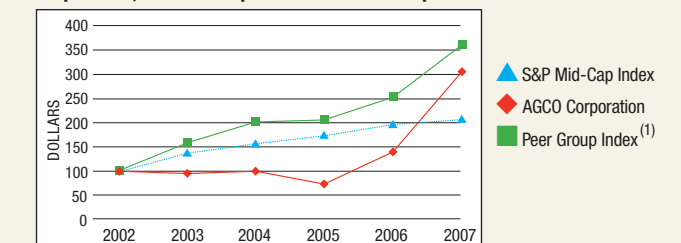
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Performance Graph

The graph shown (at right) 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

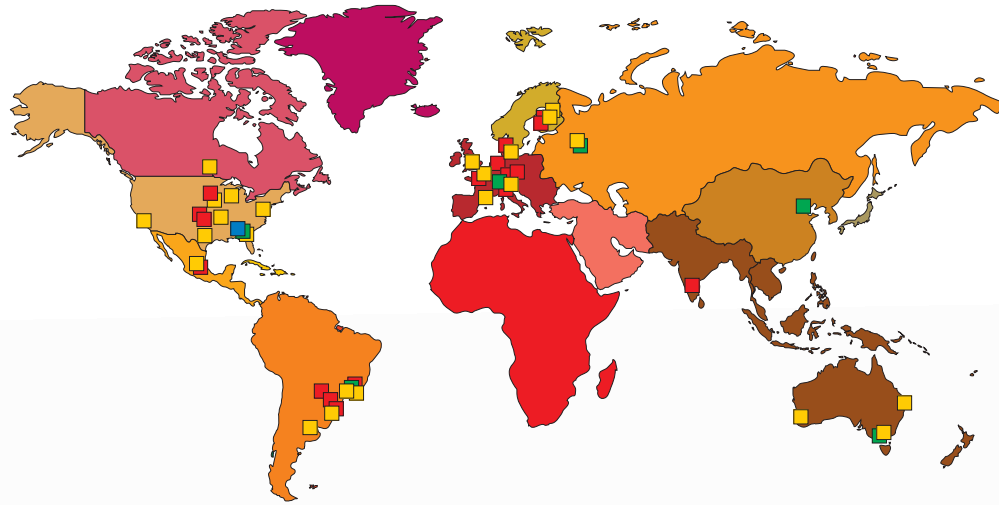


Assumes \$100 Invested on January 1, 2003. Assumes Dividends Reinvested.

(1) Based on information for a self-constructed peer group of companies which includes the following: 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.

GLOBAL PRESENCE

- Regional Offices 
- Manufacturing 
- Parts Distribution 
- Corporate Headquarters 



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