



## Annual Report 2009



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## POSITIONING FOR THE FUTURE

In February 2009, AGCO moved forward with our biggest North American tractor launch in history when we revealed our all-new, 200+ hp tractor line-up. Industry awards rolled in, building on the excitement that began when we first introduced our clean-air e3 technology in Europe in late 2008. We are continuing our investment in new product development, putting farmer-driven concepts to work in our products. Throughout 2009, we made necessary cost reductions, improved manufacturing productivity and reduced inventory levels – all moves designed to protect our resources and ensure AGCO emerges from the current economic downturn stronger and powered for continued growth.

We also built momentum in our quest to improve global crop yields. This was a year for forging relationships in China. A time for strengthening distribution and service in Russia, Ukraine and Kazakhstan. A chance to lay the foundation for training farmers in Africa. An opportunity to help growers in Brazil who are mechanizing for the first time. Without question, as the worldwide demand for food barrels forward, we continue to position ourselves for future growth.

AGCO is the largest pure play, full-line equipment manufacturer focused exclusively on agriculture. Just as our logo implies, we understand agriculture. Our dedication and synergies across our family of brands result in a unique responsiveness to the many changes affecting our industry and our customers today.

### Financial Highlights

(In millions, except per share amounts)

Years Ended December 31,	2009	2008
Net sales .....	\$ 6,630.4	\$ 8,424.6
Income from operations .....	219.3	565.0
Net income .....	135.7	385.9
Total assets .....	5,062.2	4,954.8
Stockholders' equity .....	2,400.8	2,020.0
Earnings per share <sup>(1)</sup> .....	\$ 1.44	\$ 3.95
Adjusted earnings per share <sup>(2)</sup> .....	\$ 1.55	\$ 3.95

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

<sup>(2)</sup> For a reconciliation of adjusted earnings per share, see footnote 2 on page 29.

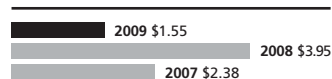
### Our Vision

High-tech solutions for professional farmers feeding the world.

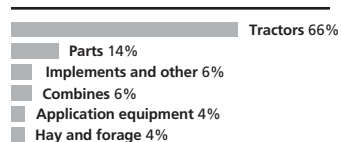
### Our Mission

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

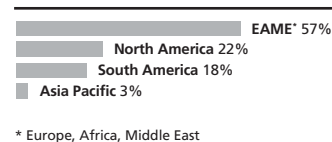
### Adjusted earnings per share



### Sales by product



### Sales by geographic region



### Core Values

- Exceed customer expectations
- Be the preferred supplier for our dealers
- Be the preferred employer in our industry
- Deliver highest quality products and services
- Maintain high ethics and act as a good corporate citizen
- Preserve the traditions and value of our brands
- Provide superior returns to our stockholders

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## CHAIRMAN'S MESSAGE



### Fellow Stockholders,

We are starting 2010 a stronger, better positioned company than a year ago. In 2009, we faced a difficult economic environment and challenging business conditions for our customers, our dealers and our industry. AGCO's financial strength and prudent investment approach enabled us to meet the challenge head-on. Our employees demonstrated significant flexibility in adapting to changing market conditions, and through hard work, they delivered solid profitability, generated strong cash flow and improved our balance sheet. During 2009, AGCO also made important progress in the key areas of product development and technological innovation to position us for success in the years ahead.

### 2009 Results

AGCO completed 2009 generating net sales of \$6.6 billion, 21% below 2008. Net income for 2009 was \$1.55 per share, excluding restructuring and other infrequent expenses of \$0.11 per share. Our disciplined inventory reduction program cut company and dealer inventories by more than \$550 million on a constant currency basis, compared to December 2008. We maintained our strategically

important research and development efforts and capital expenditure programs at high levels. Our financial discipline enabled us to generate over \$100 million in free cash flow, finishing the year with the strongest balance sheet in AGCO's history. Our credit rating was lifted to investment grade on March 5, 2010, in recognition of AGCO's financial accomplishments.

### Positive Outlook

In 2010, we expect slow economic recovery and soft end-market demand. Longer term, we continue to see significant opportunities. The world's population is growing rapidly and the demand for food is increasing. Economic expansion in Asia is shifting dietary preferences toward meat-based protein. Growing food consumption, combined with the demands for renewable energy, are lowering grain reserves, resulting in higher commodity prices and stimulating farm productivity. Professional farm machinery will be one of the key factors in producing increased crop yields in future years. Our line-up of advanced products has AGCO well-positioned to make our customers more productive.

### Better Solutions for Our Customers

Our innovative products provide our customers with high-tech solutions to meet the need for improved productivity and profitability. AGCO SISU POWER introduced an important innovation in engine technology for farm equipment, the e3 Selective Catalytic Reduction (SCR) engine, which offers an effective method for emission control while producing a substantial improvement in fuel economy. AGCO's new Hybrid combine was previewed in 2009 at Europe's premier farm show, Agritechnica, and boasts an innovative



processing method, producing significantly more output than conventional machines. The new hybrid combine received Agritechnica's prestigious "Machine of the Year" award. AGCO's new high-horsepower tractor lines for the Challenger, Massey Ferguson and Valtra brands utilize AGCO's industry-leading CVT transmission, driving fuel efficiency and productivity. The redesigned cab is the largest in the industry, providing more comfort, convenience and control to the operator. These tractors were one of five AGCO products to receive AE50 Awards from the American Society of Agricultural and Biological Engineers for engineering innovation.

#### **Investments to Improve Operating Performance**

We are executing a number of initiatives aimed at growing our sales, reducing expenses and better utilizing capital. AGCO is investing in new products, strengthening distribution and expanding in developing markets to grow our sales. Our manufacturing team is focused on enhancing the efficiency and productivity of our production facilities by implementing the AGCO Production System (APS), which drives a global approach to continuous improvement in our factories. We are working to better leverage the scale of our business with global purchasing initiatives, including our best-cost country sourcing from Asia and Eastern Europe.

#### **Developing Market Opportunities**

AGCO also is pursuing global growth opportunities. Developing markets in the CIS countries provide significant growth potential. Investments in dealer training and parts and service support are targeted at improving our distribution and the service experience of our

customers. We expect to increase our production capabilities in Russia over the next few years to further strengthen our position in this market. Farm consolidation in China is expected to provide an opportunity for larger, more productive farm machinery in the coming years. AGCO is investing in production facilities in China to serve the local market and to source to other regions. Africa also has significant potential for increasing agricultural production. By leveraging our existing distribution network in Africa, we will be in position to benefit from positive trends in this market.

#### **Commitment to Our Communities**

Our social responsibility efforts are focused in three areas: demonstrating good citizenship, maintaining strong ethical standards and offering a workplace that protects our employees and provides advancement opportunities. AGCO works to have a positive impact in the communities where we operate.

As we approach AGCO's 20th anniversary on June 20, 2010, I would like to thank our employees and dealers for their continued dedication to achieving our goals and for the important role they play in accomplishing our mission of profitable growth through superior customer service, innovation, quality and commitment. Together, we are laying the foundation for growth in the next 20 years.

Finally, I thank my fellow shareholders for your continuing confidence. We have substantial opportunities ahead to deliver more for our customers and build value for you. I look forward to reporting on our continuing progress.



**Martin Richenhagen**

Chairman, President and Chief Executive Officer

## BOARD OF DIRECTORS



1. **Martin H. Richenhagen**  
Chairman, President  
and Chief Executive Officer  
AGCO  
Executive and Succession  
Planning Committees

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

3. **Tom W. LaSorda**  
Former Vice Chairman,  
President and member of  
the Board of Managers  
Chrysler LLC  
Audit and Compensation  
Committees

4. **Francisco R. Gros**  
Former CEO, OGX Petróleo  
e Gás Participações, S.A.  
Audit and Governance  
Committees

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

6. **Hendrikus Visser**  
Chairman, Royal Huisman  
Shipyards N.V.  
Audit and Governance  
Committees

7. **George E. Minnich**  
Former Senior Vice President  
and CFO, ITT Corporation  
Audit, Compensation and  
Executive Committees

8. **Wolfgang Deml**  
Former President and CEO  
BayWa Corporation  
Governance and Succession  
Planning Committees

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

10. **Gerald L. Shaheen**  
Former Group President  
Caterpillar Inc.  
Executive and Succession  
Planning Committees

11. **Curtis E. Moll**  
Chairman and CEO  
MTD Holdings, Inc.  
Audit and Compensation  
Committees

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## SENIOR MANAGEMENT



12. **Lucinda B. Smith**  
Senior Vice President  
Human Resources

13. **André M. Carioba**  
Senior Vice President  
General Manager,  
South America

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

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

16. **Gary L. Collar**  
Senior Vice President  
General Manager, Europe/  
Africa/Middle East;  
Australia, New Zealand

17. **Randall G. Hoffman**  
Senior Vice President  
Global Sales, Marketing  
and Product Management

18. **David L. Caplan**  
Senior Vice President  
Materials Management,  
Worldwide

19. **Hubertus M. Mühlhäuser**  
Senior Vice President  
Strategy & Integration  
General Manager,  
Eastern Europe and Asia

20. **Debra E. Kuper**  
Vice President  
General Counsel and  
Corporate Secretary

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

22. **Hans-Bernd Veltmaat**  
Senior Vice President  
Manufacturing and Quality

## GLOBAL PRESENCE

1. Duluth, Georgia, US
2. Baltimore, Maryland, US
3. Batavia, Illinois, US
4. Jackson, Minnesota, US
5. Beloit, Kansas, US
6. Hesston, Kansas, US
7. Tacoma, Washington, US
8. Houston, Texas, US
9. Queretaro, Mexico
10. Jundiai, Brazil
11. Santa Rosa, Brazil
12. Ibirubá, Brazil
13. Canoas, Brazil
14. Mogi das Cruzes, Brazil
15. Haedo, Argentina
16. Ennery, France
17. Beauvais, France
18. Desford, Great Britain
19. Grubbenvorst, The Netherlands
20. Linnavuori, Finland
21. Suolahti, Finland
22. Bäumenheim, Germany
23. Marktoberdorf, Germany
24. Breganze, Italy
25. Vladimir, Russia
26. Chennai, India
27. Changzhou, China
28. Shanghai, China





**Our global manufacturing**

- Corporate Headquarters
- Light Assembly
- Manufacturing
- Parts Distribution
- Joint Venture
- Licensee



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## CHALLENGER

Challenger — an ideal choice for the professional and commercial producer— continues to win new customers by demonstrating competitive performance, power, durability and support. It is our fastest-growing equipment brand in North America and is quickly building momentum in Western and Eastern Europe.

The Challenger track system utilizes tough rubber tracks and an ingenious suspension system to give professional farmers the traction and flotation of steel tracks, combined with the speed and ride of rubber tires. In fact, the powerful MT875B track tractor holds a world record for cultivating 1,590 acres in 24 hours with a single operator pulling a 46-foot-wide disc. This demonstrates how Challenger can improve productivity and cut costs for large-scale agribusinesses across the globe.

The Challenger product family also includes wheeled tractors as well as a full line of harvesting equipment. The world's largest agricultural tractors (at 570 hp, in both tracked and wheeled models) carry the Challenger name. Using revolutionary designs and groundbreaking technology, Challenger products have earned respect for combining high specifications with superior reliability. This is serious machinery, backed by unmatched infield service and parts support.

*Challenger*



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## FENDT

Fendt provides high-tech solutions featuring the best in German engineering. A market leader in Europe, it is also a premium choice for professional farmers and contractors in other global markets.

With its highly-engineered tractors and harvesting equipment, and its exceptional dealer organization, the brand continues to deliver on its commitment to increase farmer productivity. For example, Fendt's award-winning CVT (continuously variable transmission) technology offers low fuel consumption and outstanding efficiency throughout its entire product line. Today, more than 100,000 Fendt Vario CVT-equipped tractors have been delivered worldwide.

Fendt also has led the way in improving front-axle suspension for tractors, developing advanced braking systems, and re-thinking operator controls to provide exceptional comfort and greater driving pleasure. Well-regarded innovations, such as the Vario joystick and the Fendt Tractor Management System, provide more precise and flexible control of hydraulics, power take-off and headland management systems.



FENDT



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## MASSEY FERGUSON

Massey Ferguson, drawing on over 160 years of experience working with farmers, offers a versatile tractor line, including vineyard, fruit, utility, compact and row crop options for demanding applications. Extending from the ruggedly simple to high-horsepower/high-specification models, Massey Ferguson has been one of the world's leading tractor brands for more than four decades.

With Massey Ferguson tractors on the job worldwide more than any other brand, it's vital to continually update and refine the product line. Recent technology enhancements include the introduction of specialty tractors with pressurized cabs and air-filtration systems and award-winning computer controlled cab suspension systems on high-horsepower tractors.

Massey Ferguson is also a solid force in the global harvesting business. Manufactured in Europe, North America and South America, its combines and balers are specifically tailored to meet local harvesting conditions. Massey Ferguson 9005 Series axial rotary combines feature the world's fastest peak unloading rate at 4.5 bushels per second.

Massey Ferguson is a truly global brand, recognized around the world not only for its heritage and committed dealer organization, but also for its versatile solutions and comprehensive range of competitively-priced products.



MASSEY FERGUSON®



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## VALTRA

Valtra is the agricultural machinery brand that epitomizes customization. Based in Finland, it has earned a dominant market position in the Nordic region and has built a leading reputation in South America, thanks to its individualized machinery solutions and high levels of customer service.

Renowned for their versatility and reliability, Valtra tractors are designed specifically for each customer and engineered to withstand harsh climates and deliver high performance in demanding working conditions. Through its successful modular system of tractor assembly, Valtra is able to build machines to a farmer's individual specifications. Customers work in close partnership with their sales representatives to determine the ideal specifications for powering their operations, choosing from a wide array of colors, engines, transmissions, hydraulics, cabs and other options; they can even visit the Valtra factory to observe their tractors being custom-built.

True to the Nordic tradition, Valtra operations and products emphasize functionality (including pioneering efforts in ergonomics and safety) and a respect for nature. The ability to build against confirmed customer orders represents significant opportunities for the future, as it is highly efficient and benefits both the customer and manufacturer.



**VALTRA**<sup>®</sup>



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## FULL LINE OF PRODUCTS



Massey Ferguson 9795 Combine



RoGator 1184 Sprayer

Every crop. Every terrain.  
Every task.

As a leading global manufacturer of agricultural equipment, AGCO offers a comprehensive line of tractors, combines, forage and tillage equipment, implements and hay tools. Our brands are among the most recognized and trusted in the industry. Each brand delivers its own diversity and range of products: from ruggedly simple utility machines for part-time farmers to ingeniously nimble solutions for demanding specialized operations to jaw-dropping high-horsepower vehicles for today's professional farm fleets. Increased investment in research and development, and a commitment to sharing knowledge among our brands, continue to keep AGCO at the forefront of smart, efficient technologies. We build our equipment to the highest standards of design and manufacturing, and our innovative products continuously receive awards at international exhibitions. Our most coveted recognition, however, is the endorsement of our wide range of products by progressive farmers and successful dealers around the world.



Valtra A 750 Tractor



Challenger LB34B Baler



Massey Ferguson 509 Planter



Fendt 209 V/F Vario Tractor



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## OUR SUPPORT

### AGCO Finance

In today's global marketplace, financing and leasing often play a significant role in farmers' equipment choices. AGCO Finance offers flexible options to enable retail customers to obtain equipment with all the power, efficiency and technology they need. Because every situation is different, we offer comprehensive programs based on innovative financial products to meet individual needs.

Backed by our joint venture partner, Rabobank Group, which is widely recognized as one of the world's leading banks and is AAA-rated by the major credit-rating agencies, AGCO Finance now operates in 17 countries in North America, South America, Europe and Australia/New Zealand.

### AGCO Advanced Technology Solutions

AGCO Advanced Technology Solutions (ATS) is a dedicated team that delivers leading-edge, user-friendly and value-added technology solutions. By partnering with innovative technology suppliers, we deliver high performing products that increase customer satisfaction and loyalty. ATS focuses on three distinct areas — machine control, machine management and precision farming — that can be enhanced by systems designed to ease workload and deliver valuable management information. We provide specific solutions for automated steering, data collection and yield mapping, as well as more comprehensive solutions for precision farming.

Our primary customers tend to be large farmers, fleet managers and custom harvesters looking to maximize efficiency and profitability. ATS helps them save fuel, improve production, manage chemical and fertilizer applications,

increase yield, and comply with environmental regulations.

### AGCO Parts

An important part of every farmer's decision when purchasing equipment is the availability, cost and quality of parts. All of our parts are made to exact standards, tested extensively and backed by a 12-month warranty. We also provide efficient and responsive service, because we know farmers depend on us to keep their operations running smoothly. Our network has more than 1.4 million parts available for immediate dispatch from our distribution centers around the world.

AGCOPartsBooks.com is our web-based parts catalog that provides all the latest parts information online. Initially launched to customers in North America, this state-of-the-art catalog system was made available to customers in other regions in 2009. Our dealer/distributor version of electronic parts and service books has now moved to the web in most markets.

### AGCO Service

Today's agricultural equipment has evolved into highly complex machines. That's why our dealers continuously invest in training, tools and service programs to keep their technicians up to date. Supporting dealers is AGCO Service, a global community of technical experts dedicated to keeping our machines performing at levels that exceed expectations. Our dealers' technicians use our state-of-the-art work tools such as SOURCE, a multilingual, web-based technical knowledge management system, and Electronic Diagnostic Tool (EDT), an in-field diagnostic solution that quickly pinpoints the cause of a problem to minimize customer downtime. As a result, customers can be





confident their equipment investment is supported each day with timely and reliable service.

### **AGCO SISU POWER**

For more than 65 years, AGCO SISU POWER has manufactured reliable diesel engines for conditions ranging from the blistering heat of South America to the harsh winters of Northern Europe. Using the latest technology, we currently build a comprehensive family of sub-10-liter, off-highway engines in Finland and Brazil at our company-owned facilities and in Russia, through our joint venture. AGCO SISU POWER is known for its durable, powerful engines with industry-leading environmental performance. Launching the only 7-cylinder engine in the global, off-road market demonstrated our innovation in emission technology, while our e3 Selective Catalytic Reduction (SCR) Technology sets new standards

in cleaner emissions and enhanced fuel economy. For added flexibility, we offer engines that deliver uncompromised performance with conventional fuels, some of which can even run on 100% biodiesel.



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## WORLDWIDE CUSTOMER SUCCESS



John Larimer, corn grower, United States

### Outstanding service provides high value

The 14,000-acre Larimer seed corn operation bought its first Challenger tractor 10 years ago from a neighbor. The used machine impressed the Larimers so much, they now own five Challenger tractors, both track and wheeled models. *"We've also had a very good experience with our dealer, MacAllister Machinery Co. To guarantee faster parts delivery, they put in a drop box so we could get parts overnight. Their service makes all the difference in the world."*

### Tractors transform a village

In 2005, Sun Zhongchai made a bold move and borrowed money to replace his locally-made tractor. The powerful, reliable Valtra BM 120 improved productivity and profits so quickly he bought a second Valtra three years later. More than 30 villagers followed his lead, adopted the Valtra T171 technology and saw similar success. In just four years, Zhongchai has expanded his farm, paid for a new home and sent his son to college. *"I was an ordinary peasant. Valtra tractors made my dream come true."*



Sun Zhongchai, crop grower, China





Alexander Kanny, agricultural contractor, Germany

### Powering implements and the bottom line

Alexander Kanny plants and harvests 1,000 acres and produces 10,000 round bales annually. Reliability, ease of control and low fuel consumption are the main reasons he relies on a Massey Ferguson fleet. MF 7400 Series tractors with Dyna-VT continuously variable transmissions are easy to operate and allow him to engage the engine without high revolutions despite heavy implements. His customers know that Massey Ferguson is recognized for top performance.

### Versatility paves the way to success

In 2003, Max Wild Company bought its first Fendt tractor and discovered an alternative to operating a costly (and often idle) fleet of specialized, self-propelled construction machines. *“What this tractor accomplishes, even under constant use, is enormous. With just one Vario 936 plus milling attachment, we stabilized 180,000 cubic meters of soil fast and cost effectively. And we save up to 20% on fuel. The Vario is so problem-free and economical, we plan to sell our articulated haulers.”*



Roland Wild, construction contractor, Germany

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## GLOBAL EMPLOYEE INNOVATION



André Carioba and Orlando Silva, AGCO South America

### Cross functional team responds in Brazil

When the Brazilian government offered financial support for the development of low-horsepower tractors to improve profitability for its country's smaller farmers, Valtra South America created a "Series A" immersion task force to tackle the challenge. Working together as a 25-person team yielded three cost-effective models (A750, A850 and A950) with strong market appeal. In fact, over 2,000 of these extremely agile tractors were sold in the first two months.

### Good ideas abound in Finland

For three years in a row, Valtra has been recognized as the most innovative company in all of Finland. The secret lies in an initiative program engaging all levels within the organization. Last year, employees generated an average of 13 suggestions a piece – more than 10,000 in just 12 months – and quickly implemented ideas. This highly functioning program increases efficiency, saves money, motivates employees and improves work safety. Typically it also leads to proposals on developing better tractors.



Esa Myllymäki (middle), Development Manager, Suolahti, Finland





Tammi Weckler, Manager, Massey Ferguson Brand Marketing, North America

### Web site reaches first-time small tractor buyers

Recognizing that choosing the right tractor is often daunting for first-time buyers, the Massey Ferguson brand and product marketing teams in North America created TractorAdvisor.com. A consultative and interactive tool (“Find Your Tractor Match”) guides users through simple questions about the tasks they want to do, then matches them with an appropriate sub-compact, compact or utility tractor. Launched in August 2009, this one-stop resource has already educated over 40,000 visitors.

### Collaboration leads to award-winning vineyard solution

The challenge was to develop a better vineyard and orchard tractor with lower emissions. Fendt and AGCO SISU POWER joined forces to create the Fendt 200 Vario, featuring a supercharged 3-cylinder engine with external gas recirculation and common rail system that uses 10% less fuel. Though quieter than previous models, the 200 Vario has made a lot of industry show noise – winning Gold at Demopark, Silver at SIMA and the 2010 Agritechnica Tractor of the Year in the ‘specialty tractor’ category.



Product Line Team, AGCO GmbH (Fendt), Germany

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## SOCIAL RESPONSIBILITY

Our goal at AGCO is to run a financially sound business in a socially responsible and sustainable manner. We focus on three primary areas: 1) ethical conduct, 2) workplace issues such as health, safety and employee development, and 3) our citizenship in the communities in which we do business, including environmental initiatives.

As a company dedicated to helping farmers feed the world, we share a close connection to the land:

- A groundbreaking baler design is paving the way for efficiently harvesting corn cobs, husks and leaves for fuel production while creating a new revenue stream for growers
- e3 (energy/economy/ecology), our industry-leading SCR emissions treatment, is proving to be more fuel efficient and effective than we ever dreamed possible
- The forward-thinking engineering behind our AGCO SISU POWER engines is continuing to put adoption of biofuel smartly into motion
- Our Advanced Technology Solutions innovations in precision farming are helping reduce use of chemicals, fertilizers and fuels in bold ways
- AGCO was selected by the U.S. Department of Energy for a grant for the efficient collection and transportation of biomass to biofuel production plants

Commitment to safeguarding the environment is also evident in our daily operations. We've become more energy- and water-efficient, increased recycling and initiated carbon footprint studies. At the same time, we've worked hard to improve employee safety at our facilities.

AGCO cares about the communities where we work and operate. As a company and as individuals, we contribute time, funds and leadership to local philanthropic efforts and community enhancement. Often our efforts reflect our true allegiance to helping farmers succeed, such as:

- Support for youth agriculture education and scholarship programs in the United States
- Participation in a Helping Hand program in Finland, where Valtra employees spend a day working on local farms

At AGCO, we take ethical conduct seriously. It starts with establishing values and guidelines, educating our employees, and continues with a focus on maintaining the highest standards of ethical conduct. In 2009 we were recognized by *Corporate Secretary Magazine* for our implementation of best practices and creating an intelligent anti-corruption educational program across all of our operations.



Our earth-friendly technologies help to position us for the future.

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## FORWARD-LOOKING STATEMENTS

This annual report includes forward-looking statements, including the statements in the Chairman's Message and other statements herein regarding market demand, farmer productivity and crop yields, production levels, strategic initiatives and their effects, and general economic conditions. These statements are subject to risk 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, including declines in the general economy, increases in farm input costs, lower commodity prices and changes in the availability of credit for our retail customers, will adversely affect us.

The poor performance of the general economy has adversely impacted our sales and may continue to have an adverse impact on our sales in the future, the extent of which we are unable to predict, and there can be no assurance that our results will not continue to be affected by the weakness in global economic conditions.

Our success depends on the introduction of new products, which require substantial expenditures and may not be well received in the market place.

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.

Most of our sales depend on the retail customers' obtaining financing, and any disruption in their ability to obtain financing, whether due to the current economic downturn or otherwise, will result in the sale of fewer products by us. A large portion of the retail sales of our products are financed by our retail finance joint ventures with Rabobank, and any difficulty on Rabobank's part to fund the venture would adversely impact sales if our customers would be required to utilize other retail financing providers.

The collectability of receivables that are created from our sales, as well as from financing obtained by our customers through our retail financing joint ventures, is critical to our business.

We depend on suppliers for raw materials, 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 products.

A majority of our sales and manufacturing take 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.

Volatility with respect to currency exchange rates and interest rates can adversely affect our reported results of operations and the competitiveness 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.

We have significant pension obligations with respect to our employees, and our available cash flow may be adversely affected in the event that payments became due under any pension plans that are unfunded or underfunded. Declines in the market value of the securities used to fund these obligations result in increased pension expense in future periods.

We are subject to raw material price fluctuations, which can adversely affect our manufacturing costs.

In connection with our outstanding indebtedness, we are subject to certain restrictive covenants and payment obligations that may adversely affect our ability to operate and expand our business.

## SELECTED FINANCIAL INFORMATION

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

Years Ended December 31,	2009	2008 <sup>(1)</sup>	2007 <sup>(1)</sup>	2006 <sup>(1)</sup>	2005 <sup>(1)</sup>
<b>Operating Results</b>					
Net sales	\$ 6,630.4	\$ 8,424.6	\$ 6,828.1	\$ 5,435.0	\$ 5,449.7
Gross profit	1,072.5	1,499.7	1,191.0	927.8	933.6
Percent of net sales	16.2%	17.8%	17.4%	17.1%	17.1%
Income from operations	219.3	565.0	394.8	68.9	274.7
Percent of net sales	3.3%	6.7%	5.8%	1.3%	5.0%
Net income (loss)	135.7	385.9	232.9	(71.4)	28.4
Net income (loss) per common share – diluted <sup>(2)</sup>	\$ 1.44	\$ 3.95	\$ 2.41	\$ (0.79)	\$ 0.31
Weighted average shares outstanding – diluted	94.1	97.7	96.6	90.8	90.7
Cash flows from operations	\$ 351.7	\$ 291.3	\$ 504.3	\$ 442.2	\$ 246.3
<b>Balance Sheet Data</b>					
Working capital	\$ 1,070.8	\$ 1,026.7	\$ 709.6	\$ 715.7	\$ 825.8
Total assets	5,062.2	4,954.8	4,787.6	4,114.5	3,861.2
Long-term debt, less current portion	454.0	625.0	294.1	523.1	805.1
Total liabilities	2,653.1	2,934.8	2,667.5	2,530.4	2,403.7
Stockholders' equity	2,400.8	2,020.0	2,120.1	1,584.1	1,457.5
<b>Other Data</b>					
Number of employees	14,456	15,606	13,720	12,804	13,023

(1) Operating results and balance sheet data presented above have been retroactively restated for the years ended December 31, 2008, 2007, 2006 and 2005 to reflect adjustments made for the equity components of our convertible senior subordinated notes and our noncontrolling interests. Refer to our audited Consolidated Statements and the accompanying Notes to Consolidated Financial Statements, which are included in our Annual Report on Form 10-K.

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

	2009	2008 <sup>(1)</sup>	2007 <sup>(1)</sup>	2006 <sup>(1)</sup>	2005 <sup>(1)</sup>
Net income (loss) per common share – diluted	\$ 1.44	\$ 3.95	\$ 2.41	\$ (0.79)	\$ 0.31
Restructuring and other infrequent expenses (income) <sup>(3)</sup>	0.11	—	(0.03)	0.01	—
Goodwill impairment charge <sup>(3)</sup>	—	—	—	1.81	—
Bond redemption costs <sup>(3)</sup>	—	—	—	—	0.15
Deferred income tax valuation allowance adjustment	—	—	—	—	0.95
Weighted average share impact	—	—	—	0.01	—
Net income per common share – adjusted	\$ 1.55	\$ 3.95	\$ 2.38	\$ 1.04	\$ 1.42

(3) 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,	2009	2008	2007
Net sales	\$ 6,630.4	\$ 8,424.6	\$ 6,828.1
Cost of goods sold	5,557.9	6,924.9	5,637.1
Gross profit	1,072.5	1,499.7	1,191.0
Selling, general and administrative expenses	630.1	720.9	625.7
Engineering expenses	191.9	194.5	154.9
Restructuring and other infrequent expenses (income)	13.2	0.2	(2.3)
Amortization of intangibles	18.0	19.1	17.9
Income from operations	219.3	565.0	394.8
Interest expense, net	43.3	33.2	37.5
Other expense, net	22.2	20.1	43.4
Income before income taxes and equity in net earnings of affiliates	153.8	511.7	313.9
Income tax provision	56.5	164.6	111.4
Income before equity in net earnings of affiliates	97.3	347.1	202.5
Equity in net earnings of affiliates	38.4	38.8	30.4
Net income	135.7	385.9	232.9
Net income attributable to noncontrolling interests	—	—	—
Net income attributable to AGCO Corporation and subsidiaries	\$ 135.7	\$ 385.9	\$ 232.9
Net income per common share attributable to AGCO Corporation and subsidiaries:			
Basic	\$ 1.47	\$ 4.21	\$ 2.55
Diluted	\$ 1.44	\$ 3.95	\$ 2.41
Weighted average number of common and common equivalent shares outstanding:			
Basic	\$ 92.2	91.7	91.5
Diluted	\$ 94.1	97.7	96.6

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,	2009	2008
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents . . . . .	\$ 652.7	\$ 512.2
Restricted cash . . . . .	—	33.8
Accounts and notes receivable, net . . . . .	731.7	815.6
Inventories, net . . . . .	1,187.3	1,389.9
Deferred tax assets . . . . .	63.6	56.6
Other current assets . . . . .	153.6	197.1
Total current assets . . . . .	<u>2,788.9</u>	<u>3,005.2</u>
Property, plant and equipment, net . . . . .	943.0	811.1
Investment in affiliates . . . . .	347.5	275.1
Deferred tax assets . . . . .	70.3	29.9
Other assets . . . . .	111.7	69.6
Intangible assets, net . . . . .	166.8	176.9
Goodwill . . . . .	634.0	587.0
Total assets . . . . .	<u>\$ 5,062.2</u>	<u>\$ 4,954.8</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Current portion of long-term debt . . . . .	\$ 0.1	\$ 0.1
Convertible senior subordinated notes . . . . .	193.0	—
Accounts payable . . . . .	644.3	1,027.1
Accrued expenses . . . . .	834.8	799.8
Other current liabilities . . . . .	45.9	151.5
Total current liabilities . . . . .	<u>1,718.1</u>	<u>1,978.5</u>
Long-term debt, less current portion . . . . .	454.0	625.0
Pensions and postretirement health care benefits . . . . .	279.7	173.6
Deferred tax liabilities . . . . .	118.7	108.1
Other noncurrent liabilities . . . . .	82.6	49.6
Total liabilities . . . . .	<u>2,653.1</u>	<u>2,934.8</u>
Temporary Equity:		
Equity component of redeemable convertible senior subordinated notes . . . . .	8.3	—
<b>STOCKHOLDERS' EQUITY</b>		
AGCO Corporation stockholders's equity:		
Preferred stock; \$0.01 par value, 1,000,000 shares authorized, no shares issued or outstanding in 2009 and 2008 . . . . .	—	—
Common stock; \$0.01 par value, 150,000,000 shares authorized, 92,453,665 and 91,844,193 shares issued and outstanding in 2009 and 2008, respectively . . . . .	0.9	0.9
Additional paid-in capital . . . . .	1,061.9	1,067.4
Retained earnings . . . . .	1,517.8	1,382.1
Accumulated other comprehensive loss . . . . .	(187.4)	(436.1)
Total AGCO Corporation stockholders' equity . . . . .	<u>2,393.2</u>	<u>2,014.3</u>
Noncontrolling interests . . . . .	7.6	5.7
Total stockholders' equity . . . . .	<u>2,400.8</u>	<u>2,020.0</u>
Total liabilities, temporary equity and stockholders' equity . . . . .	<u>\$ 5,062.2</u>	<u>\$ 4,954.8</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)

	Common Stock		Additional Paid-In Capital
	Shares	Amount	
Balance, December 31, 2006	91,177,903	\$ 0.9	\$ 908.9
Adjustment for equity component of convertible debt and noncontrolling interests	—	—	94.2
Adjusted balance, January 1, 2007	91,177,903	0.9	1,003.1
Net income	—	—	—
Issuance of restricted stock	6,346	—	0.2
Stock options and SSARs exercised	425,646	—	8.0
Stock compensation	—	—	25.6
Defined benefit pension plans, net of taxes:			
Prior service cost arising during year	—	—	—
Net actuarial gain arising during year	—	—	—
Amortization of prior service cost included in net periodic pension cost	—	—	—
Amortization of net actuarial losses included in net periodic pension cost	—	—	—
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, 2007	91,609,895	0.9	1,036.9
Net income	—	—	—
Issuance of restricted stock	136,457	—	1.6
Issuance of performance award stock	62,387	—	(2.6)
Stock options and SSARs exercised	35,454	—	(0.3)
Stock compensation	—	—	31.8
Defined benefit pension plans, net of taxes:			
Prior service cost arising during year	—	—	—
Net actuarial loss arising during year	—	—	—
Amortization of net actuarial losses included in net periodic pension cost	—	—	—
Effects of changing pension plan measurement date:			
Service cost, interest cost and expected return on plan assets for October 1 – December 31, 2007	—	—	—
Amortization of net actuarial losses for October 1 – December 31, 2007	—	—	—
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, 2008	91,844,193	0.9	1,067.4
Net income	—	—	—
Issuance of restricted stock	26,388	—	0.6
Issuance of performance award stock	581,393	—	(5.2)
Stock options and SSARs exercised	1,691	—	—
Stock compensation	—	—	7.4
Investments by noncontrolling interests	—	—	—
Defined benefit pension plans, net of taxes:			
Net actuarial loss arising during year	—	—	—
Amortization of net actuarial losses included in net periodic pension cost	—	—	—
Deferred gains and losses on derivatives, net	—	—	—
Deferred gains and losses on derivatives held by affiliates, net	—	—	—
Reclassification to temporary equity –			
Equity component of convertible senior subordinated notes	—	—	(8.3)
Change in cumulative translation adjustment	—	—	—
Balance, December 31, 2009	92,453,665	\$ 0.9	\$ 1,061.9

Accumulated Other Comprehensive Income (Loss)							Total Stockholders' Equity	Comprehensive Income (Loss) attributable to AGCO Corporation and subsidiaries	Comprehensive Income (Loss) attributable to Noncontrolling Interests
Retained Earnings	Defined Benefit Pension Plans	Cumulative Translation Adjustment	Deferred Gains (Losses) on Derivatives	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests				
\$ 774.1	\$ (170.3)	\$ (22.0)	\$ 2.0	\$ (190.3)	\$ —	\$ 1,493.6			
(9.7)	0.4	—	—	0.4	5.6	90.5			
764.4	(169.9)	(22.0)	2.0	(189.9)	5.6	1,584.1			
232.9	—	—	—	—	—	232.9	\$ 232.9	\$ —	
—	—	—	—	—	—	0.2			
—	—	—	—	—	—	8.0			
—	—	—	—	—	—	25.6			
—	1.4	—	—	1.4	—	1.4	1.4		
—	71.1	—	—	71.1	—	71.1	71.1		
—	0.1	—	—	0.1	—	0.1	0.1		
—	10.5	—	—	10.5	0.1	10.6	10.5	0.1	
—	—	—	7.7	7.7	—	7.7	7.7		
—	—	—	(4.4)	(4.4)	—	(4.4)	(4.4)		
—	—	182.5	—	182.5	0.3	182.8	182.5	0.3	
997.3	(86.8)	160.5	5.3	79.0	6.0	2,120.1	<u>501.8</u>	<u>0.4</u>	
385.9	—	—	—	—	—	385.9	385.9	—	
—	—	—	—	—	—	1.6			
—	—	—	—	—	—	(2.6)			
—	—	—	—	—	—	(0.3)			
—	—	—	—	—	—	31.8			
—	(0.2)	—	—	(0.2)	—	(0.2)	(0.2)		
—	(57.6)	—	—	(57.6)	—	(57.6)	(57.6)		
—	5.6	—	—	5.6	—	5.6	5.6		
(0.2)	—	—	—	—	—	(0.2)			
(0.9)	0.9	—	—	0.9	—	—	0.9		
—	—	—	(44.4)	(44.4)	—	(44.4)	(44.4)		
—	—	—	(1.0)	(1.0)	—	(1.0)	(1.0)		
—	—	(418.4)	—	(418.4)	(0.3)	(418.7)	(418.4)	(0.3)	
1,382.1	(138.1)	(257.9)	(40.1)	(436.1)	5.7	2,020.0	<u>(129.2)</u>	<u>(0.3)</u>	
135.7	—	—	—	—	—	135.7	135.7	—	
—	—	—	—	—	—	0.6			
—	—	—	—	—	—	(5.2)			
—	—	—	—	—	—	—			
—	—	—	—	—	—	7.4			
—	—	—	—	—	1.3	1.3			
—	(75.6)	—	—	(75.6)	(0.1)	(75.7)	(75.6)	(0.1)	
—	5.4	—	—	5.4	0.1	5.5	5.4	0.1	
—	—	—	35.4	35.4	—	35.4	35.4		
—	—	—	0.6	0.6	—	0.6	0.6		
—	—	—	—	—	—	(8.3)			
—	—	282.9	—	282.9	0.6	283.5	282.9	0.6	
\$ 1,517.8	\$ (208.3)	\$ 25.0	\$ (4.1)	\$ (187.4)	\$ 7.6	\$ 2,400.8	\$ 384.4	\$ 0.6	

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,	2009	2008	2007
<b>Cash flows from operating activities:</b>			
Net income	\$ 135.7	\$ 385.9	\$ 232.9
Adjustments to reconcile net income to net cash provided by operating activities:			
Net income attributable to noncontrolling interests	—	—	—
Depreciation	129.6	127.4	115.6
Deferred debt issuance cost amortization	2.8	3.2	4.7
Amortization of intangibles	18.0	19.1	17.9
Amortization of debt discount	15.0	14.1	13.4
Stock compensation	8.0	33.3	25.7
Equity in net earnings of affiliates, net of cash received	(20.7)	(11.0)	(3.5)
Deferred income tax (benefit) provision	(21.9)	7.3	2.5
Loss (gain) on sale of property, plant and equipment	1.4	(0.2)	(2.9)
Changes in operating assets and liabilities, net of effects from purchase of businesses:			
Accounts and notes receivable, net	265.9	(208.4)	(3.0)
Inventories, net	292.8	(374.2)	10.7
Other current and noncurrent assets	38.5	(75.6)	(41.4)
Accounts payable	(411.3)	284.4	54.1
Accrued expenses	(82.3)	127.4	86.4
Other current and noncurrent liabilities	(19.8)	(41.4)	(8.8)
Total adjustments	216.0	(94.6)	271.4
Net cash provided by operating activities	351.7	291.3	504.3
<b>Cash flows from investing activities:</b>			
Purchases of property, plant and equipment	(215.3)	(251.3)	(141.4)
Proceeds from sale of property, plant and equipment	2.6	4.9	6.0
Sale (purchase) of businesses, net of cash acquired	0.5	—	(17.8)
Investments in unconsolidated affiliates, net	(17.6)	(0.6)	(68.0)
Restricted cash and other	37.1	(32.5)	(2.7)
Net cash used in investing activities	(192.7)	(279.5)	(223.9)
<b>Cash flows from financing activities:</b>			
Proceeds from debt obligations	282.3	76.5	208.8
Repayments of debt obligations	(343.6)	(38.1)	(329.5)
Proceeds from issuance of common stock	—	0.3	8.2
Payment of minimum tax withholdings on stock compensation	(5.2)	(3.2)	—
Payment of debt issuance costs	(0.1)	(1.4)	(0.3)
Investments by noncontrolling interests	1.3	—	—
Net cash (used in) provided by financing activities	(65.3)	34.1	(112.8)
Effects of exchange rate changes on cash and cash equivalents	46.8	(116.1)	13.7
Increase (decrease) in cash and cash equivalents	140.5	(70.2)	181.3
Cash and cash equivalents, beginning of year	512.2	582.4	401.1
Cash and cash equivalents, end of year	\$ 652.7	\$ 512.2	\$ 582.4

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.

### Corporate Headquarters

4205 River Green Parkway  
Duluth, Georgia 30096 US  
770-813-9200

### Transfer Agent & Registrar

Computershare Investor Services, LLC  
250 Royall Street  
Canton, MA 02021 US

### Stock Exchange

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

### Independent Registered Public Accounting Firm

KPMG LLP  
Atlanta, Georgia US

### Form 10-K

The Form 10-K annual report to the Securities and Exchange Commission is available in the "Investors" Section of our corporate web site ([www.agcocorp.com](http://www.agcocorp.com)), under the heading "SEC Filings", or upon request from the Investor Relations Department at corporate headquarters.



### Annual Meeting

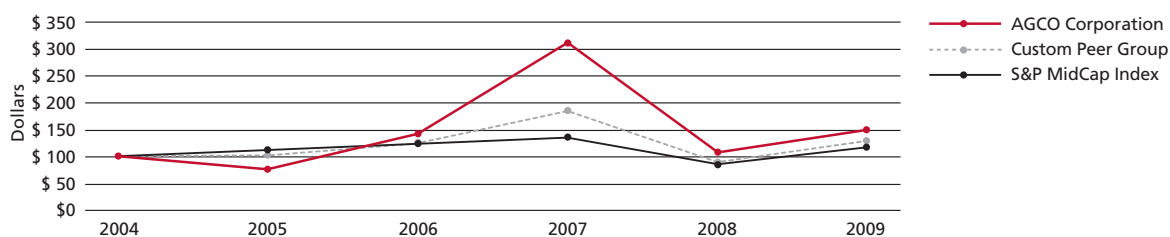
The annual shareholders meeting is scheduled for April 22, 2010 at 9am at the offices of AGCO Corporation, 4205 River Green Parkway, Duluth, Georgia 30096 US

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### Comparison of 5-year cumulative total return among AGCO Corporation, S&P MidCap Index and Custom Peer Group



### Performance graph

The graph shown (above) 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.

Assumes \$100 invested on January 1, 2005. Assumes dividend reinvested. Fiscal year ending December 31, 2009.

(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.

