AGCO Further Penetrates Eastern European Markets; A New Joint Venture Expands Distribution of the Highly Respected Fendt and Valtra Tractor Brands into Russia and Kazakhstan

DULUTH, Ga.--(BUSINESS WIRE)--May 26, 2006--AGCO Corporation (NYSE: AG), a worldwide manufacturer and distributor of agricultural equipment, today announced the creation of a new joint venture company in Russia, AGCO SM Group, which is comprised of a partnership between AGCO Corporation and the SM Group. AGCO SM Group will be responsible for the distribution of Fendt and Valtra branded equipment throughout Russia and Kazakhstan. AGCO will have a 51 percent ownership in the joint venture.

"This joint venture represents the completion of another very important step in the growth strategy of our company," said Martin Richenhagen, President and CEO of AGCO Corporation. "Farmers in Russia and Kazakhstan can now experience two of the finest tractor brands in the world, and we are confident the combination will result in a highly successful business operation that will enhance shareholder value."

With a ten-year history of establishing distribution channels and retail financing for local Russian agricultural machinery, SM Group is considered an expert within the Russian market. SM Group's past experience in Russia includes ownership of the Yenisey combine factory in Krasnoyarsk, the number two combine manufacturer in Russia, and a partnership interest in Agromash Agricultural Machinery.

Oleg Kirillov, President of SM Group said, "The establishment of this Group provides an ideal formula for the development of Fendt and Valtra sales and service in Russia and Kazakhstan. It is a combination of AGCO Corporation's global agricultural machinery expertise and resources with the local market experience and resources provided by SM Group. The new AGCO SM team has ambitious plans and we are looking forward to making a strong contribution to AGCO's strategic development in the region."

AGCO SM Group will focus on distributing Fendt and Valtra tractors above 150 horsepower, Fendt combines, and various associated AGCO tillage and planting equipment to areas with the largest growth potential.

"This is a significant step in AGCO's investment into one of the world's fastest growing regions," stated Gary Collar, Senior Vice President and General Manager of AGCO's Europe/Africa/Middle East region. "We have seen the market for Western agricultural machinery increase between 150 and 200 percent in the last two years as Russian farmers recognize the benefits of modern, reliable, efficient machinery. The joint venture will strengthen Fendt and Valtra distribution operations and will provide a valuable source of local market expertise. This venture signals our intent to provide the very highest levels of sales, distribution and customer service in Russia and Kazakhstan."

He continued, "AGCO already has strong distribution partners for its Challenger and Massey Ferguson brands in the region, which we will continue to develop alongside AGCO SM Group's Fendt and Valtra operations. This fits AGCO Corporation's multi-brand strategy and allows us to develop strong product differentiation and individual brand presence in the region."

For more information on AGCO Corporation and its various brands visit, www.agcocorp.com.

Safe Harbor Statement

This press release contains forward-looking statements regarding, among other things, our plans and expectations for the joint venture, strategic development and product plans, and the impact of the joint venture on Fendt and Valtra. Actual results may differ materially from those suggested by these forward-looking statements for a number of reasons including the development of demand for our products in Russia and Kazakhstan, the difficulties inherent in commencing the operation of a new business including staffing, licensing and the development of infrastructure, the economic health of the Russian and Kazakhstan agricultural industry and the general demand for farm equipment, and competitive response by other manufacturers of farm equipment to the creation of the joint venture. For additional information regarding factors that could impact results, please see our Form 10-K for the year ended December 31, 2005, as filed with the Securities and Exchange Commission. AGCO disclaims any obligation to update any forward-looking statements except as required by law.

About AGCO

Founded in 1990, AGCO Corporation (NYSE: AG) (www.agcocorp.com) is a global manufacturer of agricultural equipment and related replacement parts. AGCO offers a full product line including tractors, combines, hay tools, sprayers, forage, tillage equipment and implements, which are distributed through more than 3,600 independent dealers and distributors in more than 140 countries worldwide. AGCO products include the following well-known brands: AGCO(R), Challenger(R), Fendt(R), Gleaner(R), Hesston(R), Massey Ferguson(R), New Idea(R), RoGator(R), Spra-Coupe(R), Sunflower(R), Terra-Gator(R), Valtra(R), and White(TM) Planters. AGCO provides retail financing through AGCO Finance. The company is headquartered in Duluth, Georgia, and in 2005, had net sales of $5.4 billion.

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