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AGCO Provides Update on Challenger Product Line Distribution Network

Full Market Coverage Anticipated; Foreign Market Distribution Progressing

DULUTH, Ga., Sept. 23 -- AGCO Corporation (NYSE: AG), a worldwide designer, manufacturer, and distributor of agricultural equipment, announced that it has made further progress in the recruitment of dealers to represent its new Challenger product line of farm equipment in North America. Currently, AGCO has received commitments from 51 Caterpillar dealers in the United States and Canada. Furthermore, AGCO has received commitments from three Caterpillar dealers in Mexico. By year end, AGCO projects that five more Caterpillar dealers in the United States and Canada and that one more Caterpillar dealer in Mexico will be signed. These additions will provide full and complete coverage of the North American market. The Challenger dealers will offer a unique line of full-featured tractors, combines and hay equipment powered by Caterpillar engines.

"We are pleased with the enthusiastic response from the Caterpillar dealers to participate in a mutually beneficial growth opportunity," stated Robert J. Ratliff, Chairman, President and Chief Executive Officer of AGCO. "Our full line of competitive products combined with the Caterpillar dealer's first-class service and support will provide a popular new alternative in the North American marketplace."

AGCO's launch of a new product line and distribution network began in March 2002 upon the acquisition of Caterpillar Inc.'s agricultural track-type tractors known as "Challenger". AGCO has added a full range of new agricultural equipment to form the new Challenger brand. During the past six months, AGCO has been active in the recruitment, signing, and training of Challenger dealers. In addition, AGCO is making significant progress in the development and introduction of a full line of equipment powered by Caterpillar engines. Sales of the new Challenger track-type tractors began in the second quarter and other Challenger branded products are being released throughout the remainder of 2002 and 2003. AGCO's Challenger distribution network in North America will double the number of Caterpillar dealers selling agricultural equipment prior to acquisition.

Outside of North America, AGCO is actively shaping its Challenger distribution network. Currently, AGCO expects that it will secure commitments from Caterpillar dealers to distribute a full line of Challenger equipment in markets including Australia, Eastern and Central Europe, South America, the Middle East, and Asia. In Western Europe, AGCO's initial focus will be to distribute the MT 700 and 800 series Challenger high horsepower track tractor line through select Massey Ferguson and Fendt dealers. AGCO expects to complete its initial recruitment and training of Challenger dealers outside of North America by the middle of 2003.

"We are also making significant progress in markets outside of North America," stated Mr. Ratliff. "In particular, our alliances with Caterpillar dealers in Eastern and Central Europe should have significant long-term potential due to the Caterpillar dealers' established presence in these developing markets. In Western Europe, we plan to leverage our existing Massey Ferguson and Fendt dealer network to expand their product offering with the Challenger branded equipment."

Sales of the Challenger product line are expected to be \$150 to 175 million in 2002 and are expected to grow upon continued expansion of the Challenger distribution network and release of additional Challenger products. "Although it is still early in the development of this new product line, we believe that the Challenger sales potential is significant," stated Mr. Ratliff. "We have established targets to grow Challenger sales to over \$500 million by the year 2005."

Safe Harbor Statement

Statements which are not historical facts, including our expectations regarding adding dealers and the release of new products, and our sales projections, are forward looking and subject to risks which could cause actual results to differ materially from those suggested by the statements. Although the Company believes that the statements it has made are based on reasonable assumptions, they are based on current information and beliefs and, accordingly, the Company can give no assurance that its statements will be achieved. The Company bases its outlook on key operating, economic and agricultural data which are subject to change including, but not limited to: farm cash income, worldwide demand for agricultural products, commodity prices, grain stock levels, weather, crop production, farmer debt levels, existing government programs and farm-related legislation. Additionally, the Company's financial results are sensitive to movement in interest rates and foreign currencies, as well as general economic conditions, pricing and product actions taken by competitors, the continued engineering development of the Challenger line and its market acceptance, the successful expansion of Challenger production, production disruptions and changes in environmental, international trade and other laws which impact the way in which it conducts its business. Further information concerning factors that could significantly affect the Company's results is included in the Company's filings with the Securities and Exchange Commission. The Company disclaims any responsibility to update any forward-looking statements.

AGCO Corporation, headquartered in Duluth, Georgia, is a global designer, manufacturer and distributor of agricultural equipment and related replacement parts. AGCO products are distributed in 140 countries. AGCO offers a full product line including tractors, combines, hay tools, sprayers, forage equipment and implements through more than 7,350 independent dealers and distributors around the world. AGCO products are distributed under the brand names AGCO, AGCOSTAR, Ag-Chem, Challenger, Farmhand, FENDT, Fieldstar, GLEANER, Glencoe, Hesston, LOR*AL, Massey Ferguson, New Idea, SOILTEQ, Sprague-Coupe, Tye, White Planters and Willmar. AGCO provides retail financing through AGCO Finance in North America and through Agricredit in the United Kingdom, France, Germany, Ireland, Spain and Brazil. In 2001, AGCO had sales of \$2.5 billion.

Source: AGCO Corporation