

AGCO DANMARK A/S
Stationsparken 37, 2
DK – 2600 Glostrup


Annual Report 2016

CVR-nr. 66 60 76 15

Annual Report was presented and approved by the company
General Meeting

Date 31 May 2017

Director

A handwritten signature in black ink, appearing to be 'K. St.', written over a horizontal line. The signature is stylized and cursive.

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Statements

Management statement

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's financial position at 31 December 2016 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2016.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and its financial position.

We recommend that the annual report be approved at the annual general meeting.

Glostrup, 31st May 2017

Management:



Bo Steensgaard Gade

Board of directors:



Roger Neil Batkin
Chairman



Frédéric Michel Devienne



Bo Steensgaard Gade

Independent auditor's report

To the shareholders of AGCO Danmark A/S

Opinion

We have audited the financial statements of AGCO Danmark A/S for the financial year 1 January – 31 December 2016 comprising accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2016 and of the results of the Company's operations and cash flows for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Independent auditor's report (continued)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

Independent auditor's report (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Aalborg, 31 May 2017

KPMG

Statsautoriseret Revisionspartnerselskab

CVR no. 25 57 81 98



Steffen S. Hansen
State Authorised
Public Accountant

Management's Review

Key information on the company

AGCO Danmark A/S
Stationsparken 37, 2
DK-2600 Glostrup

CVR-nr / Registration No.: 66 60 76 15
Established: 30.06.1981
Financial year: 1 January – 31 December

Board of directors

Frédéric Michel Devienne
Roger Neil Batkin
Bo Steensgaard Gade

Management

Bo Steensgaard Gade

Auditors

KPMG
Statsautoriseret Revisionspartnerselskab
Østre Allé 18, st. th.
9000 Aalborg

Management's review (continued)

Key figures and key ratios

MDKK	2016	2015	2014	2013	2012
Key figures					
Net sales	619.4	428.1	650.0	778.3	565.7
Gross profit	52.9	40.8	40.5	46.9	35.6
Ordinary operating profit	25.8	13.0	14.1	21.5	10.3
Profit/loss from financial income and expenses	-1.6	0.1	-1.7	-3.6	1.3
Restructuring costs	-1.5	0.0	0.0	0.0	0.0
Income before tax	24.2	13.1	12.4	17.9	11.6
Net income	19.9	10.0	8.6	13.3	8.6
Key Ratio					
Fixed assets	0.0	0.2	0.4	0.7	0.9
Investment in property, plant and equipment	0.0	0.0	0.0	0.0	0.4
Current assets	220.7	463.9	549.9	333.0	260.4
Total assets	220.7	464.1	550.3	333.7	261.4
Share capital	5.5	5.5	5.5	5.5	5.5
Shareholders' equity	32.9	53.0	42.9	52.4	39.2
Provisions	2.2	2.3	1.3	1.1	1.0
Current liabilities	185.6	408.9	506.1	280.1	221.2
Total shareholders' equity and liabilities	220.7	464.1	550.3	333.7	261.4
Key Ratio					
Gross margin	8.8%	9.5%	6.2%	6.0%	6.3%
Return on invested capital	122.0%	31.0%	102.4%	55.2%	39.1%
Equity ratio	14.9%	11.4%	7.8%	15.7%	15.0%
Return on equity	60.5%	18.9%	20.1%	25.3%	22.1%
Average number of employees	47	43	41	42	40

Financial ratios are calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015". For terms and definitions, please see the accounting policies.

Management's review (continued)

Core business area

AGCO Danmark A/S's principal activity is the import and sale of agricultural machinery and spare parts. AGCO Danmark A/S's main products are Massey Ferguson and Fendt tractors, combines, balers, Challenger tracked tractors, and self-propelled sprayers. On the 1st of July 2016 the Valtra tractor distribution was also transferred to AGCO Danmark A/S. AGCO Danmark's clients are a distributor base of now 21 dealers in Denmark, with 46 outlets for the sale of machinery, spare parts and store products.

Development in activities and financial conditions

Result for the year

The total tractor market in Denmark – above 60 HP - continued to decline a further 13.75% in 2016 vs 2015. This was due to the crisis in Danish agriculture.

Massey Ferguson's market share increased slightly from 11.7% in 2015 to 12% in 2016. Fendt's market share decreased from 7.9% in 2015 down to 5.8% in 2016. The Valtra market share also increased slightly from 8.3% in 2015 to 9% in 2016. This in a total market – above 60HP - that ended at 1,447 tractors vs 1,678 in 2015.

The total combine market decreased slightly in 2016. From 226 units in 2015 down to 198 units in 2016. Massey Ferguson market share decreased from 5.8% in 2015 down to 4.0% in 2016. Fendt market share decreased from 4.4% in 2015 down to 3.0% in 2016.

On the 1st July the Valtra tractor distribution in Denmark was transferred to AGCO Danmark A/S – in total 4 headcounts were transferred.

At the end 2016 our parts warehouse operations were transferred from AGCO Denmark A/S and centralized at third party facilities in Malmö, Sweden. This site is now serving all Dealers of AGCO products in Denmark, Sweden and Norway.

The consequences of this decision was that 12 fulltime employees and 10 temporary staff left the company by the end of 2016.

As the warehouse operations was closed down the company relocated to a smaller facility – on the 1st of March 2017.

Revenue for the year is 619.4 MDKK against 428.1 M DKK in the prior year. Operating profit after tax amounted to 19.9 MDKK against 10.0 MDKK in the prior year. The development is considered satisfactory, with the supply situation and the financial crisis taken into account.

The management consider the result to be acceptable.

New products

AGCO Danmark A/S has also in 2016 introduced new tractor series with newest technology to be able to fulfill latest emission regulations.

Management's review (continued)

Investments

No significant investments are planned.

Capital resources

AGCO Danmark A/S has an equity ratio of 14.9% (2015: 11.4 %), with a shareholder's equity at 31 December 2016 of 60.5 MDKK (2015: 18.9 MDKK).

The company's capital resources are regarded as sufficient to cover the ongoing business for 2017.

Research and development activities

No such activities are planned for in 2017.

Outlook

Management's expectations are based on the total market increasing slightly in 2017 compared to 2016, and at the same time the aim is a slight increase in market share for both Massey Ferguson, Fendt and Valtra tractors compared to 2016.

Overall it is expected that in 2017 the turnover will decrease in the company due to impact of the restructuring.

Valtra Tractor business in Denmark was only part of AGCO Denmark's turnover from 1st July 2016. In 2017 the Valtra tractor turnover will be included for the full financial year.

Ownership

AGCO Danmark A/S is wholly owned by AGCO A/S.

Corporate Social Responsibility

AGCO Danmark A/S has no policies regarding, social responsibility, environment, climate or human rights.

Management's review (continued)

Target and Policies for the Underrepresented Gender

In the Financial Statements Act, §99b, a provision has been added on target figure and policies regarding the distribution by gender in the management. At AGCO Danmark A/S the target is that the under-represented gender must represent minimum 33% of the executive board at the end of the financial year 2021. This accounts for 1 female member to be appointed by the end of financial year 2021. Currently, the board consists of 3 members, which are all males.

The Board is determined at group level and consists of two persons from Group Administration together with the Executive Director. The board is rarely changed and the composition of the Board depends on composition of Administration in Parent Company.

Even though, this could be an issue for completion of our target, we will strive to meet it within the defined timeframe by keeping focus on increasing diversity in the executive board

At 31 December 2016 the under-represented gender was 0% of the executive board.

As the Company has under 50 average number of employees target and policies for other Management levels are not disclosed.

Accounting principles

The 2016 annual report of AGCO Danmark A/S has been prepared in accordance with the provisions applying to class C (large) enterprises under the Danish Financial Statements Act.

As from 1 January 2016, the Company has implemented Act no. 738 of 1 June 2015. This has entailed the following changes to recognition and measurement:

- Going forward, the residual value of intangible assets and property, plant and equipment must be reassessed on an ongoing basis. Pursuant to the transition provisions of the Act, any adjustments to residual values must be made prospectively as an accounting estimate without restatement of comparative figures and without effect on equity.

The changes have no monetary effect on the income statement or the balance sheet for 2016 or for the comparative figures.

Apart from the above, the accounting policies used in the preparation of the financial statements are consistent with those of last year.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Pursuant to Section 86 (4) of the Danish Financial Statements Act, a cash flow statement has not been prepared.

Recognition and measurement

Assets are recognized in the balance sheet when it is probable that future economic benefits will flow to the Company and the value of the asset can be reliably measured.

Liabilities are recognized in the balance sheet when an outflow of economic benefits is probable and when the liability can be reliably measured.

On initial recognition, assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as described below for each individual item.

Certain financial assets and liabilities are measured at amortized cost implying the recognition of a constant effective interest rate to maturity. Amortized cost is calculated as initial cost minus any principal repayments and plus or minus the cumulative amortization of any difference between cost and nominal amount.

In recognizing and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the annual report that evidence conditions existing at the balance sheet date are taken into account.

Income is recognized in the income statement as earned; including value adjustments of financial assets and liabilities measured at fair value or amortized cost. Equally, costs incurred to generate the year's earnings are recognized, including depreciation, amortization, impairment and provisions as well as reversals as a result of changes in accounting estimates of amounts which were previously recognized in the income statement.

Accounting principles (continued)

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and at the date at which the receivable or payable arose or was recognized in the latest financial statements is recognized in the income statement as interest income or expense and similar items.

Tangible assets acquired in foreign currencies are translated at the exchange rate of the transaction date.

Income statement

Revenue

Revenue from the sale of goods for resale and finished goods is recognized in the income statement provided that delivery and transfer of risk to the buyer has taken place before year end and that income can be reliably measured and is expected to be received. Revenue is measured ex VAT, taxes and discounts in relation to the sale.

Other operating income and costs

Other operating income and costs comprise items secondary to the principal activities of the enterprises, including gains and losses on disposal of intangible assets and property, plant and equipment.

Interest income and expense and similar items

Interest income and expense and similar items comprise interest income and expense, gains and losses on securities, payables and transactions denominated in foreign currencies, amortization of financial assets and liabilities as well as surcharges and refunds under the on account tax scheme etc.

Tax on profit / loss for the year

Tax for the year comprises current tax and changes in deferred tax for the year. The tax expense relating to the profit/loss for the year is recognized in the income statement, and the tax expense relating to amounts directly recognized through equity is recognized directly in capital and reserves. The recognized tax expense relating to the extraordinary profit/loss for the year is allocated to this item whereas the remaining tax expense is allocated to the profit/loss for the year from ordinary activities.

Accounting principles (continued)

Balance sheet

Property, plant and equipment

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets. The expected useful lives are as follows:

Fixtures and fittings, tools and equipment 3-10 years

Property, plant and equipment are written down to the recoverable amount if this is lower than the carrying amount.

Gains and losses on the disposal of property, plant and equipment are determined as the difference between the sales price less disposal costs and the carrying amount at the date of disposal. The gains or losses are recognized in the income statement as other operating income or other operating costs, respectively.

The useful life and residual value are reassessed annually. Changes are treated as accounting estimates, and the effect on depreciation is recognised prospectively.

Leasing

All leasing contracts are evaluated to be operating lease. The expenses are recognized in the income statement for the duration of the lease contracts. Total leasing commitment is disclosed in the notes.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realizable value is lower than cost, inventories are written down to this lower value.

Goods for resale are measured at cost, comprising purchase price plus delivery costs.

The net realizable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected sales price.

Receivables

Receivables are measured at amortized cost. Write-down is made for bad debt losses

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Accounting principles (continued)

Corporation tax and deferred tax

Current tax payable and receivable is recognized in the balance sheet as tax computed in the taxable income for the year, adjusted for tax on the taxable income of prior years.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognized at the expected value of their utilization; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity.

Other provisions

Warranties comprise obligations to make good any defects within the warranty period. Provisions for warranties are measured and recognized based on past experience.

Financial liabilities

Amounts owed to mortgage credit institutions and banks are recognized at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortized cost, corresponding to the capitalized value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value is recognized in the income statement over the term of the loan.

Other liabilities are measured at net realizable value.

STATEMENT OF INCOME

(DKK 1,000)

<u>Note</u>		<u>2016</u>	<u>2015</u>
	NET SALES	619,415	428,121
	Cost of sales	-538,899	-365,766
	Other external expenses	-27,605	-21,571
	GROSS PROFIT	52,911	40,784
1	Staff costs	-26,889	-27,601
	Depreciation	-217	-199
	ORDINARY OPERATING PROFIT	25,805	12,984
2	Financial income	3,622	7,464
3	Financial expenses	-5,219	-7,322
	INCOME BEFORE TAX	24,208	13,126
4	Tax on profit for the year	-4,295	-3,099
	NET INCOME	19,913	10,027
	SPLIT BY:		
6	Continuing operations	24,269	
6	Discontinuing operations	(4,356)	
		19,913	

BALANCE SHEET

ASSETS

(DKK 1,000)

<u>Note</u>		<u>2016</u>	<u>2015</u>
	FIXED ASSETS		
	Tangible fixed assets		
7	Machinery and equipment	15	232
	Total fixed assets	<u>15</u>	<u>232</u>
	CURRENT ASSETS		
	Inventories	<u>1,710</u>	<u>62,055</u>
	Receivables		
	Trade receivables	45,618	28,140
	Intercompany receivables	124,127	335,495
8	Deferred tax asset	11,740	7,009
	Other receivables	15,950	16,679
9	Prepayments	15,826	8,525
		<u>213,261</u>	<u>395,848</u>
	Cash	<u>5,723</u>	<u>6,007</u>
	Total current assets	<u>220,694</u>	<u>463,910</u>
	TOTAL ASSETS	<u>220,709</u>	<u>464,142</u>
	SPLIT BY:		
6	Continuing Operations	20,356	
6	Discontinuing Operations	14,353	
		<u>220,709</u>	

BALANCE SHEET

SHAREHOLDERS' EQUITY AND LIABILITIES

(DKK 1,000)

<u>Note</u>		<u>2016</u>	<u>2015</u>
SHAREHOLDERS' EQUITY			
	Share capital	5,500	5,500
	Retained earnings	27,379	47,466
	Total shareholders' equity	32,879	52,966
PROVISIONS			
	Warranty provision	902	710
10	Other provisions	1,300	1,600
		2,202	2,310
CURRENT LIABILITIES			
	Trade payables	20,721	16,820
	Intercompany debt	83,866	350,289
	Joint taxation payable	10,389	2,983
	Other debt	70,652	38,774
	Total current liabilities	185,628	408,866
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES			
		220,709	464,142
SPLIT BY:			
6	Continuing Operations	20,356	
6	Discontinuing Operations	14,353	
		220,709	

STATEMENT OF CHANGES IN EQUITY

(DKK 1,000)	Share Capital	Retained earnings	Proposed dividends	Total equity
Shareholders' equity 1 January 2015	5,500	37,439	0	42,939
Transferred over the profit appropriation	0	10,027	0	10,027
Shareholders' equity 1 January 2016	5,500	47,466	0	52,966
Transferred over the profit appropriation	0	-20,087	40,000	19,913
Distributed extraordinary dividends	0	-40,000	0	-40,000
Shareholders' equity 31 December 2016	5,500	27,379	0	32,879

The share capital consists of 5,500 shares of TDKK 1, amounting to TDKK 5,500.
No changes have been made to the share capital in the last 5 years.

NOTES

(DKK 1,000)

1 STAFF COSTS

	<u>2016</u>	<u>2015</u>
Salaries and wages	24,242	25,178
Pension	2,123	1,963
Other social security costs	524	460
	<u>26,889</u>	<u>27,601</u>

During the year the company had an average of 47 employees (2015: 43)

The company took advantage of section 98b(3) of the Danish Financial Statements Act and has not disclosed the remuneration of the Executive Board and Management.

2 FINANCIAL INCOME

	<u>2016</u>	<u>2015</u>
Intercompany Interest	3,622	7,464
	<u>3,622</u>	<u>7,464</u>

3 FINANCIAL EXPENSES

	<u>2016</u>	<u>2015</u>
Intercompany Interest	-	-4,228
Other interest charges	-5,219	-3,094
	<u>-5,219</u>	<u>-7,322</u>

4 TAX ON PROFIT FOR THE YEAR

Income taxes are based on the tax laws currently in effect.

	<u>2016</u>	<u>2015</u>
Current tax for the year	10,389	2,983
Deferred tax for year	-4,731	116
Adjustment relating to prior year	-1,363	-
	<u>4,295</u>	<u>3,099</u>

5 PROPOSED PROFIT APPROPRIATION

	<u>2016</u>	<u>2015</u>
Distributed extraordinary dividends	40,000	0
Profit for the year	-20,087	10,027
	<u>19,913</u>	<u>10,027</u>

NOTES (Continued)

(DKK 1,000)

6 WAREHOUSE CLOSURE

AGCO Danmark A/S has in connection with a restructuring outsourced the handling of inventory to a third party. Further in connection with the restructuring, parts of the spare part segment has been transferred to sister companies.

This activity has been presented as discontinuing operation in the financial statements.

The Statement of Income and the Balance Sheet for the part of the business that is classed as discontinuing is detailed below:

Discontinuing Operations

	<u>2016</u>
Net Sales	143,927
Cost of Sales	(131,163)
Other External Expenses	(13,149)
Gross Loss	(385)
Staff Costs	(3,908)
Depreciation	(63)
Net Loss	<u>(4,356)</u>

Assets and Liabilities relating to discontinuing operations

	<u>2016</u>
<u>Assets</u>	
Inventory	692
Other Receivables	13,661
Total Assets	<u>14,353</u>
<u>Liabilities</u>	
Other Payables	9,060
Equity	5,293
Total Equity & Liabilities	<u>14,353</u>

NOTES (Continued)

(DKK 1,000)

7 FIXED ASSETS

	<u>Machinery And Equipment</u>
COST	
Balance as of January 1, 2016	6,552
Additions	-
Disposals	<u>-5,465</u>
Balance as of December 31, 2016	<u>1,087</u>
 ACCUMULATED DEPRECIATION	
Balance as of January 1, 2016	6,320
Depreciation	117
Depreciation on disposed assets	<u>-5,365</u>
Balance as at December 31, 2016	<u>1,072</u>
 Net book value as at December 31, 2016	15
Net book value as at December 31, 2015	232

8 DEFERRED TAX

	<u>2016</u>	<u>2015</u>
Deferred tax at 1 January	7,009	7,125
Adjustment of deferred tax	4,731	-116
	<u>11,740</u>	<u>7,009</u>
 Deferred tax relates to:		
Property, plant and equipment	101	105
Provisions	11,639	6,904
	<u>11,740</u>	<u>7,009</u>

9 PREPAYMENTS

	<u>2016</u>
Prepayments relates to the following:	
Accrued Income	15,050
Warehouse lease deposit	676
Prepaid insurance costs	81
Other	19
	<u>15,826</u>

NOTES (Continued)

(DKK 1,000)

10 OTHER PROVISIONS

	<u>2016</u>	<u>2015</u>
Other provisions at 1 January	710	1,301
Utilized during the year	-	-157
Reversal	-228	-597
Provision for the year	420	163
Other provisions at 31 December	<u>902</u>	<u>710</u>

The provisions are expected to be payable in:

0-1 year	843	692
1-5 years	59	18
>5 years	-	-
	<u>902</u>	<u>710</u>

11 CURRENCY AND INTEREST RATE RISKS AND THE USE OF DERIVATIVE FINANCIAL INSTRUMENTS

AGCO Danmark A/S does not make use of hedging instruments, such as forward exchange contracts or interest and currency swaps, for its recognised and unrecognised transactions.

Recognised transactions

Recognised transactions in the form of receivables and payables denominated in foreign currencies are minimal as the majority of transactions are made in DKK. The risk associated with foreign exchange is therefore deemed to be small.

Currency risks

Currency	Receivables	Payables	Hedged by forward exchange contracts and currency swaps	Net position
	DKK	DKK	DKK	DKK
DKK	168,690	(194,506)	-	(25,816)
EUR	(48,964)	19,364	-	(29,600)
NOK	79,322	2	-	79,324
SEK	2,242	294	-	2,536
Other	-	8	-	8
	<u>201,290</u>	<u>(174,838)</u>	<u>-</u>	<u>26,452</u>

NOTES (Continued)

(DKK 1,000)

12 LEASING COMMITMENTS

The Company has entered into leasing contracts regarding cars and office furniture.

The contracts expire on various dates up to 2019 and the total obligation amounts to TDKK 7,500. The Company has entered into a leasehold agreement, which is now on a rolling basis and has a notice period of 6 months.

The total lease obligation amounts to TDKK 992.

13 RELATED PARTY DISCLOSURE

AGCO Danmark A/S's related parties comprise the following:

Controlling party

AGCO A/S, Dronningborg Alle 2, 8930 Randers.

AGCO A/S holds 100% of the share capital in the Company.

AGCO Danmark A/S is part of the consolidated financial statements of AGCO Corporation, Registered Office: 4205 River Green Parkway, Duluth Georgia U.S, which is the smallest and largest group in which the Company is included as a subsidiary.

The consolidated financial statements of AGCO Corporation can be obtained by contacting the Company or at the following website: www.AGCOcorp.com

Related party transactions

The Company has chosen only to disclose transactions that are not carried out on an arm's length basis in accordance with section 98c(7) of the Danish Financial Statements Act.

14 AUDITOR'S REMUNERATION

The total fee to the auditors appointed by the shareholder at the annual general meeting for performing the statutory audit has, for the financial year, amounted to 160 TDKK.

15 CONTINGENT LIABILITIES

Joint taxation

The Company is jointly taxed with the other Danish group companies. As a wholly-owned subsidiary, together with the other companies included in the joint taxation, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends, interest and royalties. Any subsequent correction of the taxable joint taxation income or withholding taxes might increase the Company's liability. There are no other contingent liabilities for the company to report.

16 EVENTS AFTER THE BALANCE SHEET DATE

No events have occurred after the balance sheet date.