

First Quarter 2015 Earnings Conference Call

20 February 2015

JOHN DEERE

Safe Harbor Statement & Disclosures

The earnings call and accompanying material include forward-looking comments and information concerning the company's plans and projections for the future, including estimates and assumptions with respect to economic, political, technological, weather, market acceptance and other factors that impact our businesses and customers. They also may include financial measures that are not in conformance with accounting principles generally accepted in the United States of America (GAAP). Words such as "forecast," "projection," "outlook," "prospects," "expected," "estimated," "will," "plan," "anticipate," "intend," "believe," or other similar words or phrases often identify forward-looking statements. Actual results may differ materially from those projected in these forward-looking statements based on a number of factors and uncertainties. Additional information concerning factors that could cause actual results to differ materially is contained in the company's most recent Form 8-K and periodic report filed with the U.S. Securities and Exchange Commission, and is incorporated by reference herein. Investors should refer to and consider the incorporated information on risks and uncertainties in addition to the information presented here. Investors should consider non-GAAP financial measures in addition to, and not as a substitute for, financial measures prepared in accordance with GAAP. The company, except as required by law, undertakes no obligation to update or revise its forward-looking statements whether as a result of new developments or otherwise. The call and accompanying materials are not an offer to sell or a solicitation of offers to buy any of the company's securities.

First Quarter Overview

(in millions of dollars except per share amounts)	Q1 2015	Q1 2014	Change
Net Sales and Revenues	$6,383	$7,654	-17%
Net Sales	$5,605	$6,949	-19%
Net Income Attributable to Deere & Company	$387	$681	-43%
Diluted EPS	$1.12	$1.81	-38%

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First Quarter Overview
Net Sales

Equipment operations net sales: Down 19% in Q1 2015 vs. Q1 2014

- Price realization: +1 point
- JD Landscapes and JD Water: (2) points
- Currency translation: (2) points

Worldwide Agriculture & Turf
First Quarter Overview

(in millions of dollars)	Q1 2015	Q1 2014	Change
Net Sales	$4,081	$5,596	-27%
Operating Profit*	$268	$797	-66%

*Q1 2015 operating profit impacted by:

Favorable
- Selling, Administrative, and General Expenses
- Price Realization

Unfavorable
- Shipment Volumes
- Less Favorable Sales Mix

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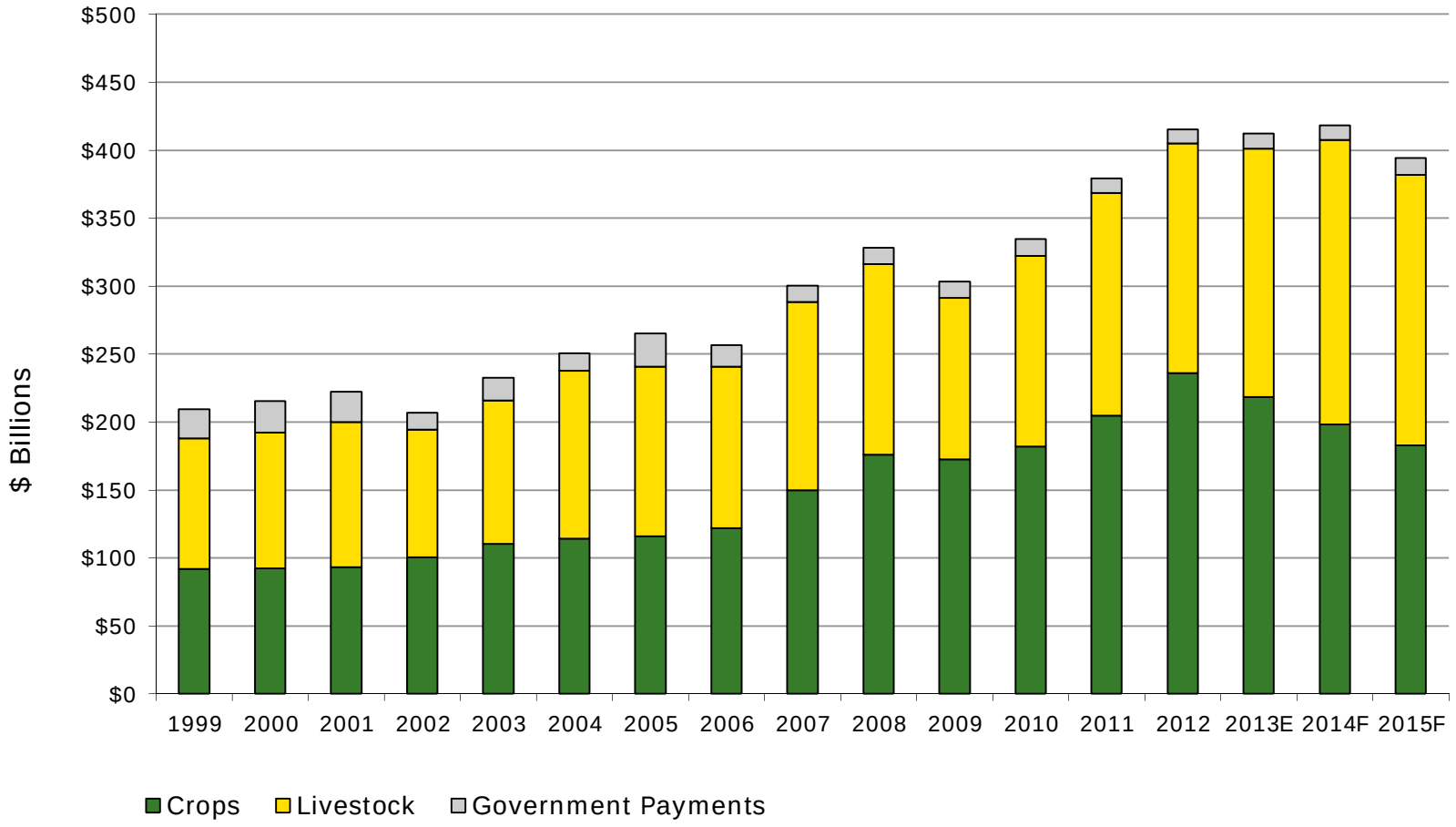
U.S. Farm Cash Receipts



Source: 1999 – 2012: USDA 10 February 2015
2013E – 2015F: Deere & Company Forecast as of 20 February 2015

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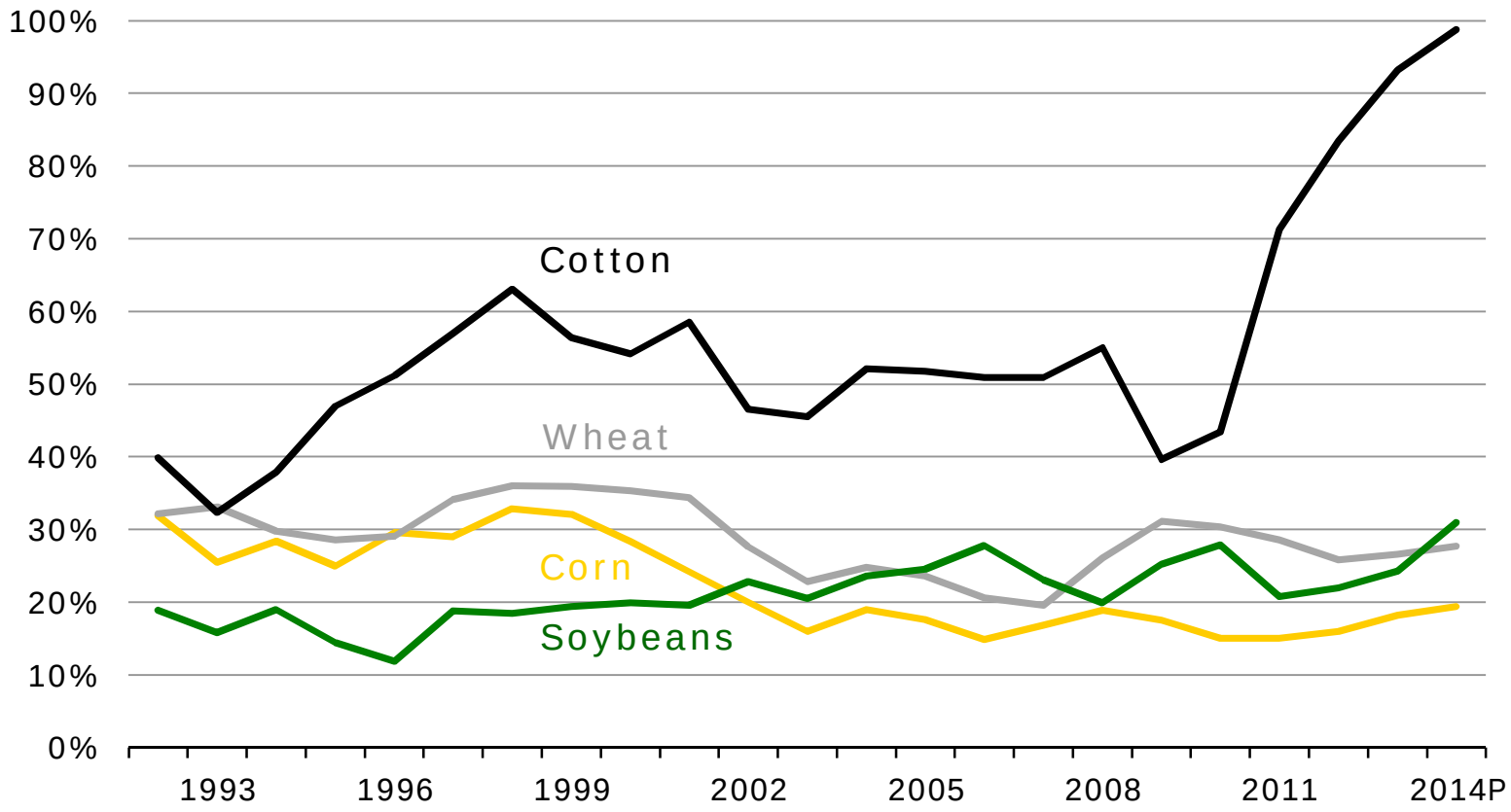
World Farm Fundamentals
Global Stocks-to-Use Ratios



Source: USDA – 10 February 2015

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Economic Update
EU 28 – Fiscal 2015

Economic growth continues at slow rate

Crop prices have weakened but are stabilizing at levels close to the long-term average

Livestock margins lower but at sound levels

- Beef prices have stabilized
- Feed costs have eased
- Downward pressure on dairy margins

Deere & Company Forecast as of 20 February 2015

Economic Update
Other Selected Markets – Fiscal 2015

Commonwealth of Independent States (CIS)

- Strong headwinds persist
- Increasing economic pressure and tightening credit conditions
- Geopolitical uncertainty impacting Western manufacturers

China

- Economic growth slower than expected
- Lower commodity prices impacting agricultural economy, somewhat mitigated by domestic supports
- Ongoing subsidies are supportive of agricultural equipment

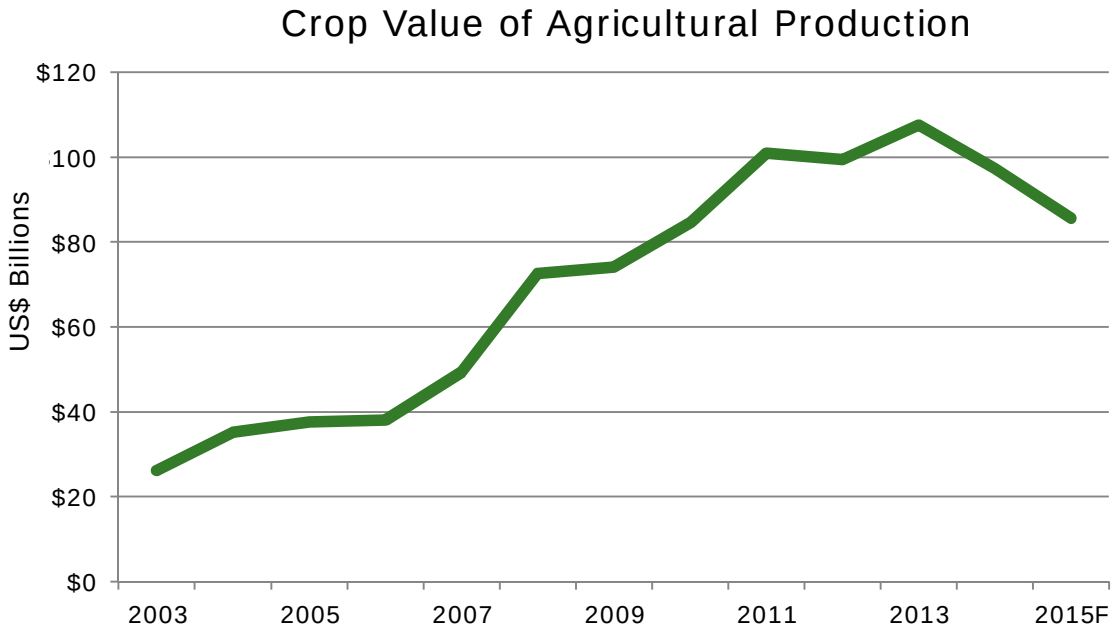
India

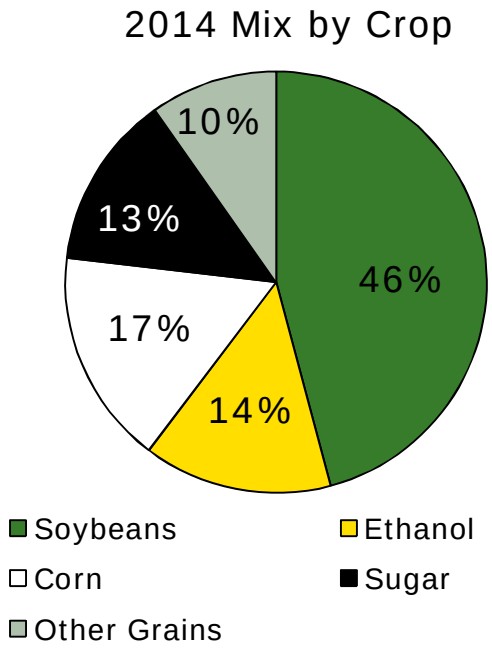
- Growth forecast expected to improve as positive sentiment continues with new government
- Monsoon below normal resulting in lower overall agricultural output

Deere & Company Forecast as of 20 February 2015

Crop Value of Agricultural Production
Brazil

Expected to decrease ~ 12% in 2015 over prior season





Source: IHS Global Insight, February 2015

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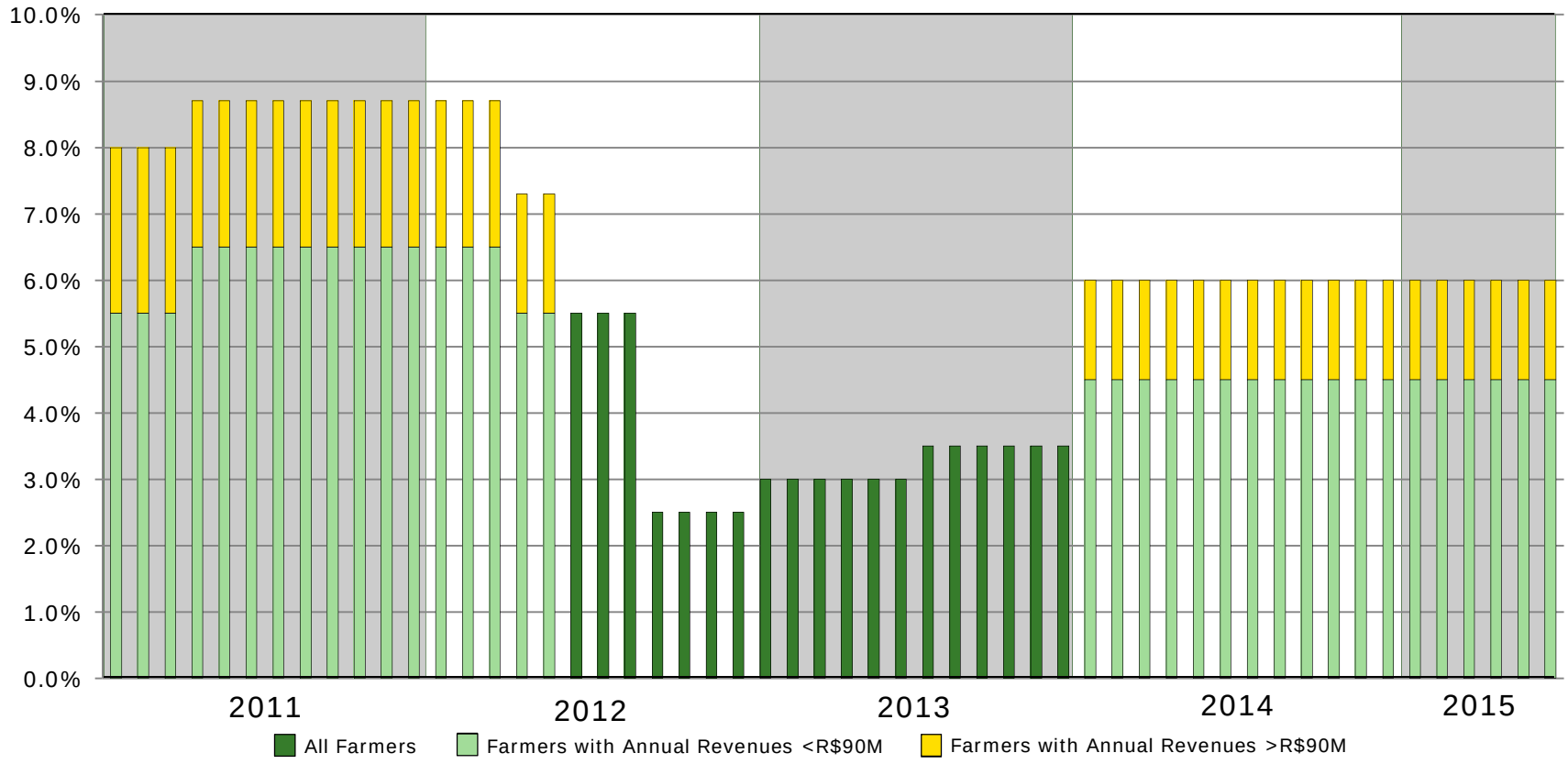
Eligible Finance Rates for Ag Equipment
Brazil



Source: ABIMAQ (Brazilian Association of Machinery and Equipment) and BNDES
PSI-FINAME was the key credit line for machinery acquisition from 2011 – 2014; Moderfrota is the most attractive credit line through June 2015

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Agriculture & Turf Retail Sales
Industry Outlook – Fiscal 2015

	2015 Forecast	Previous Forecast
U.S. and Canada Ag	Down 25-30%	No change
EU 28 Ag	Down ~ 10%	No change
South America Ag (Tractors and Combines)	Down 10-15%	Down ~ 10%
CIS Countries Ag	Down significantly	Further deterioration
Asia Ag	Down slightly	No change
U.S. and Canada Turf and Utility Equipment	Flat to up 5%	No change

Deere & Company Forecast as of 20 February 2015 (Previous Forecast as of 26 November 2014)

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Worldwide Agriculture & Turf
Deere & Company Outlook

Fiscal Year 2015 Forecast

- Net sales: Down ~ 23%
  - Currency translation: ~ (4) points
- Previous forecast: Down ~ 20%
  - Currency translation ~ (2) points

Deere & Company Forecast as of 20 February 2015 (Previous Forecast as of 26 November 2014)

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Worldwide Construction & Forestry
First Quarter Overview

(in millions of dollars)	Q1 2015	Q1 2014	Change
Net Sales	$1,524	$1,353	+13%
Operating Profit*	$146	$94	+55%

Incremental Margin ~ 30%

*Q1 2015 operating profit impacted by:

Favorable
- Shipment Volumes

Unfavorable
- Sales-Incentive Costs
- Foreign-Currency Exchange

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Worldwide Construction & Forestry
Deere & Company Outlook

Fiscal Year 2015 Forecast

- Net sales: Up ~ 5%
  - Currency translation: ~ (2) points
- Previous forecast: Up ~ 5%
  - Currency translation: ~ (1) point

U.S. Economic Indicators	2015 Forecast	Previous Forecast
GDP Growth (annual percentage rate)*	+3.1%	+2.7%
Housing Starts (thousands)	1,163	1,190
Total Construction Investment (annual percentage rate)*	+4.1%	+6.3%
Government Spending Growth (annual percentage rate)*	+2.4%	+3.3%

Source: Global Insight, Calendar Year Estimates – January 2015
** Change from prior year in real dollars*

Deere & Company Forecast as of 20 February 2015 (Previous Forecast as of 26 November 2014)

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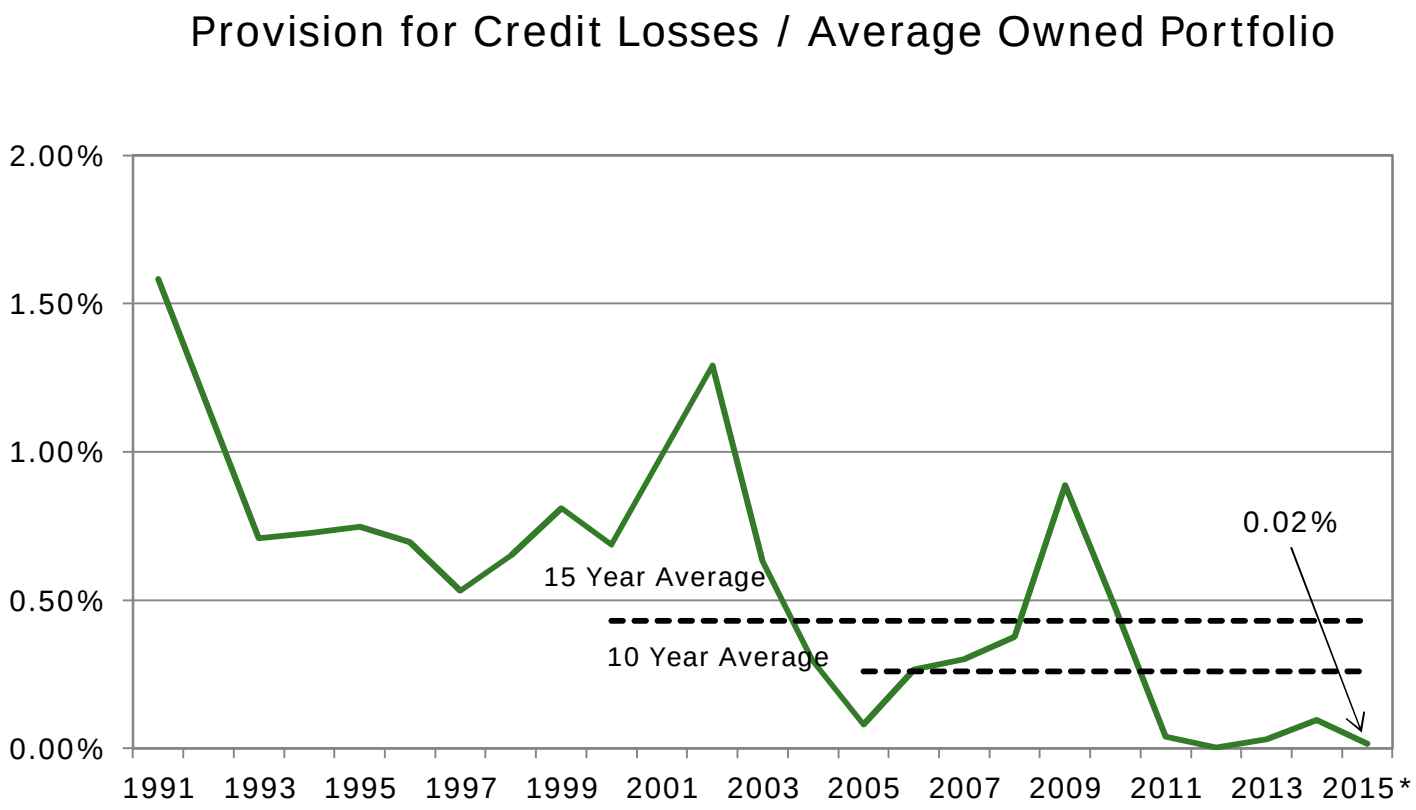
Worldwide Financial Services
Credit Loss History



** Annualized provision for credit losses as of 31 January 2015*

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Worldwide Financial Services

First Quarter 2015

- Net income attributable to Deere & Company
  - $157 million in Q1 2015 vs. $142 million in Q1 2014

Fiscal Year 2015 Forecast

- Net income attributable to Deere & Company of ~ $630 million
  - Previous forecast: ~ $610 million

Deere & Company Forecast as of 20 February 2015 (Previous Forecast as of 26 November 2014)

Consolidated Trade Receivables & Inventory

(in millions of dollars)	Q1 2015* Actual	2015** Forecast	2015** Previous Forecast
A&T	↓ $1,423	↓ $525	↓ $375
C&F	↑ $23	↑ $625	↑ $775
Total, as reported	↓ $1,400	↑ $100	↑ $400
Total, constant exchange	↓ $950	↑ $325	↑ $375***

** Change at 31 January 2015 vs. 31 January 2014*
*** Forecasted change at 31 October 2015 vs. 31 October 2014*
**** 26 November 2014 guidance for consolidated trade receivables and inventory at constant exchange was up $175 million. Previous 2015 forecast information for the same item is revised here for comparison purposes.*

Deere & Company Forecast as of 20 February 2015 (Previous Forecast as of 26 November 2014)

Cost of Sales as a Percent of Net Sales
Equipment Operations

First Quarter 2015

- ~ 79%

Fiscal Year 2015 Forecast

- ~ 78%
- No change from previous forecast

Deere & Company Forecast as of 20 February 2015 (Previous Forecast as of 26 November 2014)

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Research & Development Expense
Equipment Operations

First Quarter 2015

- Up ~ 3% vs. Q1 2014
  - Currency translation: ~ (2) points

Fiscal Year 2015 Forecast

- Down ~ 1% vs. FY 2014
  - Currency translation: ~ (2) points
- Previous forecast: ~ Flat vs. FY 2014

Deere & Company Forecast as of 20 February 2015 (Previous Forecast as of 26 November 2014)

Selling, Administrative & General Expense
Equipment Operations

First Quarter 2015

- Down ~ 16% vs. Q1 2014
  - JD Landscapes and JD Water: ~ (8) points
  - Currency translation: ~ (2) points

Fiscal Year 2015 Forecast

- Down ~ 9% vs. FY 2014
  - JD Landscapes and JD Water: ~ (2) points
  - Currency translation: ~ (3) points
- Previous forecast: Down ~ 5% vs. FY 2014
  - JD Landscapes and JD Water: ~ (2) points

Deere & Company Forecast as of 20 February 2015 (Previous Forecast as of 26 November 2014)

Pension and OPEB Expense

First Quarter 2015

- Up ~ $20 million vs. Q1 2014

Fiscal Year 2015 Forecast

- Up ~ $80 million vs. FY 2014
- Previous forecast: Up ~ $85 million vs. FY 2014

Deere & Company Forecast as of 20 February 2015 (Previous Forecast as of 26 November 2014)

Income Taxes
Equipment Operations

First Quarter 2015

- Effective tax rate: ~ 28%

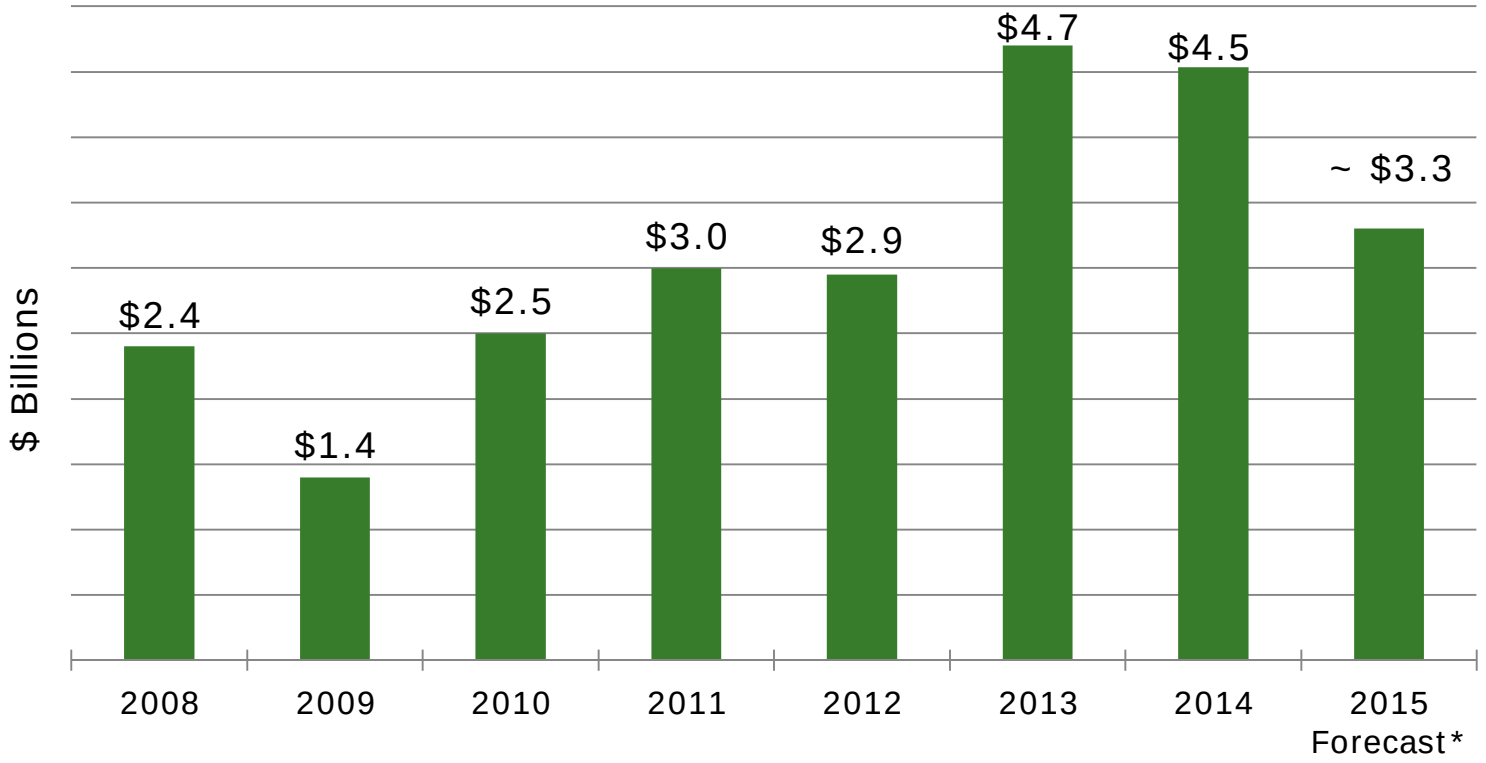
Rest of Year 2015 Forecast

- Effective tax rate: 34-36%

Deere & Company Forecast as of 20 February 2015

Strong Operating Performance
Equipment Operations

Fiscal Year Cash Flows from Operations



** Previous forecast ~ $2.9 billion*
Deere & Company Forecast as of 20 February 2015 (Previous Forecast as of 26 November 2014)

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2015 Company Outlook

Second Quarter 2015 Forecast

- Net sales: Down ~ 19% vs. Q2 2014
  - Price realization: ~ +2 points
  - Currency translation ~ (4) points

Deere & Company Forecast as of 20 February 2015

2015 Company Outlook

Fiscal Year 2015 Forecast

- Net sales: Down ~ 17% vs. FY 2014
  - Price realization: ~ +2 points
  - Currency translation: ~ (3) points
- Previous forecast: Down ~ 15% vs. FY 2014
  - Price realization: ~ +2 points
  - Currency translation ~ (2) points
- Net income attributable to Deere & Company of ~ $1.8 billion
- Previous forecast ~ $1.9 billion

Deere & Company Forecast as of 20 February 2015 (Previous Forecast as of 26 November 2014)

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Fiscal Year 2015 Outlook

Forecast projects much better performance than prior Ag downturns...

- Responding aggressively to control costs and assets and align production levels with reduced order volumes
    - Should enable us to respond quickly when markets recover

Power of the Portfolio...

- Broad-based business lineup with Construction & Forestry and John Deere Financial

	1990-1992	1998-1999	2013-2015F
United States & Canada Large Ag* Industry Decline	~ 24%	~ 35%	~ 50%
Deere Net Sales Decline	~ 16%	~ 19%	~ 22%
Net Income Decline Attributable to Deere & Company	~ 91%	~ 77%	~ 49%

* Tractors > 220 horsepower and combines

Source: Association of Equipment Manufacturers February 2015; Deere & Company Forecast as of 20 February 2015

Appendix

THE JOHN DEERE STRATEGY

OUR PURPOSE: Committed to those linked to the land

OUR ASPIRATIONS
Realizing sustainable SVA growth through global expansion

Global Agricultural Equipment Solutions Preeminence	Globally Diverse Construction Equipment Solutions	$50B Sales (2018 @ Mid-Cycle)	12% Operating Margins (2014 @ Mid-Cycle)	2.5 Asset Turns (2018 @ Mid-Cycle)

INTEGRATED ENTERPRISE
Leveraging the strengths and unique capabilities of three types of businesses

Global Growth Businesses	Complementary Businesses	Supporting Businesses

CRITICAL SUCCESS FACTORS
Developing the capabilities essential to reaching our goals

Deep Customer Understanding	Deliver Customer Value	World-Class Distribution System	Grow Extraordinary Global Talent

FOUNDATIONAL SUCCESS FACTORS
Building on the core strengths that have guided our success

Exceptional Operating Performance	Disciplined SVA Growth	Aligned High-Performance Teamwork

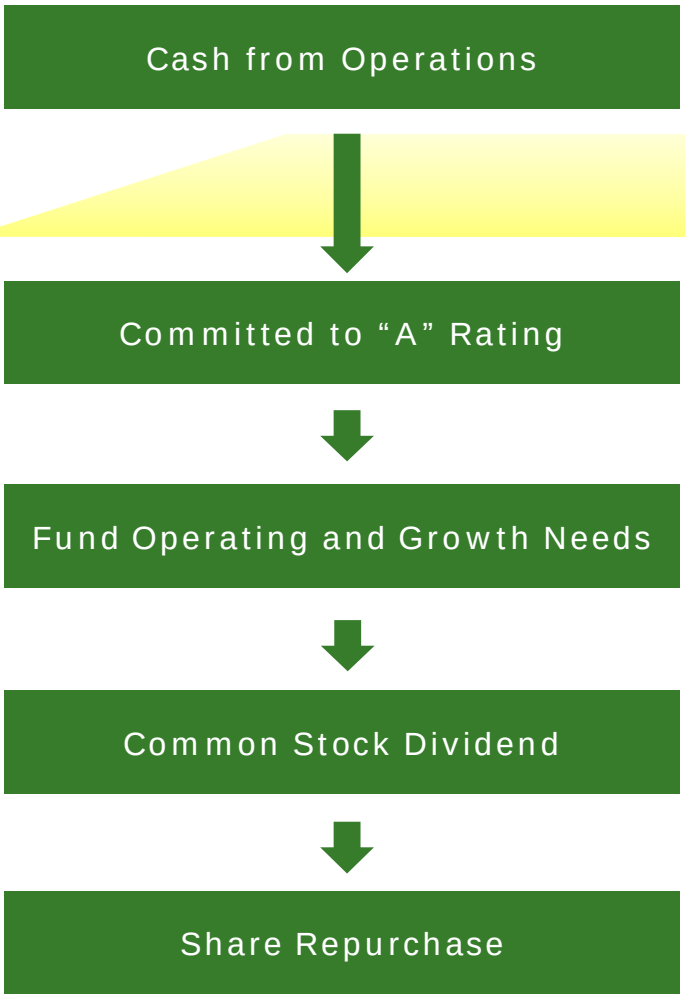
MEASURES
Delivering results today, within each business, while building for the future

Performance	Health

JOHN DEERE VALUES
Unwavering adherence to the values that unite – and differentiate – us

Integrity	Quality	Commitment	Innovation

Deere Use-of-Cash Priorities



- Manage the balance sheet, including liquidity, to support a rating that provides access to low-cost and readily available short- and long-term funding mechanisms
  - Reflects the strategic nature of our financial services operation
- Fund value-creating investments in our businesses
- Consistently and moderately raise dividend targeting a 25%-35% payout ratio of mid-cycle earnings
- Consider share repurchase as a means to deploy excess cash to shareholders, once above requirements are met and repurchase is viewed as value-enhancing

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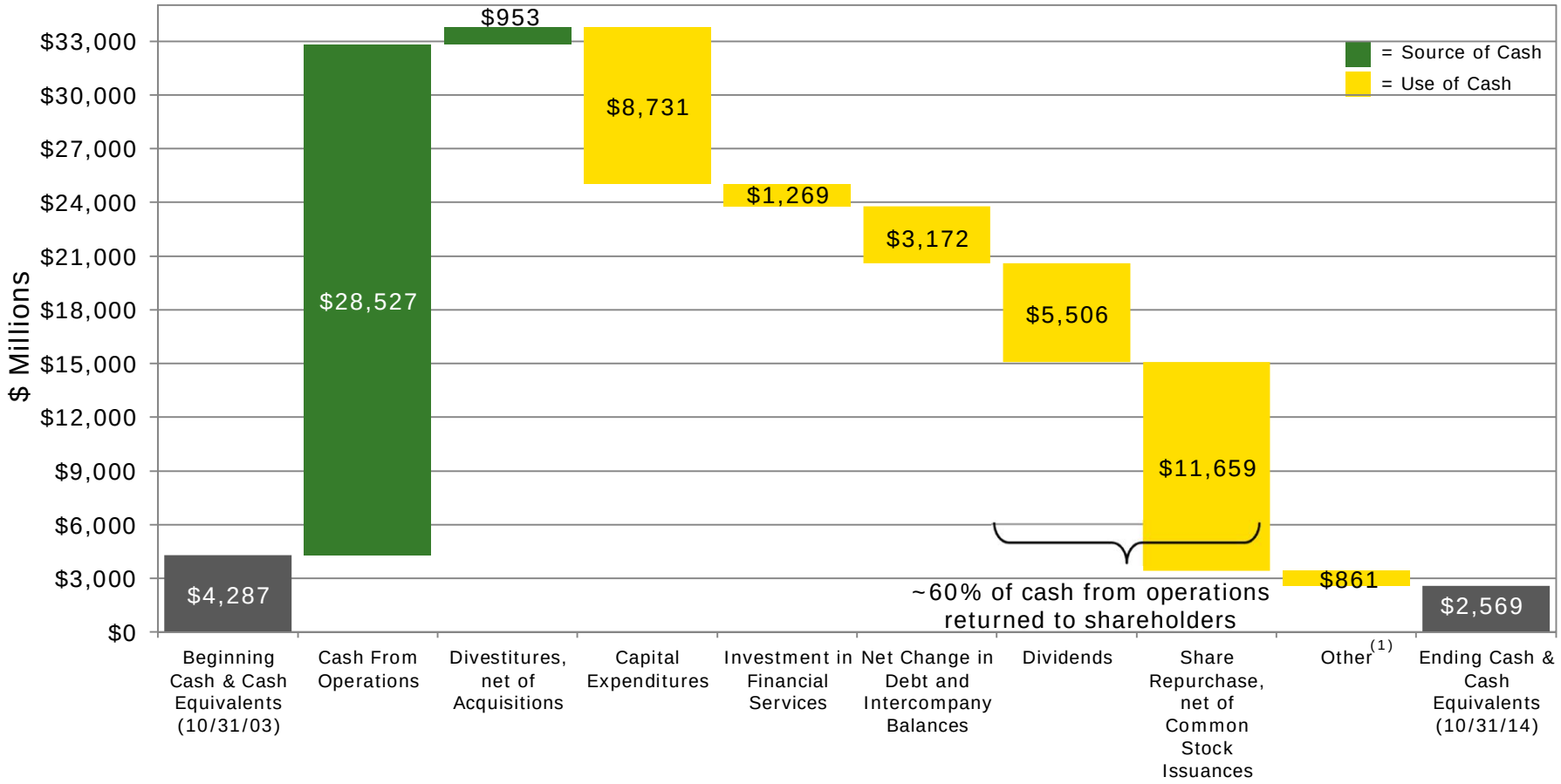
Sources and Uses of Cash Fiscal 2004–2014
Equipment Operations



(1) Other includes proceeds from maturities and sales of marketable securities and purchases of marketable securities and reconciliation for non-cash items including excess tax benefits from share-based compensation and the effect of exchange rates on cash and cash equivalents

Source: Deere & Company SEC filings

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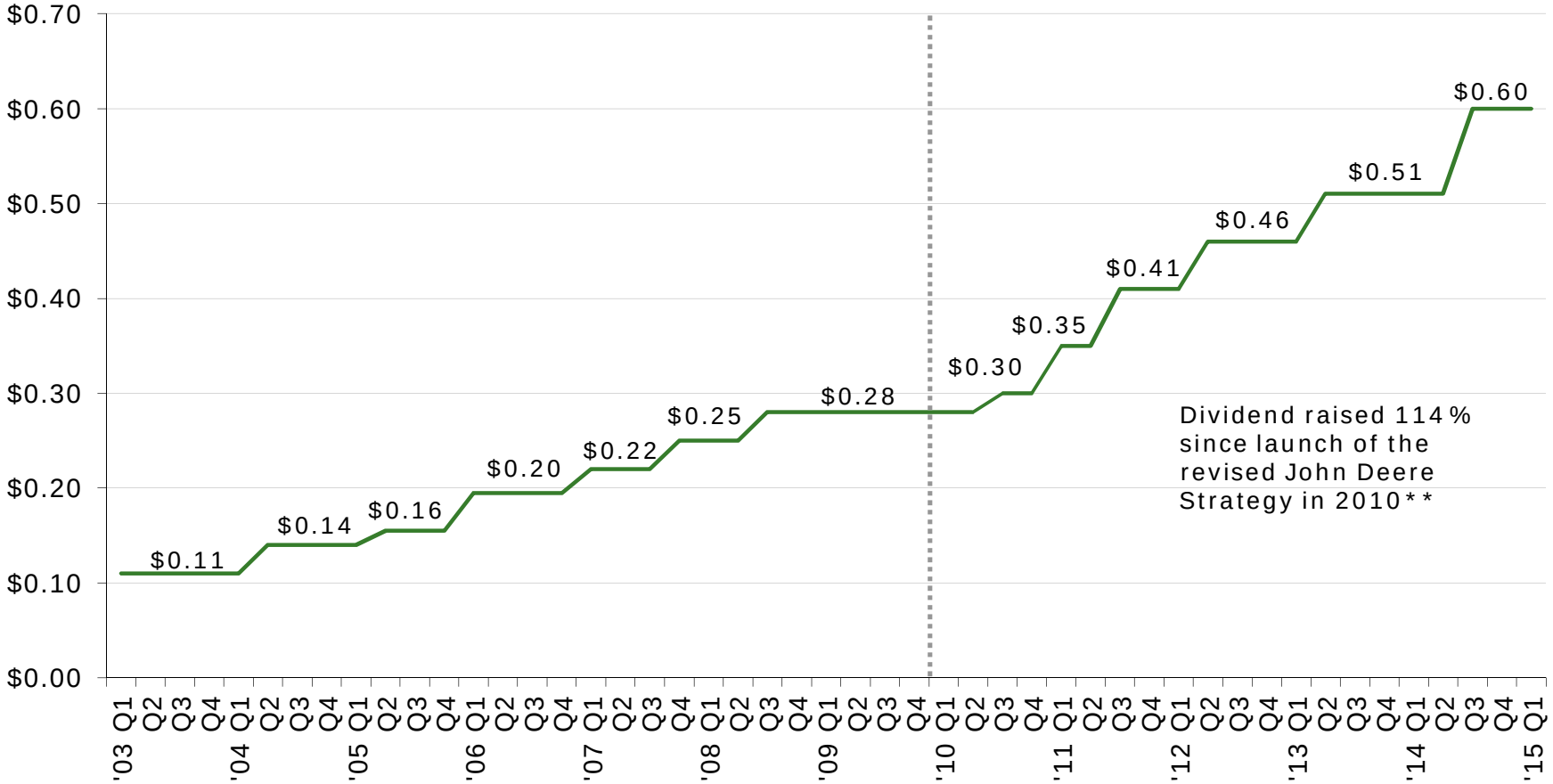
Deere Quarterly Dividends Declared*
Q1 2003 – Q1 2015



** Adjusted for 2 for 1 stock split on 26 November 2007*
*** See revised John Deere Strategy in Appendix*

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Share Repurchase
As Part of Publicly Announced Plans

Cumulative cost of repurchases 2004-1Q2015:	~ $14.0 billion
Amount remaining on December 2013 authorization of $8 billion:	~ $5.6 billion
31 January 2015 period ended basic shares:	~ 339.5 million
1Q2015 average diluted shares:	~ 345.7 million
Shares repurchased 2004-1Q2015:	~ 217.3 million
Average repurchase price 2004-1Q2015:	$64.59

Actual	Shares Repurchased* *(in millions)*	Total Amount** *(in billions)*
2004	5.9	$0.2
2005	27.7	$0.9
2006	34.0	$1.3
2007	25.7	$1.5
2008	21.2	$1.7
2009	0.0	$0.0
2010	5.2	$0.4
2011	20.8	$1.7
2012	20.2	$1.6
2013	18.2	$1.5
2014	31.5	$2.7
2015 YTD	6.9	$0.6

** All shares adjusted for two-for-one stock split effective 26 November 2007*
*** Rounded totals for each period – sum may not tie to cumulative cost of repurchases 2004-1Q2015*

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Other Information
Equipment Operations

Fiscal Year 2015 Forecast

- Capital Expenditures: ~ $850 million
  - Previous forecast: ~ $875 million
- Depreciation and Amortization: ~ $800 million
  - Previous forecast: ~ $850 million
- Pension/OPEB Contributions: ~ $100 million
  - No change from previous forecast

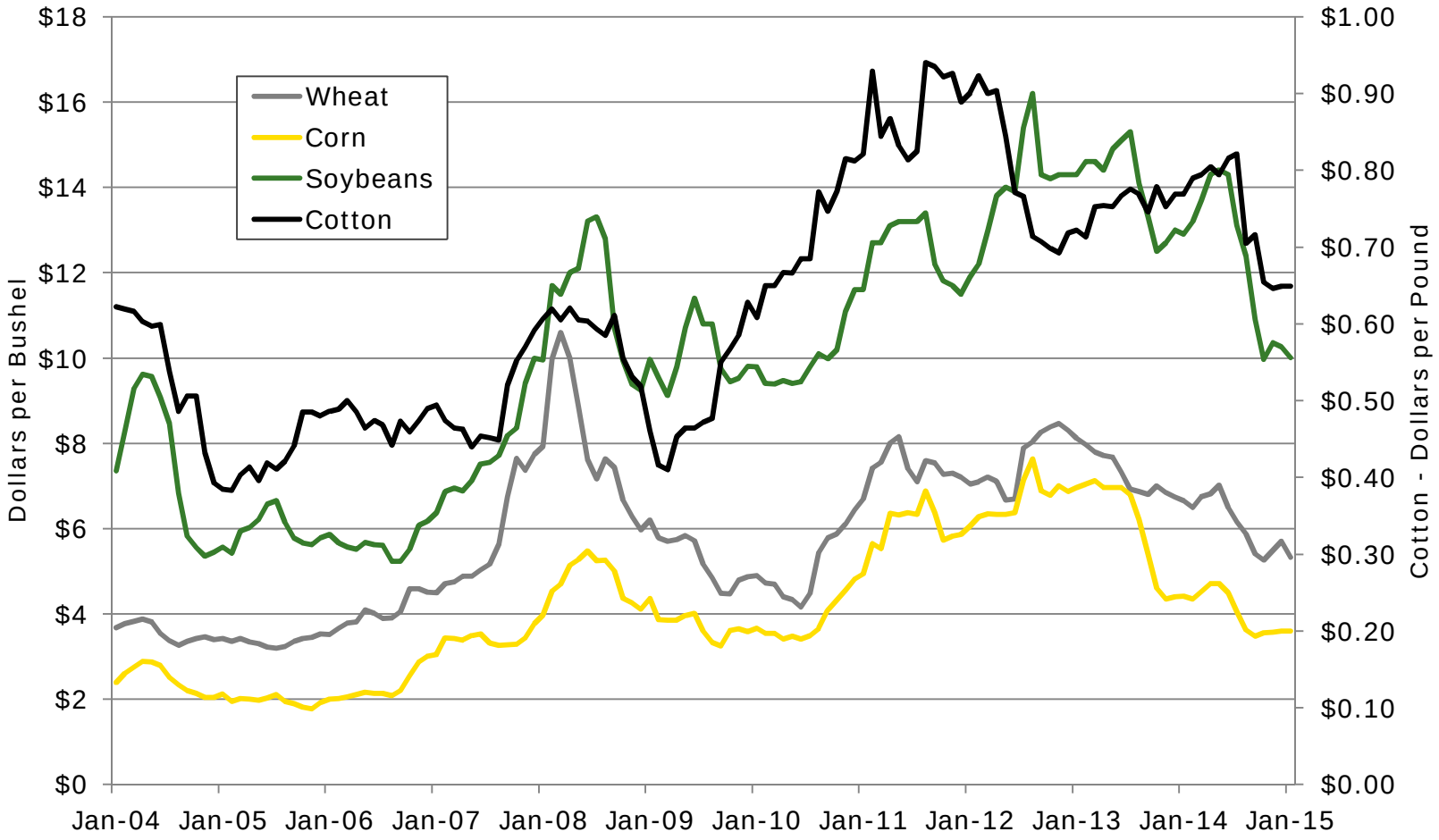
Deere & Company Forecast as of 20 February 2015 (Previous Forecast as of 26 November 2014)

U.S. Farm Commodity Prices

(dollars per bushel, except cotton, which is dollars per pound)	2013/14 Estimate	Previous 2013/14	2014/15 Projection	Previous 2014/15
Corn	$4.46	$4.45	$3.85	$3.45
Wheat	$6.90	$6.90	$6.10	$5.85
Soybeans	$13.00	$13.00	$9.85	$9.25
Cotton	$.78	$.78	$.62	$.65

Deere & Company Forecast as of 20 February 2015 (Previous Forecast as of 26 November 2014)

U.S. Farm Commodity Prices



Source: USDA

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U.S. Acres Planted

	Acres Planted *(millions)*	
	2014/15 Projection	2015/16 Projection
Corn	90.6	88.6
Wheat	56.8	55.9
Soybeans	83.7	86.1
Cotton	11.0	10.0

Deere & Company Forecast as of 20 February 2015

U.S. Farm Cash Receipts

(in billions of dollars)	2013 Estimate	2014 Forecast	Previous 2014	2015 Forecast	Previous 2015
Crops	$218.5	$198.2	$193.8	$182.8	$184.4
Livestock	$182.8	$209.2	$209.4	$199.0	$197.1
Government Payments	$11.0	$10.7	$9.3	$12.4	$10.0
Total Cash Receipts	$412.3	$418.1	$412.5	$394.2	$391.5

Deere & Company Forecast as of 20 February 2015 (Previous Forecast as of 26 November 2014)

U.S. Net Farm Cash Income

(in billions of dollars)	2013 Estimate	2014 Forecast	Previous 2014	2015 Forecast	2015 Forecast
Total Cash Receipts	$412.3	$418.1	$412.5	$394.2	$391.5
Other Farm-Related Income	$31.5	$27.3	$31.8	$25.3	$29.0
Gross Cash Income	$443.8	$445.4	$444.3	$419.5	$420.5
Cash Expenses	($312.7)	($330.3)	($326.0)	($320.0)	($319.0)
Net Cash Income	$131.1	$115.1	$118.3	$99.5	$101.5

Deere & Company Forecast as of 20 February 2015 (Previous Forecast as of 26 November 2014)

January 2015 Retail Sales and Dealer Inventories

Retail Sales		
U.S. and Canada Ag	Industry*	Deere**
Utility Tractors	↑ 8%	in line with the industry
Row-Crop Tractors	↓ 5%	↓ less than the industry
4WD Tractors	↓ 65%	↓ slightly more than the industry
Combines	↓ 53%	↓ more than the industry

Deere Dealer Inventories***		
U.S. and Canada Ag	2015	2014
Row-Crop Tractors	24%	19%
Combines	10%	10%

* *As reported by the Association of Equipment Manufacturers*
** *As reported to the Association of Equipment Manufacturers*
*** *At 31 January – in units as a % of trailing 12 months retail sales, as reported to the Association of Equipment Manufacturers*

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January 2015 Retail Sales

EU 28	Deere*
Tractors	↑ single digit
Combines	flat

U.S. and Canada	Deere*
Selected Turf & Utility Equipment	↑ double digits

U.S. and Canada – Construction & Forestry	Deere*
First-in-the-Dirt	↑ double digits
Settlements	↑ double digits

** Based on internal sales reports*

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Deere's second quarter 2015 conference call
is scheduled for 9:00 a.m. central time
on Friday, May 22, 2015



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