




Third Quarter 2015 Earnings Conference Call

21 August 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.

Third Quarter Overview

(in millions of dollars except per share amounts)	Q3 2015	Q3 2014	Change
Net Sales and Revenues	$7,594	$9,500	-20%
Net Sales	$6,840	$8,723	-22%
Net Income Attributable to Deere & Company	$512	$851	-40%
Diluted EPS	$1.53	$2.33	-34%

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Third Quarter Overview
Net Sales

Equipment operations net sales: Down 22% in Q3 2015 vs. Q3 2014

- Price realization: +2 points
- Currency translation: (6) points

Worldwide Agriculture & Turf
Third Quarter Overview

(in millions of dollars)	Q3 2015	Q3 2014	Change
Net Sales	$5,308	$6,969	-24%
Operating Profit*	$472	$941	-50%

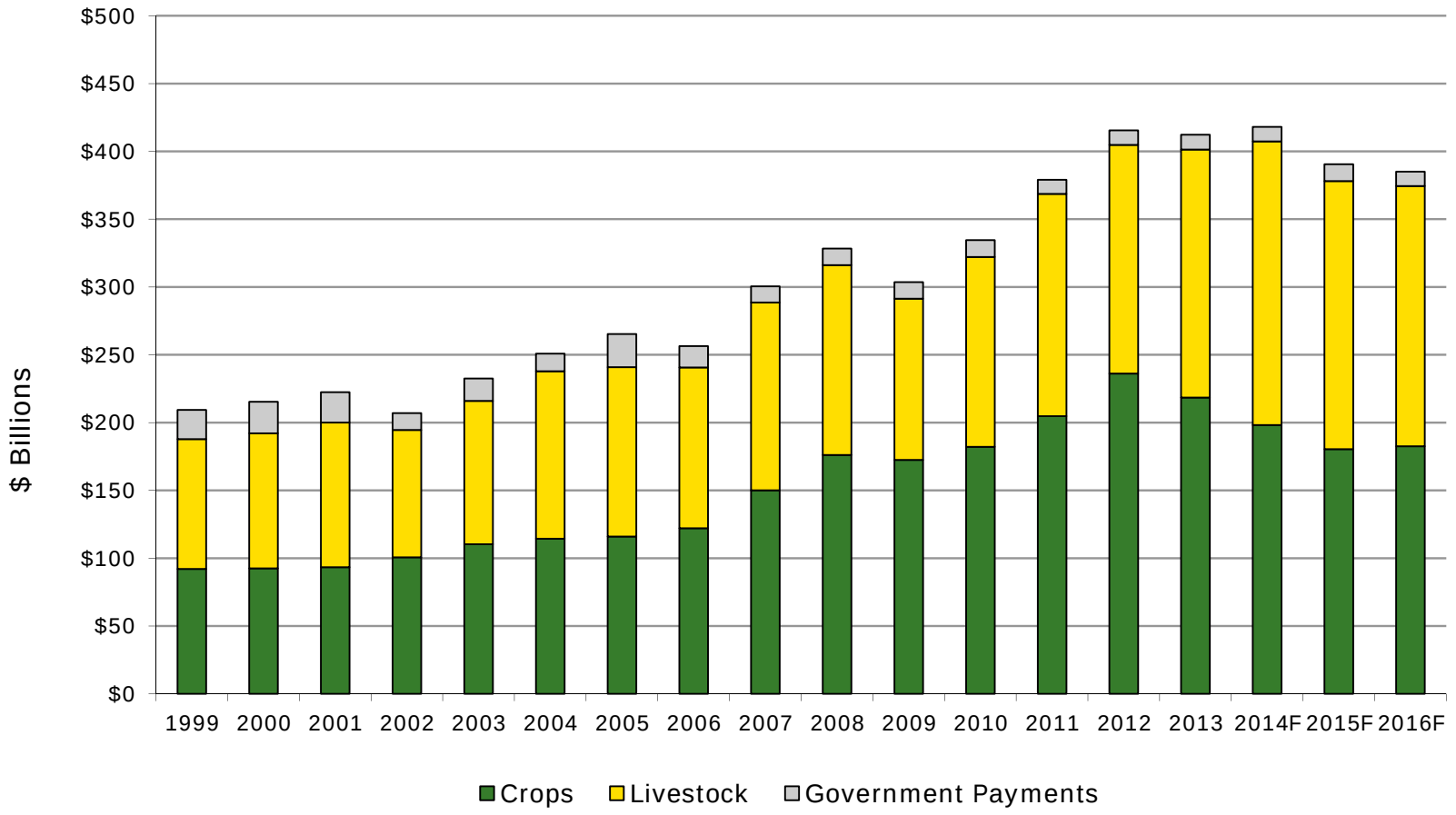
*Q3 2015 operating profit impacted by:

Favorable
- Price Realization
- Production Costs

Unfavorable
- Shipment Volumes
- Product Mix
- Foreign-Currency Exchange

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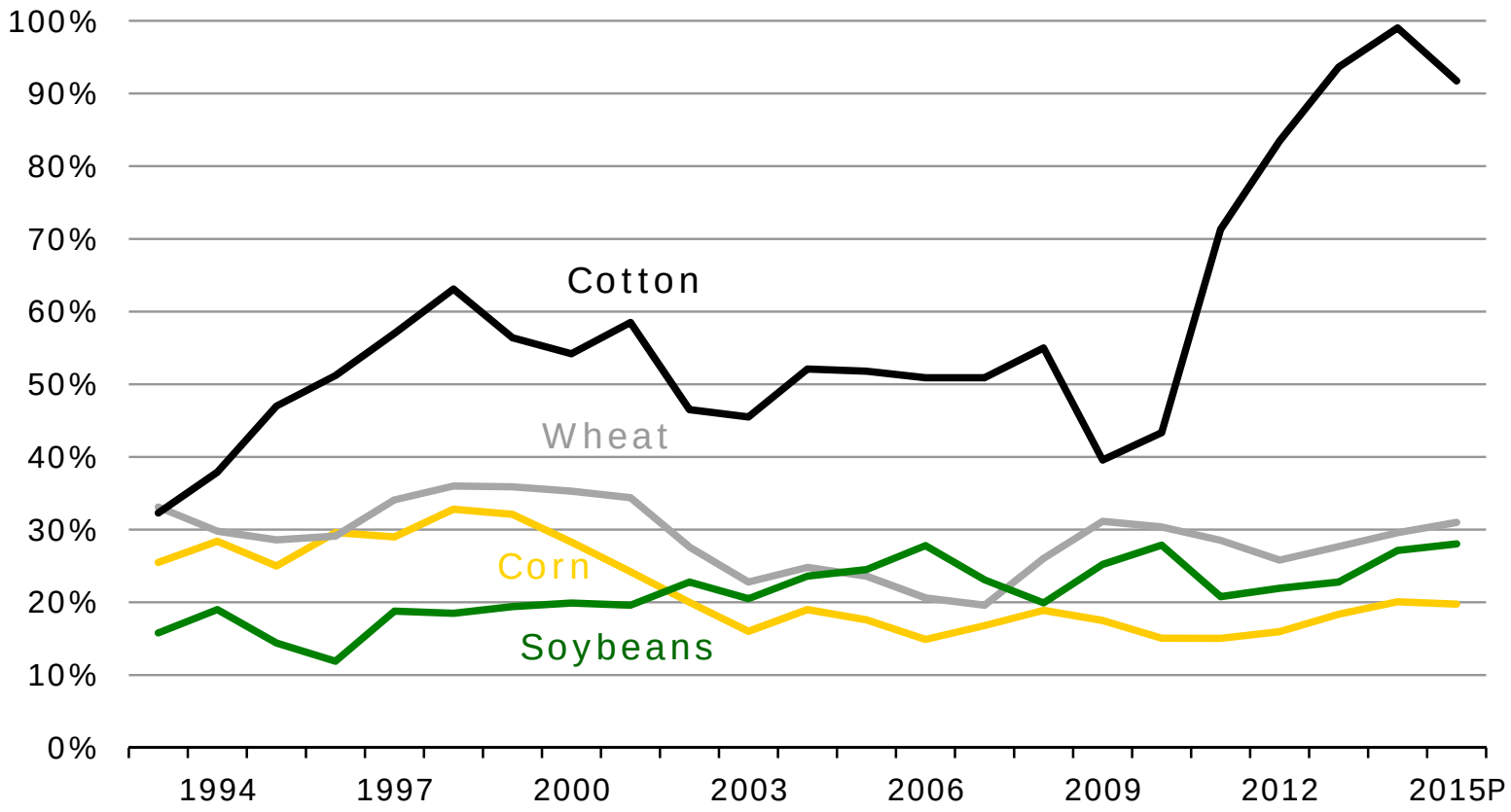
U.S. Farm Cash Receipts



Source: 1999 – 2013: USDA 10 February 2015
2014F – 2016F: Deere & Company Forecast as of 21 August 2015

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World Farm Fundamentals
Global Stocks-to-Use Ratios



Source: USDA – 12 August 2015

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Economic Update
EU 28 – Fiscal 2015

Economic activity gradually improving

Crop prices stabilizing near the long-term average

Dairy sector remains under pressure

Beef prices remain solid, pork prices at low levels

Deere & Company Forecast as of 21 August 2015

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Economic Update
Other Selected Markets – Fiscal 2015

China
- Continued slowdown in economic growth
- Lower commodity prices impacting agricultural economy, somewhat mitigated by domestic supports
- Mechanization trends and ongoing subsidies are supportive of agriculture

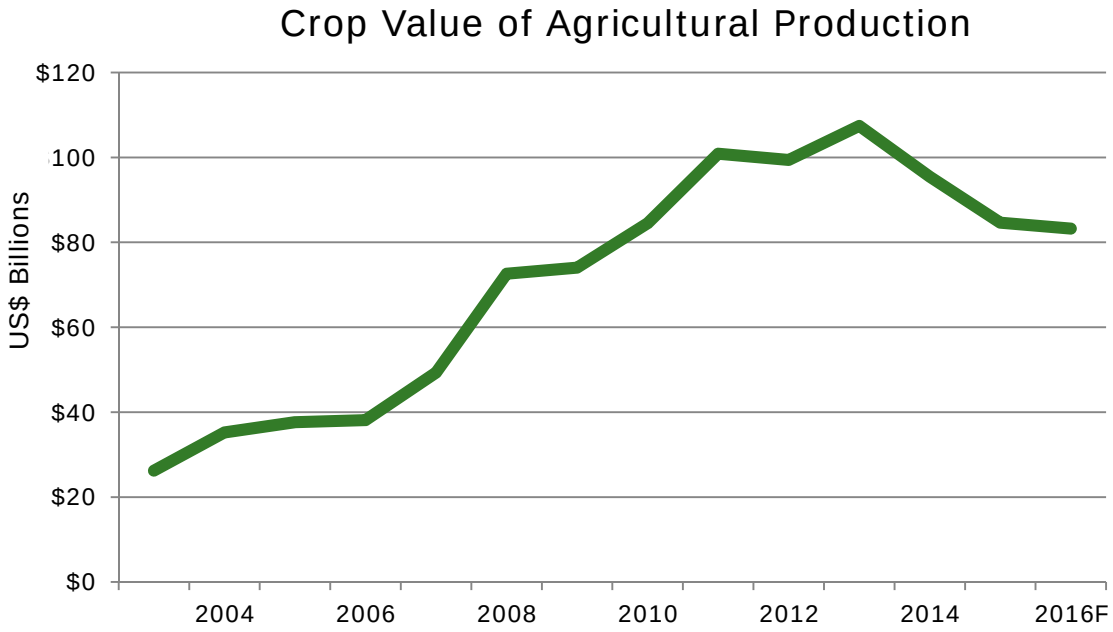
India
- Positive consumer and investor sentiment support economic growth
- Government continues to support the agricultural sector
- Two consecutive below normal monsoon seasons impacting farm incomes

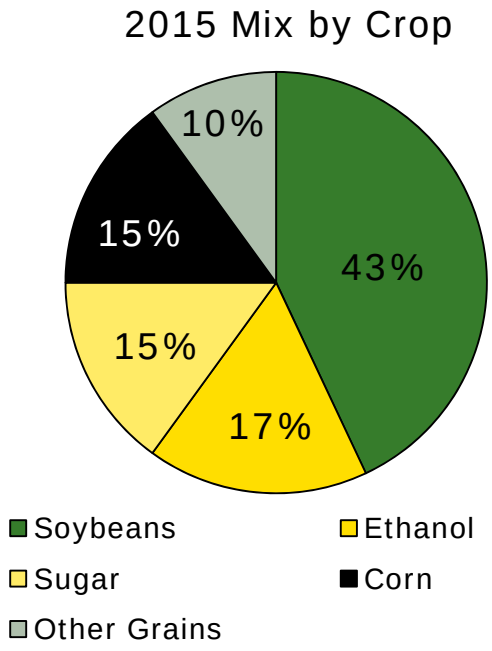
Commonwealth of Independent States (CIS)
- Continued deterioration of economic growth
- Credit conditions remain challenging
- Foreign-currency exchange and geopolitical uncertainty impacting Western manufacturers

Deere & Company Forecast as of 21 August 2015

Crop Value of Agricultural Production
Brazil

Expected to decrease ~ 11% in 2015 over prior season

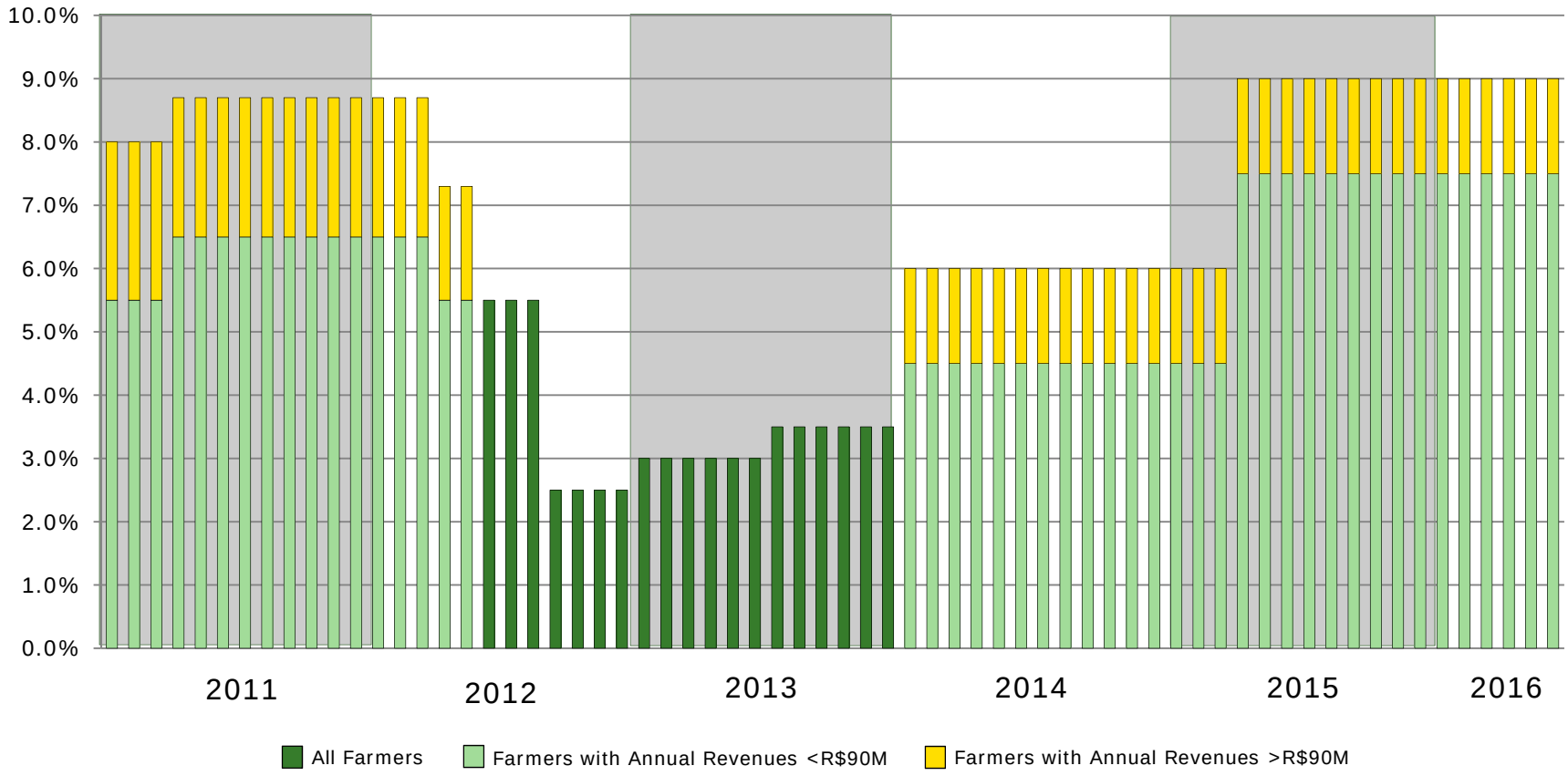




Source: IHS Global Insight, August 2015

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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 currently the most attractive credit line

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Agriculture & Turf Retail Sales
Industry Outlook – Fiscal 2015

	2015 Forecast	Previous Forecast *
U.S. and Canada Ag	Down ~ 25%	
EU 28 Ag	Down ~ 10%	
South America Ag (Tractors and Combines)	Down 20-25%	Down 15-20%
Asia Ag	Down moderately	Down modestly
CIS Countries Ag	Down significantly	
U.S. and Canada Turf and Utility Equipment	Flat to up 5%	

** If left blank no change between Previous Forecast and Current Forecast*
Deere & Company Forecast as of 21 August 2015 (Previous Forecast as of 22 May 2015)

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Worldwide Agriculture & Turf
Deere & Company Outlook

Fiscal Year 2015 Forecast

- Net sales: Down ~ 25%
  - Currency translation: ~ (5) points
- Previous forecast: Down ~ 24%
  - Currency translation: ~ (5) points

Deere & Company Forecast as of 21 August 2015 (Previous Forecast as of 22 May 2015)

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Worldwide Construction & Forestry
Third Quarter Overview

(in millions of dollars)	Q3 2015	Q3 2014	Change
Net Sales	$1,532	$1,754	-13%
Operating Profit*	$129	$194	-34%

*Q3 2015 operating profit impacted by:

Favorable
- Price Realization

Unfavorable
- Shipment Volumes
- Foreign-Currency Exchange

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Worldwide Construction & Forestry
Deere & Company Outlook

Fiscal Year 2015 Forecast

- Net sales: Down ~ 5%
  - Currency translation: ~ (3) points
- Previous forecast: Up ~ 2%
  - Currency translation: ~ (3) points

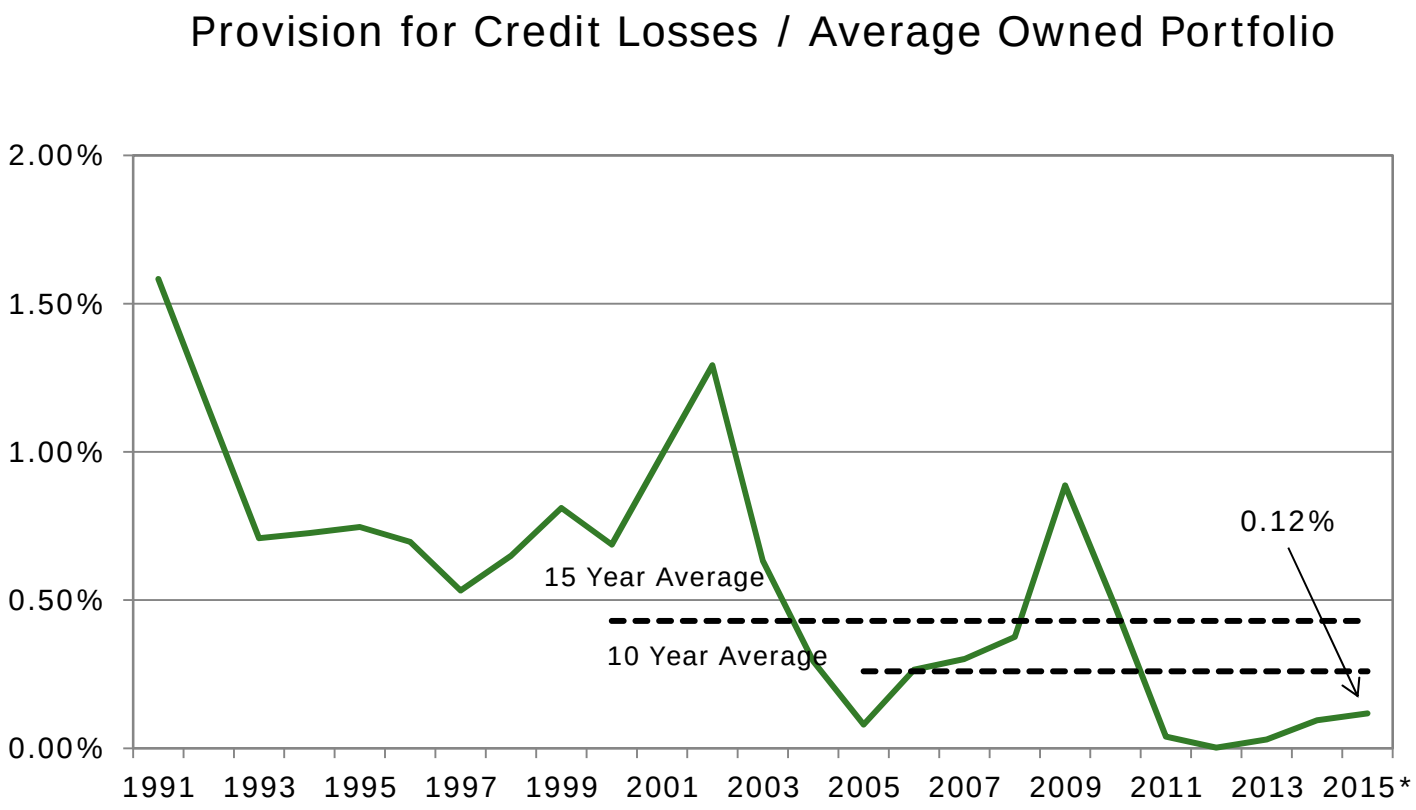
U.S. Economic Indicators	2015 Forecast	Previous Forecast
GDP Growth (annual percentage rate)*	+2.2%	+2.8%
Housing Starts (thousands)	1,104	1,120
Total Construction Investment (annual percentage rate)*	+2.3%	+0.3%
Government Spending Growth (annual percentage rate)*	+1.3%	+1.2%

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

Deere & Company Forecast as of 21 August 2015 (Previous Forecast as of 22 May 2015)

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Worldwide Financial Services
Credit Loss History



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

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Worldwide Financial Services

Third Quarter 2015

- Net income attributable to Deere & Company
  - $153 million in Q3 2015 vs. $162 million in Q3 2014

Fiscal Year 2015 Forecast

- Net income attributable to Deere & Company of ~ $630 million
- No change from previous forecast

Deere & Company Forecast as of 21 August 2015 (Previous Forecast as of 22 May 2015)

Consolidated Trade Receivables & Inventory

(in millions of dollars)	Q3 2015* Actual	2015** Forecast	2015** Previous Forecast
A&T	↓ $1,809	↓ $725	↓ $1,000
C&F	↑ $358	↑ $375	↑ $400
Total, as reported	↓ $1,451	↓ $350	↓ $600
Total, constant exchange	↓ $705	↑ $75	↓ $200

** Change at 31 July 2015 vs. 31 July 2014*
*** Forecasted change at 31 October 2015 vs. 31 October 2014*
Deere & Company Forecast as of 21 August 2015 (Previous Forecast as of 22 May 2015)

Cost of Sales as a Percent of Net Sales
Equipment Operations

Third Quarter 2015

- ~ 78%

Fiscal Year 2015 Forecast

- ~ 78%
- No change from previous forecast

Deere & Company Forecast as of 21 August 2015 (Previous Forecast as of 22 May 2015)

Research & Development Expense
Equipment Operations

Third Quarter 2015

- Down ~ 4% vs. Q3 2014
  - Currency translation: ~ (4) points

Fiscal Year 2015 Forecast

- Down ~ 2% vs. FY 2014
  - Currency translation: ~ (3) points
- Previous forecast: Down ~ 1% vs. FY 2014
  - Currency translation: ~ (3) points

Deere & Company Forecast as of 21 August 2015 (Previous Forecast as of 22 May 2015)

Selling, Administrative & General Expense
Equipment Operations

Third Quarter 2015

- Down ~ 7% vs. Q3 2014
  - Currency translation: ~ (5) points

Fiscal Year 2015 Forecast

- Down ~ 11% vs. FY 2014
  - JD Landscapes and JD Water: ~ (2) points
  - Incentive compensation: ~ (3) points
  - Currency translation: ~ (4) points
- Previous forecast: Down ~ 11% vs. FY 2014
  - JD Landscapes and JD Water: ~ (2) points
  - Incentive compensation: ~ (2) points
  - Currency translation: ~ (4) points

Deere & Company Forecast as of 21 August 2015 (Previous Forecast as of 22 May 2015)

Pension and OPEB Expense

Third Quarter 2015

- Up ~ $25 million vs. Q3 2014

Fiscal Year 2015 Forecast

- Up ~ $70 million vs. FY 2014
- No change from previous forecast

Deere & Company Forecast as of 21 August 2015 (Previous Forecast as of 22 May 2015)

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Income Taxes
Equipment Operations

Third Quarter 2015

- Effective tax rate: ~ 31%

Year to Date 2015

- Effective tax rate: ~ 30%

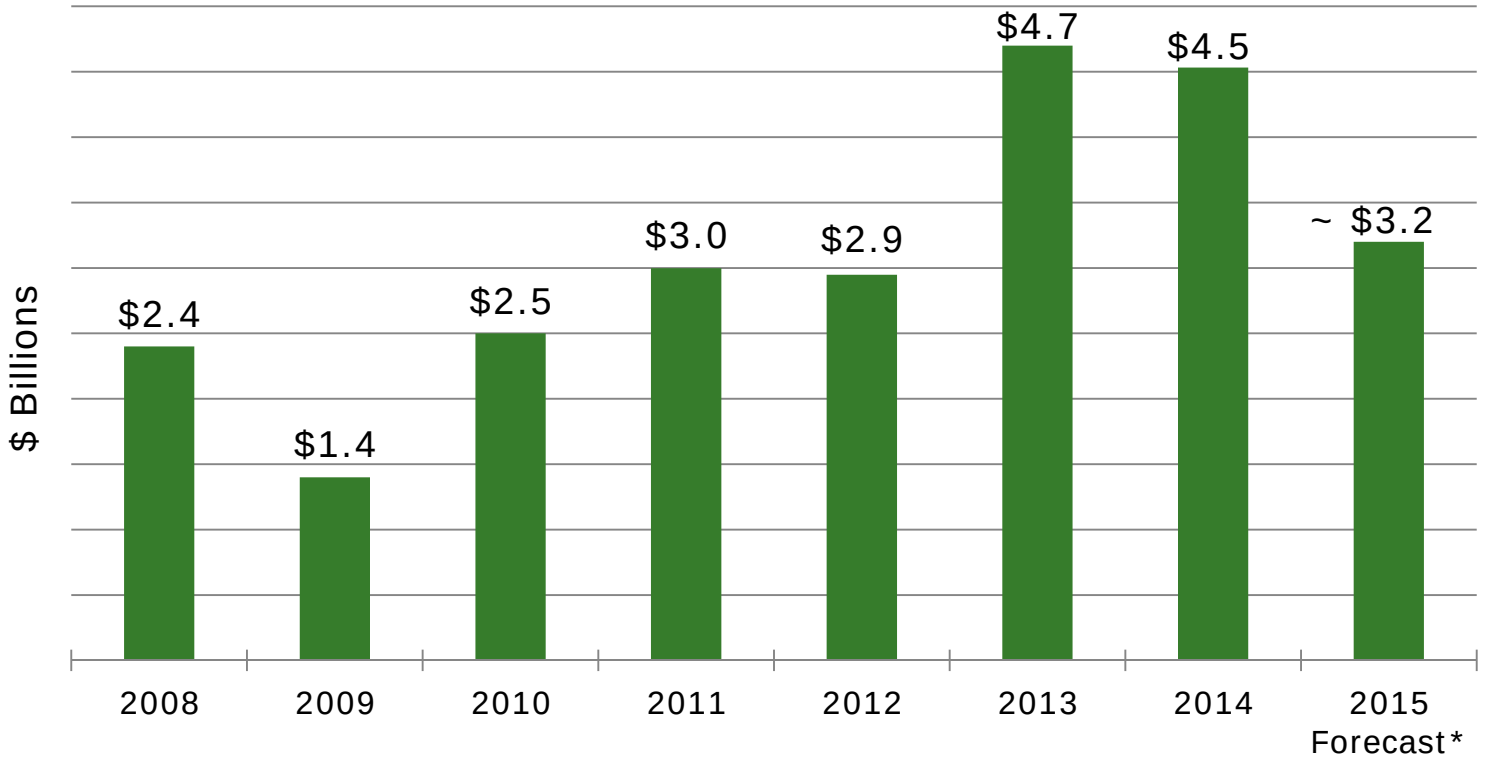
Rest of Year 2015 Forecast

- Effective tax rate: 34-36%

Deere & Company Forecast as of 21 August 2015

Strong Operating Performance
Equipment Operations

Fiscal Year Cash Flows from Operations



** Previous forecast ~ $3.4 billion*

Deere & Company Forecast as of 21 August 2015 (Previous Forecast as of 22 May 2015)

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2015 Company Outlook

Fourth Quarter 2015 Forecast

- Net sales: Down ~ 24% vs. Q4 2014
  - Price realization: ~ +1 point
  - Currency translation: ~ (5) points

Deere & Company Forecast as of 21 August 2015

2015 Company Outlook

Fiscal Year 2015 Forecast

- Net sales: Down ~ 21% vs. FY 2014
  - Price realization: ~ +1 point
  - Currency translation: ~ (4) points
- Previous forecast: Down ~ 19% vs. FY 2014
  - Price realization: ~ +2 points
  - Currency translation: ~ (4) points
- Net income attributable to Deere & Company of ~ $1.8 billion
- Previous forecast ~ $1.9 billion

Deere & Company Forecast as of 21 August 2015 (Previous Forecast as of 22 May 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 (@ 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

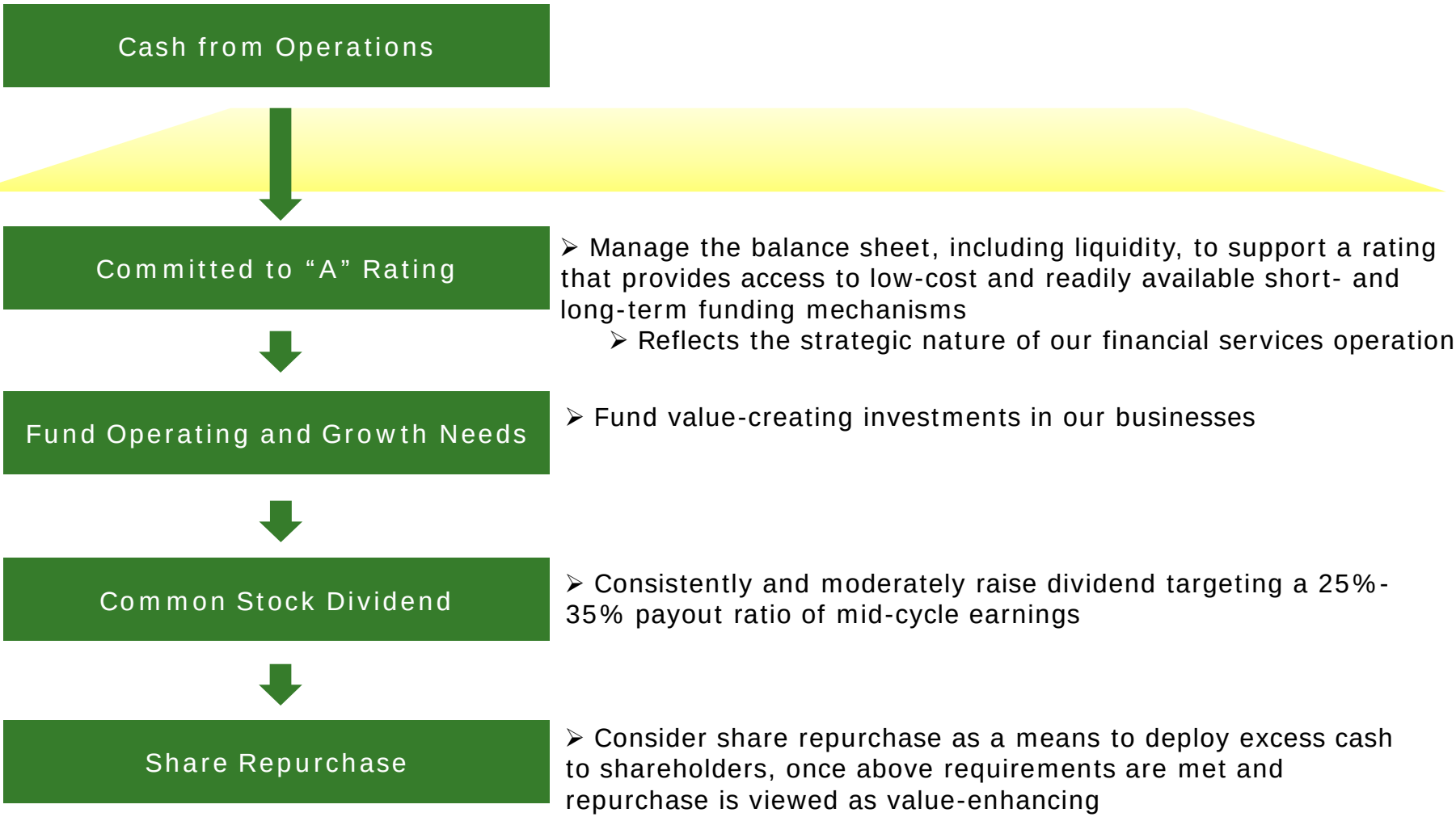
Performance	Health

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

Integrity	Quality	Commitment	Innovation

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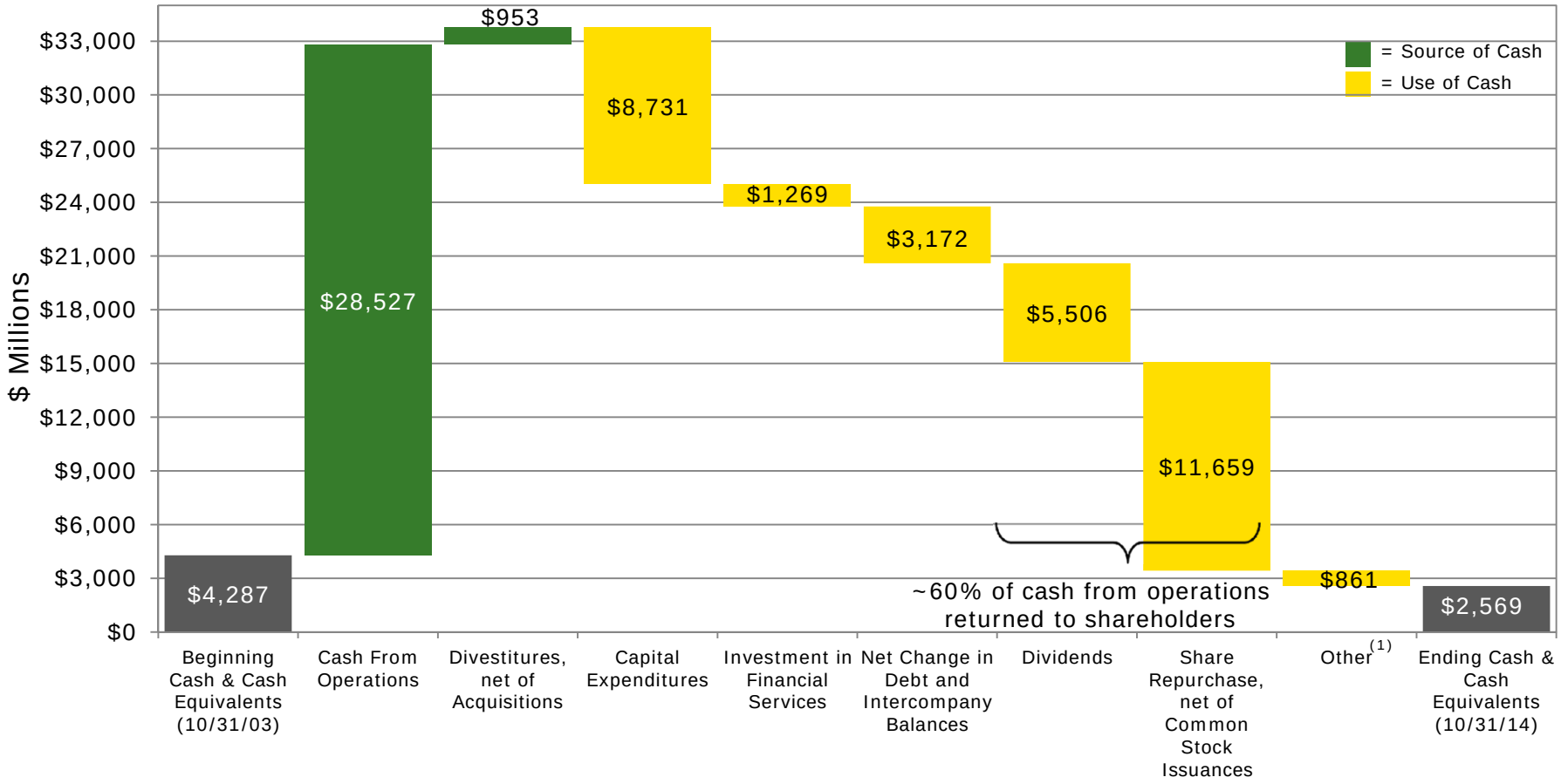
Deere Use-of-Cash Priorities



- 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

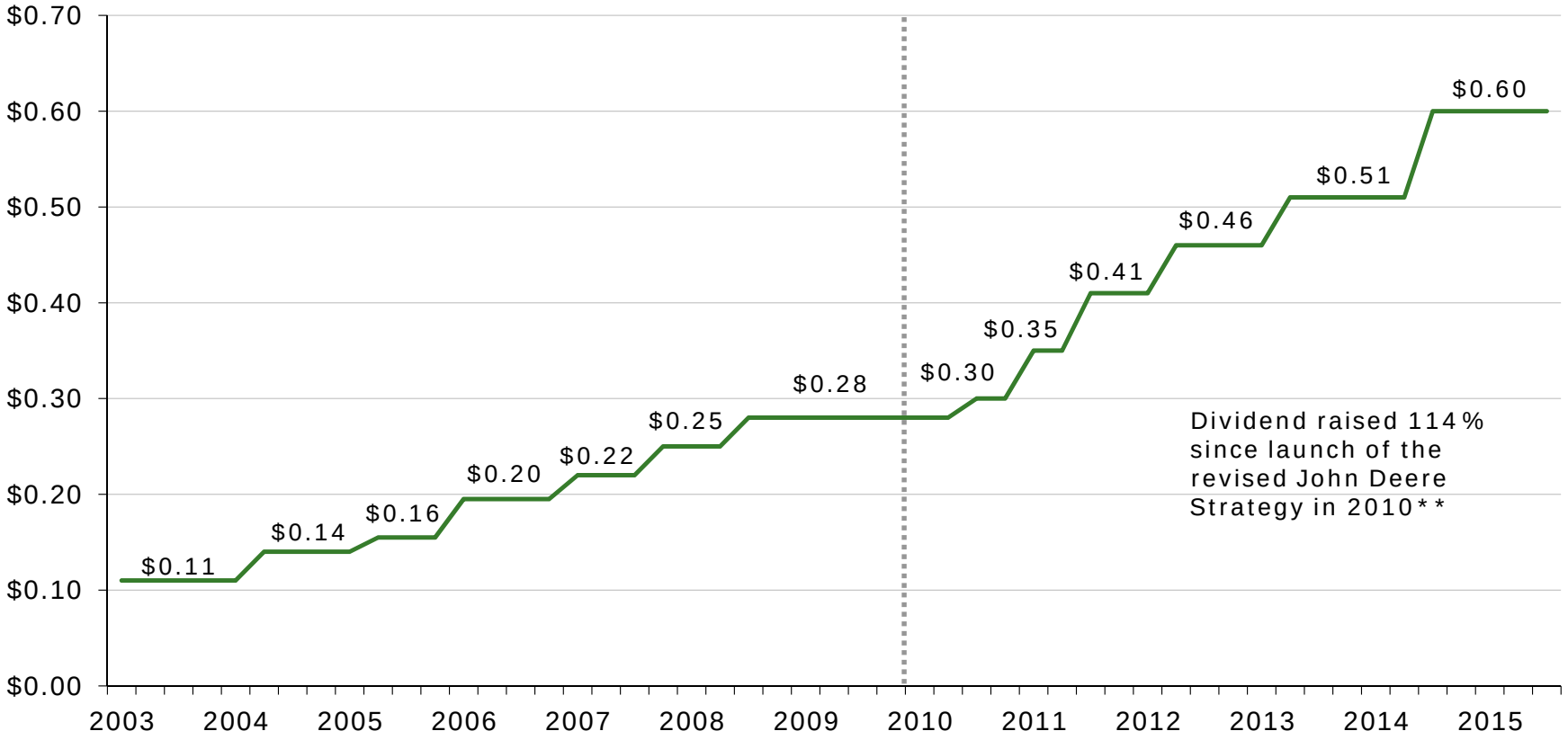


(1) Other includes proceeds from maturities and sales of marketable securities and purchases of marketable securities and reconciliation for non-cash items including excess tax benefits from share-based compensation and the effect of exchange rates on cash and cash equivalents

Source: Deere & Company SEC filings

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Deere Quarterly Dividends Declared*
Q1 2003 – Q3 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 2004-3Q2015:	~ $15.3 billion
Amount remaining on December 2013 authorization of $8 billion:	~ $4.4 billion
31 July 2015 period ended basic shares:	~ 328.2 million
3Q2015 average diluted shares:	~ 334.1 million
Shares repurchased 2004-3Q2015:	~ 230.8 million
Average repurchase price 2004-3Q2015:	$66.15

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	20.4	$1.8

** 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 2004-3Q2015*

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Other Information
Equipment Operations

Fiscal Year 2015 Forecast

- Capital Expenditures: ~ $775 million
  - Previous forecast: ~ $825 million
- Depreciation and Amortization: ~ $800 million
  - No change from previous forecast
- Pension/OPEB Contributions: ~ $100 million
  - No change from previous forecast

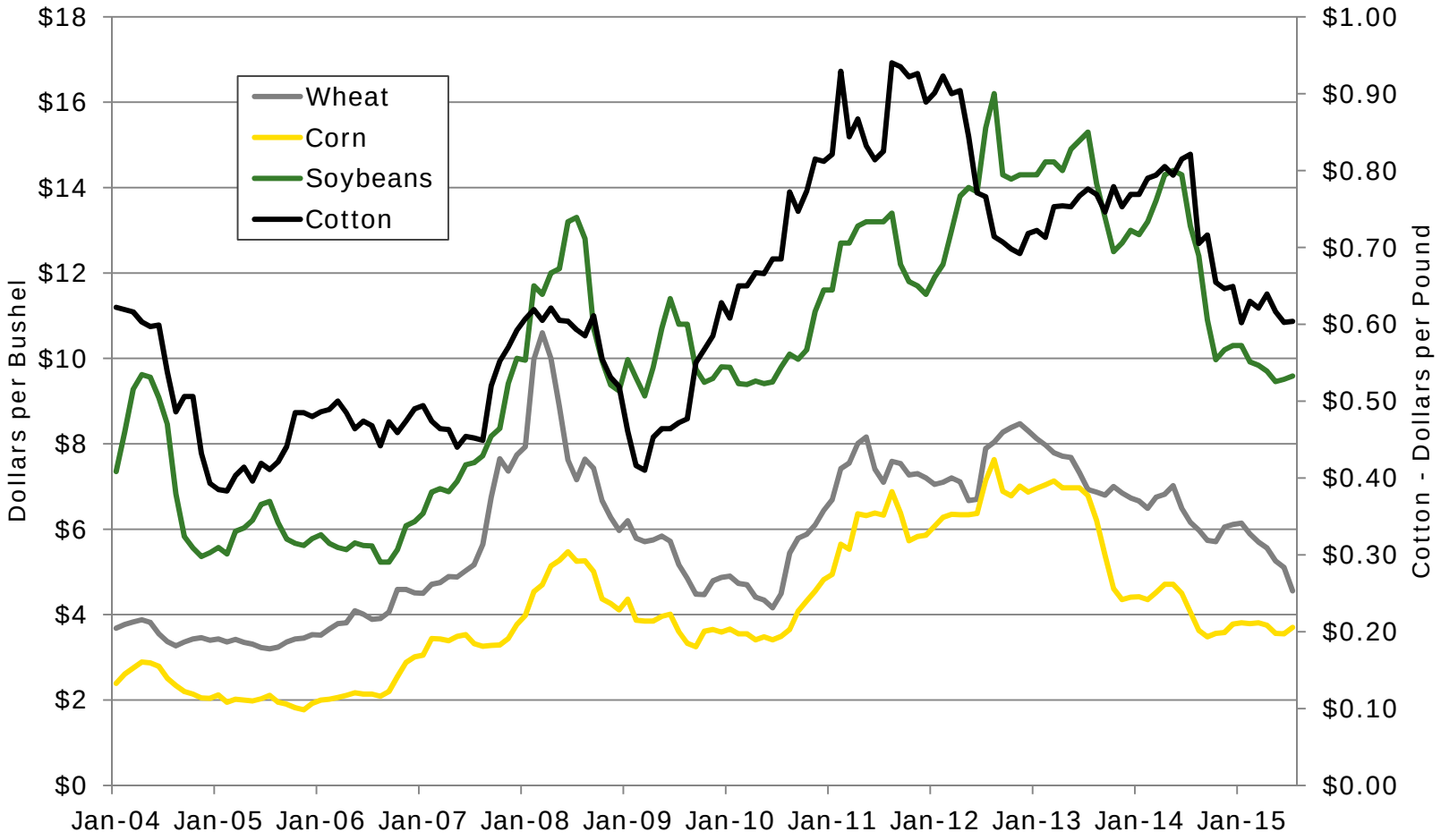
Deere & Company Forecast as of 21 August 2015 (Previous Forecast as of 22 May 2015)

U.S. Farm Commodity Prices

(dollars per bushel, except cotton, which is dollars per pound)	2013/14	2014/15 Estimate	Previous 2014/15	2015/16 Projection	Previous 2015/16
Corn	$4.46	$3.70	$3.65	$3.70	$3.75
Wheat	$6.87	$5.99	$6.00	$5.05	$5.10
Soybeans	$13.00	$10.05	$10.05	$9.20	$8.90
Cotton	$.78	$.61	$.60	$.65	$.60

Deere & Company Forecast as of 21 August 2015 (Previous Forecast as of 22 May 2015)

U.S. Farm Commodity Prices



Source: USDA

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U.S. Acres Planted and Crop Yields

(Yield in bushels per acre, except cotton, which is pounds per acre)	Acres Planted *(millions)*		Yield	
	2014/15 Estimate	2015/16 Projection	2014/15 Estimate	2015/16 Projection
Corn	90.6	88.9	171.0	168.5
Wheat	56.8	56.1	43.7	44.1
Soybeans	83.7	84.3	47.8	46.7
Cotton	11.0	8.9	838	800

Deere & Company Forecast as of 21 August 2015

U.S. Farm Cash Receipts

(in billions of dollars)	2013	2014 Forecast	Previous 2014	2015 Forecast	Previous 2015	2016 Forecast
Crops	$218.5	$198.2	$198.2	$180.4	$182.5	$182.6
Livestock	$182.8	$209.1	$209.1	$197.7	$198.7	$191.8
Government Payments	$11.0	$10.8	$10.8	$12.4	$12.4	$10.6
Total Cash Receipts	$412.3	$418.1	$418.1	$390.5	$393.6	$385.0

Deere & Company Forecast as of 21 August 2015 (Previous Forecast as of 22 May 2015)

U.S. Net Farm Cash Income

(in billions of dollars)	2013	2014 Forecast	Previous 2014	2015 Forecast	Previous 2015
Total Cash Receipts	$412.3	$418.1	$418.1	$390.5	$393.6
Other Farm-Related Income	$31.5	$27.3	$27.3	$26.0	$25.4
Gross Cash Income	$443.8	$445.4	$445.4	$416.5	$419.0
Cash Expenses	($312.7)	($330.3)	($330.3)	($323.0)	($320.0)
Net Cash Income	$131.1	$115.1	$115.1	$93.5	$99.0

Deere & Company Forecast as of 21 August 2015 (Previous Forecast as of 22 May 2015)

July 2015 Retail Sales and Dealer Inventories

Retail Sales		
U.S. and Canada Ag	Industry*	Deere**
Utility Tractors	↑ 20%	↑ double digits, less than industry
2WD Tractors (100+ hp)	↓ 23%	in line with the industry
4WD Tractors	↓ 30%	↓ single digit
Combines	↓ 22%	in line with the industry

Deere Dealer Inventories***		
U.S. and Canada Ag	2015	2014
2WD Tractors (100+ hp)	25%	25%
Combines	19%	18%

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

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July 2015 Retail Sales

EU 28	Deere*
Tractors	↑ single digit
Combines	↑ single digit

U.S. and Canada	Deere*
Selected Turf & Utility Equipment	flat

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

** Based on internal sales reports*

Deere's fourth quarter 2015 conference call
is scheduled for 9:00 a.m. central time
on Wednesday, November 25, 2015



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