




Fourth Quarter 2015 Earnings Conference Call

25 November 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.

Fourth Quarter Overview

(in millions of dollars except per share amounts)	Q4 2015	Q4 2014	Change
Net Sales and Revenues	$6,715	$8,965	-25%
Net Sales	$5,932	$8,043	-26%
Net Income Attributable to Deere & Company	$351	$649	-46%
Diluted EPS	$1.08	$1.83	-41%

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Fourth Quarter Overview
Net Sales

Equipment operations net sales: Down 26% in Q4 2015 vs. Q4 2014

- Price realization: +1 point
- Currency translation: (5) points

Worldwide Agriculture & Turf
Fourth Quarter Overview

(in millions of dollars)	Q4 2015	Q4 2014	Change
Net Sales	$4,656	$6,169	-25%
Operating Profit*	$271	$682	-60%

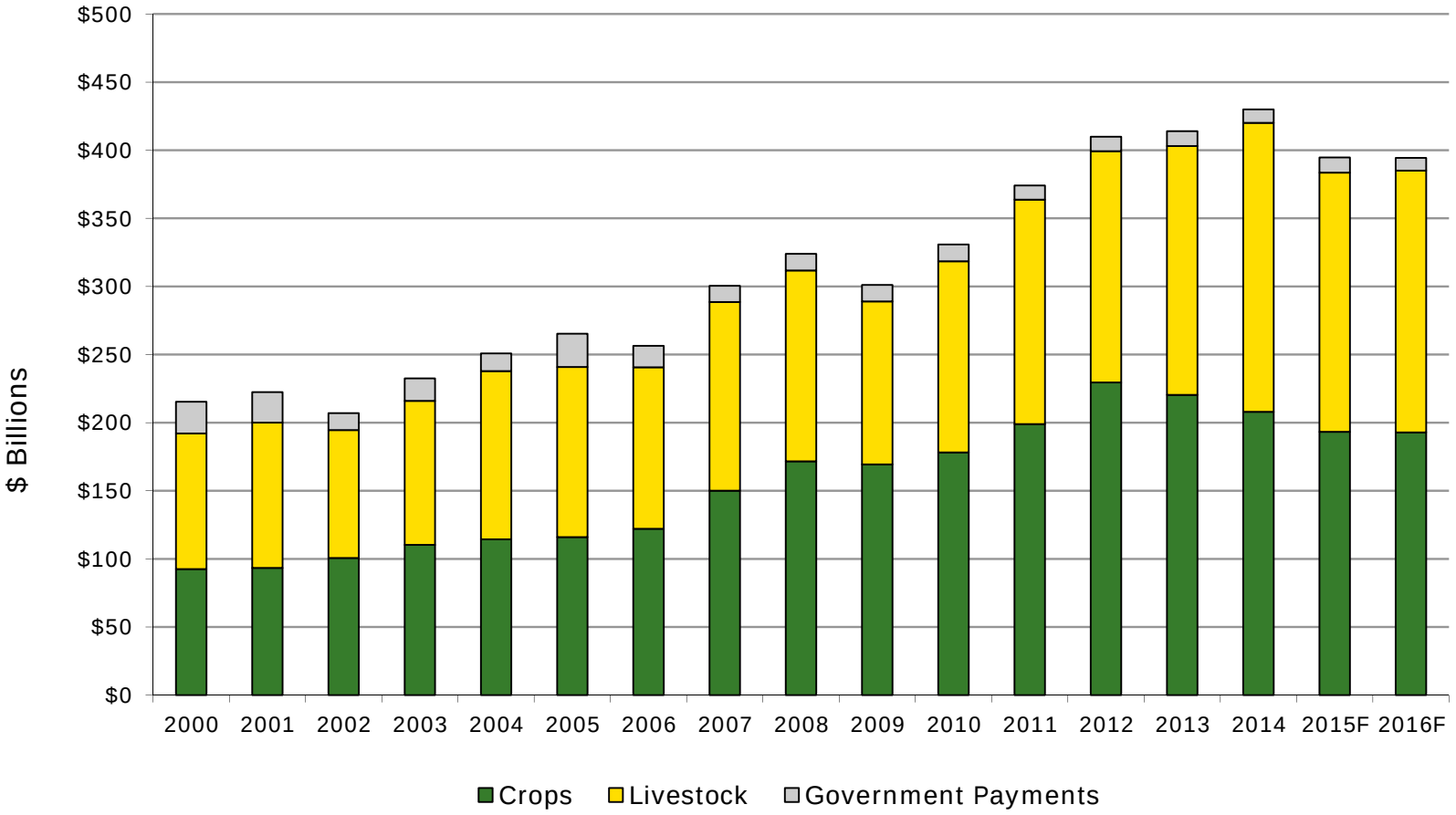
*Q4 2015 operating profit impacted by:

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

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

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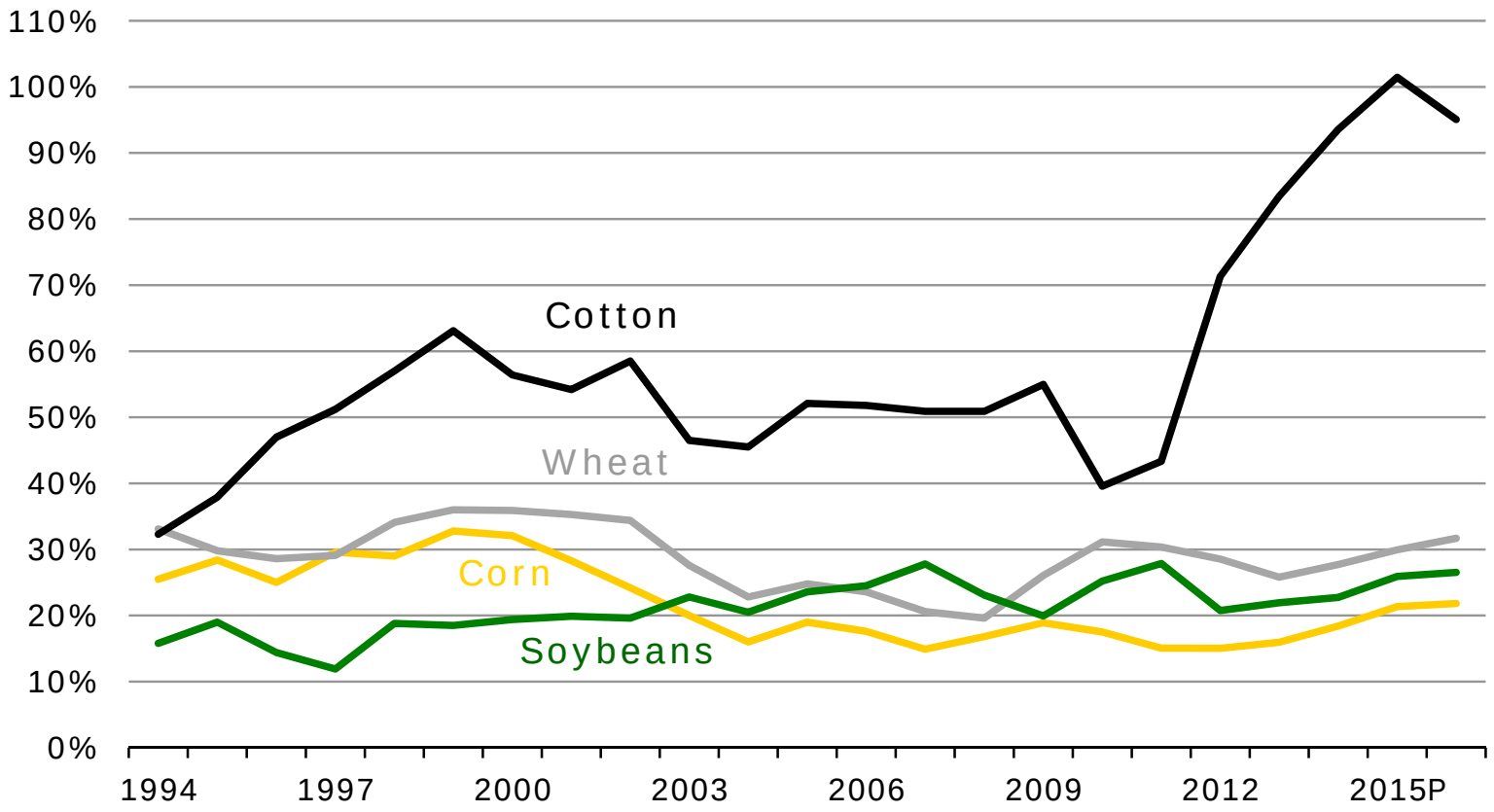
U.S. Farm Cash Receipts



Source: 2000 – 2014: USDA 25 August 2015
2015F – 2016F: Deere & Company Forecast as of 25 November 2015

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World Farm Fundamentals
Global Stocks-to-Use Ratios



Source: USDA – 10 November 2015

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Award Winning Intelligent Solutions
Agritechnica - 2015

- Innovation recognized at world's largest agricultural equipment fair
- Record number of gold and silver medals awarded to John Deere and partner companies
- Medals awarded for machinery hardware and precision farming software solutions



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Economic Update
EU 28 – Fiscal 2016

Economic activity gradually improving, however event risks remain

Arable income remains under pressure, below the long-term average

Continued weakness in dairy sector

Beef prices remain solid, pork prices at low levels

Deere & Company Forecast as of 25 November 2015

Economic Update
Other Selected Markets – Fiscal 2016

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

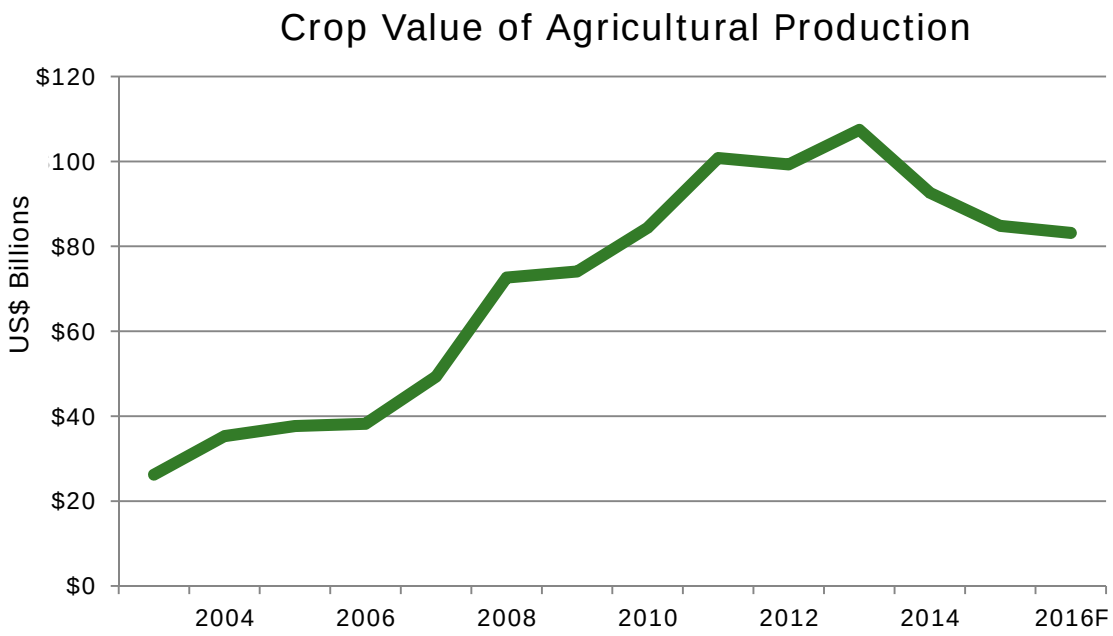
India

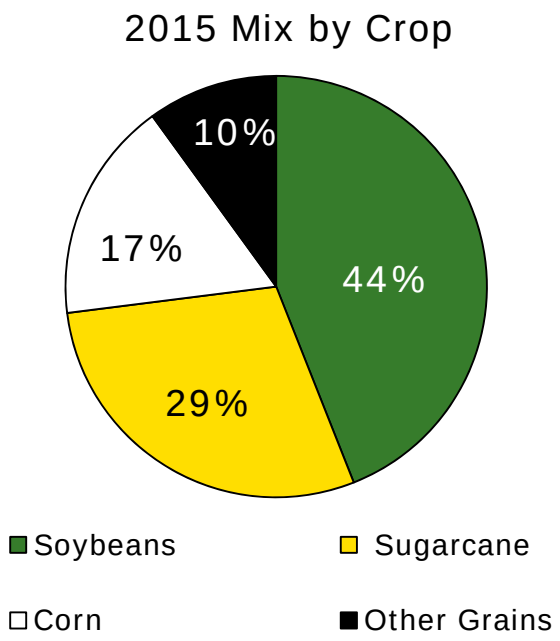
- Positive consumer and investor sentiment support economic growth
- Government continues to support the agricultural sector
- Two consecutive below normal monsoon seasons impacting farm incomes

Deere & Company Forecast as of 25 November 2015

Crop Value of Agricultural Production
Brazil

Expected to decrease ~ 2% in 2016 over prior season





Source: IHS Global Insight, November 2015

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Agriculture & Turf Retail Sales
Industry Outlook – Fiscal 2016

	2016 Forecast
U.S. and Canada Ag	Down 15-20%
EU 28 Ag	Flat to down 5%
South America Ag (Tractors and Combines)	Down 10-15%
Asia Ag	Flat to down slightly
U.S. and Canada Turf and Utility Equipment	Flat to up 5%

Deere & Company Forecast as of 25 November 2015

Worldwide Agriculture & Turf
Deere & Company Outlook

Fiscal Year 2016 Forecast

- Net sales: Down ~ 8%
  - Currency translation: ~ (2) points

Deere & Company Forecast as of 25 November 2015

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Worldwide Construction & Forestry
Fourth Quarter Overview

(in millions of dollars)	Q4 2015	Q4 2014	Change
Net Sales	$1,276	$1,874	-32%
Operating Profit*	$64	$228	-72%

*Q4 2015 operating profit impacted by:

Favorable
- Selling, Administrative, and General Expenses

Unfavorable
- Shipment Volumes
- Foreign-Currency Exchange

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Worldwide Construction & Forestry
Deere & Company Outlook

Fiscal Year 2016 Forecast

- Net sales: Down ~ 5%
  - Currency translation: ~ (1) point

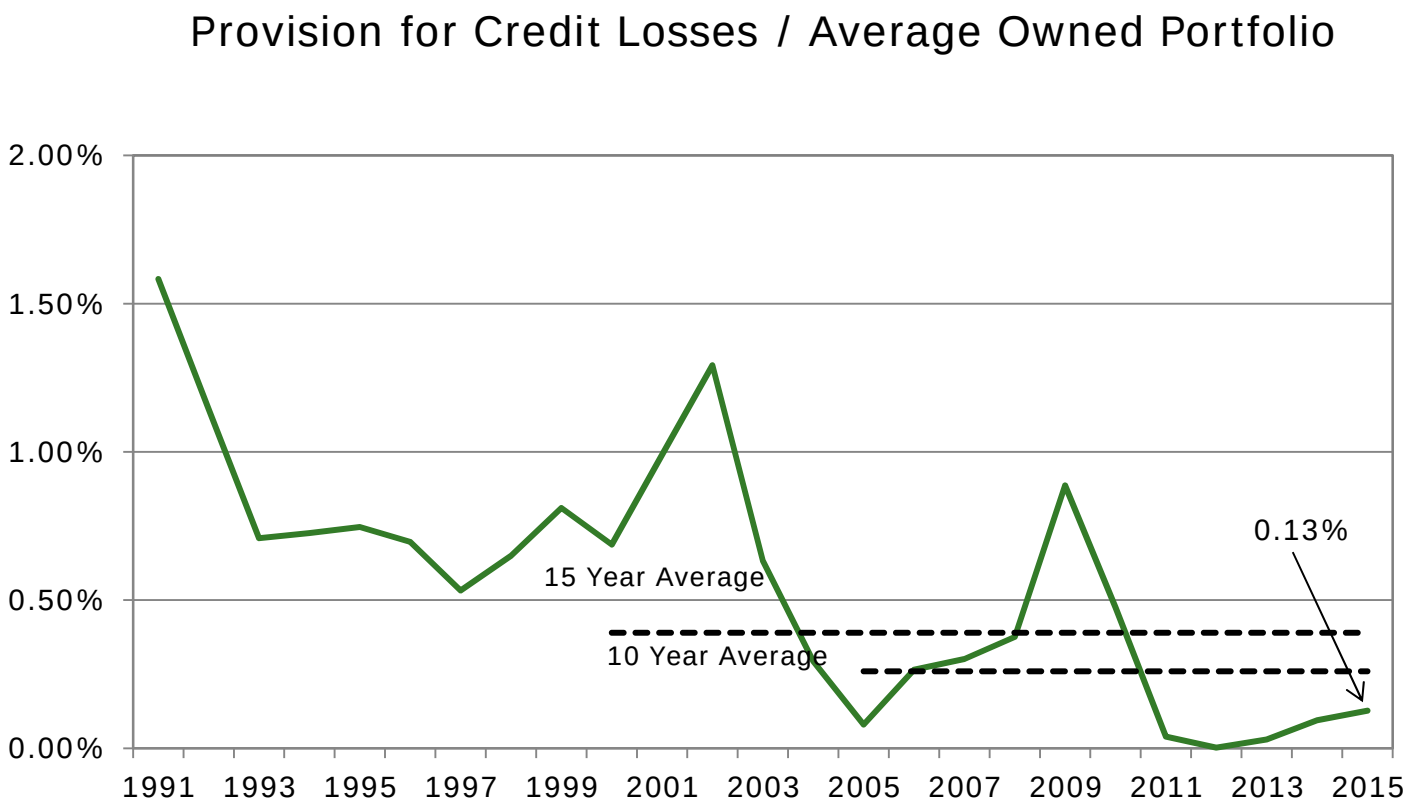
U.S. Economic Indicators	2016 Forecast
GDP Growth (annual percentage rate)*	+2.9%
Housing Starts (thousands)	1,277
Total Construction Investment (annual percentage rate)*	+6.0%
Government Construction Investment (annual percentage rate)*	+1.1%

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

Deere & Company Forecast as of 25 November 2015

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Worldwide Financial Services
Credit Loss History



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Worldwide Financial Services

Fourth Quarter 2015

- Net income attributable to Deere & Company
  - $153 million in Q4 2015 vs. $172 million in Q4 2014

Fiscal Year 2015

- Net income attributable to Deere & Company
  - $633 million in 2015 vs. $624 million in 2014

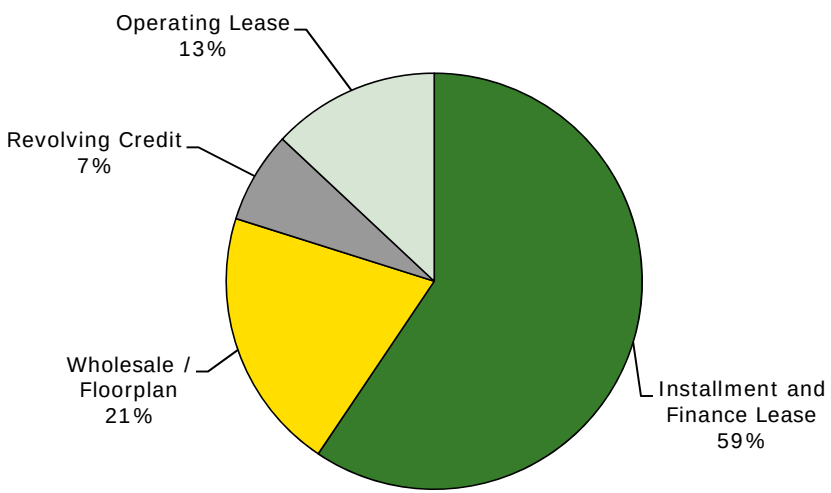
Fiscal Year 2016 Forecast

- Net income attributable to Deere & Company of ~ $550 million

Deere & Company Forecast as of 25 November 2015

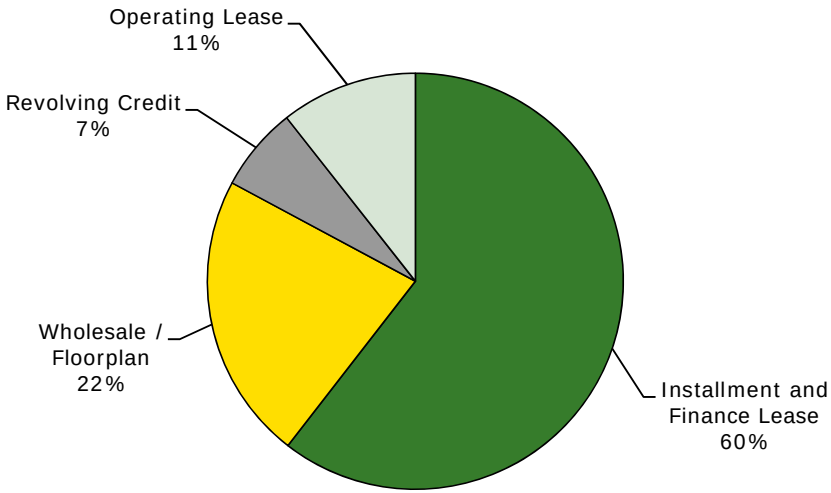
Worldwide Financial Services
Owned Portfolio

31 October 2015



$38.2 Billion Net Portfolio

31 October 2014



$39.6 Billion Net Portfolio

Information above includes all Deere lending activities worldwide. John Deere Capital Corporation is the largest lending operation of Deere & Company.

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Consolidated Trade Receivables & Inventory

(in millions of dollars)	2015* Actual	2015* Previous Forecast	2016** Forecast
A&T	↓ $792	↓ $725	↓ $425
C&F	↑ $173	↑ $375	↓ $225
Total, as reported	↓ $619	↓ $350	↓ $650
Total, constant exchange	↓ $65	↑ $75	↓ $625

** Change at 31 October 2015 vs. 31 October 2014*
*** Forecasted change at 31 October 2016 vs. 31 October 2015*
Note: Before the sale of receivables to John Deere Financial
Deere & Company Forecast as of 25 November 2015 (Previous Forecast as of 21 August 2015)

Cost of Sales as a Percent of Net Sales
Equipment Operations

Fourth Quarter 2015

- 79%

Fiscal Year 2015

- 78%
- No change from previous forecast

Fiscal Year 2016 Forecast

- ~ 79%

Deere & Company Forecast as of 25 November 2015 (Previous Forecast as of 21 August 2015)

Research & Development Expense
Equipment Operations

Fourth Quarter 2015

- Down 2% vs. Q4 2014
  - Currency translation: ~ (3) points

Fiscal Year 2015

- Down 2% vs. FY 2014
  - Currency translation: ~ (3) points
- No change from previous forecast

Fiscal Year 2016 Forecast

- Down ~ 3% vs. FY 2015

Deere & Company Forecast as of 25 November 2015 (Previous Forecast as of 21 August 2015)

Selling, Administrative & General Expense
Equipment Operations

Fourth Quarter 2015

- Down 17% vs. Q4 2014
  - Incentive compensation: ~ (4) points
  - Currency translation: ~ (8) points

Fiscal Year 2015

- Down 13% vs. FY 2014
  - JD Landscapes and JD Water: ~ (2) points
  - Incentive compensation: ~ (3) points
  - Currency translation: ~ (5) points
- Previous forecast: Down ~ 11% vs. FY 2014
  - JD Landscapes and JD Water: ~ (2) points
  - Incentive compensation: ~ (3) points
  - Currency translation: ~ (4) points

Deere & Company Forecast as of 25 November 2015 (Previous Forecast as of 21 August 2015)

Selling, Administrative & General Expense
Equipment Operations

Fiscal Year 2016 Forecast

- Down ~ 1% vs. FY 2015
  - Currency translation: ~ (2) points

Deere & Company Forecast as of 25 November 2015

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Pension and OPEB Expense

Fourth Quarter 2015

- Up $20 million vs. Q4 2014

Fiscal Year 2015

- Up $80 million vs. FY 2014
- Previous forecast: Up ~ $70 million vs. FY 2014

Fiscal Year 2016 Forecast

- Down ~ $200 million vs. FY 2015

Deere & Company Forecast as of 25 November 2015 (Previous Forecast as of 21 August 2015)

Income Taxes
Equipment Operations

Fourth Quarter 2015

- Effective tax rate: 14%

Fiscal Year 2015

- Effective tax rate: 28%

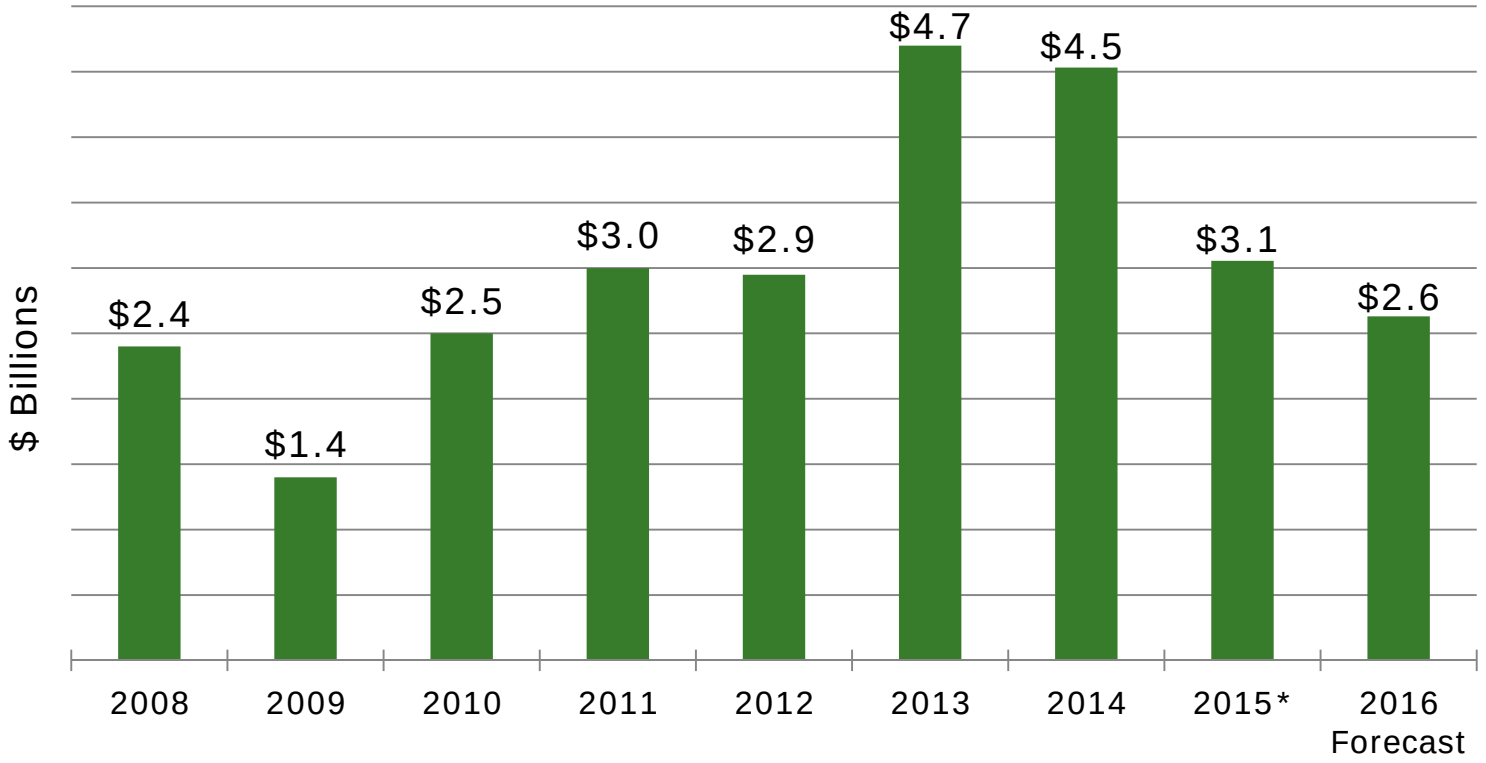
Fiscal Year 2016 Forecast

- Effective tax rate: 34-36%

Deere & Company Forecast as of 25 November 2015

Strong Operating Performance
Equipment Operations

Fiscal Year Cash Flows from Operations

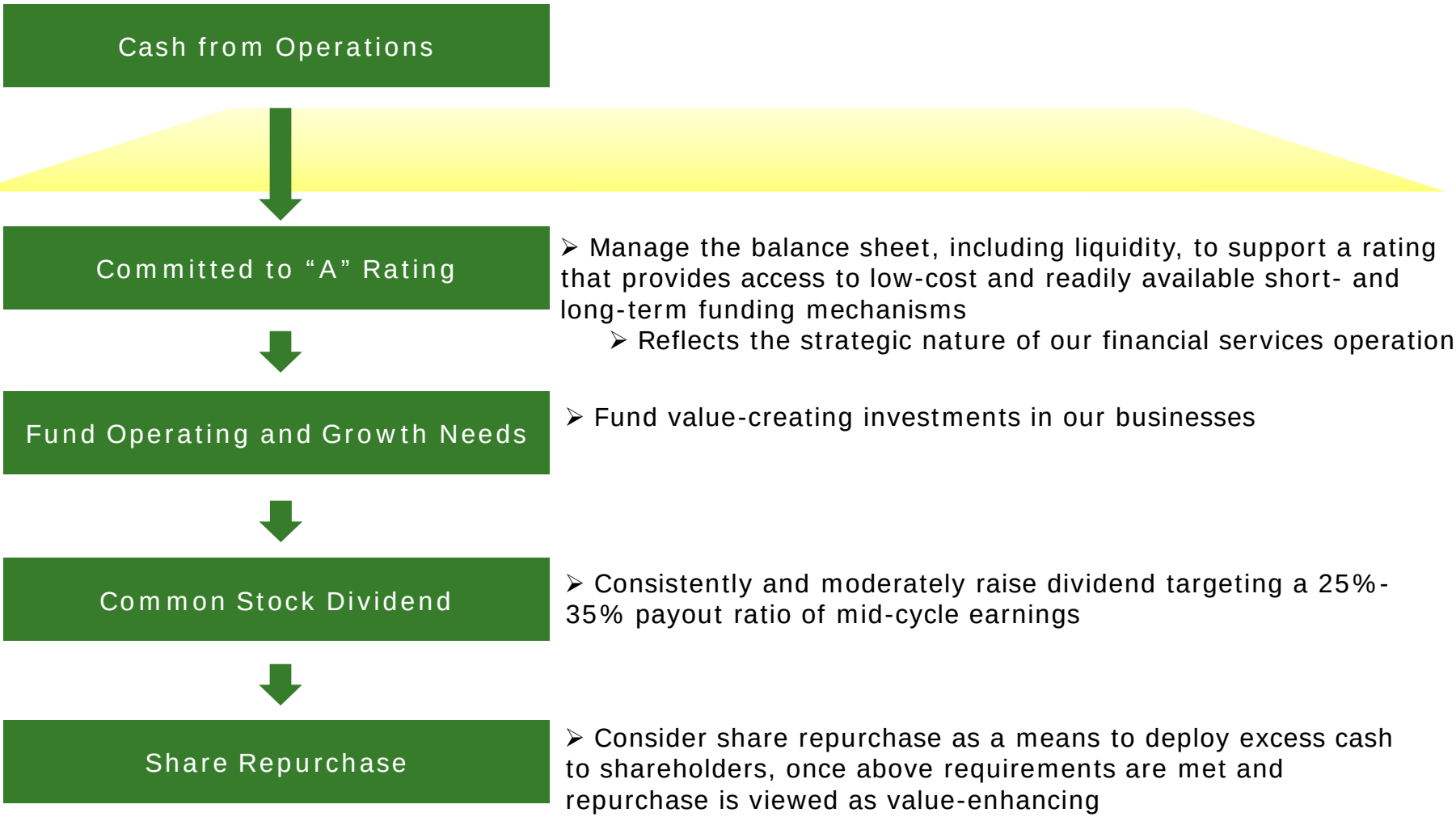


** Previous forecast ~ $3.2 billion*

Deere & Company Forecast as of 25 November 2015 (Previous Forecast as of 21 August 2015)

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Deere Use-of-Cash Priorities



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2016 Company Outlook

First Quarter 2016 Forecast

- Net sales: Down ~ 11% vs. Q1 2015
  - Price realization: ~ +2 points
  - Currency translation: ~ (4) points

Fiscal Year 2016 Forecast

- Net sales: Down ~ 7% vs. FY 2015
  - Price realization: ~ +2 points
  - Currency translation: ~ (2) points

- Net income attributable to Deere & Company of ~ $1.4 billion

Deere & Company Forecast as of 25 November 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

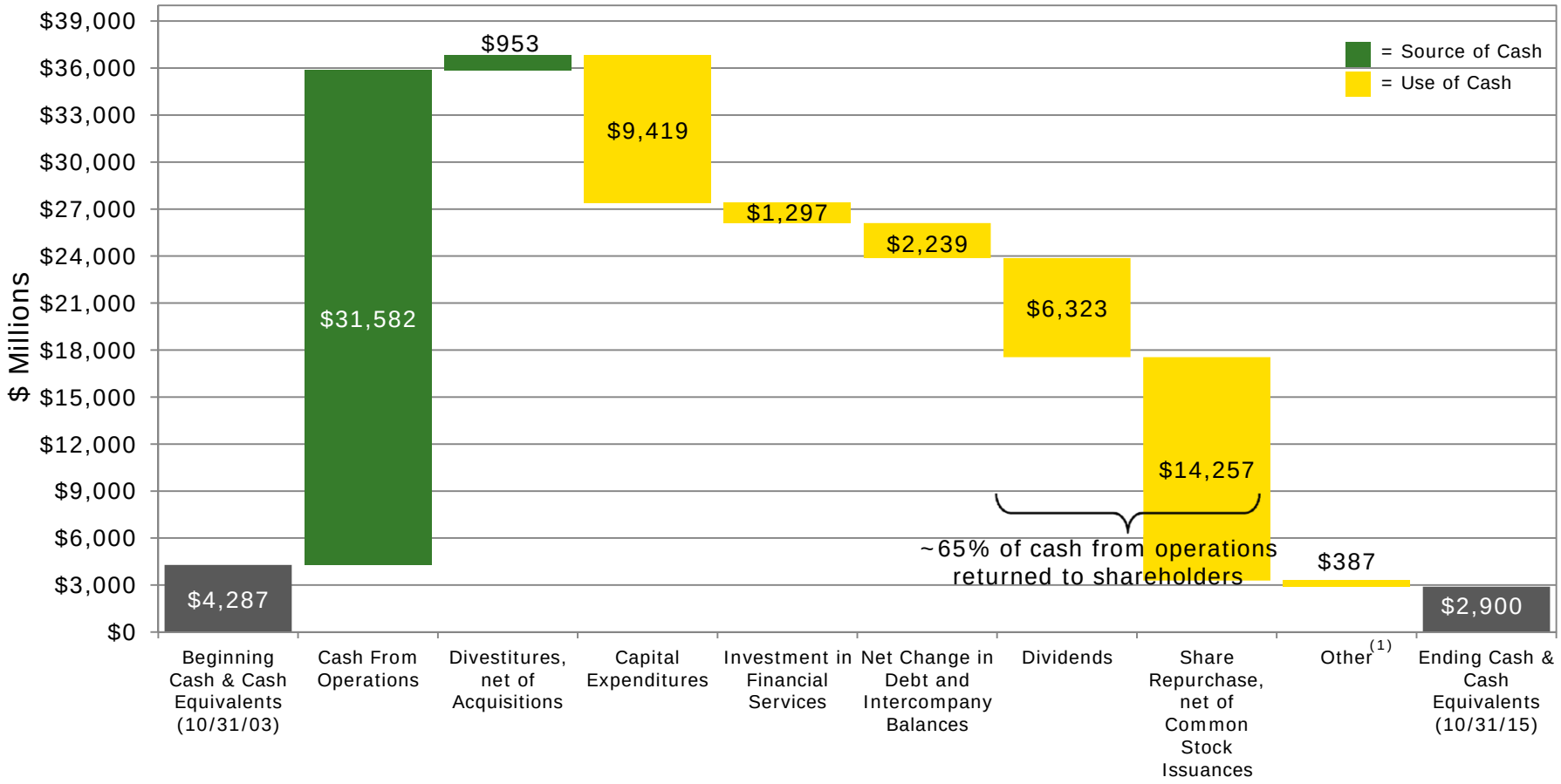
Performance	Health

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

Integrity	Quality	Commitment	Innovation

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Sources and Uses of Cash Fiscal 2004–2015
Equipment Operations

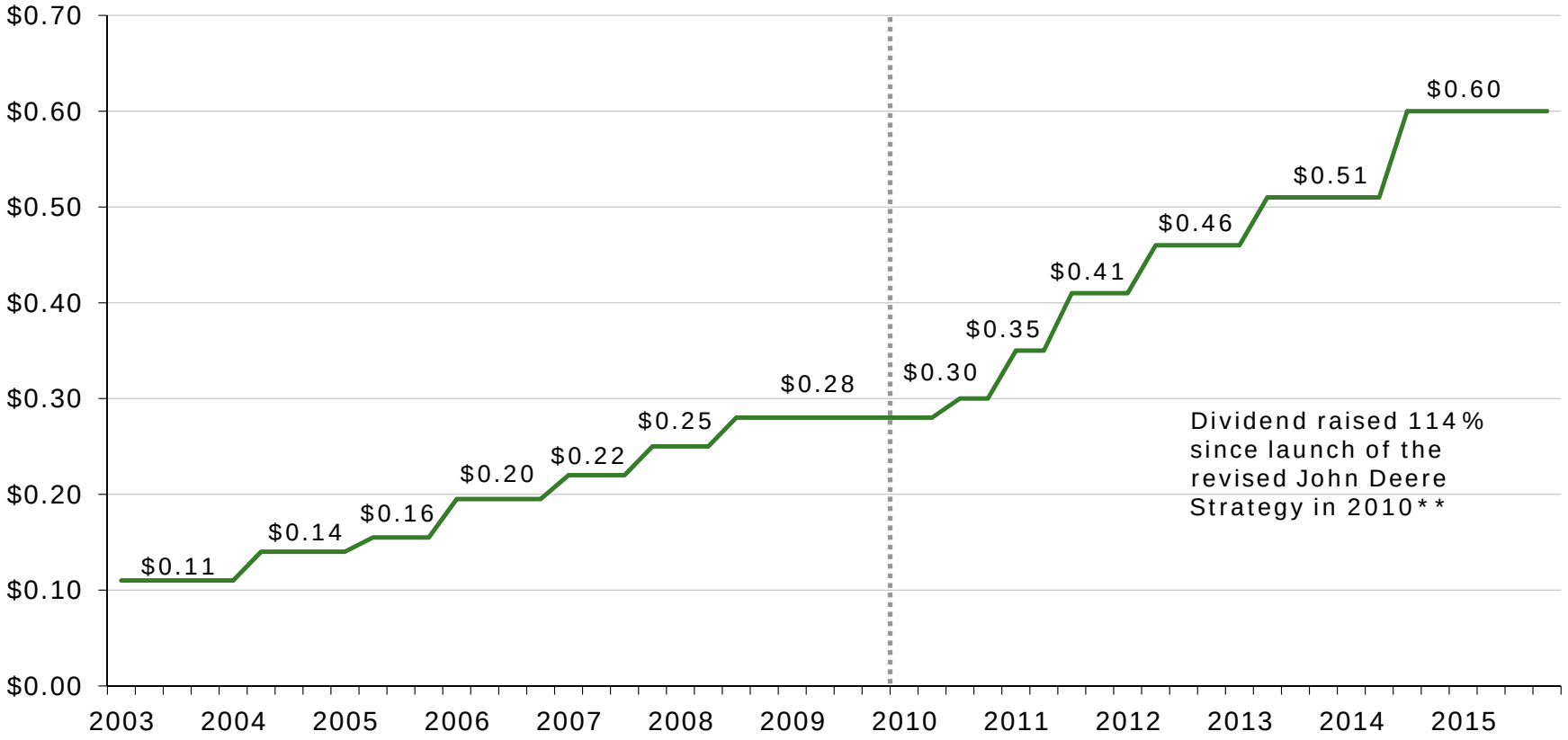


(1) Other includes proceeds from maturities and sales of marketable securities and purchases of marketable securities and reconciliation for non-cash items including excess tax benefits from share-based compensation and the effect of exchange rates on cash and cash equivalents

Source: Deere & Company SEC filings

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Deere Quarterly Dividends Declared*
Q1 2003 – Q4 2015

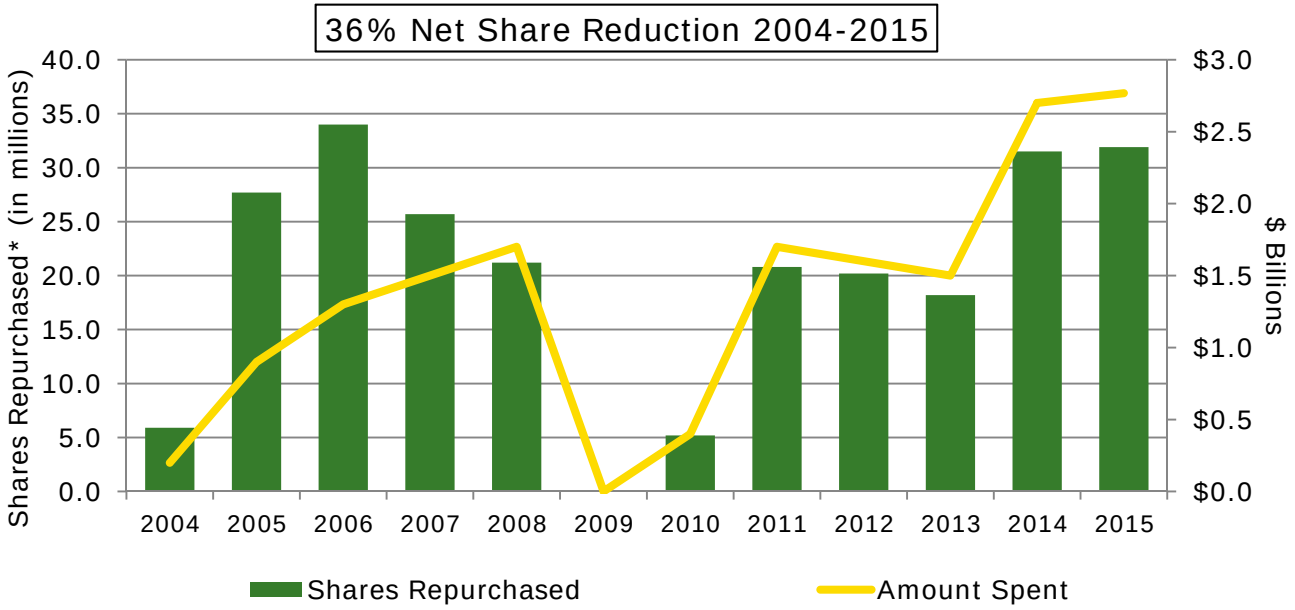


** Adjusted for 2 for 1 stock split on 26 November 2007*
*** See revised John Deere Strategy in Appendix*

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Share Repurchase
As Part of Publicly Announced Plans

Cumulative cost of repurchases 2004-2015:	~ $16.2 billion
Amount remaining on December 2013 authorization of $8 billion:	~ $3.5 billion
31 October 2015 period ended basic shares:	~ 316.7 million
2015 average diluted shares:	~ 336.0 million
Shares repurchased 2004-2015:	~ 242.3 million
Average repurchase price 2004-2015:	$66.87



** All shares adjusted for two-for-one stock split effective 26 November 2007*

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Other Information
Equipment Operations

Fiscal Year 2015

- Capital Expenditures: $688 million
  - Previous forecast: ~ $775 million
- Depreciation and Amortization: $792 million
  - Previous forecast: ~ $800 million
- Pension/OPEB Contributions: $130 million
  - Previous forecast: ~ $100 million

Deere & Company Previous Forecast as of 21 August 2015

Other Information
Equipment Operations

Fiscal Year 2016 Forecast

- Capital Expenditures: ~ $800 million
- Depreciation and Amortization: ~ $850 million
- Pension/OPEB Contributions: ~ $100 million

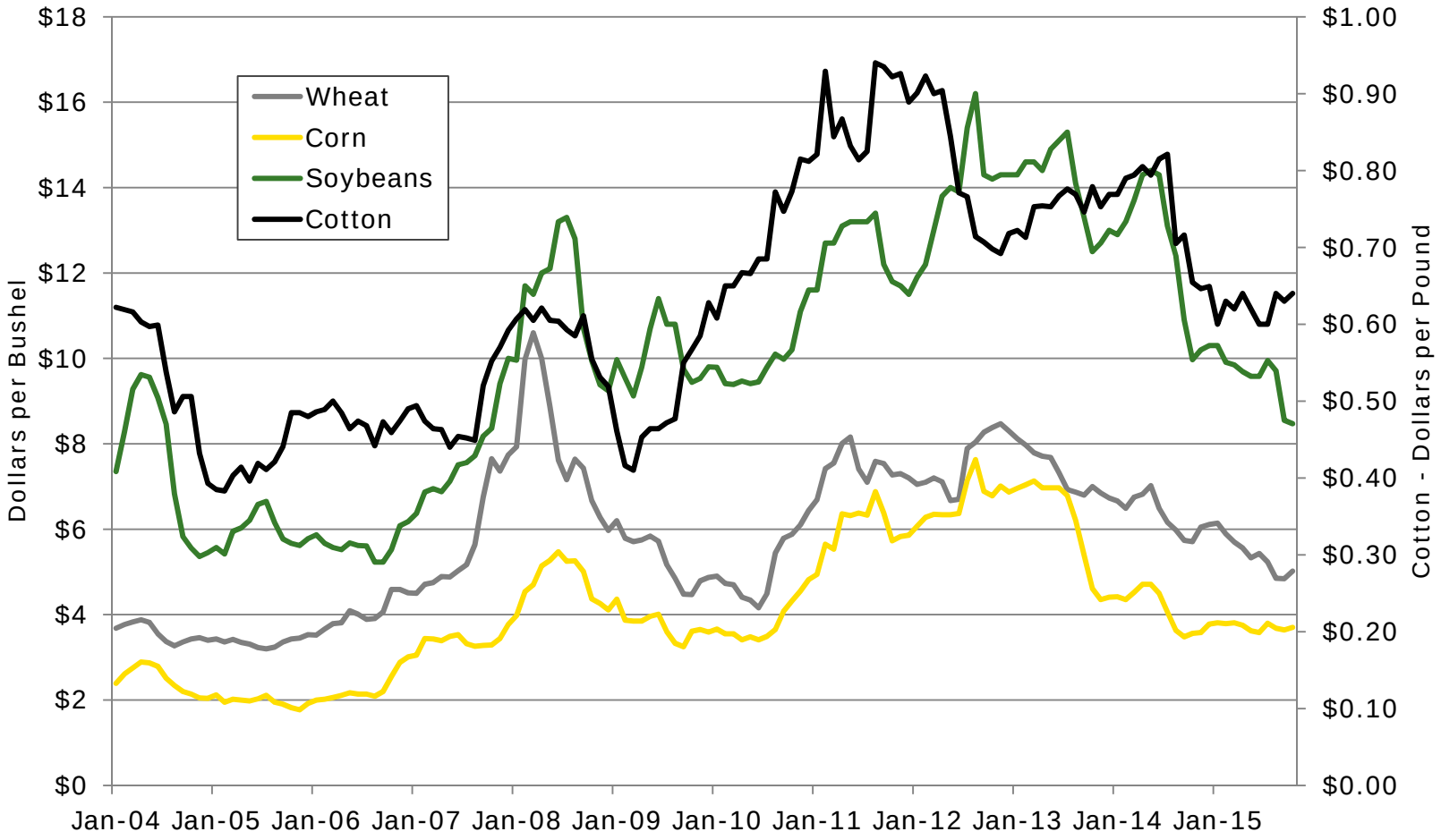
Deere & Company Forecast as of 25 November 2015

U.S. Farm Commodity Prices

(dollars per bushel, except cotton, which is dollars per pound)	2014/15 Estimate	Previous 2014/15	2015/16 Projection	Previous 2015/16
Corn	$3.86	$3.70	$3.65	$3.70
Wheat	$5.99	$5.99	$5.00	$5.05
Soybeans	$10.10	$10.05	$8.90	$9.20
Cotton	$.61	$.61	$.59	$.65

Deere & Company Forecast as of 25 November 2015 (Previous Forecast as of 21 August 2015)

U.S. Farm Commodity Prices



Source: USDA

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U.S. Acres Harvested and Crop Yields

(Yield in bushels per acre, except cotton, which is pounds per acre)	Acres Harvested *(millions)*		Yield	
	2014/15 Estimate	2015/16 Projection	2014/15 Estimate	2015/16 Projection
Corn	83.1	80.7	171.0	169.3
Wheat	46.4	47.1	43.7	43.6
Soybeans	82.6	82.4	47.5	48.3
Cotton	9.3	8.2	838	782

Deere & Company Forecast as of 25 November 2015

U.S. Farm Cash Receipts

(in billions of dollars)	2014 Forecast	2015 Forecast	Previous 2015	2016 Forecast	Previous 2016
Crops	$207.9	$193.3	$180.4	$192.8	$182.6
Livestock	$212.2	$190.3	$197.7	$192.2	$191.8
Government Payments	$9.8	$11.1	$12.4	$9.4	$10.6
Total Cash Receipts	$429.9	$394.7	$390.5	$394.4	$385.0

Deere & Company Forecast as of 25 November 2015 (Previous Forecast as of 21 August 2015)

U.S. Net Farm Cash Income

(in billions of dollars)	2014 Forecast	2015 Forecast	Previous 2015	2016 Forecast
Total Cash Receipts	$429.9	$394.7	$390.5	$394.4
Other Farm-Related Income	$35.4	$35.7	$26.0	$35.5
Gross Cash Income	$465.3	$430.4	$416.5	$429.9
Cash Expenses	($338.6)	($329.0)	($323.0)	($323.0)
Net Cash Income	$126.7	$101.4	$93.5	$106.9

Deere & Company Forecast as of 25 November 2015 (Previous Forecast as of 21 August 2015)

October 2015 Retail Sales and Dealer Inventories

Retail Sales		
U.S. and Canada Ag	Industry*	Deere**
2WD Tractors (< 40 PTO hp)	↑ 18%	↑ more than the industry
2WD Tractors (40 < 100 PTO hp)	↓ 3%	↑ low single digit
2WD Tractors (100+ PTO hp)	↓ 34%	↓ less than the industry
4WD Tractors	↓ 29%	↓ less than the industry
Combines	↓ 19%	in line with the industry

Deere Dealer Inventories***		
U.S. and Canada Ag	2015	2014
2WD Tractors (100+ PTO hp)	24%	22%
Combines	6%	6%

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

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October 2015 Retail Sales

EU 28	Deere*
Tractors	↑ low double digits
Combines	↓ double digits

U.S. and Canada	Deere*
Selected Turf & Utility Equipment	↑ single digit

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

** Based on internal sales reports*

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Deere's first quarter 2016 conference call
is scheduled for 9:00 a.m. central time
on Friday, February 19, 2016



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