

**Income Statement** *Deere & Company Equipment Operations with Financial Services on the equity basis for the year ended October 31.*<sup>(1)</sup> (in millions of dollars except for shares outstanding and per share amounts)

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Net Sales and Revenues</b>										
Net sales	\$9,701.2	\$11,168.6	\$11,077.4	\$11,702.8	\$13,349.1	\$17,673.0	\$19,401.4	\$19,884.0	\$21,489.1	\$25,803.5
Finance and interest income	92.5	99.1	95.9	85.6	77.6	83.2	118.8	92.2	123.4	106.7
Other income	87.2	109.2	129.4	146.0	145.3	236.1	308.1	383.9	403.7	366.9
Total	9,880.9	11,376.9	11,302.7	11,934.4	13,572.0	17,992.3	19,828.3	20,360.1	22,016.2	26,277.1
<b>Costs and Expenses</b>										
Cost of sales	8,193.1	8,952.2	9,391.9	9,608.1	10,767.5	13,582.3	15,179.3	15,362.0	16,254.0	19,576.2
Research and development expenses	458.4	542.1	590.1	527.8	577.3	611.6	677.3	725.8	816.8	943.1
Selling, administrative and general expenses	953.6	1,149.4	1,295.3	1,153.5	1,284.7	1,647.6	1,766.8	1,942.1	2,237.0	2,517.0
Interest expense	161.9	183.1	268.9	222.9	217.6	205.0	211.3	193.4	181.2	183.9
Interest compensation to Financial Services			0.9	158.1	199.6	205.1	223.1	243.7	246.4	232.4
Other operating expenses	28.6	44.3	81.3	81.4	57.8	97.7	146.4	239.9	157.8	192.7
Total	9,795.6	10,871.1	11,628.4	11,751.8	13,104.5	16,349.3	18,204.2	18,706.9	19,893.2	23,645.3
Income (Loss) of Consolidated Group before Income Taxes	85.3	505.8	(325.7)	182.6	467.5	1,643.0	1,624.1	1,653.2	2,123.0	2,631.8
Provision (Credit) for income taxes	42.1	194.7	(87.9)	104.2	162.4	546.4	527.7	564.4	693.8	955.6
Income (Loss) of Consolidated Group	43.2	311.1	(237.8)	78.4	305.1	1,096.6	1,096.4	1,088.8	1,429.2	1,676.2
<b>Equity in Income (Loss) of Unconsolidated Subsidiaries and Affiliates</b>										
Credit	174.9	161.5	176.8	243.0	310.5	306.2	317.4	342.8	360.8	327.5
Other	8.9	(2.3)	(21.8)	(25.1)	4.2	(4.4)	0.2	21.6	31.7	49.1
Total	183.8	159.2	155.0	217.9	314.7	301.8	317.6	364.4	392.5	376.6
<b>Income (Loss) from Continuing Operations</b>	227.0	470.3	(82.8)	296.3	619.8	1,398.4	1,414.0	1,453.2	1,821.7	2,052.8
<b>Income from Discontinued Operations</b>	12.2	15.2	18.8	22.9	23.3	7.7	32.8	240.6		
<b>Net Income (Loss)</b>	\$239.2	\$485.5	(\$64.0)	\$319.2	\$643.1	\$1,406.1	\$1,446.8	\$1,693.8	\$1,821.7	\$2,052.8
<b>Average number of common shares outstanding - basic</b> <sup>(2)</sup> (in thousands)	465,748	468,552	469,960	476,434	480,400	494,496	486,586	466,820	449,258	431,094
Income (Loss) per share from continuing operations - basic <sup>(2)</sup>	\$0.48	\$1.01	(\$0.18)	\$0.62	\$1.29	\$2.82	\$2.90	\$3.11	\$4.05	\$4.76
Income (Loss) per share from continuing operations - diluted <sup>(2)</sup>	\$0.48	\$1.00	(\$0.18)	\$0.61	\$1.27	\$2.76	\$2.87	\$3.08	\$4.00	\$4.70
Net Income (Loss) per share - basic <sup>(2)</sup>	\$0.51	\$1.04	(\$0.14)	\$0.67	\$1.34	\$2.84	\$2.97	\$3.63	\$4.05	\$4.76
Net Income (Loss) per share - diluted <sup>(2)</sup>	\$0.51	\$1.03	(\$0.14)	\$0.66	\$1.32	\$2.78	\$2.94	\$3.59	\$4.00	\$4.70

<sup>(1)</sup> Deere & Company with Financial Services on the equity basis except for the health care operations reported on a discontinued basis.

<sup>(2)</sup> Adjusted for two-for-one stock split effective November 26, 2007.

**Income Statement % To Net Sales** *Deere & Company Equipment Operations with Financial Services on the equity basis for the year ended October 31.*

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Net Sales and Revenues</b>										
Net sales	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Finance and interest income	1.0	0.9	0.9	0.7	0.6	0.5	0.6	0.5	0.6	0.4
Other income	0.9	1.0	1.2	1.2	1.1	1.3	1.6	1.9	1.9	1.4
Total	101.9	101.9	102.0	102.0	101.7	101.8	102.2	102.4	102.5	101.8
<b>Costs and Expenses</b>										
Cost of sales	84.5	80.2	84.8	82.1	80.7	76.9	78.2	77.3	75.6	75.9
Research and development expenses	4.7	4.9	5.3	4.5	4.3	3.5	3.5	3.7	3.8	3.7
Selling, administrative and general expenses	9.8	10.3	11.7	9.9	9.6	9.3	9.1	9.8	10.4	9.8
Interest expense	1.7	1.6	2.4	1.9	1.6	1.2	1.1	1.0	0.8	0.7
Interest compensation to Financial Services			0.0	1.4	1.5	1.2	1.1	1.2	1.1	0.9
Other operating expenses	0.3	0.4	0.7	0.7	0.4	0.6	0.8	1.2	0.7	0.7
Total	101.0	97.3	105.0	100.4	98.2	92.5	93.8	94.1	92.6	91.6
Income (Loss) of Consolidated Group before Income Tax:	0.9	4.5	(2.9)	1.6	3.5	9.3	8.4	8.3	9.9	10.2
Provision (Credit) for income taxes	0.4	1.7	(0.8)	0.9	1.2	3.1	2.7	2.8	3.2	3.7
Income (Loss) of Consolidated Group	0.4	2.8	(2.1)	0.7	2.3	6.2	5.7	5.5	6.7	6.5
<b>Equity in Income (Loss) of Unconsolidated Subsidiaries and Affiliates</b>										
Credit	1.8	1.4	1.6	2.1	2.3	1.7	1.6	1.7	1.7	1.3
Other	0.1	(0.0)	(0.2)	(0.2)	0.0	(0.0)	0.0	0.1	0.1	0.2
Total	1.9	1.4	1.4	1.9	2.4	1.7	1.6	1.8	1.8	1.5
Income (Loss) from Continuing Operations	2.3	4.2	(0.7)	2.5	4.6	7.9	7.3	7.3	8.5	8.0
Income from Discontinued Operations	0.1	0.1	0.2	0.2	0.2	0.0	0.2	1.2	0.0	0.0
Net Income (Loss)	2.5%	4.3%	(.6)%	2.7%	4.8%	8.0%	7.5%	8.5%	8.5%	8.0%

**Net Sales** *(millions of dollars)*

	1999	2000	2001	2002	2003 <sup>(1)</sup>	2004 <sup>(1)</sup>	2005	2006	2007	2008
<b>Net Sales by Operating Segment:</b>										
Agricultural equipment	\$5,138	\$5,934	\$6,269	\$6,738	\$7,390	\$9,717	\$10,567	\$10,232	\$12,121	\$16,572
Commercial and consumer equipment	2,648	2,774	2,527	2,712	3,231	3,742	3,605	3,877	4,333	4,413
Construction and forestry	1,880	2,395	2,226	2,199	2,728	4,214	5,229	5,775	5,035	4,818
Other	35	66	55	54						
Total	\$9,701	\$11,169	\$11,077	\$11,703	\$13,349	\$17,673	\$19,401	\$19,884	\$21,489	\$25,803
<b>Net Sales by Geographic Areas:</b>										
United States and Canada	\$7,023	\$8,272	\$8,124	\$8,199	\$9,249	\$12,333	\$13,511	\$13,851	\$13,829	\$15,068
Outside United States and Canada	2,678	2,897	2,953	3,504	4,100	5,340	5,890	6,033	7,660	10,735
Total	\$9,701	\$11,169	\$11,077	\$11,703	\$13,349	\$17,673	\$19,401	\$19,884	\$21,489	\$25,803

<sup>(1)</sup> Beginning in fiscal 2004, the special technologies group's segment results were transferred from the other operations to the agricultural equipment operations due to changes in internal reporting. The 2003 fiscal year results of these operations were restated for net sales of \$41 million, related to the special technologies group. This had no effect on the total net sales.

**Quarterly Sales***(millions of dollars)*

	1Q	2Q	3Q	4Q	Total
1999	1,973.2	2,957.1	2,489.4	2,281.5	9,701.2
2000	1,880.0	3,324.1	3,122.2	2,842.3	11,168.6
2001	2,143.0	3,261.9	3,070.3	2,602.2	11,077.4
2002	1,937.5	3,409.0	3,409.6	2,946.7	11,702.8
2003	2,273.7	3,867.3	3,833.0	3,375.0	13,349.1
2004	2,911.6	5,296.1	4,853.6	4,611.7	17,673.0
2005	3,526.5	6,019.2	5,370.1	4,485.6	19,401.4
2006	3,691.4	6,029.0	5,677.3	4,486.3	19,884.0
2007	3,814.9	6,265.9	5,984.9	5,423.4	21,489.1
2008	4,530.6	7,468.9	7,070.2	6,733.8	25,803.5

**Quarterly Net Income***(millions of dollars)*

	1Q	2Q	3Q	4Q	Total
1999 <sup>(1)</sup>	49.7	150.1	68.9	(29.5)	239.2
2000	37.7	204.3	172.4	71.1	485.5
2001 <sup>(2)</sup>	56.4	127.8	71.8	(320.0)	(64.0)
2002 <sup>(3)</sup>	(38.1)	141.8	147.6	68.0	319.2
2003	68.0	256.9	247.5	70.6	643.1
2004	170.8	477.3	401.4	356.7	1,406.1
2005	222.8	604.0	387.1	232.8	1,446.8
2006 <sup>(4)</sup>	235.9	744.6	436.0	277.3	1,693.8
2007	238.7	623.6	537.2	422.1	1,821.7
2008	369.1	763.5	575.2	345.0	2,052.8

**Net Income Per Share – Diluted per FASB 128<sup>(5)</sup>***(dollars)*

	1Q	2Q	3Q	4Q	Total
1999 <sup>(1)</sup>	.11	.32	.15	(.07)	.51
2000	.08	.44	.36	.15	1.03
2001 <sup>(2)</sup>	.12	.27	.15	(.68)	(.14)
2002 <sup>(3)</sup>	(.08)	.30	.30	.14	.66
2003	.14	.54	.51	.13	1.32
2004	.34	.94	.79	.71	2.78
2005	.45	1.22	.79	.48	2.94
2006 <sup>(4)</sup>	.49	1.56	.92	.60	3.59
2007	.52	1.36	1.18	.94	4.00
2008	.83	1.74	1.32	.81	4.70

(1) Results in the fourth quarter of 1999 include pretax early retirement program costs of \$68 million (\$40 million or \$.17 per share after income taxes).

(2) Results in the fourth quarter of 2001 include pretax special item charges of \$344 million (\$217 million or \$.91 per share after income taxes).

(3) Results in 2002 include pretax special item charges of \$72 million (\$46 million or \$.18 per share after income taxes).

(4) Net income and net income per share as reported (includes discontinued operations).

(5) Adjusted for two-for-one stock split effective November 26, 2007.

**Net Sales by Major Markets** *(millions of dollars)*

	2006	2007	2008
United States	\$12,246	\$12,241	\$13,166
Canada	1,605	1,588	1,902
Western Europe	3,248	3,889	4,610
Central Europe & CIS	674	1,025	1,874
Central & South America	979	1,565	2,577
Asia, Africa & Middle East	691	761	1,062
Asia Pacific, Australia & New Zealand	441	420	612
Total	\$19,884	\$21,489	\$25,803

**Net Sales by Major Markets** *(millions of dollars)*

	1999	2000	2001	2002	2003	2004	2005
United States	\$6,457	\$7,574	\$7,439	\$7,494	\$8,322	\$11,258	\$12,057
Canada	568	698	685	709	930	1,078	1,460
Europe, Africa and Middle East	1,972	1,963	1,999	2,454	2,897	3,541	4,052
Central and South America	394	528	590	640	705	1,052	951
Asia – Pacific Region	310	406	364	406	495	744	881
Total	\$9,701	\$11,169	\$11,077	\$11,703	\$13,349	\$17,673	\$19,401

## Exports from U.S.

<i>(millions of dollars)</i>	
1999	1,529
2000	1,764
2001	1,661
2002	1,635
2003	1,700
2004	2,229
2005	2,553
2006	2,845
2007	3,432
2008	4,620

## Operating Profit *(millions of dollars)*

Operating Profit (Loss) by Operating Segment:	1999 <sup>(1)</sup>	2000 <sup>(2)</sup>	2001 <sup>(2)(3)(4)</sup>	2002 <sup>(4)(5)</sup>	2003 <sup>(4)(6)</sup>	2004 <sup>(6)</sup>	2005	2006	2007	2008
Agricultural equipment	(\$51)	\$400	\$257	\$439	\$329	\$1,072	\$970	\$882	\$1,443	\$2,224
Commercial and consumer equipment	213	167	(165)	79	227	246	183	221	304	237
Construction and forestry	149	183	(83)	(75)	152	587	689	802	571	466
Other	(39)	(57)	(55)	(42)						
Total Equipment Operations	272	693	(46)	401	708	1,905	1,842	1,905	2,318	2,927
Credit <sup>(7)</sup>	274	254	274	386	474	466	491	520	548	478
Other <sup>(8)</sup>	(8)							1	5	15
Total Financial Services	266	254	274	386	474	466	491	521	553	493
<b>Total operating profit</b>	<b>\$538</b>	<b>\$947</b>	<b>\$228</b>	<b>\$787</b>	<b>\$1,182</b>	<b>\$2,371</b>	<b>\$2,333</b>	<b>\$2,426</b>	<b>\$2,871</b>	<b>\$3,420</b>

## Operating Profit (Loss) by Geographic Area:

### U.S. and Canada:

Equipment Operations	\$48	\$529	(\$164)	\$170	\$386	\$1,284	\$1,298	\$1,445	\$1,539	\$1,831
Financial Services	263	247	259	380	439	413	431	470	486	418
Total	311	776	95	550	825	1,697	1,729	1,915	2,025	2,249

### Outside U.S. and Canada:

Equipment Operations	224	164	118	231	322	621	544	460	779	1,096
Financial Services	3	7	15	6	35	53	60	51	67	75
Total	227	171	133	237	357	674	604	511	846	1,171
<b>Total operating profit</b>	<b>\$538</b>	<b>\$947</b>	<b>\$228</b>	<b>\$787</b>	<b>\$1,182</b>	<b>\$2,371</b>	<b>\$2,333</b>	<b>\$2,426</b>	<b>\$2,871</b>	<b>\$3,420</b>

(1) Operating profit of the agricultural equipment business segment includes \$68 million of early retirement cost.

(2) Years 2001 and 2000 were restated for sales of \$140 million and \$192 million, operating losses of \$29 million and \$8 million and identifiable assets of \$63 million and \$160 million, respectively, for the transfer of the production of skid-steer loaders from commercial and consumer equipment to construction and forestry.

(3) Operating profit (loss) of the agricultural equipment, commercial and consumer equipment, construction and forestry, credit, and other equipment segments includes expense of special items of \$97 million, \$160 million, \$83 million, \$3 million and \$1 million, respectively.

(4) In 2003, there was no goodwill amortization and the costs or income for special items were not material. In 2002, the operating profit (loss) of the agricultural equipment, commercial and consumer equipment, construction and forestry and other segments included pretax goodwill amortization of \$15, \$14, \$17 and \$12, respectively, for a total of \$58. In 2001, goodwill amortization was \$12, \$13, \$16 and \$14, respectively, for a total of \$55.

(5) Operating profit (loss) of the agricultural equipment, commercial and consumer equipment, construction and forestry, credit and other segments includes expense for special items of \$12 million, \$24 million, \$27 million, none and \$9 million, respectively.

(6) Beginning in fiscal 2004, the special technologies group's segment results were transferred from the other operations to the agricultural equipment operations due to changes in internal reporting. The other operations now represent primarily the health care operations along with certain miscellaneous service operations added in 2004. The 2003 fiscal year results of these operations were restated for operating losses of \$8 million related to the special technologies group. This had no effect on the total operating profit.

(7) Operating profit of the credit business segment includes the effect of interest expense and foreign exchange gains or losses.

(8) Other includes Insurance and Health Care.

**Balance Sheet** *Deere & Company Equipment Operations with Financial Services on the equity basis in millions of dollars except per share amounts for the year ended October 31.*

<b>Assets</b>	1999	2000	2001	2002	2003	2004 <sup>(1)</sup>	2005 <sup>(1)</sup>	2006	2007	2008
Cash and cash equivalents	\$229.1	\$639.7	\$455.4	\$2,638.5	\$4,009.3	\$2,915.1	\$1,943.9	\$1,476.7	\$2,019.6	\$1,034.6
Cash equivalents deposited with unconsolidated subsidiaries			1,643.2	790.8	278.1	224.4	179.7			
Cash and cash equivalents			2,098.6	3,429.3	4,287.4	3,139.5	2,123.6	1,476.7	2,019.6	1,034.6
Marketable securities	\$205.3						2,158.7	1,709.0	1,468.2	799.2
Receivables from unconsolidated subsidiaries and affiliates	266.0	408.4	271.8	220.1	178.8	1,469.5	324.4	494.2	437.0	976.2
Trade accounts and notes receivable - net	3,251.1	3,169.2	1,050.7	909.4	646.1	781.5	873.7	986.7	1,028.8	1,013.8
Financing receivables - net	118.4	125.0	49.7	60.1	63.5	64.7	5.6	5.3	11.0	10.4
Other receivables	129.4	266.4	260.8	279.1	236.6	498.4	401.2	317.9	524.0	599.3
Equipment on operating leases - net	2.6	5.9	10.6	12.4	11.9	8.9				
Inventories	1,294.3	1,552.9	1,505.7	1,371.8	1,366.1	1,999.1	2,134.9	1,957.3	2,337.3	3,041.8
Property and equipment - net	1,738.8	1,864.6	2,012.8	1,963.4	2,042.9	2,112.3	2,277.3	2,414.0	2,721.4	2,991.1
Investments in unconsolidated subsidiaries and affiliates	1,362.8	1,561.8	2,383.8	2,248.5	2,431.2	2,119.5	2,318.8	2,665.3	2,643.4	2,811.4
Goodwill and other intangible assets - net	294.8	651.2	873.1	894.3	1,124.5	995.2	1,106.8	1,166.4	1,365.3	1,386.0
Retirement benefits	619.9	635.3	652.0	49.6	62.0	2,474.5	2,638.5	2,630.3	1,967.6	1,101.6
Deferred income taxes	592.9	736.4	944.3	1,576.3	1,590.8	656.7	729.7	681.5	1,418.5	1,479.4
Other assets	176.5	195.9	242.0	281.5	273.4	293.0	275.7	306.1	347.6	456.7
Assets of discontinued operations						130.7	159.6			
<b>Total Assets</b>	<b>\$10,281.9</b>	<b>\$11,812.7</b>	<b>\$12,355.9</b>	<b>\$13,295.8</b>	<b>\$14,315.2</b>	<b>\$16,743.5</b>	<b>\$17,528.5</b>	<b>\$16,810.7</b>	<b>\$18,289.7</b>	<b>\$17,701.5</b>
<b>Liabilities and Stockholders' Equity</b>										
<b>Liabilities</b>										
Short-term borrowings	\$642.2	\$927.5	\$773.4	\$398.1	\$577.0	\$311.9	\$677.4	\$282.5	\$129.8	\$217.9
Payables to unconsolidated subsidiaries and affiliates	15.5	41.4	52.2	79.4	96.7	142.8	141.1	31.0	136.5	169.2
Accounts payable and accrued expenses	2,030.0	2,406.3	2,712.9	2,883.9	2,981.4	3,845.8	4,232.9	4,253.1	5,126.8	5,675.8
Deferred income taxes	7.2	2.5	4.5	9.5	11.5	35.9	11.8	16.8	99.8	99.8
Long-term borrowings	1,036.1	1,717.7	2,210.2	2,988.8	2,727.5	2,728.5	2,423.4	1,969.5	1,973.2	1,991.5
Retirement benefits and other liabilities	2,456.6	2,415.4	2,610.5	3,772.9	3,919.0	3,285.8	3,190.4	2,766.6	3,667.8	3,014.6
<b>Total liabilities</b>	<b>6,187.6</b>	<b>7,510.8</b>	<b>8,363.7</b>	<b>10,132.6</b>	<b>10,313.1</b>	<b>10,350.7</b>	<b>10,677.0</b>	<b>9,319.5</b>	<b>11,133.9</b>	<b>11,168.8</b>
<b>Stockholders' Equity</b>										
Common stock, \$1 par value	1,829.1	1,853.5	1,931.8	1,939.2	1,982.0	2,030.8	2,065.3	2,203.5	2,777.0	2,934.0
Common stock in treasury	(1,469.4)	(1,439.0)	(1,405.5)	(1,322.2)	(1,141.4)	(1,040.4)	(1,743.5)	(2,673.4)	(4,015.4)	(5,594.6)
Retained earnings	3,855.3	4,117.2	3,834.8	3,912.6	4,329.5	5,445.1	6,556.1	7,886.8	9,031.7	10,580.6
Accumulated other comprehensive income (loss):										
Retirement benefits adjustment									(1,113.1)	(1,418.4)
Minimum pension liability adjustment	(18.9)	(8.5)	(16.2)	(1,032.1)	(1,078.0)	(57.2)	(108.9)	(87.6)		
Cumulative translation adjustment	(107.4)	(222.4)	(285.5)	(293.1)	(79.2)	9.1	70.6	150.3	479.4	73.4
Unrealized gain (loss) on derivatives			(72.0)	(47.0)	(22.4)	(6.4)	6.2	6.8	(7.6)	(40.1)
Unrealized gain (loss) on investments	5.6	1.1	4.8	5.8	11.6	11.8	5.7	4.8	3.8	(2.2)
Accumulated other comprehensive income (loss)	(120.7)	(229.8)	(368.9)	(1,366.4)	(1,168.0)	(42.7)	(26.4)	74.3	(637.5)	(1,387.3)
<b>Total stockholders' equity</b>	<b>4,094.3</b>	<b>4,301.9</b>	<b>3,992.2</b>	<b>3,163.2</b>	<b>4,002.1</b>	<b>6,392.8</b>	<b>6,851.5</b>	<b>7,491.2</b>	<b>7,155.8</b>	<b>6,532.7</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$10,281.9</b>	<b>\$11,812.7</b>	<b>\$12,355.9</b>	<b>\$13,295.8</b>	<b>\$14,315.2</b>	<b>\$16,743.5</b>	<b>\$17,528.5</b>	<b>\$16,810.7</b>	<b>\$18,289.7</b>	<b>\$17,701.5</b>
Book value per share <sup>(2)</sup>	\$8.76	\$9.17	\$8.41	\$6.62	\$8.22	\$12.95	\$14.46	\$16.48	\$16.28	\$15.47

(1) Deere & Company with Financial Services on the equity basis except for the health care operations reported on a discontinued basis.

(2) Adjusted for two-for-one stock split effective November 26, 2007.

**Cash Flow** *Deere & Company with Financial Services on the equity basis (millions of dollars)*

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Cash Flows from Operating Activities</b>										
Net income (loss)	\$239.2	\$485.5	\$(64.0)	\$319.2	\$643.1	\$1,406.1	\$1,446.8	\$1,693.8	\$1,821.7	\$2,052.8
Adjustments to reconcile net income (loss) to net cash provided by operating activities:										
Provision for doubtful receivables	5.6	11.2	10.4	6.5	17.9	9.3	13.2	14.6	7.5	10.6
Provision for depreciation and amortization	326.4	359.0	389.5	394.8	341.6	362.7	377.4	406.8	429.2	483.9
Gain on the sale of a business								(356.0)		
Undistributed earnings of unconsolidated subsidiaries and affiliates	(117.5)	(147.0)	(165.1)	156.2	(86.9)	156.2	(181.8)	(273.7)	207.7	210.3
Provision (credit) for deferred income taxes	(203.2)	(152.3)	(229.4)	(19.2)	19.8	374.4	(40.2)	19.1	39.1	51.8
Changes in assets and liabilities:										
Receivables	802.4	(70.6)	2,198.0	116.7	338.6	(112.9)	16.7	(108.4)	(38.8)	(47.6)
Inventories	50.7	(184.0)	136.5	85.8	84.1	(293.6)	(68.5)	211.8	(87.9)	(888.9)
Accounts payable and accrued expenses	(172.1)	460.8	225.0	107.9	(162.0)	916.0	295.6	83.8	329.8	540.9
Accrued income taxes payable/receivable <sup>(1)</sup>							143.3	45.1	(5.1)	72.4
Retirement benefits						(1,224.9)	(313.7)	(395.1)	(172.1)	(139.8)
Other <sup>(1)</sup>	143.6	(295.1)	200.4	219.9	7.1	(210.1)	(27.4)	(30.5)	157.6	18.7
<b>Net cash provided by operating activities</b>	<b>1,075.1</b>	<b>467.5</b>	<b>2,701.3</b>	<b>1,387.8</b>	<b>1,203.3</b>	<b>1,383.2</b>	<b>1,661.4</b>	<b>1,311.3</b>	<b>2,688.7</b>	<b>2,365.1</b>
<b>Cash Flows from Investing Activities</b>										
Collections of receivables	23.0	13.6	69.5	8.7	11.5	37.0				
Proceeds from sales of financing receivables		30.6								
Proceeds from maturities and sales of marketable securities		202.8					1,016.0	2,901.6	2,453.5	1,685.9
Proceeds from sales of equipment on operating leases		1.4	2.1	1.6	0.1	0.8	5.6			
Proceeds from sales of businesses, net of cash sold	179.1			53.5	22.5	90.4	50.0	440.1	77.2	42.0
Cost of receivables acquired	(50.8)	(20.1)	(2.6)	(27.4)	(4.2)	(17.3)				
Purchases of marketable securities							(3,175.4)	(2,447.3)	(2,200.8)	(1,059.0)
Purchases of property and equipment	(304.4)	(414.1)	(485.6)	(354.5)	(303.4)	(345.9)	(466.9)	(493.1)	(557.3)	(772.9)
Cost of equipment on operating leases acquired	(2.7)	(4.7)	(9.1)	(6.1)	(2.8)					
Increase in investment in Financial Services			(700.0)					(40.8)	(108.3)	(494.7)
Acquisitions of businesses, net of cash acquired	(151.9)	(641.8)	(308.0)	(9.3)	(10.6)	(192.9)	(169.7)	(55.7)	(189.3)	(252.3)
Other	19.7	(5.1)	66.7	80.3	9.4	34.4	(10.5)	73.2	11.1	(28.5)
<b>Net cash provided by (used for) investing activities</b>	<b>(288.0)</b>	<b>(837.4)</b>	<b>(1,367.0)</b>	<b>(253.2)</b>	<b>(277.5)</b>	<b>(393.5)</b>	<b>(2,750.9)</b>	<b>378.0</b>	<b>(513.9)</b>	<b>(879.5)</b>
<b>Cash Flows from Financing Activities</b>										
Increase (decrease) in short-term borrowings	(961.9)	459.7	(225.2)	(304.6)	(123.2)	(63.3)	96.7	(140.6)	(208.0)	77.5
Change in intercompany receivables/payables	(32.5)	(26.7)	62.8	29.6	50.5	(1,656.1)	1,132.7	(184.4)	67.6	(568.8)
Proceeds from long-term borrowings	499.8	752.1	558.8	708.3	9.1	10.9				
Payments of long-term borrowings	(19.1)	(208.7)	(73.3)	(75.9)	(19.0)	(267.4)	(76.6)	(782.7)	(7.8)	(20.1)
Proceeds from issuance of common stock	4.2	15.9	17.8	48.0	174.5	250.8	153.6	327.6	285.7	108.9
Repurchases of common stock	(49.0)	(0.6)	(1.3)	(1.2)	(0.4)	(193.1)	(918.9)	(1,299.3)	(1,517.8)	(1,677.6)
Dividends paid	(205.4)	(206.0)	(206.5)	(208.9)	(210.5)	(246.6)	(289.7)		(386.7)	(448.1)
Excess tax benefits from share-based compensation								85.6	102.2	72.5
Other	(0.2)	(1.3)	(2.9)	(1.5)	(1.8)	(0.4)	(2.0)	(10.6)	3.7	0.1
<b>Net cash provided by (used for) financing activities</b>	<b>(764.1)</b>	<b>784.4</b>	<b>130.2</b>	<b>193.8</b>	<b>(120.8)</b>	<b>(2,165.2)</b>	<b>95.8</b>	<b>(2,352.8)</b>	<b>(1,661.1)</b>	<b>(2,455.6)</b>
<b>Effect of Exchange Rate Changes on Cash and Cash Equivalents</b>	<b>(1.8)</b>	<b>(3.9)</b>	<b>(5.6)</b>	<b>2.3</b>	<b>53.1</b>	<b>27.6</b>	<b>(22.2)</b>	<b>16.6</b>	<b>29.2</b>	<b>(15.0)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>21.2</b>	<b>410.6</b>	<b>1,458.9</b>	<b>1,330.7</b>	<b>858.1</b>	<b>(1,147.9)</b>	<b>(1,015.9)</b>	<b>(646.9)</b>	<b>542.9</b>	<b>(985.0)</b>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>207.9</b>	<b>229.1</b>	<b>639.7</b>	<b>2,098.6</b>	<b>3,429.3</b>	<b>4,287.4</b>	<b>3,139.5</b>	<b>2,123.6</b>	<b>1,476.7</b>	<b>2,019.6</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$229.1</b>	<b>\$639.7</b>	<b>\$2,098.6</b>	<b>\$3,429.3</b>	<b>\$4,287.4</b>	<b>\$3,139.5</b>	<b>\$2,123.6</b>	<b>\$1,476.7</b>	<b>\$2,019.6</b>	<b>\$1,034.6</b>

<sup>(1)</sup> Beginning in 2005, Accrued income taxes payable/receivable are broken out from Other; prior periods are not restated.

**Depreciation <sup>(2)</sup> and Amortization Expense <sup>(3)</sup>** *(millions of dollars)*

<b>Operating Segments:</b>	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Agricultural equipment	\$193	\$199	\$204	\$232	\$213	\$225	\$236	\$255	\$274	\$323
Commercial and consumer equipment	71	71	89	81	69	73	75	82	80	80
Construction and forestry	46	64	76	82	60	65	66	70	75	81
Credit	208	283	321	322	281	250	250	284	315	347
Other <sup>(4)</sup>	24	31	28	8	8	8	9			
<b>Total</b>	<b>\$542</b>	<b>\$648</b>	<b>\$718</b>	<b>\$725</b>	<b>\$631</b>	<b>\$621</b>	<b>\$636</b>	<b>\$691</b>	<b>\$744</b>	<b>\$831</b>

<sup>(2)</sup> Includes depreciation for equipment on operating leases.

<sup>(3)</sup> SBU allocation reflects the adoption of FASB 131.

<sup>(4)</sup> Other represents primarily the health care operations (prior to 2004) along with certain miscellaneous service operations.

## Capital Additions *(millions of dollars)*

<b>Operating Segments:</b>	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Agricultural equipment	\$170	\$214	\$266	\$233	\$205	\$246	\$333	\$354	\$386	\$620
Commercial and consumer equipment	80	131	161	62	71	64	67	43	85	60
Construction and forestry	42	57	58	59	38	37	77	92	118	108
Credit	5	10	3	3	4	4	46	292	475	359
Other <sup>(1)</sup>	12	10	12	1	2	14	1			
<b>Total</b>	<b>\$309</b>	<b>\$422</b>	<b>\$500</b>	<b>\$358</b>	<b>\$320</b>	<b>\$365</b>	<b>\$524</b>	<b>\$781</b>	<b>\$1,064</b>	<b>\$1,147</b>

<sup>(1)</sup> Other includes primarily the health care operations (1999-2005) along with certain miscellaneous service operations.

## Changes in Worldwide Production Tonnage

*(percent change from prior year)*

<b>Operating Segments:</b>	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	
Agricultural equipment		(33)	29	6	4	(0)	27	0	(11)	16	32
Commercial and consumer equipment		44	13	(21)	4	40	10	(15)	(9)	0	(3)
Construction and forestry		(22)	(1)	(16)	(8)	17	32	15	19	(18)	(8)
<b>Total</b>		<b>(20)</b>	<b>20</b>	<b>(4)</b>	<b>2</b>	<b>10</b>	<b>24</b>	<b>(1)</b>	<b>(5)</b>	<b>5</b>	<b>18</b>
<b>Geographic Areas:</b>											
United States and Canada		(26)	22	(8)	(5)	11	32	1	(6)	3	13
Outside United States and Canada		0	14	9	19	6	8	(4)	(0)	11	31
<b>Total</b>		<b>(20)</b>	<b>20</b>	<b>(4)</b>	<b>2</b>	<b>10</b>	<b>24</b>	<b>(1)</b>	<b>(5)</b>	<b>5</b>	<b>18</b>

## Changes in Physical Volume of Worldwide Net Sales

*(percent change from same period of prior year)*

	1Q	2Q	3Q	4Q	Total
1999	(18)	(17)	(23)	(13)	(18)
2000	(3)	15	30	27	18
2001	17	(1)	(3)	(9)	0
2002	(4)	4	6	6	1
2003	12	7	5	8	7
2004	20	29	22	29	25
2005	13	7	6	(6)	4
2006	4	(1)	0	(5)	(1)
2007	(1)	0	1	15	3
2008	12	11	11	21	14

Physical volume excludes the effects of price increases and changes in currency relationships.

## Number of Employees

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>United States and Canada:</b>										
Equipment operations	23,800	26,000	26,100	24,500	24,300	26,700	26,800	26,500	28,300	30,000
Financial services	2,100	2,100	2,400	2,400	2,300	2,300	2,200	1,400	1,500	1,700
<b>Total</b>	<b>25,900</b>	<b>28,100</b>	<b>28,500</b>	<b>26,900</b>	<b>26,600</b>	<b>29,000</b>	<b>29,000</b>	<b>27,900</b>	<b>29,800</b>	<b>31,700</b>
<b>Outside United States and Canada:</b>										
Equipment operations	12,700	15,400	16,400	16,000	16,300	17,200	18,100	18,300	21,900	24,700
Financial services	100	200	200	200	300	300	300	300	300	300
<b>Total</b>	<b>12,800</b>	<b>15,600</b>	<b>16,600</b>	<b>16,200</b>	<b>16,600</b>	<b>17,500</b>	<b>18,400</b>	<b>18,600</b>	<b>22,200</b>	<b>25,000</b>
<b>Total Worldwide</b>	<b>38,700</b>	<b>43,700</b>	<b>45,100</b>	<b>43,100</b>	<b>43,200</b>	<b>46,500</b>	<b>47,400</b>	<b>46,500</b>	<b>52,000</b>	<b>56,700</b>