



JOHN DEERE

First Quarter 2008 Earnings Conference Call

Safe Harbor Statement & Disclosures

The earnings call and accompanying material include forward-looking comments and information concerning the company's projections, plans and objectives 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 GAAP (accounting principles generally accepted in the United States of America). Words such as "forecast," "projection," "outlook," "expected," "estimated," "will," "plan," "anticipate," "intend," 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 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.

First Quarter Overview

<i>(in millions of dollars except per share amounts)</i>	Q1 2008	Q1 2007	Change
Net Sales and Revenues	\$5,201	\$4,425	+18%
Net Sales	\$4,531	\$3,815	+19%
Net Income	\$369	\$239	+54%
Diluted EPS	\$0.83	\$0.52	+60%

First Quarter Overview

Net Sales

- Equipment operations net sales: up ~ 19% in the first quarter vs. Q1 2007
 - Currency translation: ~ +4 points
 - Price realization: ~ +2 points
 - LESCO added ~ \$90 million (~ +2 points)

Production Tonnage*

% Change	Q1 2008 Actual	Q1 2008 Previous Forecast	Q2 2008 Forecast	Fiscal 2008 Forecast	FY 2008 Previous Forecast
Total Worldwide	+21	+18	+19	+15	+7
Worldwide AG	+34			+23	+9
Worldwide C&F	+2			Flat	Flat
Worldwide C&CE	(7)			+1	+3
Total U.S. and Canada	+19			+13	+7
Outside U.S. and Canada	+26			+19	+7
U.S. and Canada AG	+37	+27	+26		

* Percentage change from same period in previous year, excluding purchased product.

Deere & Company Forecast as of 13 February 2008 (Previous Forecast as of 21 November 2007)

2008 Company Outlook

- **Second Quarter 2008 Forecast**
 - Net Sales up ~ 23% vs. 2Q 2007
 - Currency translation: ~ +3 points
 - Net Income of \$700 - \$725 million

- **Fiscal Year 2008 Forecast**
 - Net Sales up ~ 17% from FY 2007
 - Currency translation: ~ +3 points
 - Net price realization: ~ +2 points
 - LESCO: ~ +1 point
 - Previous Net Sales forecast up ~ 12%
 - Net Income of ~ \$2.2 billion
 - Previous forecast of ~ \$2.1 billion

Deere & Company Forecast as of 13 February 2008 (Previous Forecast as of 21 November 2007)

Worldwide Agricultural Equipment

First Quarter Overview

<i>(in millions of dollars)</i>	Q1 2008	Q1 2007	Change
Net Sales	\$2,758	\$2,081	+33%
Operating Profit*	\$332	\$137	+142%
Production Tonnage			+34%

* Operating Profit impacted by:

- Higher sales and production volumes
 - Improved price realization
 - Higher SA&G
 - Higher R&D
- Incremental margin: ~ 29%

Global Use Exceeds Production This Year

Wheat, Corn & Soybeans

(million metric tons)

Crop	Crop Year	Production	Use	Net	Stocks To Use
Wheat	05/06	621	624	(3)	24%
	06/07E	593	616	(23)	20%
	07/08P	604	619	(15)	18%
Corn	05/06	696	704	(8)	18%
	06/07E	704	721	(17)	15%
	07/08P	766	772	(6)	13%
Soybeans	05/06	220	215	5	25%
	06/07E	236	225	11	27%
	07/08P	220	236	(16)	19%

Source: USDA – 8 February 2008

Crop Years: 05/06 – Actual; 06/07 – Estimated; 07/08 - Projected

Chicago Board of Trade Futures Prices

<i>(per bushel)</i>	2008	2009	2010
Corn	\$5.30 ⁽¹⁾	\$5.05 ⁽¹⁾	\$5.08 ⁽¹⁾
Soybeans	\$12.85 ⁽²⁾	\$12.20 ⁽²⁾	\$12.45 ⁽²⁾
Wheat	\$9.96 ⁽¹⁾	\$9.21 ⁽¹⁾	\$9.16 ⁽³⁾

Source: Chicago Board of Trade – 8 February 2008

⁽¹⁾ December contracts; ⁽²⁾ November contracts; ⁽³⁾ July contract

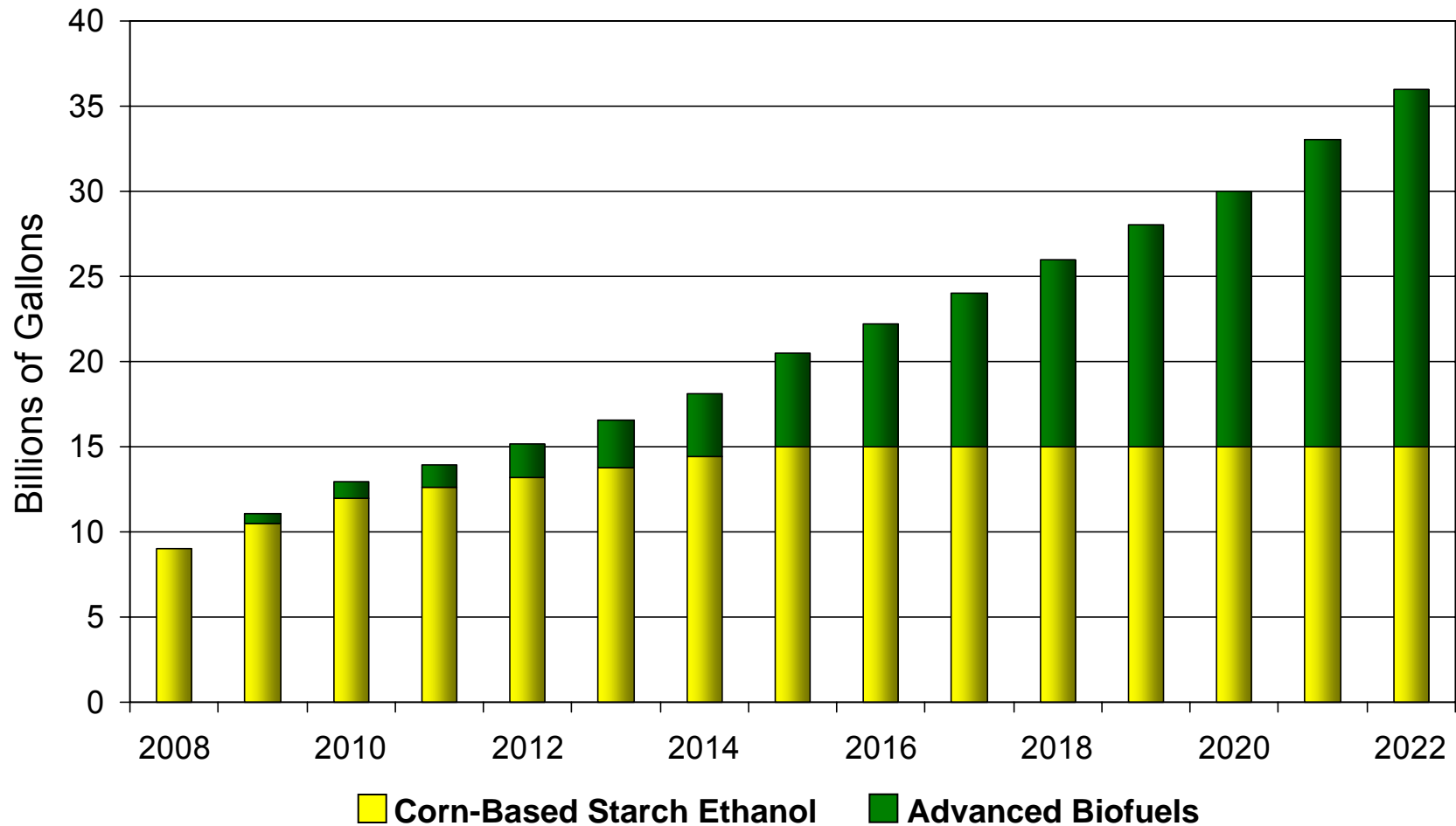
U.S. Commodity Price Estimates

	2006/07	2007/08 Forecast	Previous 2007/08	2008/09 Forecast	Previous 2008/09
Corn (per bushel)	\$3.04	\$4.10	\$3.30	\$4.15	\$3.50
Wheat (per bushel)	\$4.26	\$7.30	\$6.50	\$5.45	\$4.75
Soybeans (per bushel)	\$6.43	\$10.65	\$9.40	\$12.40	\$9.50
Cotton (per pound)	\$.47	\$.55	\$.54	\$.62	\$.62

Deere & Company Forecast as of 13 February 2008 (Previous Forecast as of 21 November 2007)

2007 Energy Bill

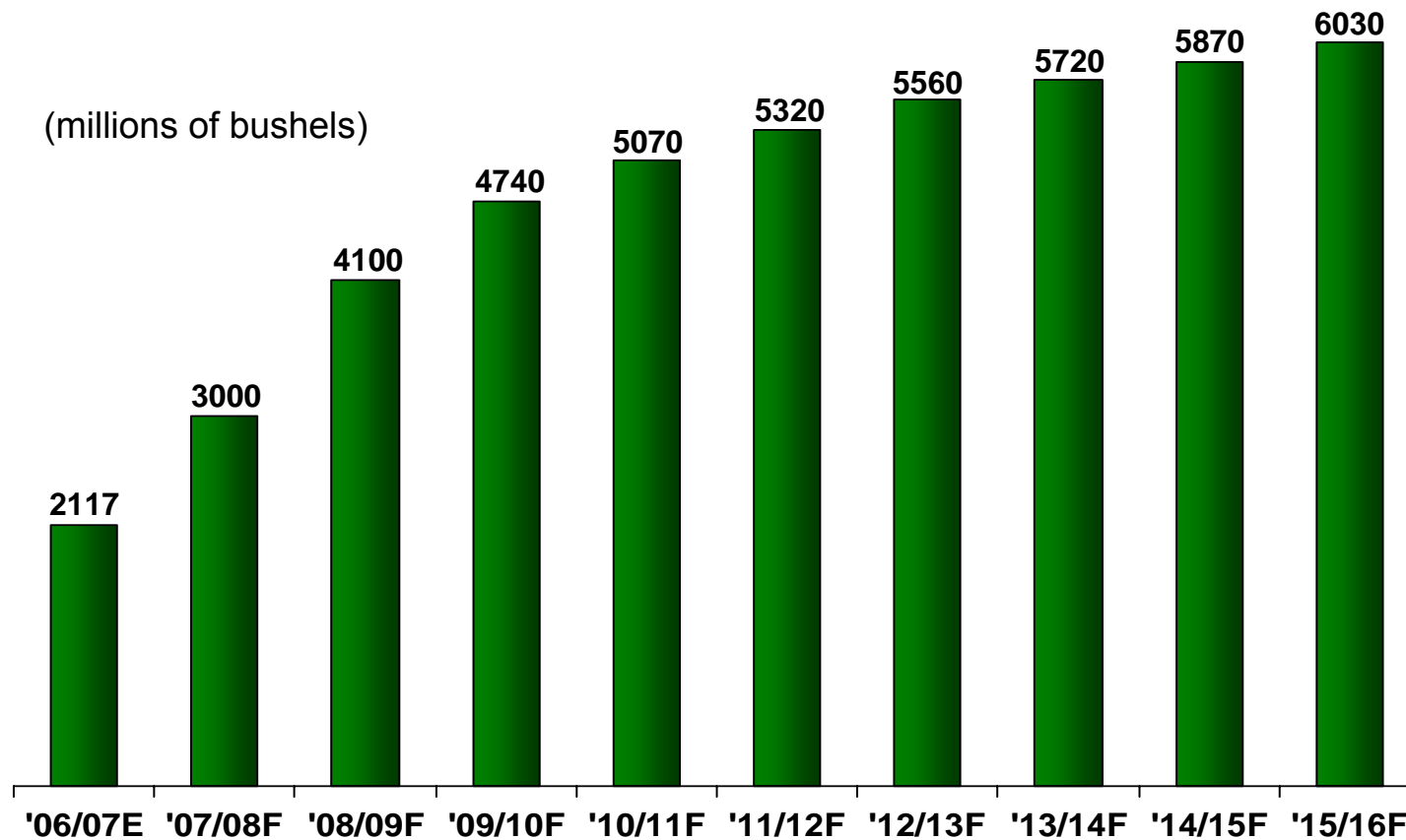
- Significantly expanded mandatory levels of renewable fuels



Source: *Energy Independence and Security Act of 2007*

2007 Energy Bill

- Supports more than doubling of U.S. corn used in ethanol



Source: Informa – February 2008



U.S. Farm Cash Receipts

<i>(in billions of dollars)</i>	2006	2007 Estimate	Previous 2007	2008 Forecast	Previous 2008	2009 Forecast
Crops	120.0	143.4	139.4	164.6	148.0	167.4
Livestock	119.3	140.8	138.8	136.3	134.0	132.1
Government Payments	15.8	12.1	13.6	12.7	12.3	10.6
Total Cash Receipts	255.1	296.3	291.8	313.6	294.3	310.1

Deere & Company Forecast as of 13 February 2008 (Previous Forecast as of 21 November 2007)

Agricultural Equipment Retail Sales

Industry Outlook

- U.S. and Canada: Up 15% - 20%
 - Previous forecast up 10% - 15%

- South America: Up 15% or more
 - Previous forecast up 10% - 15%

Deere & Company Forecast as of 13 February 2008 (Previous Forecast as of 21 November 2007)

Farm Net Income

Brazil & Argentina

<i>(in billions of U.S. dollars)</i>	Brazil			Argentina		
	2006	2007 Forecast	2008 Forecast	2006	2007 Forecast	2008 Forecast
Soybeans	(2.0)	3.8	6.4	3.3	3.0	4.9
Cotton	(0.2)	0.4	0.6			
Sugar Cane	3.3	2.3	0.6			
Corn	(1.1)	2.5	4.6	0.2	0.8	1.0
Rice	(0.5)	(0.1)	(0.2)			
Wheat				0.7	0.8	1.4
Sunflower				0.7	0.5	0.8
Current	(0.5)	8.9	12.0	4.9	5.1	8.1
Previous		6.5	7.2		5.1	7.6

Deere & Company Forecast as of 13 February 2008 (Previous Forecast as of 21 November 2007)

European (EU-27) Agricultural Outlook

- 2007: Ag income up by 2.6%
 - Especially Ag income in Central Europe improved
 - Arable Commodity Prices at record levels
 - Milk business improved significantly
- 2008: Overall positive outlook
 - EU suspended set-aside regulation for this year
 - EU cereal stocks at historical low level
 - Arable commodity prices should remain high

Deere & Company Forecast as of 13 February 2008

Agricultural Equipment Retail Sales

Industry Outlook

- Western Europe:
 - Up 3% - 5%
 - Previous forecast flat to up slightly
- Central Europe and the Commonwealth of Independent States countries, including Russia:
 - Strong growth

Deere & Company Forecast as of 13 February 2008 (Previous Forecast as of 21 November 2007)

Worldwide Agricultural Equipment Deere & Company Outlook

- Fiscal Year 2008 Forecast
 - Net sales projected to be up ~ 28%
 - Currency translation ~ +4 points
 - Previous net sales forecast up ~ 17%

Deere & Company Forecast as of 13 February 2008 (Previous Forecast as of 21 November 2007)

Worldwide Commercial & Consumer Equipment

First Quarter Overview

<i>(in millions of dollars)</i>	Q1 2008	Q1 2007	Change
Net Sales	\$743	\$641	+16%
Operating Profit*	\$8	\$38	(79)%
Production Tonnage			(7)%

* Operating Profit impacted by:

- Higher SA&G from LESCO
- Higher sales volumes

Worldwide Commercial & Consumer Equipment 2008 Overview

- LESCO, Inc.
 - Q1 2008 income statement impact
 - Net Sales ~ \$ 90 million
 - SA&G ~ \$ 50 million
 - Operating (Loss) ~ \$(20) million

Worldwide Commercial & Consumer Equipment Deere & Company Outlook

- Fiscal Year 2008 Forecast
 - Net sales projected to be up ~ 8%
 - U.S. economic factors
 - Housing slowdown
 - New products
 - Across many product areas
 - LESCO
 - Incremental increase of ~ \$315 million
 - Previous forecast of ~ \$350 million
 - Previous net sales forecast up ~ 10%

Deere & Company Forecast as of 13 February 2008 (Previous Forecast as of 21 November 2007)

Worldwide Construction & Forestry

First Quarter Overview

<i>(in millions of dollars)</i>	Q1 2008	Q1 2007	Change
Net Sales	\$1,030	\$1,093	(6)%
Operating Profit*	\$117	\$95	+23%
Production Tonnage			+2%

* Operating Profit impacted by:

- Improved price realization
- Producing closer to retail demand
- Higher raw material costs
- Lower sales volumes

Worldwide Construction & Forestry

Deere & Company Outlook

- Fiscal Year 2008 Forecast
 - Net sales projected to be approximately flat
 - Produce closer to retail demand
 - New products
 - U.S. economic factors
 - Construction spending down 10%
 - Housing starts at 1.0 million
 - Non-residential spending flat at strong level
 - GDP growth of 1.9%
 - No change from previous net sales forecast

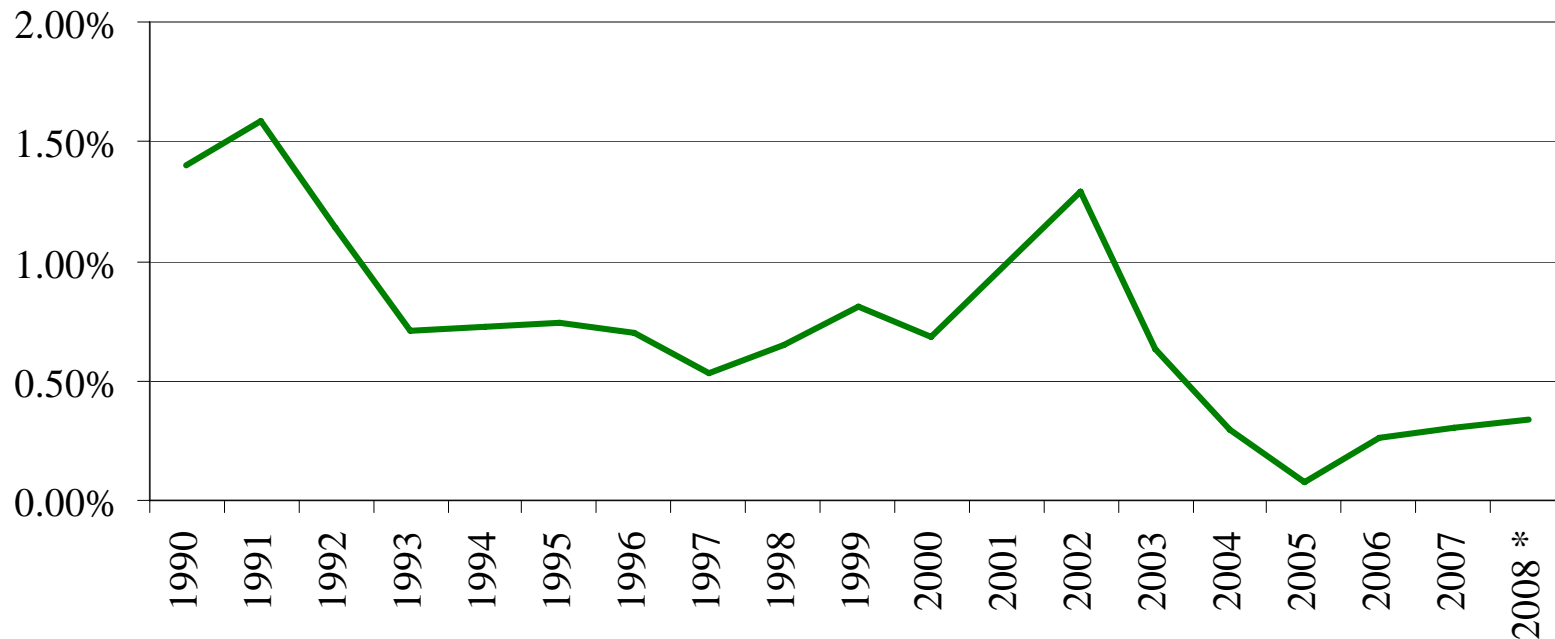
Deere & Company Forecast as of 13 February 2008 (Previous Forecast as of 21 November 2007)

Credit

Credit Loss History

- Low losses driven by strong obligor cash flows and strong used equipment market

Provision for Credit Losses / Average Owned Portfolio



* 2008 is an annualized year-to-date January 2008 rate

Credit

Current Forecast Anticipates Increased Leverage

- Supported by rating agencies
- Current leverage: 8.5 : 1
- Projected leverage: 10.0 : 1
- Leverage change expected during 2Q 2008
- 2008 forecasted impact of higher interest expense ~ \$10 million after tax
- Deere enterprise SVA increases due to higher leverage

Credit

▪ First Quarter 2008

- Net income of ~ \$96 million ... up ~ 10% vs. Q1 2007
 - Growth in credit portfolio
 - Higher crop insurance income
 - Lower effective tax rate
 - Higher interest expense from increased leverage in 2007
 - Higher SA&G
 - Higher provision for credit losses

▪ Fiscal Year 2008 Forecast

- Net income ~ \$365 million
 - Growth in credit portfolio
 - Higher crop insurance income
 - Higher interest expense from increased leverage
 - Previous forecast ~ \$375 million

Deere & Company Forecast as of 13 February 2008 (Previous Forecast as of 21 November 2007)

Consolidated Trade Receivables & Inventory

Change at 31 January: 2008 vs. 2007

<i>(in millions of dollars)</i>	Q1 2008 Actual
AG	↑ 891
C&CE*	↑ 72
C&F*	↓ 148
Total, as reported*	↑ 815
Total, constant exchange*	↑ 476

* 2008 Actual includes:

- CCE: ~ \$165 million related to LESCO inventory and receivables
- C&F: A reduction of ~ \$60 million related to the sale of Nortrax South

Consolidated Trade Receivables & Inventory

Forecasted change at 31 October: 2008 vs. 2007

<i>(in millions of dollars)</i>	2008 Forecast	2008 Prior Forecast
AG	↑ 450	Flat
C&CE	Flat	Flat
C&F	Flat	Flat
Total, as reported	↑ 450	Flat

Deere & Company Forecast as of 13 February 2008 (Previous Forecast as of 21 November 2007)

Deere Dealer Inventories

U.S. and Canada

at 31 January – in units as a % of trailing 12 months retail sales

	2008	2007
Row-Crop Tractors	23%	23%
Combines	8%	8%

As reported to the Association of Equipment Manufacturers

January Retail Sales

Western Europe

	Deere & Company
Tractors	↑ double digits
Combines	↓ double digits

Based on EU Government Reporting of Registrations

January Retail Sales

U.S. and Canada

	Deere & Company
Commercial & Consumer Equipment	↑ a single digit
Construction & Forestry	
First-in-the-Dirt	↓ double digits
Settlements	↓ double digits

Raw Material and Freight Equipment Operations

- First Quarter 2008
 - Up ~ \$50 million vs. Q1 2007

- Fiscal Year 2008
 - Up ~ \$250 million vs. FY2007
 - By Division
 - Agricultural Equipment: ~ \$125 million
 - Commercial & Consumer Equipment: ~ \$ 50 million
 - Construction & Forestry: ~ \$ 75 million
 - Previous forecast up \$150 - \$175 million

Deere & Company Forecast as of 13 February 2008 (Previous Forecast as of 21 November 2007)

Research & Development Expense

Equipment Operations

- First Quarter 2008
 - Up ~ 16% vs. Q1 2007
- Fiscal Year 2008 Forecast
 - Up ~ 12% vs. FY2007
 - Currency translation ~ +2 points
 - Previous forecast ~ +5%

Deere & Company Forecast as of 13 February 2008 (Previous Forecast as of 21 November 2007)

Selling, Administrative & General Expense Equipment Operations

- **First Quarter 2008**
 - Up ~ 20% vs. Q1 2007
 - Includes ~ 14 points related to global growth initiatives (including LESCO) and currency translation

- **Fiscal Year 2008**
 - Up ~ 11% vs. FY2007
 - Includes ~ 8 points related to global growth initiatives (including LESCO) and currency translation
 - Previous forecast ~ +5%

Deere & Company Forecast as of 13 February 2008 (Previous Forecast as of 21 November 2007)

Tax Rate

Equipment Operations

- First Quarter 2008
 - Effective tax rate of ~ 33%
 - Discrete items

- Fiscal Year 2008 Forecast
 - Assumes a tax rate of ~ 35%
 - No change from previous forecast

Deere & Company Forecast as of 13 February 2008 (Previous Forecast as of 21 November 2007)

Share Repurchase as Part of Publicly Announced Plans

- 31 January 2008 period ending shares: ~ 436.0 million
- Balance remaining on 40-million share authorization: ~ 29.0 million

FY2008	Shares Repurchased* (in millions)	Total \$ Amount (in billions)	Actual	Shares Repurchased* (in millions)	Total \$ Amount (in billions)
Q1	5.8	\$0.5	2004	5.9	\$0.2
Q2			2005	27.7	\$0.9
Q3			2006	34.0	\$1.3
Q4			2007	25.7	\$1.5
Total	5.8	\$0.5	Total	93.3	\$3.9

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

Other Information

Fiscal Year 2008 Forecast

- **Equipment Operations**
 - Capital Expenditures
 - ~ \$750 million
 - Previous forecast \$600 - \$700 million
 - Depreciation and Amortization
 - ~ \$450 million
 - Pension/OPEB Contributions
 - ~ \$425 million

- **Financial Services**
 - Capital Expenditures – wind
 - ~ \$450 million
 - Previous forecast ~ \$550 million

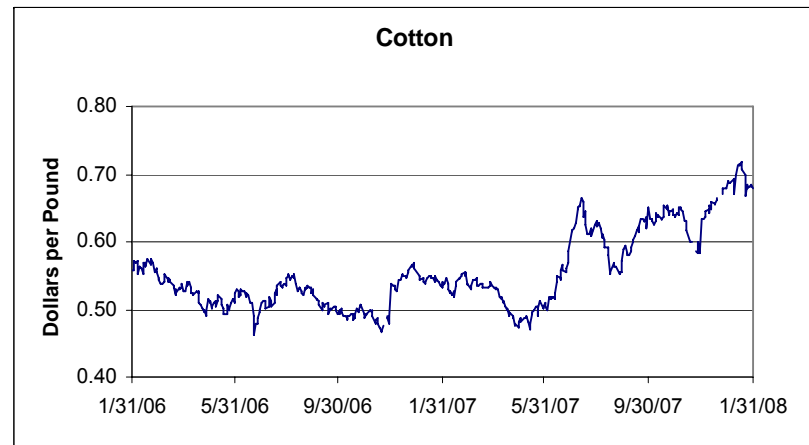
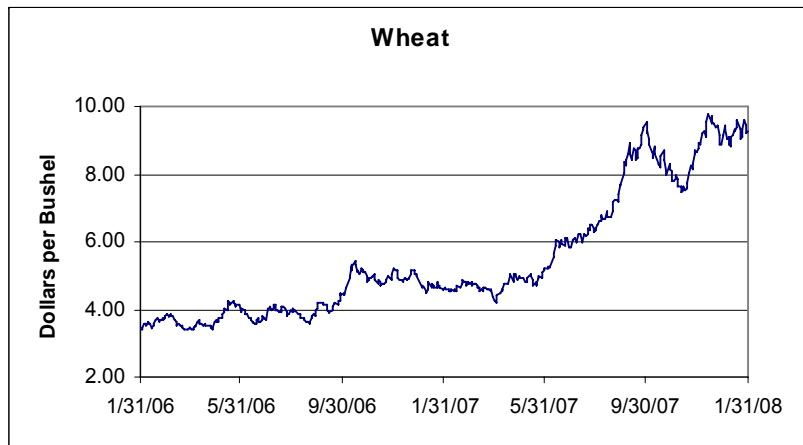
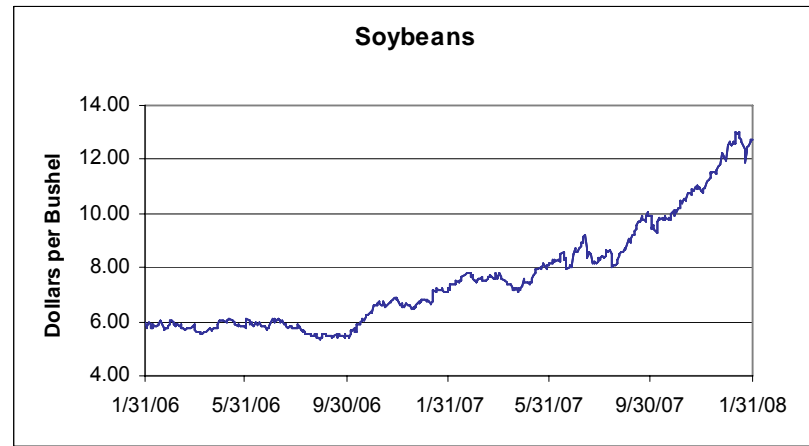
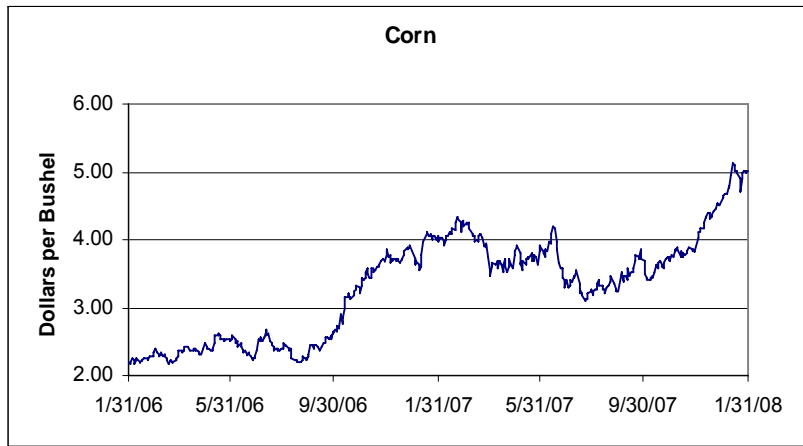
Deere & Company Forecast as of 13 February 2008 (Previous Forecast as of 21 November 2007)

Appendix



Corn, Soybeans, Wheat and Cotton Prices

Nearby Futures: 31 January 2006 – 31 January 2008



Source: Chicago Board of Trade – Corn, Soybeans & Wheat; Intercontinental Exchange - Cotton

2007 Energy Bill

Significantly Expanded Mandatory Levels of Renewable Fuels

<i>billions of gallons</i>	Old RFS	New RFS	Conventional (Corn Ethanol)	Advanced Biofuels	Biomass-based Diesel Carve Out	Cellulosic Carve Out
2008	5.4	9.0	9.0	---	---	---
2009	6.1	11.1	10.5	0.6	0.5	---
2010	6.8	12.95	12.0	0.95	0.65	0.1
2011	7.4	13.95	12.6	1.35	0.8	0.25
2012	7.5	15.2	13.2	2.0	1.0	0.5
2013	***	16.55	13.8	2.75	**	1.0
2014	***	18.15	14.4	3.75	**	1.75
2015	***	20.5	15.0	5.5	**	3.0
⋮	⋮	⋮	⋮	⋮	⋮	⋮
2022	***	36.0	15.0	21.0	**	16.0

Source: *Energy Independence and Security Act of 2007*

** Minimum use threshold set by the Administrator of the Environmental Protection Agency (must be at least 1.0)

*** Previous RFS: post 2013, volumes were to be set by EPA; only additional carve-out was a .25 BG requirement from cellulose starting in 2013

Additional Supplemental Information

Stock Split – Fiscal Year 2007

As reported and as adjusted to reflect stock split:
(shares in millions)

	Diluted Earnings Per Share		Diluted Average Shares Outstanding	
	As Reported	Proforma Stock Split	As Reported	Proforma Stock Split
Q1	\$1.04	\$0.52	229.8	459.7
Q2	\$2.72	\$1.36	229.3	458.6
Q3	\$2.37	\$1.18	226.8	453.6
Q4	\$1.88	\$0.94	224.1	448.1
2007	\$8.01	\$4.00	227.5	455.0



JOHN DEERE

Deere's second-quarter 2008 conference call is scheduled for 9:00 a.m. central time on Wednesday, May 14, 2008

