



JOHN DEERE

Third Quarter 2008 Earnings Conference Call

13 August 2008

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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," "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 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.



2008 Global Growth Commitments

Third Quarter:

- \$35 million investment in East Moline, Illinois facility
 - ~ 30% combine capacity increase in 2009
- John Deere Water Technologies (JDWT) precision irrigation acquisitions
 - T-Systems International, Inc. headquartered in U.S.
 - Plastro Irrigation Systems, Ltd. headquartered in Israel
 - ➔ JDWT now #3 globally in agricultural irrigation

Second Quarter:

- \$90 million investment in Waterloo, Iowa facility
 - ~ 25% large-tractor capacity increase in 2010
- \$80 million investment in Kaluga, Russia operations center
- Construction equipment joint venture in China

Third Quarter Overview

<i>(in millions of dollars except per share amounts)</i>	Q3 2008	Q3 2007	Change
Net Sales and Revenues	\$7,739	\$6,634	+17%
Net Sales	\$7,070	\$5,985	+18%
Net Income	\$575	\$537	+7%
Diluted EPS	\$1.32	\$1.18	+12%

Third Quarter Overview

Net Sales

- Equipment operations net sales: up ~ 18% in Q3 2008 vs. Q3 2007
 - Currency translation: ~ 5 points
 - Price realization: ~ 2 points
 - Acquisitions: ~ 2 points

Production Tonnage*

% Change	Q3 2008 Actual	Q3 2008 Previous Forecast	Q4 2008 Forecast	FY 2008 Forecast	FY 2008 Previous Forecast
Total Worldwide	+13	+14	+18	+17	+17
Worldwide AG	+28			+29	+28
Worldwide C&CE	(14)			(3)	(6)
Worldwide C&F	(15)			(7)	(4)
Total U.S. and Canada	+4			+13	+12
Outside U.S. and Canada	+34			+27	+26
U.S. and Canada AG	+19	+21	+31		

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

Deere & Company Forecast as of 13 August 2008 (Previous Forecast as of 14 May 2008)

2008 Company Outlook

- Fourth Quarter 2008 Forecast
 - Net sales up ~ 29% vs. Q4 2007
 - Currency translation: ~ 3 points
 - Net income of ~ \$425 million

- Fiscal Year 2008 Forecast
 - Net sales up ~ 21% from FY 2007
 - Currency translation: ~ 5 points
 - Price realization: ~ 2 points
 - Acquisitions: ~ 2 points
 - Previous net sales forecast up ~ 20%

Deere & Company Forecast as of 13 August 2008 (Previous Forecast as of 14 May 2008)

Worldwide Agricultural Equipment Third Quarter Overview

<i>(in millions of dollars)</i>	Q3 2008	Q3 2007	Change
Net Sales	\$4,544	\$3,355	+35%
Operating Profit*	\$634	\$431	+47%
Production Tonnage			+28%

*Operating profit impacted by:

- Higher shipment volumes
- Improved price realization
- Higher raw material costs
- Higher SA&G
- Incremental margin: ~ 17%

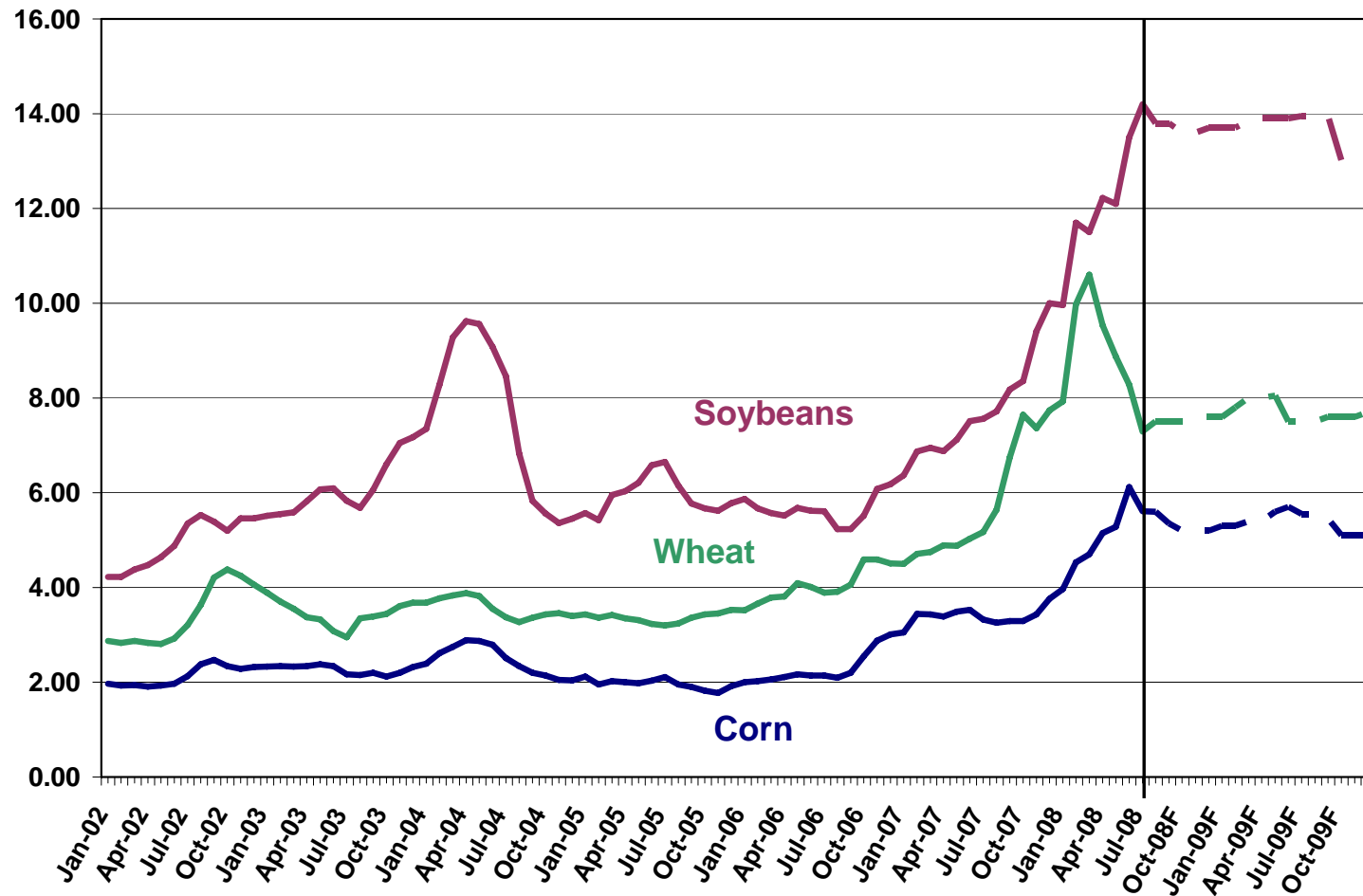
U.S. Crop Yields

<i>(bushels per acre)</i>	2006/07	2007/08	2008/09 Forecast
Corn	149.1	151.1	150.0
Wheat	38.7	40.5	43.0
Soybeans	42.7	41.2	41.7

Deere & Company Forecast as of 13 August 2008



U.S. Farm Prices



Source: Actual data from Wall Street Journal

Deere & Company Forecast as of 13 August 2008

U.S. Commodity Price Estimates

	2006/07	2007/08 Estimate	Previous 2007/08	2008/09 Forecast	Previous 2008/09
Corn (per bushel)	\$3.04	\$4.45	\$4.35	\$5.50	\$5.00
Wheat (per bushel)	\$4.26	\$6.92	\$7.70	\$7.74	\$5.80
Soybeans (per bushel)	\$6.43	\$10.60	\$10.25	\$13.50	\$10.00
Cotton (per pound)	\$0.47	\$0.58	\$0.55	\$0.65	\$0.60

Deere & Company Forecast as of 13 August 2008 (Previous Forecast as of 14 May 2008)

U.S. Farm Cash Receipts

<i>(in billions of dollars)</i>	2006	2007 Estimate	2008 Forecast	Previous 2008	2009 Forecast	Previous 2009
Crops	120.0	144.9	195.8	179.4	206.0	182.9
Livestock	119.3	138.7	137.5	136.9	138.4	135.7
Government Payments	15.8	12.1	13.3	13.3	10.3	10.3
Total Cash Receipts	255.1	295.7	346.6	329.6	354.7	328.9

Deere & Company Forecast as of 13 August 2008 (Previous Forecast as of 14 May 2008)

Agricultural Equipment Retail Sales Industry Outlook

- U.S. and Canada: Up 20% - 25%
 - Previous forecast up ~ 20%
- South America: Up ~ 40%
 - Previous forecast up ~ 30%

Deere & Company Forecast as of 13 August 2008 (Previous Forecast as of 14 May 2008)

Farm Net Income

Brazil and Argentina

	Brazil			Argentina		
	2006	2007	2008 Forecast	2006	2007	2008 Forecast
<i>(in billions of U.S. dollars)</i>						
Soybeans	(2.0)	3.8	9.9	3.3	3.0	2.5
Cotton	(0.2)	0.4	0.5			
Sugar Cane	3.3	2.4	0.5			
Corn	(1.1)	2.5	4.9	0.2	0.8	1.1
Rice	(0.5)	(0.1)	1.1			
Wheat				0.7	0.8	0.7
Sunflower				0.7	0.5	0.8
Current	(0.5)	9.0	16.9	4.9	5.1	5.1
Previous			13.9			5.5

Deere & Company Forecast as of 13 August 2008 (Previous Forecast as of 14 May 2008)

European (EU-27) Agricultural Update

- 2008 overall positive outlook
 - EU suspended set-aside regulation
 - High crop prices create hedging opportunities
 - Rising input costs encourage equipment and technology solutions

- Medium-term prospects
 - Improvements for pork sector
 - Income up in new member states
 - Higher degree of specialization
 - Slight shift to crops from livestock farming

Deere & Company Forecast as of 13 August 2008

Agricultural Equipment Retail Sales Industry Outlook

- Western Europe
 - Up ~ 5%
 - Previous forecast up 3%-5%

- Central Europe and the Commonwealth of Independent States countries, including Russia
 - Demand growing rapidly

- Australia
 - Recovering from drought

Deere & Company Forecast as of 13 August 2008 (Previous Forecast as of 14 May 2008)

Worldwide Agricultural Equipment Deere & Company Outlook

- Fiscal Year 2008 Forecast
 - Net sales projected to be up ~ 38%
 - Currency translation ~ 8 points
 - Previous net sales forecast up ~ 35%
 - Currency translation ~ 7 points

Deere & Company Forecast as of 13 August 2008 (Previous Forecast as of 14 May 2008)

Worldwide Commercial & Consumer Equipment Third Quarter Overview

<i>(in millions of dollars)</i>	Q3 2008	Q3 2007	Change
Net Sales	\$1,332	\$1,346	(1)%
Operating Profit*	\$91	\$127	(28)%
Production Tonnage			(14)%

*Operating profit impacted by:

- Higher SA&G
- Higher raw material costs
- Lower sales volumes
- Improved price realization

Worldwide Commercial & Consumer Equipment Deere & Company Outlook

- Fiscal Year 2008 Forecast
 - Net sales projected to be up ~ 4%
 - U.S. factors
 - Housing slowdown
 - Weakening economy
 - New products
 - Across many product areas
 - LESCO ~ 6 points
 - No change from previous forecast

Deere & Company Forecast as of 13 August 2008 (Previous Forecast as of 14 May 2008)

Worldwide Construction & Forestry Third Quarter Overview

<i>(in millions of dollars)</i>	Q3 2008	Q3 2007	Change
Net Sales	\$1,194	\$1,284	(7)%
Operating Profit*	\$93	\$150	(38)%
Production Tonnage			(15)%

*Operating Profit impacted by:

- Lower shipment volumes
- Higher raw material costs

Worldwide Construction & Forestry Deere & Company Outlook

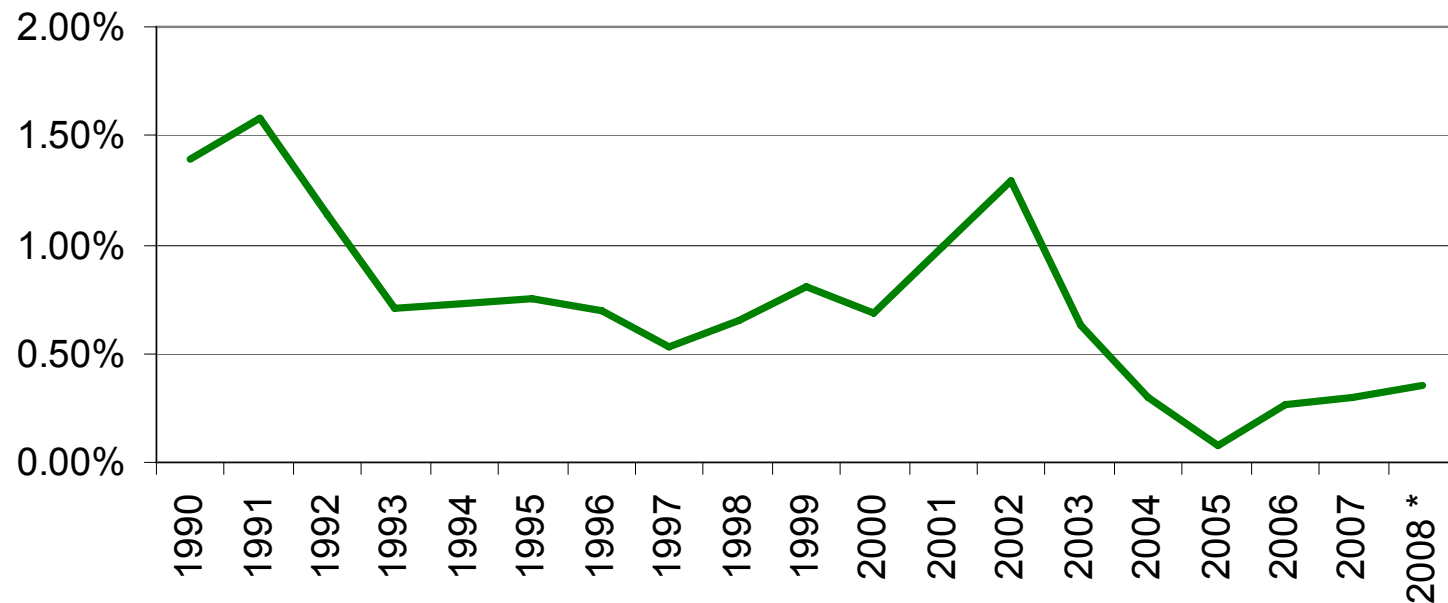
- Fiscal Year 2008 Forecast
 - Net sales projected to be down ~ 5%
 - U.S. economic factors
 - Housing starts at 0.9 million
 - Non-residential spending up ~ 6.7%
 - GDP growth of ~ 1.6%
 - Deere benefitting from
 - Higher sales outside the U.S. and Canada
 - New products
 - Producing closer to retail demand
 - Previous net sales forecast down ~ 3%

Deere & Company Forecast as of 13 August 2008 (Previous Forecast as of 14 May 2008)

Credit Credit Loss History

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

Provision for Credit Losses / Average Owned Portfolio



* Year-to-date July 2008 annualized

Credit

- **Third Quarter 2008**
 - Net income of ~ \$80 million
 - Higher SA&G
 - Increase in leverage
 - Increase in the provision for credit losses
 - Lower income from receivable sales
 - Growth in credit portfolio
 - Higher commissions from crop insurance
- **Fiscal Year 2008 Forecast**
 - Net income of ~ \$335 million
 - Previous forecast ~ \$350 million

Deere & Company Forecast as of 13 August 2008 (Previous Forecast as of 14 May 2008)

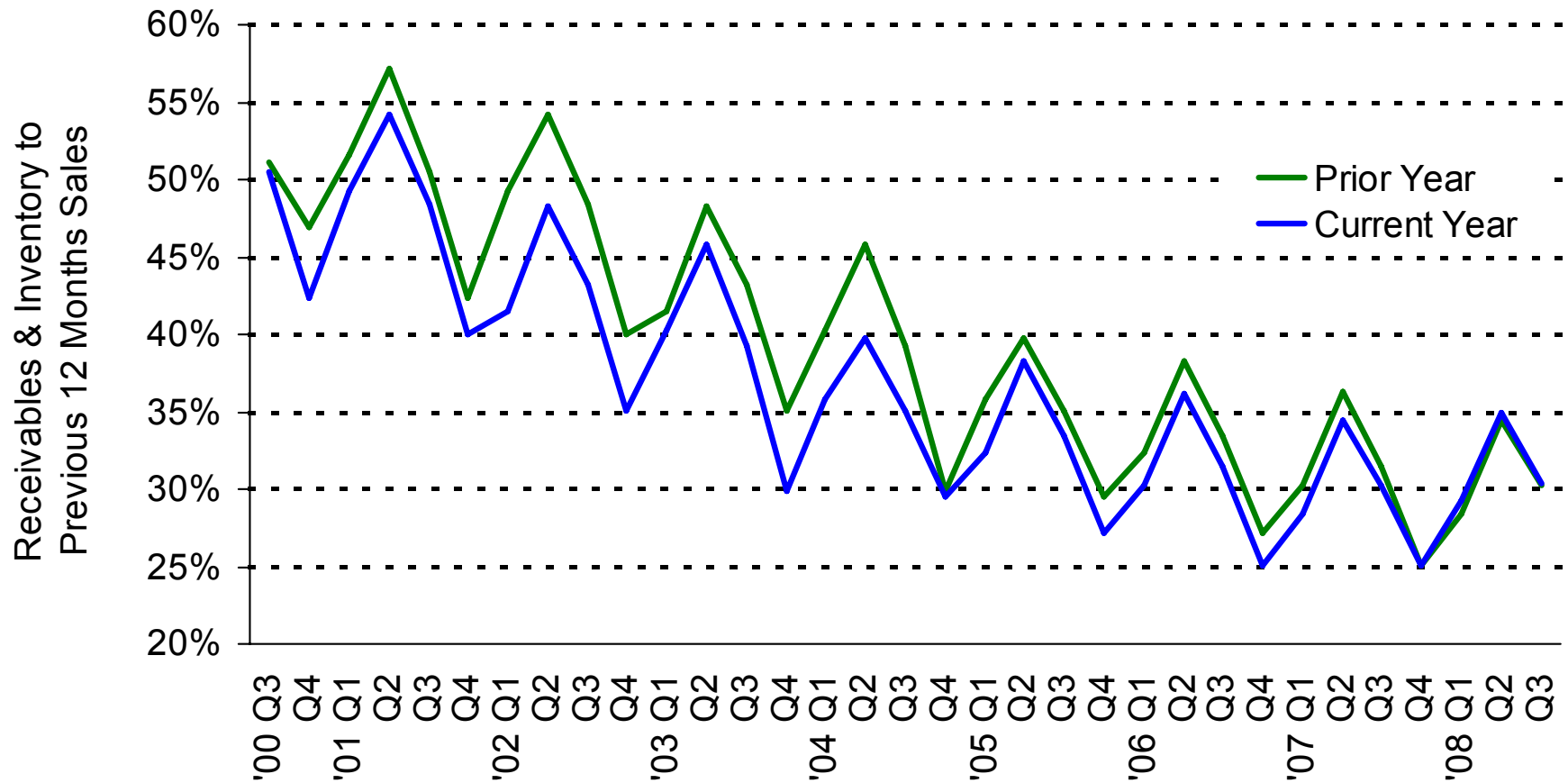
Consolidated Trade Receivables & Inventory

Change at 31 July: 2008 vs. 2007

<i>(in millions of dollars)</i>	Q3 2008 Actual
AG	1,199
C&CE	25
C&F	5
Total, as reported	1,229
Total, constant exchange	881

Consolidated Trade Receivables & Inventory

- Continued strong asset management in 2008



Consolidated Trade Receivables & Inventory

Forecasted change at 31 October: 2008 vs. 2007

<i>(in millions of dollars)</i>	2008 Forecast	2008 Prior Forecast
AG	875	575
C&CE	25	Flat
C&F	25	Flat
Total, as reported	925	575
Total, constant exchange	763	425

Deere & Company Forecast as of 13 August 2008 (Previous Forecast as of 14 May 2008)



July Retail Sales

U.S. and Canada

	Industry*	Deere**
Utility Tractors	↓ 7%	↓ a single digit, more than industry
Row-Crop Tractors	↑ 38%	↑ double digits, more than industry
4 WD Tractors	↑ 49%	↑ double digits, more than industry
Combines	↑ 31%	↑ double digits, less than industry

* As reported by the Association of Equipment Manufacturers

** As reported to the Association of Equipment Manufacturers

Deere Dealer Inventories

U.S. and Canada

(at 31 July – in units as a % of trailing 12 months retail sales)

	2008	2007
Row-Crop Tractors	14%	19%
Combines	15%	16%

As reported to the Association of Equipment Manufacturers

July 2008 Retail Sales Western Europe

	Deere & Company
Tractors	↑ a single digit
Combines	↑ triple digits

Based on EU Government Reporting of Registrations

July 2008 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

Material Costs and Freight Equipment Operations

- Third Quarter 2008
 - Up ~ \$140 million vs. Q3 2007

- Fiscal Year 2008
 - Up \$425 - \$475 million vs. FY2007
 - By division
 - Agricultural Equipment: ~ \$325
 - Commercial & Consumer Equipment: ~ \$ 50
 - Construction & Forestry: ~ \$ 75
 - Previous forecast up \$400 - \$500 million

Deere & Company Forecast as of 13 August 2008 (Previous Forecast as of 14 May 2008)

Research & Development Expense Equipment Operations

- Third Quarter 2008
 - Up ~ 17% vs. Q3 2007

- Fiscal Year 2008 Forecast
 - Up ~ 16% vs. FY2007
 - Currency translation ~ 3 points
 - Previous forecast ~ 13%
 - Currency translation ~ 3 points

Deere & Company Forecast as of 13 August 2008 (Previous Forecast as of 14 May 2008)

Selling, Administrative & General Expense Equipment Operations

- Third Quarter 2008
 - Up ~ 16% vs. Q3 2007
 - Includes ~ 7 points related to global growth initiatives and currency translation

- Fiscal Year 2008
 - Up ~ 16% vs. FY 2007
 - Includes ~ 10 points related to global growth initiatives (including LESCO) and currency translation
 - Previous forecast ~ 15%

Deere & Company Forecast as of 13 August 2008 (Previous Forecast as of 14 May 2008)

Tax Rate

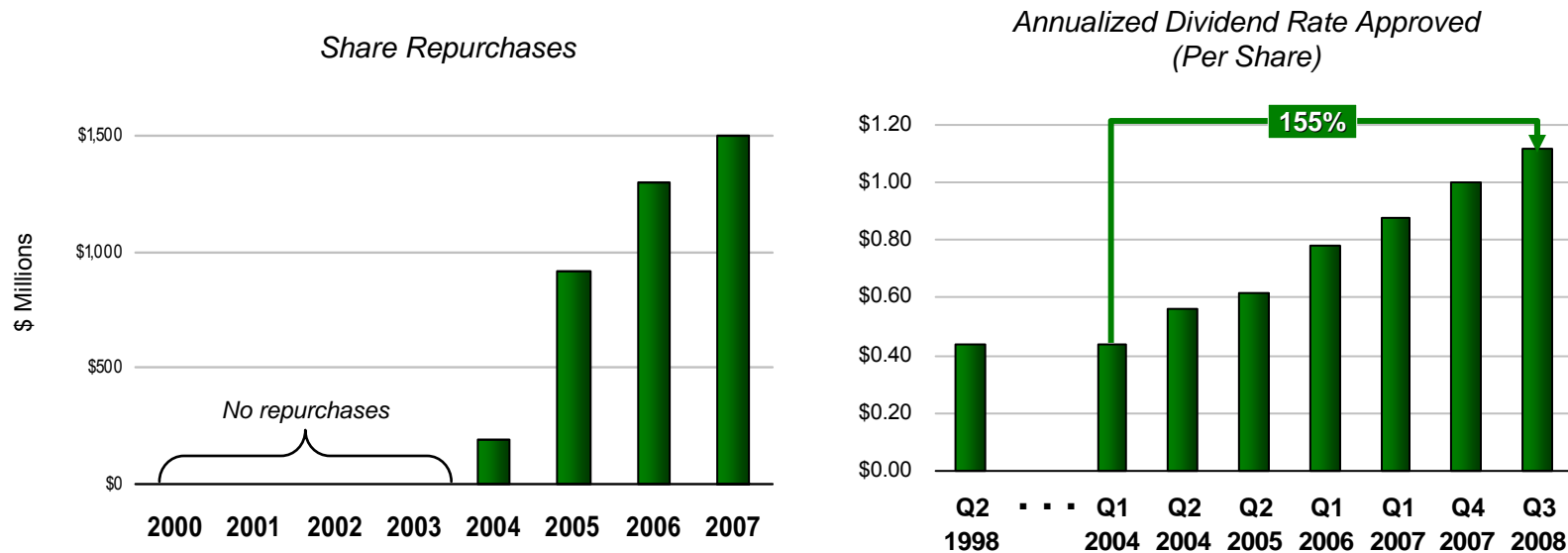
Equipment Operations

- Third Quarter 2008
 - Effective tax rate of ~ 36%
- Fiscal Year 2008 Forecast
 - Assumes tax rate of ~ 36%
 - Previous forecast ~ 35%

Deere & Company Forecast as of 13 August 2008 (Previous Forecast as of 14 May 2008)

Board Actions: Share Repurchases and Dividends

- 28 May 2008 new repurchase authorization: \$5 billion
- Dividend increase payable 1 August 2008: +12%



Share Repurchase as Part of Publicly Announced Plans

- Cumulative cost of repurchases since 2004: \$5.3 billion
- Balance remaining on 40-million share authorization: 18.5 million
- 2008 period ending shares: 427.0 million

FY2008	Shares Repurchased* <i>(in millions)</i>	Total \$ Amount <i>(in billions)</i>	Actual	Shares Repurchased* <i>(in millions)</i>	Total \$ Amount <i>(in billions)</i>
Q1	5.8	\$0.5	2004	5.9	\$0.2
Q2	6.1	\$0.5	2005	27.7	\$0.9
Q3	4.5	\$0.3	2006	34.0	\$1.3
Q4			2007	25.7	\$1.5
Total	16.4	\$1.3	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
 - ~ \$775 million
 - Previous forecast ~ \$800 million
 - Depreciation and Amortization
 - ~ \$475 million
 - Pension/OPEB Contributions
 - ~ \$425 million

- **Financial Services**
 - Capital Expenditures – Wind
 - ~ \$275 million
 - Previous forecast ~ \$375 million

Deere & Company Forecast as of 13 August 2008 (Previous Forecast as of 14 May 2008)

Appendix



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 fourth quarter 2008 conference call is scheduled for 9:00 a.m. central time on Wednesday, November 26, 2008