



JOHN DEERE

First Quarter 2009 Earnings Conference Call

18 February 2009

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 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 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.

First Quarter Overview

<i>(in millions of dollars except per share amounts)</i>	Q1 2009	Q1 2008	Change
Net Sales and Revenues	\$5,146	\$5,201	-1%
Net Sales	\$4,560	\$4,531	+1%
Net Income	\$204	\$369	-45%
Diluted EPS	\$.48	\$.83	-42%

First Quarter Overview

Net Sales

- Equipment operations net sales: Up ~ 1% in Q1 2009 vs. Q1 2008
 - Currency translation: ~ (6) points
 - Price realization: ~ +6 points

Production Tonnage*

% Change	Q1 2009 Actual	Q1 2009 Previous Forecast	Q2 2009 Forecast	FY 2009 Forecast	FY 2009 Previous Forecast
Total Worldwide	Flat	+12	(17)	(12)	(3)
Worldwide AG	+10			(8)	Flat
Worldwide C&CE	(20)			(21)	(10)
Worldwide C&F	(28)			(23)	(12)
Total U.S. and Canada	(4)			(10)	(2)
Outside U.S. and Canada	+10			(17)	(6)
U.S. and Canada AG	+6	+12	(1)	(3)	

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

Deere & Company Forecast as of 18 February 2009 (Previous Forecast as of 26 November 2008)

2009 Company Outlook

- Second Quarter 2009 Forecast
 - Net sales down ~ 9% vs. Q2 2008
 - Currency translation: ~ (6) points
 - Price realization: ~ +5 points
- Fiscal Year 2009 Forecast
 - Net sales down ~ 8% vs. FY 2008
 - Currency translation: ~ (6) points
 - Price realization: ~ +6 points
 - Previous forecast flat vs. FY2008
 - Currency translation: ~ (6) points
 - Price realization: ~ +7 points
 - Net income of ~ \$1.5 billion
 - Previous forecast of ~ \$1.9 billion

Deere & Company Forecast as of 18 February 2009 (Previous Forecast as of 26 November 2008)

Worldwide Agricultural Equipment First Quarter Overview

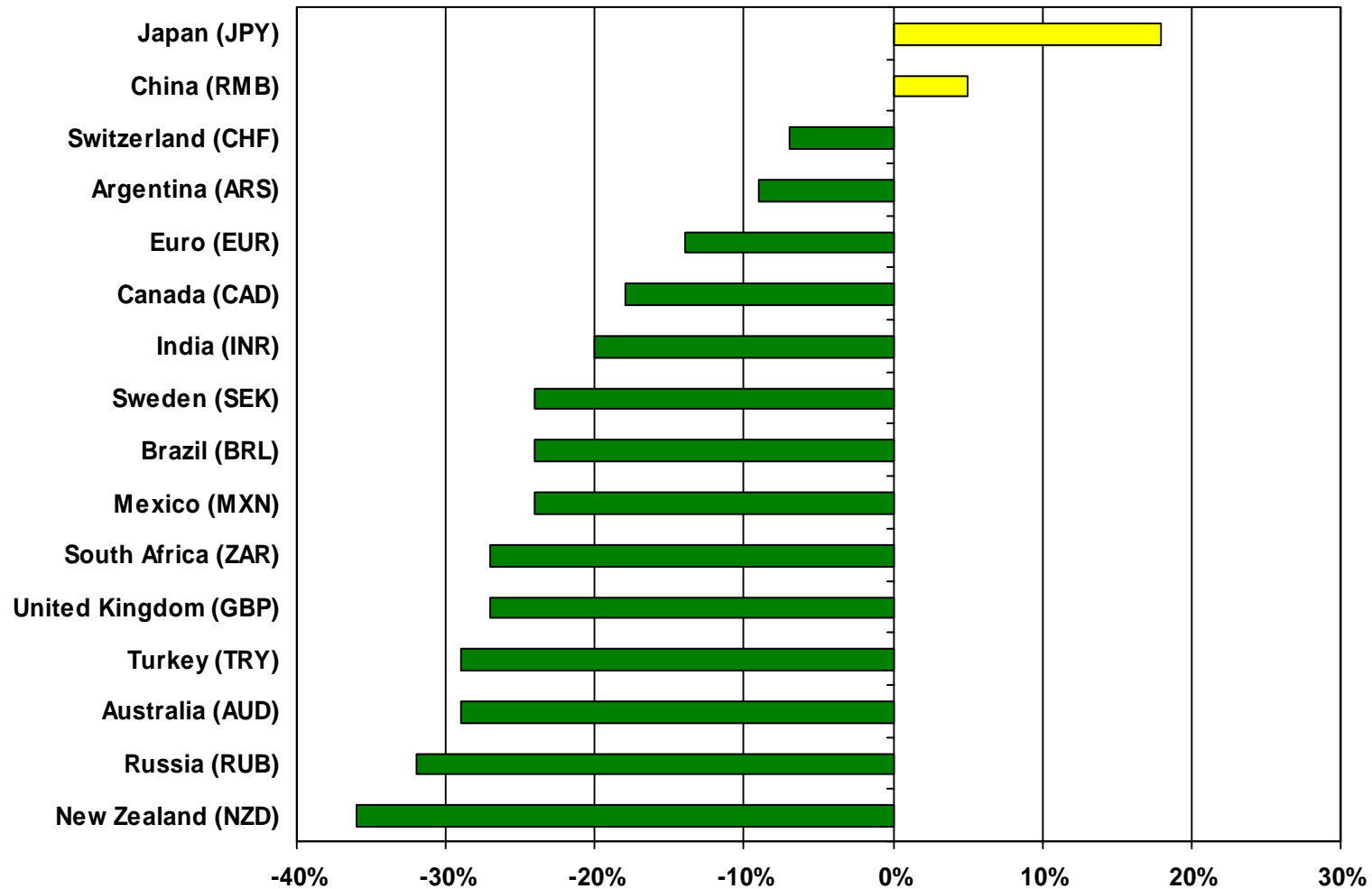
<i>(in millions of dollars)</i>	Q1 2009	Q1 2008	Change
Net Sales	\$3,261	\$2,758	+18%
Operating Profit*	\$348	\$332	+5%
Production Tonnage			+10%

*Operating profit impacted by:

- Improved price realization
- Higher shipment and production volumes
- Higher raw material costs
- Sharp volatility in foreign-currency exchange

Incremental Margin ~ 3%

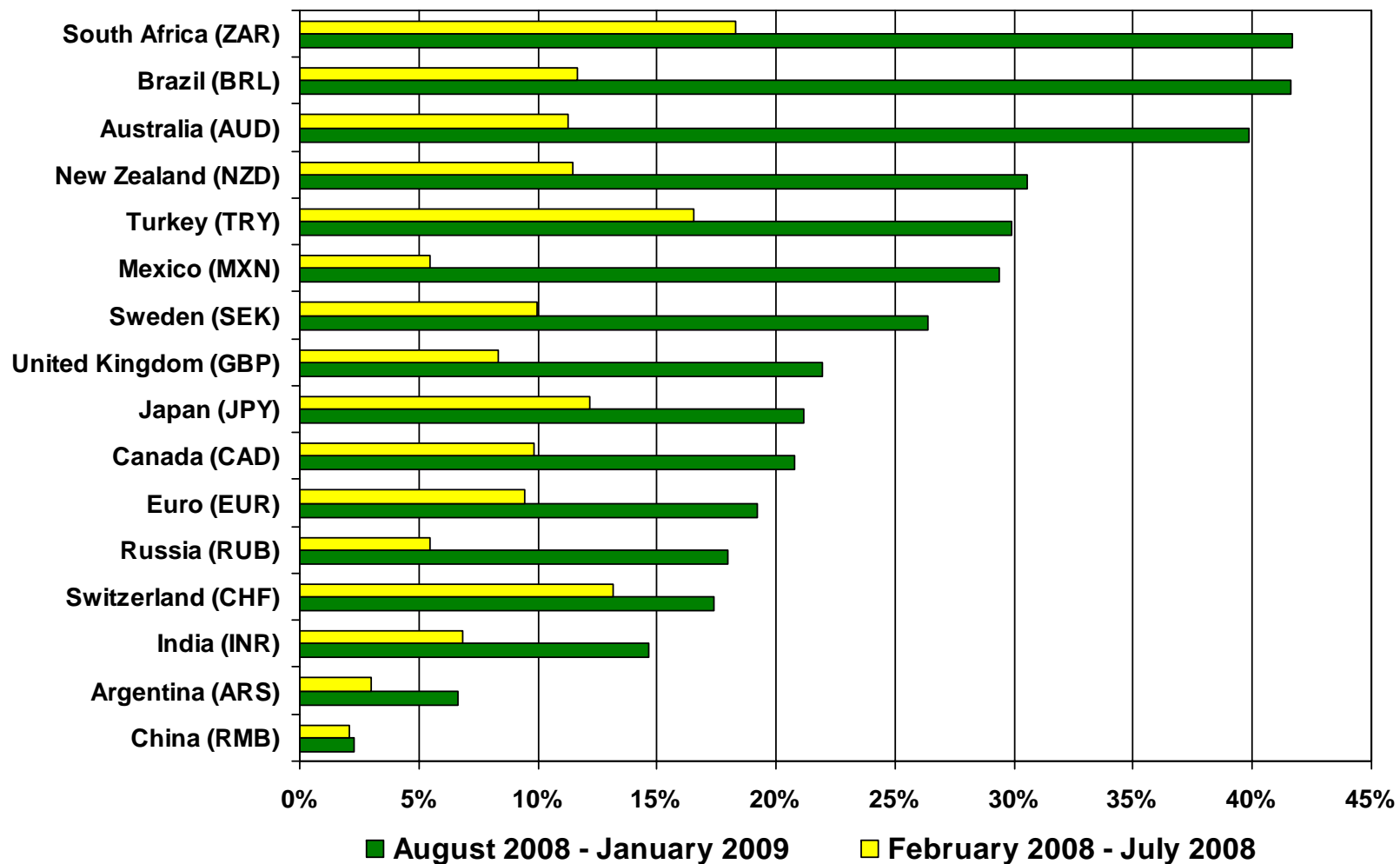
Foreign Currency Spot Rate Change vs. USD 30 January 2009 vs. 31 January 2008*



*Based on daily closing rates from Reuters

Annualized Currency Return Volatility

August 2008 - January 209 vs. February 2008 – July 2008*



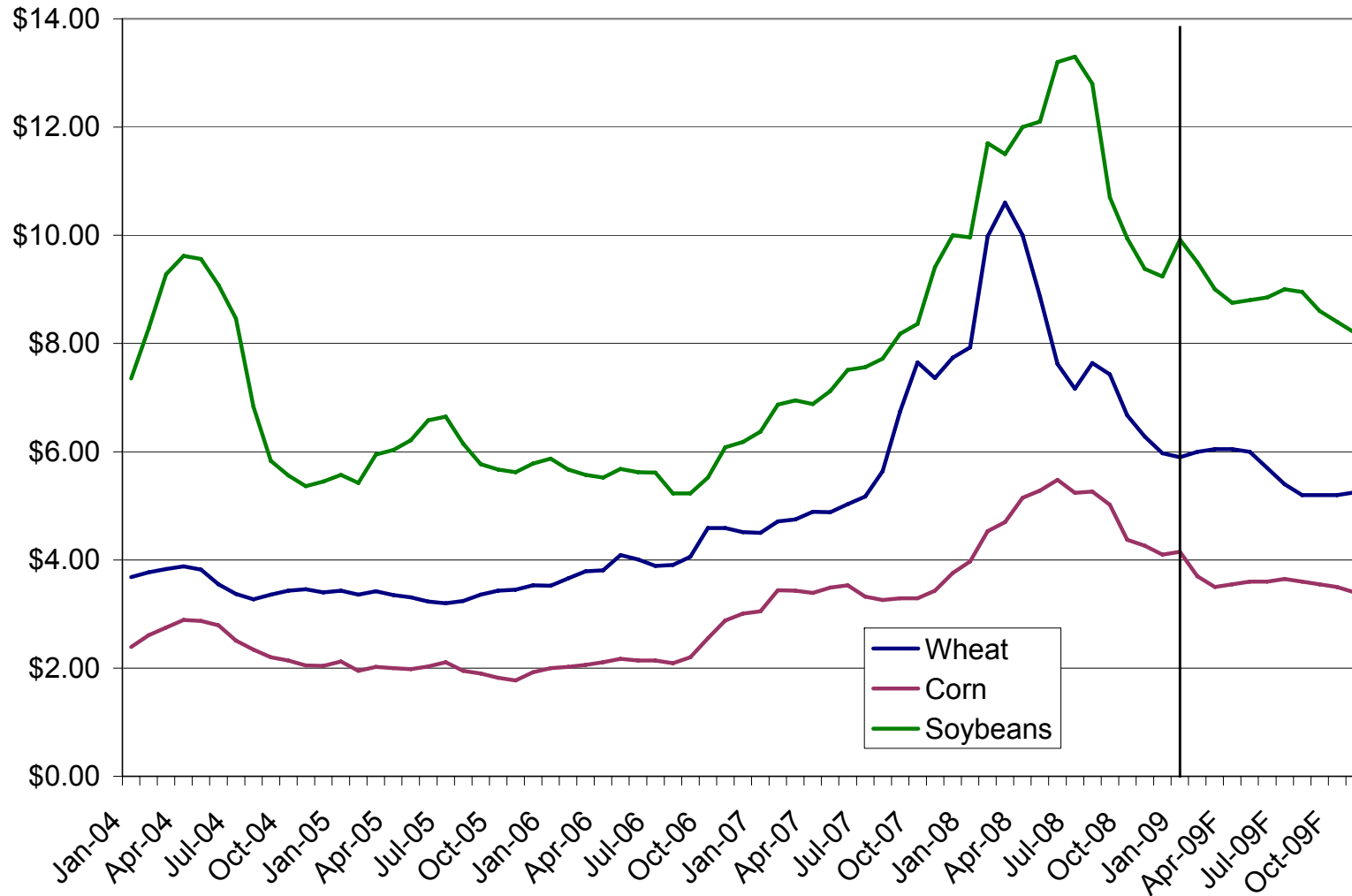
*Based on daily closing rates from Reuters

U.S. Commodity Price Estimates

	2007/08	2008/09 Forecast	Previous 2008/09	2009/10 Forecast	Previous 2009/10
Corn (per bushel)	\$4.20	\$4.00	\$4.25	\$3.35	\$4.15
Wheat (per bushel)	\$7.35	\$6.85	\$6.50	\$5.35	\$6.00
Soybeans (per bushel)	\$10.10	\$9.35	\$9.30	\$8.00	\$9.20
Cotton (per pound)	\$0.59	\$0.55	\$0.52	\$0.57	\$0.55

Deere & Company Forecast as of 18 February 2009 (Previous Forecast as of 26 November 2008)

U.S. Farm Prices



Source: Actual data from Wall Street Journal

Deere & Company Forecast as of 18 February 2009

U.S. Farm Production Cost / Profitability*

- Variable production costs:

	2008	2009
Corn	\$1.95	\$2.32
Wheat	\$3.09	\$3.19
Soybeans	\$3.09	\$3.47

- Prices at which farmers still make good money:

Corn	\$3.10 to \$3.30
Wheat	\$5.40 to \$5.80
Soybeans	\$6.50 to \$7.00

*Source: Informa Economics; estimates based on production costs as of 9 February 2009

U.S. Farm Cash Receipts

<i>(in billions of dollars)</i>	2007	2008 Forecast	Previous 2008	2009 Forecast	Previous 2009
Crops	147.0	180.7	183.0	162.3	168.8
Livestock	137.9	138.2	140.5	137.3	144.8
Government Payments	11.9	13.2	13.3	13.5	10.3
Total Cash Receipts	296.8	332.1	336.8	313.1	323.9

Deere & Company Forecast as of 18 February 2009 (Previous Forecast as of 26 November 2008)

Worldwide Agricultural Equipment Order Cancellation Status

- U.S. and Canada: Very few cancellations
- Western Europe: Very few cancellations
- South America: Cancellations in Q1 2009 somewhat higher than typical
- Central Europe, CIS*, including Russia: High cancellations

* *Commonwealth of Independent States*

Agricultural Equipment Retail Sales Industry Outlook

- U.S. and Canada: Flat to up 5% for Fiscal 2009
 - Previous forecast up ~ 5%
- South America: Down 15% - 25% for Fiscal 2009
 - Previous forecast down 10% - 20%
- Western Europe: Down 10% - 15% for Fiscal 2009
 - Previous forecast down 5% - 10%
- Central Europe, CIS*, including Russia: Down significantly for Fiscal 2009
 - Previous forecast down moderately

* Commonwealth of Independent States

Deere & Company Forecast as of 18 February 2009 (Previous Forecast as of 26 November 2008)

Worldwide Agricultural Equipment Deere & Company Outlook

- Fiscal Year 2009 Forecast
 - Net sales projected to be down ~ 2%
 - Currency translation: ~ (7) points
 - Previous forecast up ~ 5%

Deere & Company Forecast as of 18 February 2009 (Previous Forecast as of 26 November 2008)

Worldwide Commercial & Consumer Equipment

First Quarter Overview

<i>(in millions of dollars)</i>	Q1 2009	Q1 2008	Change
Net Sales	\$558	\$743	-25%
Operating Profit/(Loss)*	(\$59)	\$8	
Production Tonnage			-20%

*Operating Loss impacted by:

- Lower shipment and production volumes
- Higher raw material costs
- Lower SA&G expenses
- Improved price realization

Decremental Margin ~ 36%

Worldwide Commercial & Consumer Equipment Deere & Company Outlook

- Fiscal Year 2009 Forecast
 - Net sales projected to be down ~ 14%
 - Previous forecast down ~ 6%

Deere & Company Forecast as of 18 February 2009 (Previous Forecast as of 26 November 2008)

Worldwide Construction & Forestry

First Quarter Overview

<i>(in millions of dollars)</i>	Q1 2009	Q1 2008	Change
Net Sales	\$741	\$1,030	-28%
Operating Profit*	\$18	\$117	-85%
Production Tonnage			-28%

*Operating Profit impacted by:

- Lower shipment and production volumes
- Higher raw material costs
- Improved price realization
- Lower SA&G expenses

Decremental Margin ~ 34%

Worldwide Construction & Forestry Deere & Company Outlook

- Fiscal Year 2009 Forecast
 - Net sales projected to be down ~ 24%
 - Previous forecast down ~ 12%

Deere & Company Forecast as of 18 February 2009 (Previous Forecast as of 26 November 2008)

American Recovery & Reinvestment Act

U.S. Stimulus Package

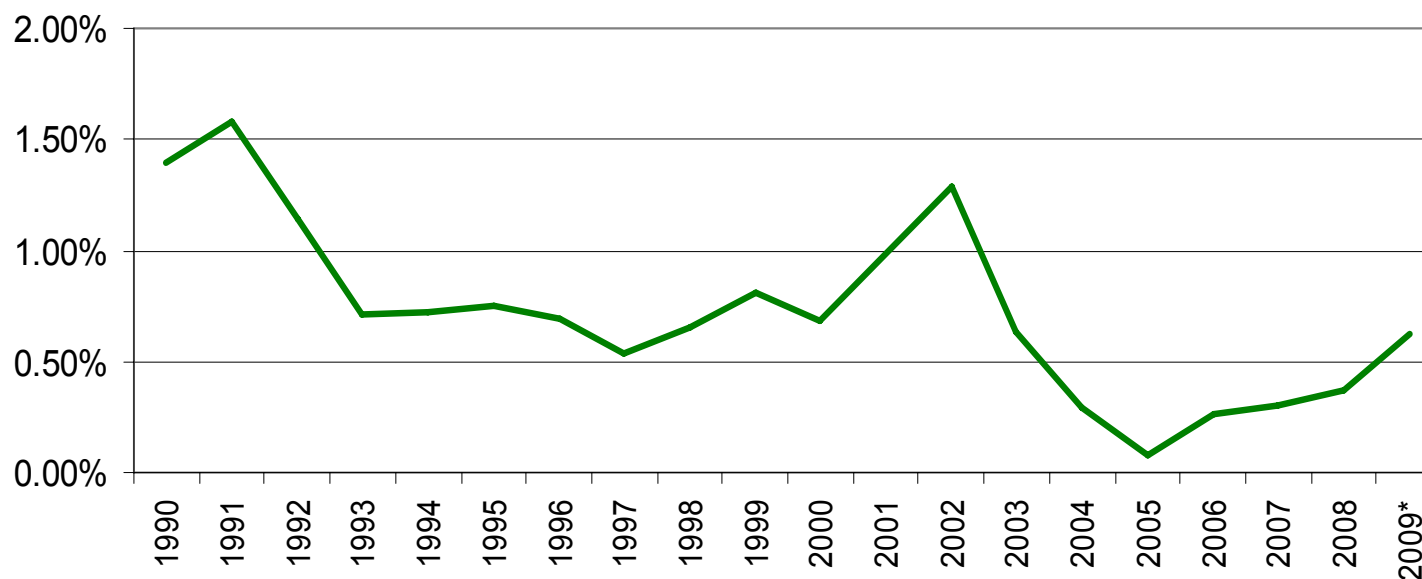
- Estimated infrastructure funding: \$100-150 billion
- Impact to Deere:
 - Minimal impact in fiscal 2009, majority in fiscal 2010 and 2011
- Beneficial tax provisions

Credit

Credit Loss History

- Low losses driven by:
 - Strong farmer cash flows
 - Rigorous underwriting standards
 - Strong used equipment values
 - Ag and C&CE dealer reserves
 - Robust collection practices

Provision for Credit Losses / Average Owned Portfolio



* Year-to-date January 2009 annualized

Credit

Owned Portfolio Write-offs

	Annualized		10-Year Annual Average	10-Year Annual Peak
	Q1 2009	Q1 2008		
AG – Retail notes	0.01%	0.03%	0.17%	0.48%
C&CE – Retail notes	1.87%	1.21%	0.76%	1.08%
C&F – Retail notes	2.42%	1.26%	1.22%	2.95%
Total Owned Write-offs	0.54%	0.33%	0.52%	1.19%

Credit

First Quarter Funding vs. Annual Maturities

(in billions)

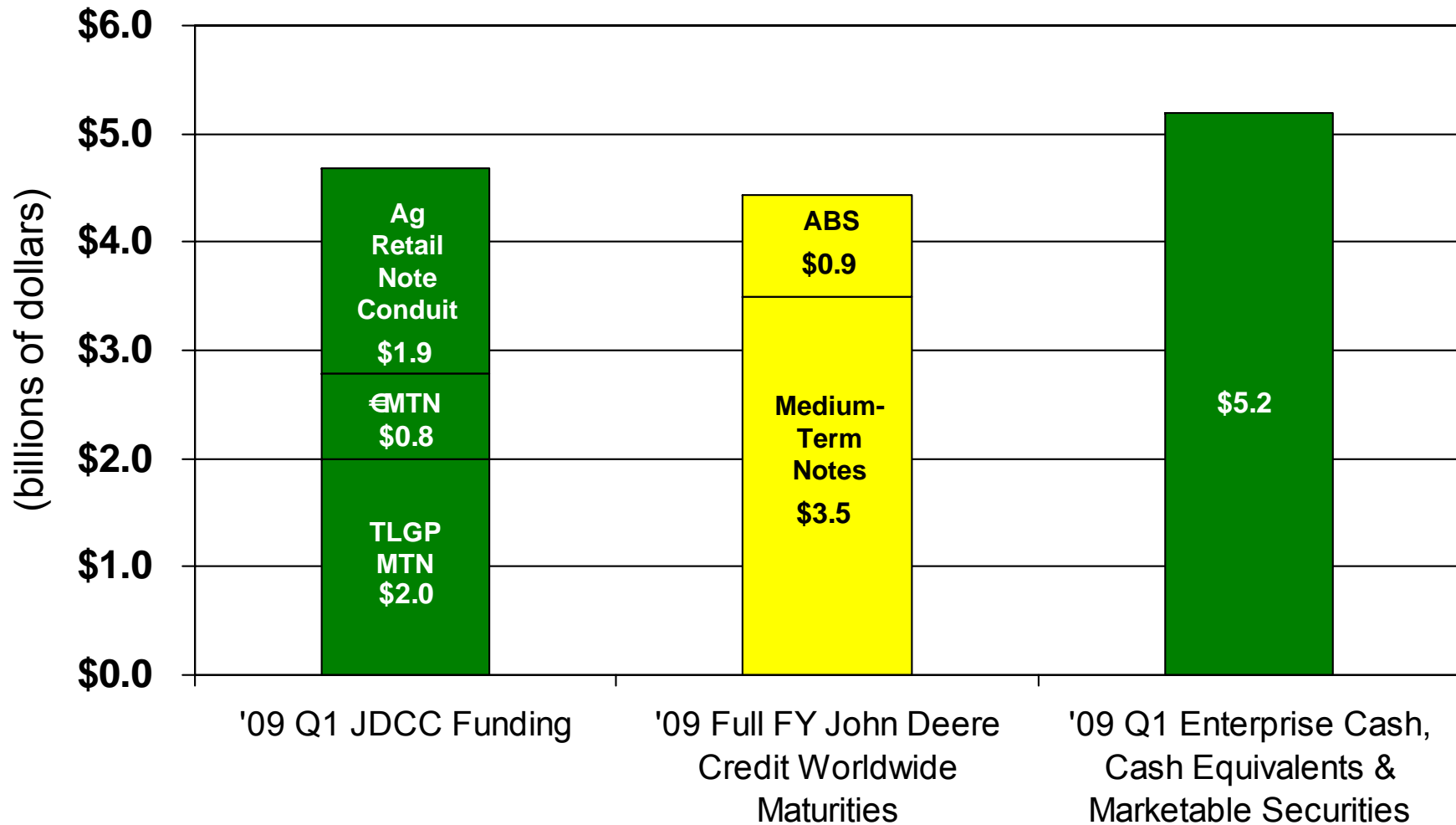
Non-commercial paper funding, first quarter 2009

16 December, JDCC, FDIC guaranteed MTN (TLGP)	\$2.0
19 January, JDCC, €600 million MTN	.8
26 January, JDCC, \$2.25 billion Ag retail note conduit	
-Initial funding	<u>1.9</u>
Total	\$4.7

Non-commercial paper maturities, full fiscal year 2009

Medium-term notes	\$3.5
Asset-backed securities	<u>.9</u>
Total	\$4.4

Liquidity Management



Note: As of 31 January 2009, Enterprise incremental capacity to issue commercial paper was \$2.2 billion

Credit

- First Quarter 2009
 - Net income of ~ \$45 million vs. ~ \$96 million in Q1 2008
 - Narrower financing spreads
 - Lower commissions from crop insurance
 - Higher provision for credit losses
- Fiscal Year 2009 Forecast
 - Net income of ~ \$250 million
 - Previous forecast ~ \$300 million

Deere & Company Forecast as of 18 February 2009 (Previous Forecast as of 26 November 2008)

Consolidated Trade Receivables & Inventory

<i>(in millions of dollars)</i>	Q1 2009* Actual	2009** Forecast	2009** Previous Forecast
AG	↑ 1,031	↑ 75	↑ 125
C&CE	↓ 13	↓ 150	↓ 75
C&F	↓ 194	↓ 175	↓ 125
Total, as reported	↑ 824	↓ 250	↓ 75
Total, constant exchange	↑ 1,405	↓ 250	↓ 75

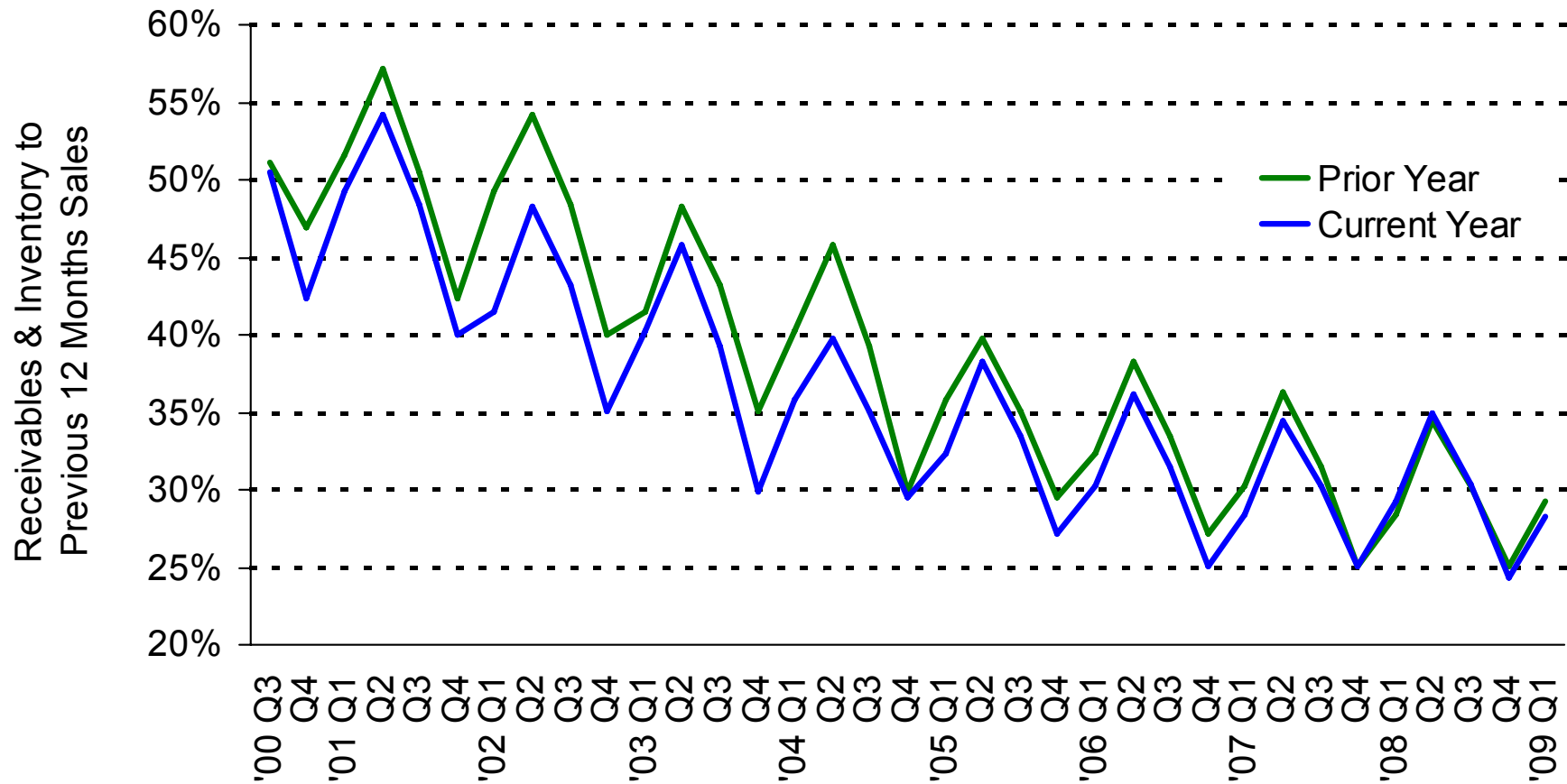
* Change at 31 January 2009 vs. 31 January 2008

** Change at 31 October 2009 vs. 31 October 2008

Deere & Company Forecast as of 18 February 2009 (Previous Forecast as of 26 November 2008)

Consolidated Trade Receivables & Inventory

- Continued strong asset management in 2009



January 2009 Retail Sales

U.S. and Canada

	Industry*	Deere**
Utility Tractors	↓ 15%	↓ single digit
Row-Crop Tractors	↑ 7%	↑ double digits
4WD Tractors	↑ 15%	↑ strong double digits
Combines	↑ 13%	↑ in-line with industry

* As reported by the Association of Equipment Manufacturers

** As reported to the Association of Equipment Manufacturers

Deere Dealer Inventories

U.S. and Canada

<i>(at 31 January – in units as a % of trailing 12 months retail sales)</i>		
	2009	2008
Row-Crop Tractors	19%	23%
Combines	8%	8%

As reported to the Association of Equipment Manufacturers

January 2009 Retail Sales Western Europe

	Deere
Tractors	↑ low double digits
Combines	↓ double digits

Based on EU Government Reporting of Registrations

January 2009 Retail Sales

U.S. and Canada

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

Material Costs and Freight Equipment Operations

- First Quarter 2009
 - Up ~ \$270 million vs. Q1 2008
- Second Quarter 2009 Forecast
 - Up \$200 - \$225 million vs. Q2 2008
- Fiscal Year 2009 Forecast
 - Up \$400 - \$500 million vs. FY2008
 - By division
 - Agricultural Equipment: \$300 - \$350
 - Commercial & Consumer Equipment: \$ 50 - \$ 75
 - Construction & Forestry: \$ 50 - \$ 75
 - Previous forecast up \$500 - \$900 million vs. FY2008

Deere & Company Forecast as of 18 February 2009 (Previous Forecast as of 26 November 2008)

Research & Development Expense Equipment Operations

- First Quarter 2009
 - Up ~ 7% vs. Q1 2008
 - Currency translation ~ (2) points
- Fiscal Year 2009 Forecast
 - Up ~ 3% vs. FY2008
 - Currency translation ~ (3) points
 - Previous forecast up ~ 5%

Deere & Company Forecast as of 18 February 2009 (Previous Forecast as of 26 November 2008)

Selling, Administrative & General Expense Equipment Operations

- First Quarter 2009
 - Down ~ 5% vs. Q1 2008
 - Global growth initiatives: ~ 4 points
 - Variable incentive compensation ~ (5) points
 - Currency translation ~ (4) points
- Fiscal Year 2009 Forecast
 - Down ~ 4% vs. FY 2008
 - Global growth initiatives ~ 3 points
 - Variable incentive compensation ~ (4) points
 - Currency translation ~ (4) points
 - Previous forecast up ~ 2% vs. FY 2008

Deere & Company Forecast as of 18 February 2009 (Previous Forecast as of 26 November 2008)

Aligned High-Performance Teamwork: Integral Part of Strategy, Reinforced with Compensation

- Global Performance Management reinforces alignment
 - Base pay changes linked to achieving goals
- STI: Short-Term Incentive – Bonus focuses on OROA
 - Covers most worldwide salaried employees
- MTI: Mid-Term Incentive – Bonus driven by sustained SVA creation
 - About 6,000 management employees eligible

Tax Rate

Equipment Operations

- First Quarter 2009
 - Effective tax rate of ~ 29%
 - Discrete items
- Fiscal Year 2009 Forecast
 - Assumes tax rate of ~ 35%
 - No change from previous forecast

Deere & Company Forecast as of 18 February 2009 (Previous Forecast as of 26 November 2008)

Other Information

Fiscal Year 2009 Forecast

- Equipment Operations
 - Capital Expenditures
 - ~ \$800 million
 - Previous forecast ~ \$1.0 billion
 - Depreciation and Amortization
 - ~ \$500 million
 - Previous forecast ~ \$525 million
 - Pension/OPEB Contributions
 - ~ \$180 million
 - Previous forecast ~ \$170 million
- Financial Services
 - Capital Expenditures
 - ~\$100 million, primarily Wind
 - Previous forecast ~ \$125 million, primarily Wind

Deere & Company Forecast as of 18 February 2009 (Previous Forecast as of 26 November 2008)

Appendix

Share Repurchase as Part of Publicly Announced Plans

- Cumulative cost of repurchases since 2004: \$5.6 billion
- Balance remaining on May 2007 40-million share authorization: 13.7 million
- May 2008 share authorization: \$5.0 billion
- 31 January 2009 period ending shares: 422.7 million

FY2009	Shares Repurchased* <i>(in millions)</i>	Total \$ Amount <i>(in billions)</i>
Q1	0.0	\$0.0
Q2		
Q3		
Q4		
Total	0.0	\$0.0

Actual	Shares Repurchased* <i>(in millions)</i>	Total \$ Amount <i>(in billions)</i>
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
Total	114.5	\$5.6

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

**Deere's second quarter 2009 conference call
is scheduled for 9:00 a.m. central time
on Wednesday, May 20, 2009**



JOHN DEERE