



JOHN DEERE

Third Quarter 2009 Earnings Conference Call

19 August 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.

Third Quarter Overview

<i>(in millions of dollars except per share amounts)</i>	Q3 2009	Q3 2008	Change
Net Sales and Revenues	\$5,885	\$7,739	-24%
Net Sales	\$5,283	\$7,070	-25%
Net Income	\$420	\$575	-27%
Diluted EPS	\$.99	\$1.32	-25%

Third Quarter Overview

Net Sales

- Equipment operations net sales: Down 25% in Q3 2009 vs. Q3 2008
 - Currency translation: ~ (4) points
 - Price realization: ~ +6 points

Production Tonnage*

% Change	Q3 2009 Actual	Q3 2009 Previous Forecast	Q4 2009 Forecast	FY 2009 Forecast	FY 2009 Previous Forecast
Total Worldwide	(24)	(28)	(43)	(22)	(22)
Worldwide A&T	(19)		(41)	(17)	(18)
Worldwide C&F	(52)		(54)	(50)	(44)
Total U.S. and Canada	(16)		(42)	(21)	(19)
Outside U.S. and Canada	(37)		(44)	(24)	(28)
U.S. and Canada A&T	(8)	(9)	(40)	(14)	(14)

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

Deere & Company Forecast as of 19 August 2009 (Previous Forecast as of 20 May 2009)

2009 Company Outlook

- Fourth Quarter 2009 Forecast
 - Net sales down ~ 34% vs. Q4 2008
 - Currency translation: ~ (1) point
 - Price realization: ~ +3 points
- Fiscal Year 2009 Forecast
 - Net sales down ~ 21% vs. FY 2008
 - Currency translation: ~ (4) points
 - Price realization: ~ +5 points
 - Previous forecast down ~ 19% vs. FY 2008
 - Currency translation: ~ (5) points
 - Price realization: ~ +6 points
 - Net income of ~ \$1.1 billion
 - No change from previous forecast

Deere & Company Forecast as of 19 August 2009 (Previous Forecast as of 20 May 2009)

Equipment Operations Reorganization Pretax Impact on Operating Profit

- Voluntary separation program
 - 2009 expense ~ \$100 million
 - Consistent with 30 June press release
 - 2010 projected annual savings \$50-60 million
 - Previous forecast ~\$75 million (30 June press release)
 - Subsequent years projected annual savings ~ \$75 million
 - Consistent with 30 June press release
- Closure of facility in Welland, Ontario, Canada
 - 2009 expense ~ \$44 million
 - Previous forecast ~ \$60 million
 - Total projected cost ~ \$97 million
 - Projected annual savings beginning 2010 ~ \$40 million

Deere & Company Forecast as of 19 August 2009 (Previous Forecast as of 20 May 2009 unless otherwise noted)

Worldwide Agriculture & Turf Third Quarter Overview

<i>(in millions of dollars)</i>	Q3 2009	Q3 2008	Change
Net Sales	\$4,651	\$5,876	-21%
Operating Profit*	\$480	\$725	-34%
Production Tonnage			-19%

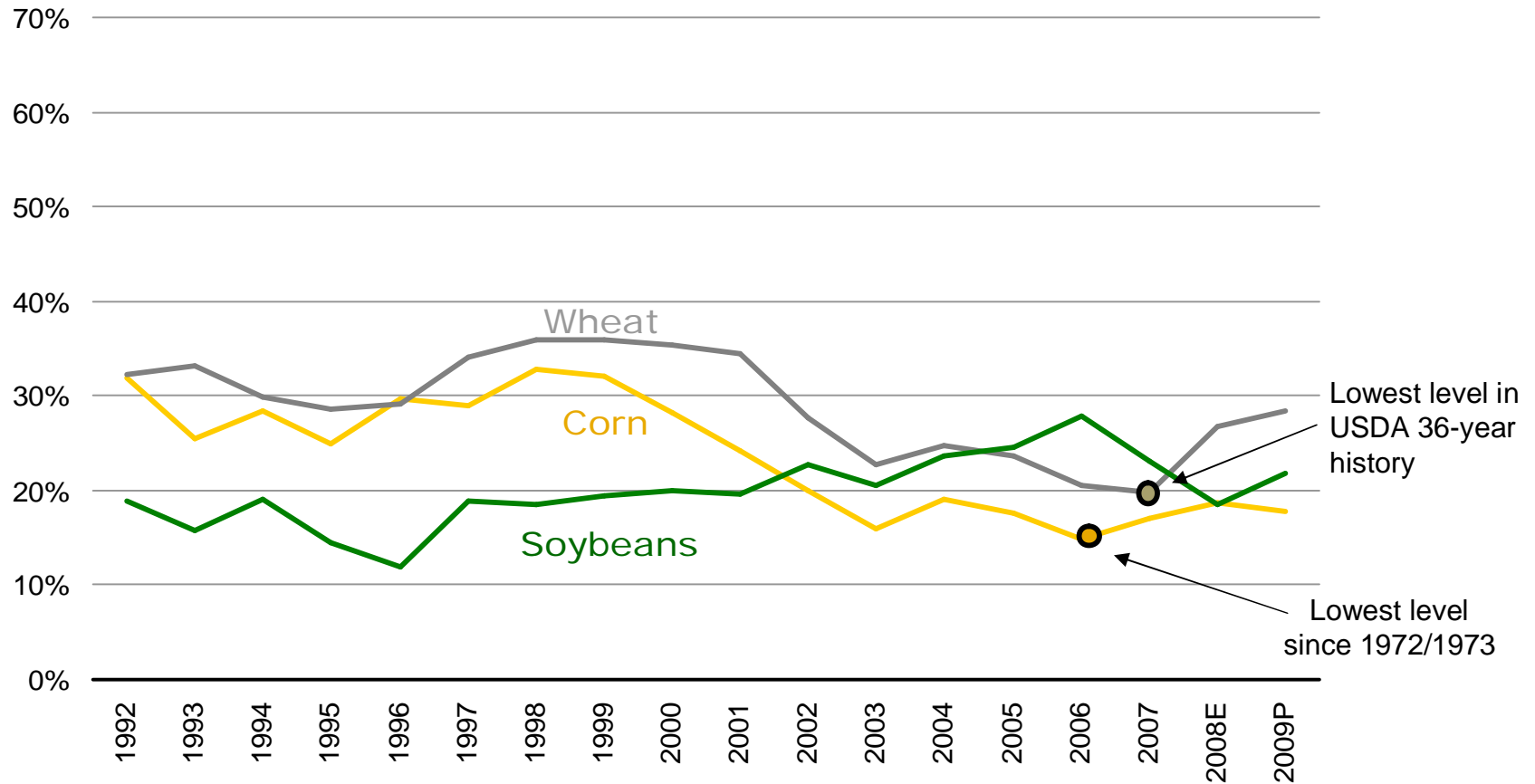
*Operating profit impacted by:

- Lower shipment and production volumes
- Unfavorable impacts of foreign exchange
- Improved price realization
- Lower SA&G expenses

Decremental Margin ~ 20%

World Farm Fundamentals

Global Stocks-To-Use Ratios



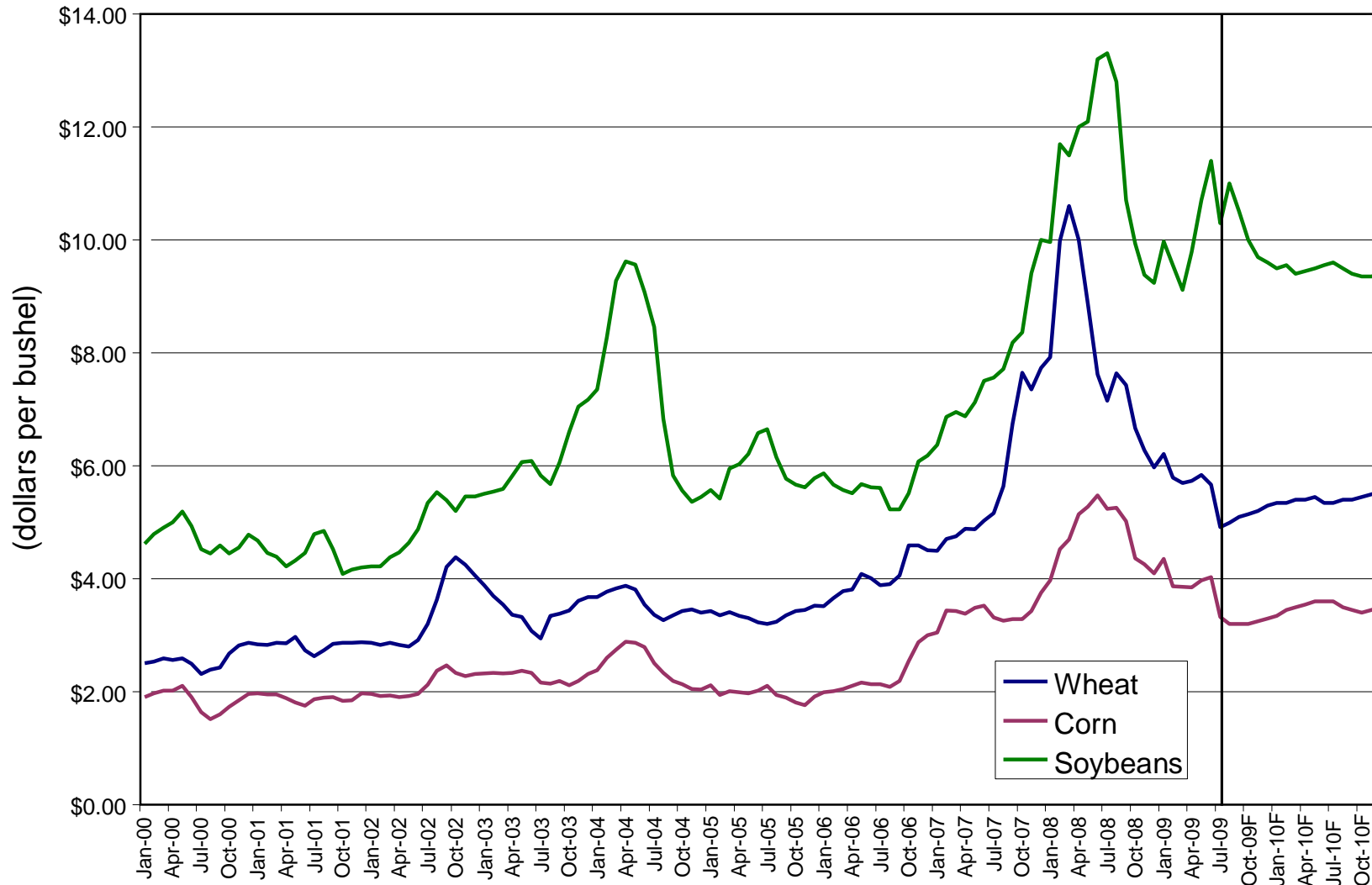
Source: USDA - 12 August 2009

U.S. Commodity Price Estimates

	2007/08	2008/09 Forecast	Previous 2008/09	2009/10 Forecast	Previous 2009/10
Corn (per bushel)	\$4.20	\$4.10	\$4.20	\$3.40	\$3.80
Wheat (per bushel)	\$7.35	\$6.80	\$6.80	\$5.25	\$5.25
Soybeans (per bushel)	\$10.10	\$10.00	\$10.00	\$9.70	\$9.60

Deere & Company Forecast as of 19 August 2009 (Previous Forecast as of 20 May 2009)

U.S. Farm Prices



Source: Actual Data: USDA

Forecast Data: Deere & Company Forecast as of 19 August 2009

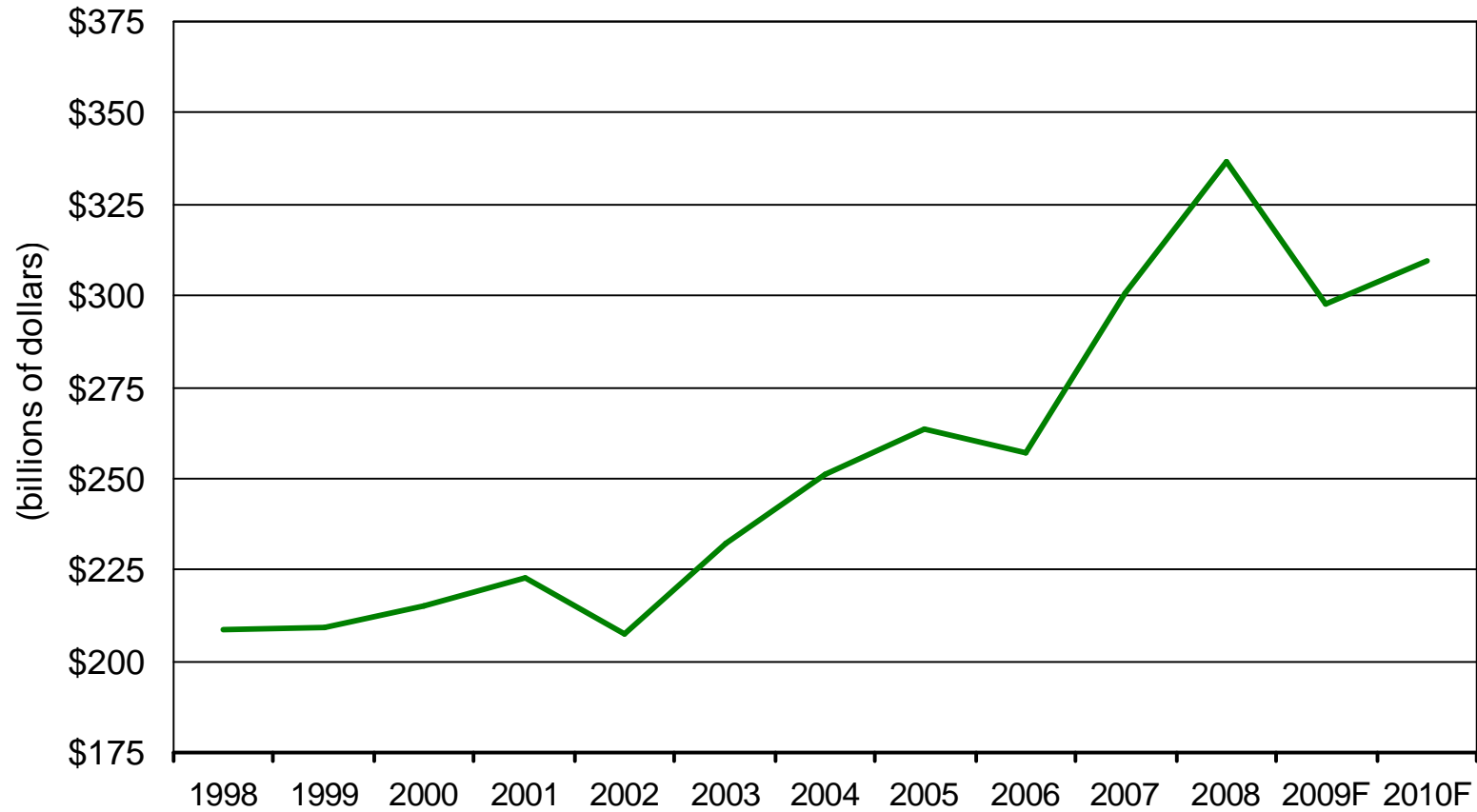
U.S. Farm Cash Receipts

<i>(in billions of dollars)</i>	2007	Previous 2007	2008	Previous 2008	2009 Forecast	Previous 2009	2010 Forecast	Previous 2010
Crops	150.1	147.0	183.2	183.8	166.7	168.1	168.4	171.2
Livestock	138.6	137.9	141.2	137.8	119.5	123.1	130.9	134.5
Govt Payments	11.9	11.9	12.2	12.4	11.8	12.1	10.0	10.2
Total Cash Receipts	300.6	296.8	336.6	334.0	298.0	303.3	309.3	315.9

Deere & Company Forecast as of 19 August 2009 (Previous Forecast as of 20 May 2009)

U.S. Farm Cash Receipts

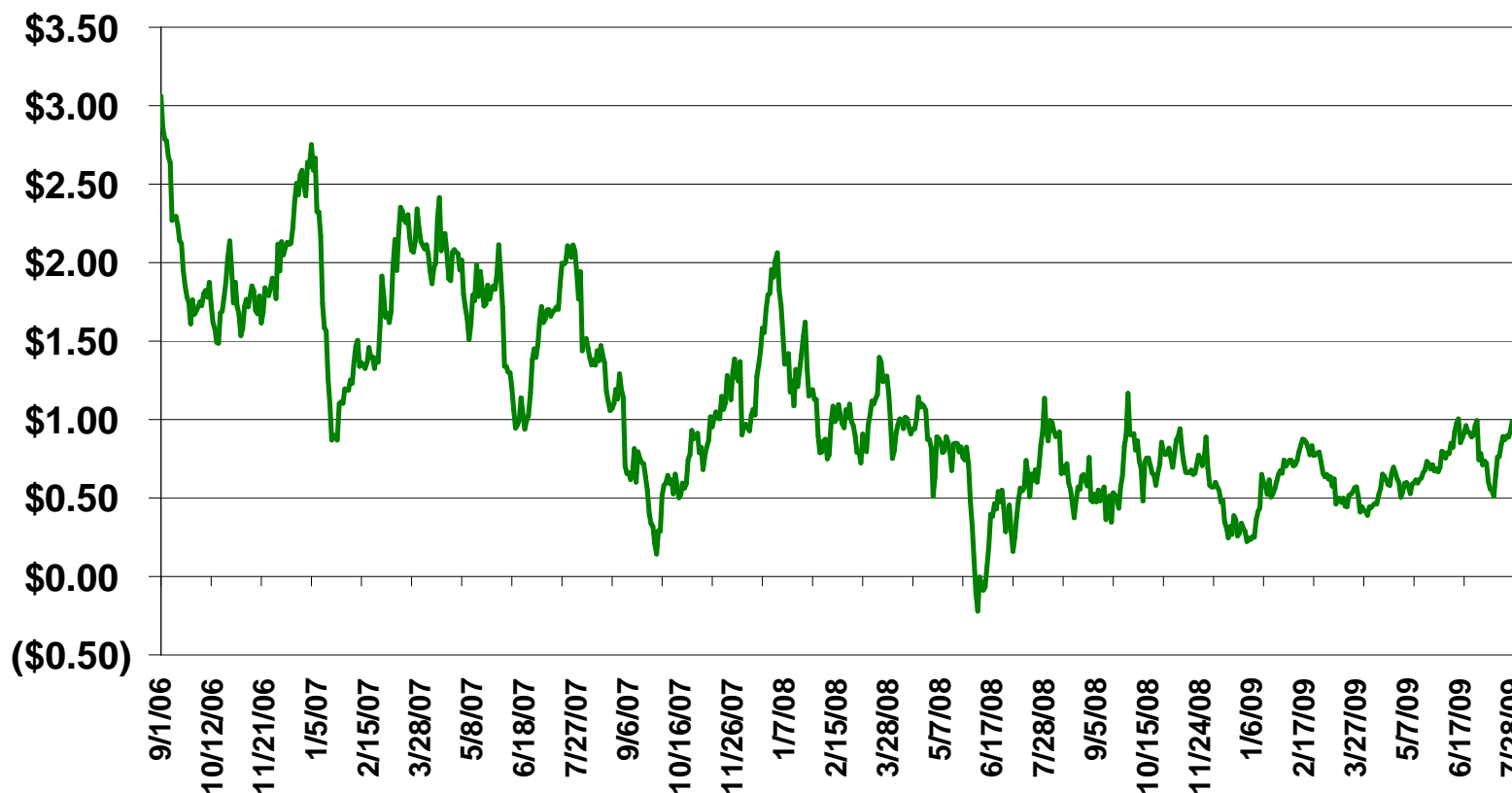
Total Cash Receipts



Source: 1998 - 2008: USDA 11 August 2009

2009 - 2010: Deere & Company Forecast as of 19 August 2009

Daily Ethanol Margin Per Bushel Corn Grind Based on Nearby Futures Prices (Excluding ITDA*)



**Interest, Tax, Depreciation and Amortization (ITDA) – Often disregarded in margin calculations because it does not influence short-term production decisions*

Source: Informa – August 2009

Farm Net Income (Loss)

Brazil and Argentina

<i>(in billions of U.S. dollars)</i>	2008	2009 Forecast	Previous 2009	2010 Forecast	Previous 2010
Brazil	14.3	1.6	0.6	5.4	4.0
Argentina	2.4	(2.5)	0.3	1.7	1.5

Deere & Company Forecast as of 19 August 2009 (Previous Forecast as of 20 May 2009)

Government Support of Agriculture Brazil

- 12.0 billion BRL in approved FINAME funding
 - Expires 31 December 2009
 - Used to finance equipment and other capital goods
 - 4.5% interest rate
- 92.5 billion BRL in approved input, commercialization and investments financing
 - Record level for 2009/2010, 65.0 billion BRL in 2008/2009
- Government programs to support tractor purchases
 - “Mais Alimentos” (More Food) – 55 to 75 hp tractors, 10-year terms, 2% interest rate
 - “Pro Tractor” – São Paulo state government sponsored, 50-120 hp tractors, 5-year terms, 0% interest rate

Worldwide Agriculture & Turf Deere & Company Outlook

- Fiscal Year 2009 Forecast
 - Net sales projected to be down ~ 15%
 - Currency translation: ~ (5) points
 - Previous forecast:
 - Net sales projected to be down ~ 14%
 - Currency translation: ~ (6) points

Deere & Company Forecast as of 19 August 2009 (Previous Forecast as of 20 May 2009)

Agriculture & Turf Retail Sales

Industry Outlook – Fiscal 2009

- U.S. and Canada Ag: Down slightly
 - Previous forecast flat to down slightly
- Western Europe Ag: Down 10% - 15%
 - No change from previous forecast
- Central Europe and the CIS* countries Ag: Sales down sharply
 - No change from previous forecast

* Commonwealth of Independent States

Deere & Company Forecast as of 19 August 2009 (Previous Forecast as of 20 May 2009)

Agriculture & Turf Retail Sales

Industry Outlook – Fiscal 2009

- South America Ag: Down 20% - 30%
 - No change from previous forecast
- U.S. and Canada turf equipment and compact utility tractors: Down ~ 20%
 - No change from previous forecast

Deere & Company Forecast as of 19 August 2009 (Previous Forecast as of 20 May 2009)

Worldwide Construction & Forestry

Third Quarter Overview

<i>(in millions of dollars)</i>	Q3 2009	Q3 2008	Change
Net Sales	\$632	\$1,194	-47%
Operating Profit/(Loss)*	(\$28)	\$93	
Production Tonnage			-52%

*Operating loss impacted by:

- Significantly lower shipment and production volumes
- Lower SA&G expenses
- Improved price realization

Decremental Margin ~ 22%

Worldwide Construction & Forestry Deere & Company Outlook

- Fiscal Year 2009 Forecast
 - Net sales projected to be down ~ 47%
 - Previous forecast down ~ 42%

	2009 Forecast	2010 Forecast
U.S. Economic Indicators*		
GDP Growth (annual percentage rate)	-2.8%	+1.5%
Housing Starts (thousands)	556	865
Non-Residential Spending (annual percentage rate)	-17.9%	-14.2%
Government Spending (annual percentage rate)	-4.3%	+2.9%

*Source: Global Insight – July 2009

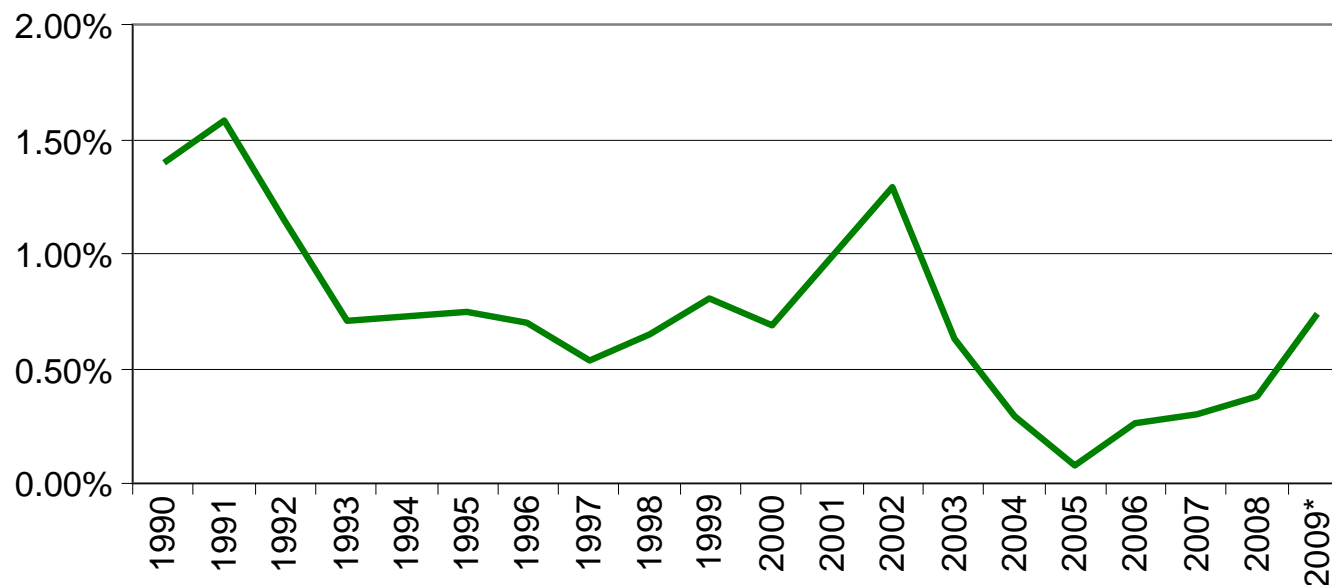
Deere & Company Forecast as of 19 August 2009 (Previous Forecast as of 20 May 2009)

Worldwide Credit Operations

Credit Loss History

- Low losses driven by:
 - Strong farmer cash flows
 - Rigorous underwriting standards
 - Historically strong used Ag equipment values
 - A&T dealer reserves
 - Robust collection practices

Provision for Credit Losses / Average Owned Portfolio



* **Year-to-date July 2009 annualized: 0.73%**
Year-to-date April 2009 annualized: 0.75%

Worldwide Credit Operations

Owned Portfolio Past Dues and Write-offs

	Past Dues		Annualized Write-offs	
	July 2009	July 2008	Q3 2009	Q3 2008
A&T – Retail Notes	0.18%	0.15%	0.05%	0.07%
C&F – Retail Notes	0.66%	0.43%	2.27%	0.70%
Revolving Charge Accounts	1.25%	1.03%	3.04%	1.89%
Financing Leases	0.71%	0.61%	1.31%	1.04%
Total Owned	0.37%	0.26%	0.58%	0.32%

Worldwide Credit Operations

Owned Portfolio Non-Performing Receivables

	July 2009	July 2008
A&T – Retail Notes*	1.59%	0.26%
C&F – Retail Notes	1.17%	0.70%
Revolving Charge Accounts	0.04%	0.18%
Financing Leases	2.55%	1.64%
Total Owned Non-Performing Receivables**	1.23%	0.44%

* As of 31 July 2009, Brazil non-performing receivables represent 1.25% of the total worldwide A&T retail note portfolio

** As of 31 July 2009, Brazil non-performing receivables represent 0.65% of the total worldwide Credit operations portfolio

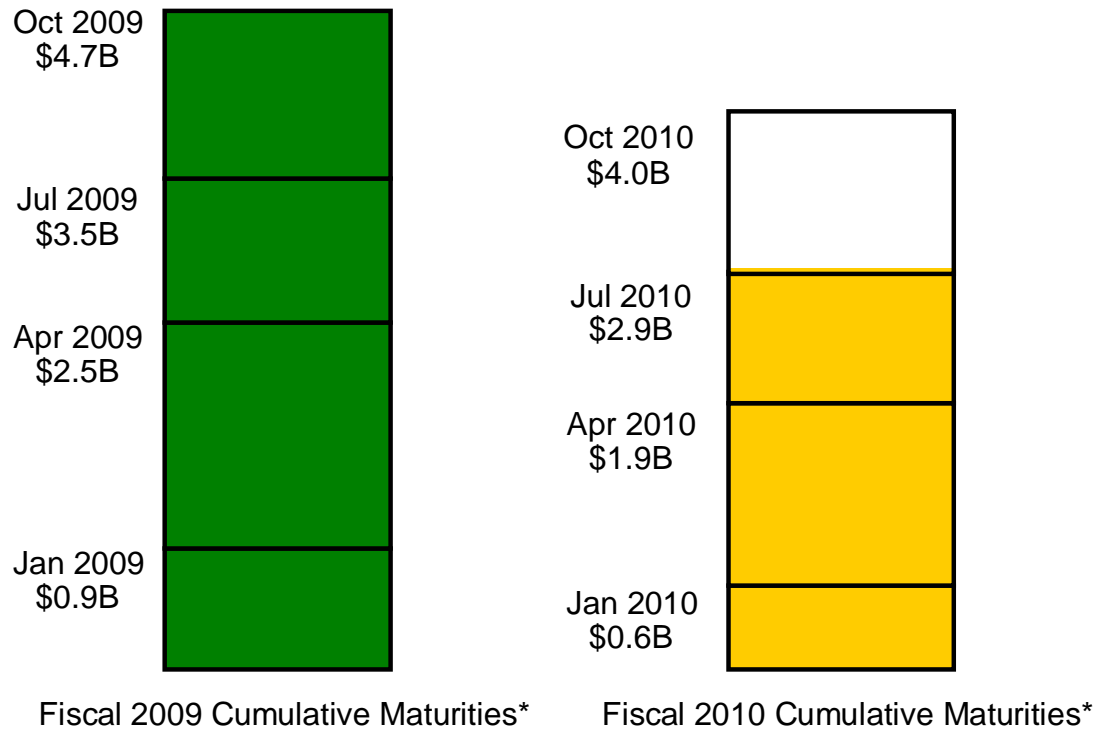
John Deere Capital Corporation

Owned Portfolio Non-Performing Receivables

	July 2009	July 2008
A&T – Retail Notes	0.35%	0.24%
C&F – Retail Notes	1.29%	0.77%
Revolving Charge Accounts	0.04%	0.19%
Financing Leases	3.77%	3.01%
Total Owned Non-Performing Receivables	0.59%	0.46%

Liquidity Management

All 2009 maturities and 2010 maturities through Q3 have been funded



Q1 2009 Funding:

- \$2.0B – TLGP MTN
- \$0.8B – € MTN
- \$1.9B – AG Retail Note Conduit

Q2 2009 Funding:

- \$0.8B – \$ MTN
- \$0.2B – CAD MTN
- \$0.4B – Retail Notes
- \$0.2B – AG Retail Note Conduit

Q3 2009 Funding:

- \$0.7B – TALF Eligible ABS
- \$0.3B – CAD MTN
- \$0.2B – Retail Notes
- \$0.3B – AG Retail Note Conduit

*Includes MTN maturities and forecasted ABS runoff

Worldwide Credit Operations

- Third Quarter 2009
 - Net income of ~ \$99 million vs. ~ \$80 million in Q3 2008
 - Benefits from investment tax credits for wind energy projects
 - Foreign exchange gains
 - Lower SA&G expenses
 - Higher provision for credit losses
 - Narrower financing spreads
- Fiscal Year 2009 Forecast
 - Net income of ~ \$270 million
 - Previous forecast ~ \$250 million

Deere & Company Forecast as of 19 August 2009 (Previous Forecast as of 20 May 2009)

Consolidated Trade Receivables & Inventory

<i>(in millions of dollars)</i>	Q3 2009* Actual	2009** Forecast	2009** Previous Forecast
A&T	↓ 668	↓ 450	↓ 375
C&F	↓ 539	↓ 425	↓ 325
Total, as reported	↓ 1,207	↓ 875	↓ 700
Total, constant exchange	↓ 853	↓ 1,075	↓ 700

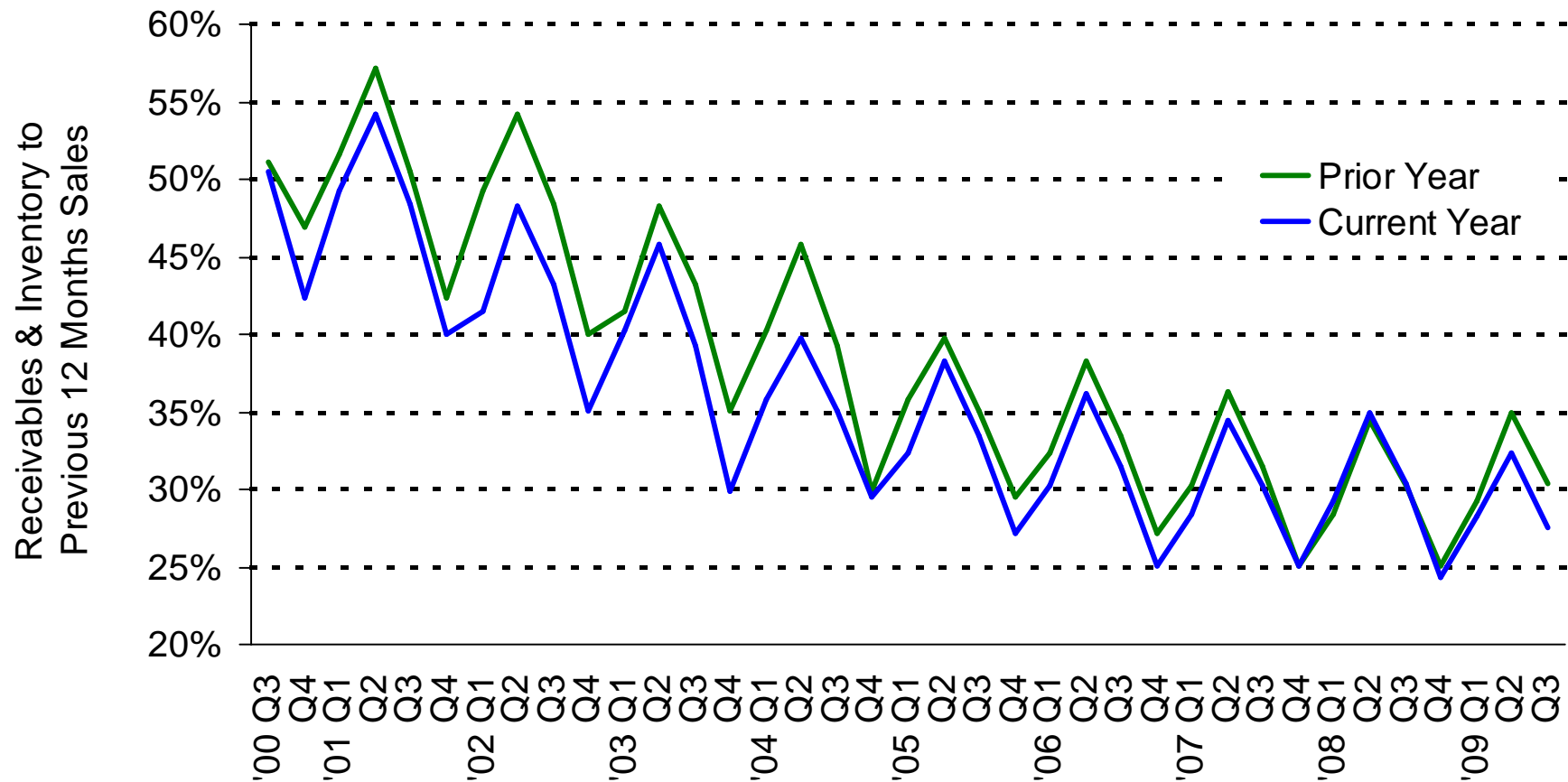
* Change at 31 July 2009 vs. 31 July 2008

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

Deere & Company Forecast as of 19 August 2009 (Previous Forecast as of 20 May 2009)

Consolidated Trade Receivables & Inventory

- Continued strong asset management in 2009



July 2009 Retail Sales U.S. and Canada

	Industry*	Deere**
Utility Tractors	↓ 29%	↓ in line with industry
Row-Crop Tractors	↑ 8%	↑ double digits
4WD Tractors	↑ 29%	↑ strong double digits, more than industry
Combines	↑ 25%	↑ more 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)

	2009	2008
Row-Crop Tractors	22%	14%
Combines	17%	14%

As reported to the Association of Equipment Manufacturers

July 2009 Retail Sales Western Europe

	Deere
Tractors	↓ double digits
Combines	↓ double digits

Based on EU Government Reporting of Registrations

July 2009 Retail Sales

U.S. and Canada

	Deere
Selected Turf & Utility Equipment	↓ double digits
Construction & Forestry	
First-in-the-Dirt	↓ double digits
Settlements	↓ double digits

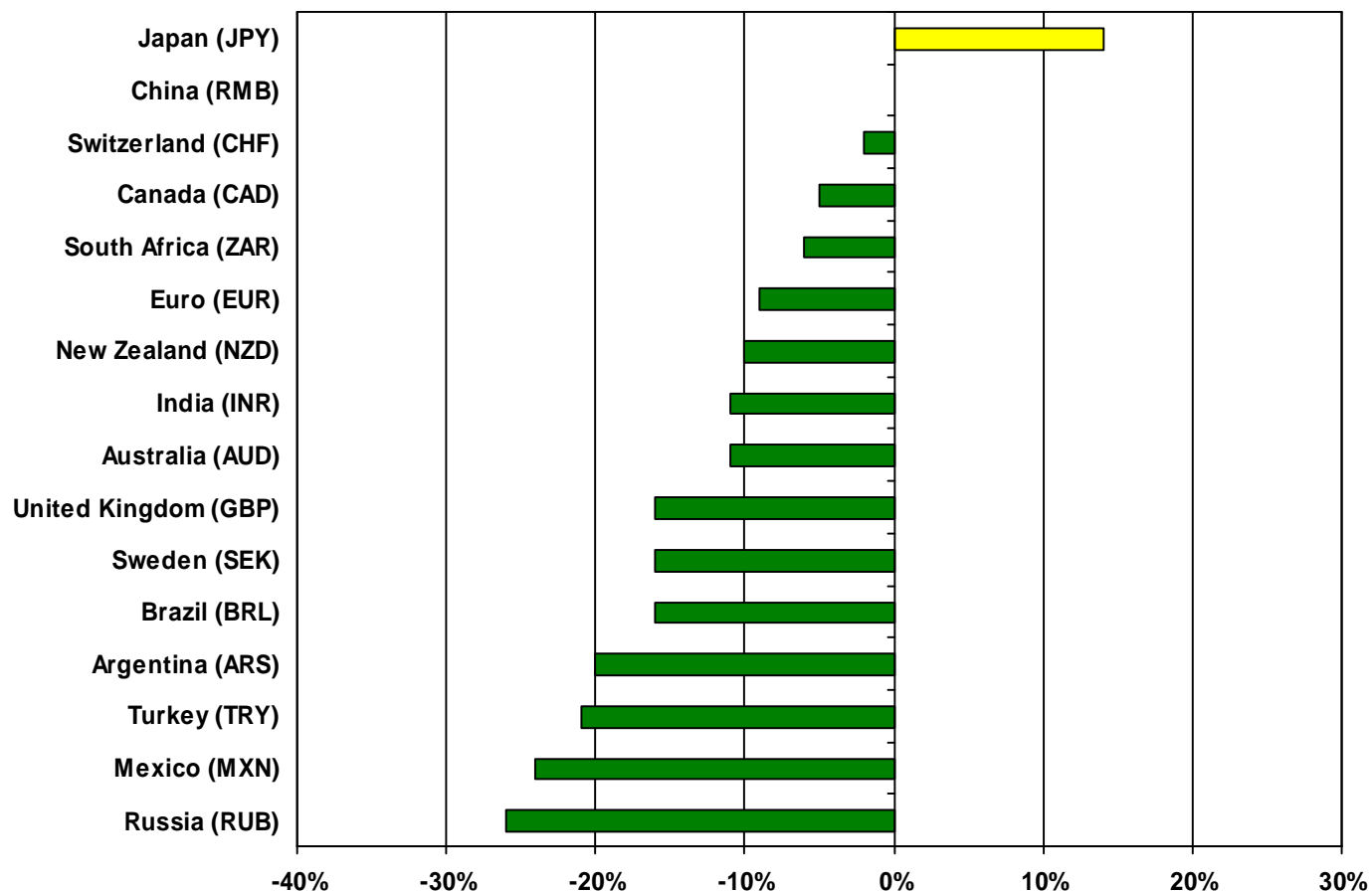
Material Costs and Freight Equipment Operations

- Third Quarter 2009
 - Flat vs. Q3 2008

- Fiscal Year 2009 Forecast
 - Up ~ \$300 million vs. FY 2008
 - By division
 - Agriculture & Turf ~ \$250 million
 - Construction & Forestry ~ \$ 50 million
 - No change from previous forecast

Deere & Company Forecast as of 19 August 2009 (Previous Forecast as of 20 May 2009)

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



*Based on daily closing rates from Reuters

Research & Development Expense Equipment Operations

- Third Quarter 2009
 - Up ~ 2% vs. Q3 2008
 - Currency translation ~ (3) points
- Fiscal Year 2009 Forecast
 - Up ~ 5% vs. FY 2008
 - Currency translation ~ (2) points
 - Previous forecast up ~ 2%

Deere & Company Forecast as of 19 August 2009 (Previous Forecast as of 20 May 2009)

Selling, Administrative & General Expense Equipment Operations

- Third Quarter 2009
 - Down ~ 18% vs. Q3 2008
 - Global growth initiatives: ~ 2 points
 - Variable incentive compensation ~ (9) points
 - Currency translation ~ (3) points
 - All other expenses ~ (8) points
- Fiscal Year 2009 Forecast
 - Down ~ 9% vs. FY 2008
 - Global growth initiatives ~ 2 points
 - Variable incentive compensation ~ (6) points
 - Currency translation ~ (2) points
 - All other expenses ~ (3) points
 - Previous forecast down ~ 10% vs. FY 2008

Deere & Company Forecast as of 19 August 2009 (Previous Forecast as of 20 May 2009)

Tax Rate

Equipment Operations

- Third Quarter 2009
 - Effective tax rate of ~ 22%
 - Discrete items
- Fiscal Year 2009 Forecast
 - Assumes tax rate of ~ 27%
 - Previous forecast ~ 31%

Deere & Company Forecast as of 19 August 2009 (Previous Forecast as of 20 May 2009)

Other Information

Fiscal Year 2009 Forecast

- Equipment Operations
 - Capital Expenditures ~ \$800 million
 - No change from previous forecast
 - Depreciation and Amortization ~ \$525 million
 - Previous forecast ~ \$500 million
 - Pension/OPEB Contributions ~ \$340 million
 - Previous forecast ~ \$185 million
- Financial Services
 - Capital Expenditures
 - ~ \$80 million, primarily Wind
 - Previous forecast ~ \$100 million, primarily Wind

Deere & Company Forecast as of 19 August 2009 (Previous Forecast as of 20 May 2009)

Appendix

Supplemental Information

A&T Net Sales and Operating Profit (Loss)

The information below is historical, and is presented for informational purposes only. At the beginning of the third quarter of 2009, the Company combined the agricultural equipment and the commercial and consumer equipment organizations. As a result, these two segments have been combined into the agriculture and turf segment.

(in millions of dollars)

	Net Sales			Operating Profit (Loss)		
	Ag*	C&CE*	Total	Ag*	C&CE*	Total
2009 Q1	\$ 3,261	\$ 558	\$ 3,819	\$ 348	\$ (59)	\$ 289
Q2	\$ 4,498	\$ 1,089	\$ 5,587	\$ 635	\$ 68	\$ 703
2008 Q1	\$ 2,758	\$ 743	\$ 3,501	\$ 332	\$ 8	\$ 340
Q2	\$ 4,700	\$ 1,424	\$ 6,124	\$ 782	\$ 154	\$ 936
Q3	\$ 4,544	\$ 1,332	\$ 5,876	\$ 634	\$ 91	\$ 725
Q4	\$ 4,570	\$ 915	\$ 5,485	\$ 476	\$ (16)	\$ 460
	\$ 16,572	\$ 4,413	\$ 20,985	\$ 2,224	\$ 237	\$ 2,461
2007 Q1	\$ 2,081	\$ 641	\$ 2,722	\$ 137	\$ 38	\$ 175
Q2	\$ 3,498	\$ 1,318	\$ 4,816	\$ 487	\$ 150	\$ 637
Q3	\$ 3,355	\$ 1,346	\$ 4,701	\$ 431	\$ 127	\$ 558
Q4	\$ 3,188	\$ 1,027	\$ 4,215	\$ 388	\$ (11)	\$ 377
	\$ 12,121	\$ 4,333	\$ 16,454	\$ 1,443	\$ 304	\$ 1,747
2006 Q1	\$ 1,894	\$ 628	\$ 2,522	\$ 106	\$ 19	\$ 125
Q2	\$ 3,068	\$ 1,319	\$ 4,387	\$ 385	\$ 127	\$ 512
Q3	\$ 2,899	\$ 1,171	\$ 4,070	\$ 249	\$ 78	\$ 327
Q4	\$ 2,370	\$ 758	\$ 3,128	\$ 143	\$ (3)	\$ 140
	\$ 10,232	\$ 3,877	\$ 14,109	\$ 882	\$ 221	\$ 1,103

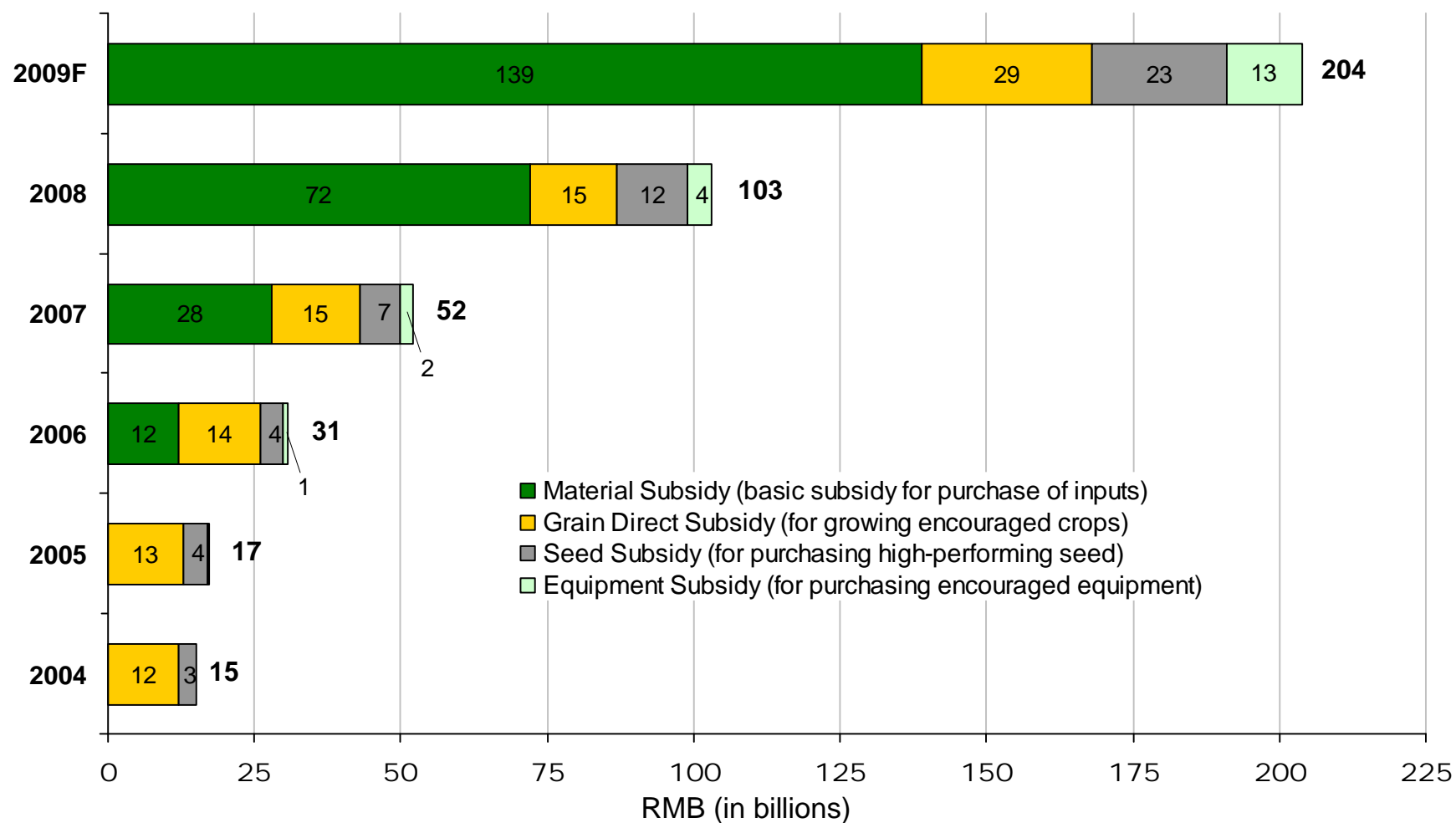
*Information from previous company SEC filings

U.S. Net Farm Cash Income

<i>(in billions of dollars)</i>	2007	Previous 2007	2008	Previous 2008	2009 Forecast	Previous 2009	2010 Forecast	Previous 2010
Total Cash Receipts	300.6	296.8	336.6	334.0	298.0	303.3	309.3	315.9
Other Cash Income	16.3	16.6	19.8	17.7	18.0	18.0	18.8	18.8
Gross Cash Income	316.9	313.4	356.4	351.7	316.0	321.3	328.1	334.7
Cash Expenses	(238.5)	(226.0)	(258.7)	(260.9)	(246.8)	(246.7)	(252.0)	(249.0)
Net Cash Income	78.4	87.4	97.7	90.8	69.2	74.6	76.1	85.7

Deere & Company Forecast as of 19 August 2009 (Previous Forecast as of 20 May 2009)

Government Support of Agriculture China



Source: China Ministry of Agriculture

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 July 2009 period ending shares: 422.9 million

FY2009	Shares Repurchased (in millions)	Total \$ Amount (in billions)
Q1	0.0	\$0.0
Q2	0.0	\$0.0
Q3	0.0	\$0.0
Q4		
Total	0.0	\$0.0

Actual	Shares Repurchased* (in millions)	Total \$ Amount (in billions)
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 fourth quarter 2009 conference call
is scheduled for 9:00 a.m. central time
on Wednesday, November 25, 2009**



JOHN DEERE