

DEERE & COMPANY

STATEMENT OF CONSOLIDATED INCOME

For the Years Ended October 29, 2017, October 30, 2016, and November 1, 2015

(In millions of dollars)

	2017	2016	2015
Net Sales and Revenues			
Net sales	\$25,885.1	\$23,387.3	\$25,775.2
Finance and interest income	2,731.5	2,511.2	2,381.1
Other income	1,121.1	745.5	706.5
Total	29,737.7	26,644.0	28,862.8
Costs and Expenses			
Cost of sales	19,933.5	18,248.9	20,143.2
Research and development expenses	1,367.7	1,389.1	1,425.1
Selling, administrative and general expenses	3,066.6	2,763.7	2,873.3
Interest expense	899.5	763.7	680.0
Other operating expenses	1,316.6	1,254.6	961.1
Total	26,583.9	24,420.0	26,082.7
Income of Consolidated Group before Income Taxes	3,153.8	2,224.0	2,780.1
Provision for income taxes	971.1	700.1	840.1
Income of Consolidated Group	2,182.7	1,523.9	1,940.0
Equity in income (loss) of unconsolidated affiliates	(23.5)	(2.4)	.9
Net Income	2,159.2	1,521.5	1,940.9
Less: Net income (loss) attributable to noncontrolling interests1	(2.4)	.9
Net Income Attributable to Deere & Company	\$ 2,159.1	\$ 1,523.9	\$ 1,940.0
Per Share Data			
Basic	\$ 6.76	\$ 4.83	\$ 5.81
Diluted	\$ 6.68	\$ 4.81	\$ 5.77
Dividends declared	\$ 2.40	\$ 2.40	\$ 2.40
Average Shares Outstanding			
Basic	319.5	315.2	333.6
Diluted	323.3	316.6	336.0

The notes to consolidated financial statements are an integral part of this statement.

DEERE & COMPANY
CONSOLIDATED BALANCE SHEET
As of October 29, 2017 and October 30, 2016
(In millions of dollars except per share amounts)

	2017	2016
ASSETS		
Cash and cash equivalents	\$ 9,334.9	\$ 4,335.8
Marketable securities	451.6	453.5
Receivables from unconsolidated affiliates	35.9	16.5
Trade accounts and notes receivable – net	3,924.9	3,011.3
Financing receivables – net	25,104.1	23,702.3
Financing receivables securitized – net	4,158.8	5,126.5
Other receivables	1,200.0	1,018.5
Equipment on operating leases – net	6,593.7	5,901.5
Inventories	3,904.1	3,340.5
Property and equipment – net	5,067.7	5,170.6
Investments in unconsolidated affiliates	182.5	232.6
Goodwill	1,033.3	815.7
Other intangible assets – net	218.0	104.1
Retirement benefits	538.2	93.6
Deferred income taxes	2,415.0	2,964.4
Other assets	1,623.6	1,631.1
Total Assets	\$ 65,786.3	\$ 57,918.5
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Short-term borrowings	\$ 10,035.3	\$ 6,910.7
Short-term securitization borrowings	4,118.7	4,997.8
Payables to unconsolidated affiliates	121.9	81.6
Accounts payable and accrued expenses	8,417.0	7,240.1
Deferred income taxes	209.7	166.0
Long-term borrowings	25,891.3	23,703.0
Retirement benefits and other liabilities	7,417.9	8,274.5
Total liabilities	56,211.8	51,373.7
Commitments and contingencies (Note 22)		
Redeemable noncontrolling interest (Note 4)	14.0	14.0
STOCKHOLDERS' EQUITY		
Common stock, \$1 par value (authorized – 1,200,000,000 shares; issued – 536,431,204 shares in 2017 and 2016), at paid-in amount	4,280.5	3,911.8
Common stock in treasury, 214,589,902 shares in 2017 and 221,663,380 shares in 2016, at cost	(15,460.8)	(15,677.1)
Retained earnings	25,301.3	23,911.3
Accumulated other comprehensive income (loss)	(4,563.7)	(5,626.0)
Total Deere & Company stockholders' equity	9,557.3	6,520.0
Noncontrolling interests	3.2	10.8
Total stockholders' equity	9,560.5	6,530.8
Total Liabilities and Stockholders' Equity	\$ 65,786.3	\$ 57,918.5

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DEERE & COMPANY

STATEMENT OF CONSOLIDATED CASH FLOWS

For the Years Ended October 29, 2017, October 30, 2016, and November 1, 2015

(In millions of dollars)

	2017	2016	2015
Cash Flows from Operating Activities			
Net income	\$ 2,159.2	\$ 1,521.5	\$ 1,940.9
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for credit losses	98.3	94.3	55.4
Provision for depreciation and amortization	1,715.5	1,559.8	1,382.4
Impairment charges	39.8	85.1	34.8
Share-based compensation expense	68.1	70.6	66.1
Gain on sale of unconsolidated affiliates and investments	(375.1)	(74.5)	
Undistributed earnings of unconsolidated affiliates	(14.4)	(1.9)	(1.0)
Provision (credit) for deferred income taxes	100.1	282.7	(18.4)
Changes in assets and liabilities:			
Trade, notes and financing receivables related to sales	(838.9)	335.2	811.6
Insurance receivables			333.4
Inventories	(1,305.3)	(106.1)	(691.4)
Accounts payable and accrued expenses	968.0	(155.2)	(503.6)
Accrued income taxes payable/receivable	(84.2)	7.0	(119.1)
Retirement benefits	(31.9)	238.6	427.5
Other	(299.4)	(87.4)	40.2
Net cash provided by operating activities	2,199.8	3,769.7	3,758.8
Cash Flows from Investing Activities			
Collections of receivables (excluding receivables related to sales)	14,671.1	14,611.4	14,919.7
Proceeds from maturities and sales of marketable securities	404.2	169.4	860.7
Proceeds from sales of equipment on operating leases	1,440.8	1,256.2	1,049.4
Proceeds from sales of businesses and unconsolidated affiliates, net of cash sold	113.9	81.1	149.2
Cost of receivables acquired (excluding receivables related to sales)	(15,221.8)	(13,954.5)	(14,996.5)
Purchases of marketable securities	(118.0)	(171.2)	(154.9)
Purchases of property and equipment	(594.9)	(644.4)	(694.0)
Cost of equipment on operating leases acquired	(1,997.4)	(2,310.7)	(2,132.1)
Acquisitions of businesses, net of cash acquired	(284.2)	(198.5)	
Other	(58.0)	(16.0)	(60.2)
Net cash used for investing activities	(1,644.3)	(1,177.2)	(1,058.7)
Cash Flows from Financing Activities			
Increase (decrease) in total short-term borrowings	1,310.6	(1,213.6)	501.6
Proceeds from long-term borrowings	8,702.2	5,070.7	5,711.0
Payments of long-term borrowings	(5,397.0)	(5,267.6)	(4,863.2)
Proceeds from issuance of common stock	528.7	36.0	172.1
Repurchases of common stock	(6.2)	(205.4)	(2,770.7)
Dividends paid	(764.0)	(761.3)	(816.3)
Other	(87.8)	(64.7)	(72.1)
Net cash provided by (used for) financing activities	4,286.5	(2,405.9)	(2,137.6)
Effect of Exchange Rate Changes on Cash and Cash Equivalents	157.1	(13.0)	(187.3)
Net Increase in Cash and Cash Equivalents	4,999.1	173.6	375.2
Cash and Cash Equivalents at Beginning of Year	4,335.8	4,162.2	3,787.0
Cash and Cash Equivalents at End of Year	\$ 9,334.9	\$ 4,335.8	\$ 4,162.2

The notes to consolidated financial statements are an integral part of this statement.