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Press Release

Following two acquisitions, John Deere becomes third largest worldwide in agricultural irrigation

Deere & Company recently announced that it has completed the acquisition of Plastro Irrigation Systems, Ltd., headquartered in Israel, to add significant momentum to the growth of John Deere Water Technologies. Terms of the transaction were not disclosed.

Plastro Irrigation was established in Israel in 1966 and is a leading provider of irrigation system components including peripheral equipment; agro-technical consultation, design and planning, installation assistance and training. With operations in France and Spain, Plastro also enjoys a significant presence in Western Europe.

Deere will combine Plastro with its current John Deere Water Technologies operations and T-Systems International, Inc., which Deere acquired in late May. Including the acquisition of Roberts Irrigation Products, Inc. in 2006, these operations will establish John Deere Water Technologies as the third largest agricultural irrigation company in the world.

Michael McGrady, president of John Deere Water Technologies, said: "Precision irrigation will help the world meet its demand for increased productivity from agriculture. The world's population growth, demand for improved nutrition globally, and increased interest in renewable fuels all require much more precision in the management of the world's fresh water and arable land."

"Since water conservation and supply is becoming increasingly critical, globally, these acquisitions are important steps in alignment with the company's strategy of disciplined SVA growth", noted Mark von Pentz, President of John Deere's Agriculture Division for Europe, Africa and South America. "Only one percent of the world's water resources are fresh water, and approximately 70 % of this is consumed by agricultural irrigation. As a key player in the water technology business, long-term, we will be able to integrate these technologies with John Deere's intelligent solutions, an array of GPS based machinery guidance and harvesting documentation systems. This fits well into the megatrend of precision agriculture and the need for maximum yields in a global environment which demands increased food production", added von Pentz. "Especially in dry climatic conditions, this will enable our customers to maximize their crop production potential and to keep input cost under control", noted von Pentz.

John Deere Water Technologies, San Marcos, California, is a manufacturer of high performance plastic micro and drip irrigation products for the agricultural, nursery, landscape, and greenhouse markets and was formed in June of 2006.

Deere & Company (NYSE: DE) is the world's leading provider of advanced products and services for agriculture and forestry and a major provider of advanced products and services for construction, lawn and turf care, landscaping and irrigation. John Deere also provides financial services worldwide and manufactures and markets engines used in heavy equipment.

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