

FORUM

53

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WIRTGEN GROUP
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Special edition



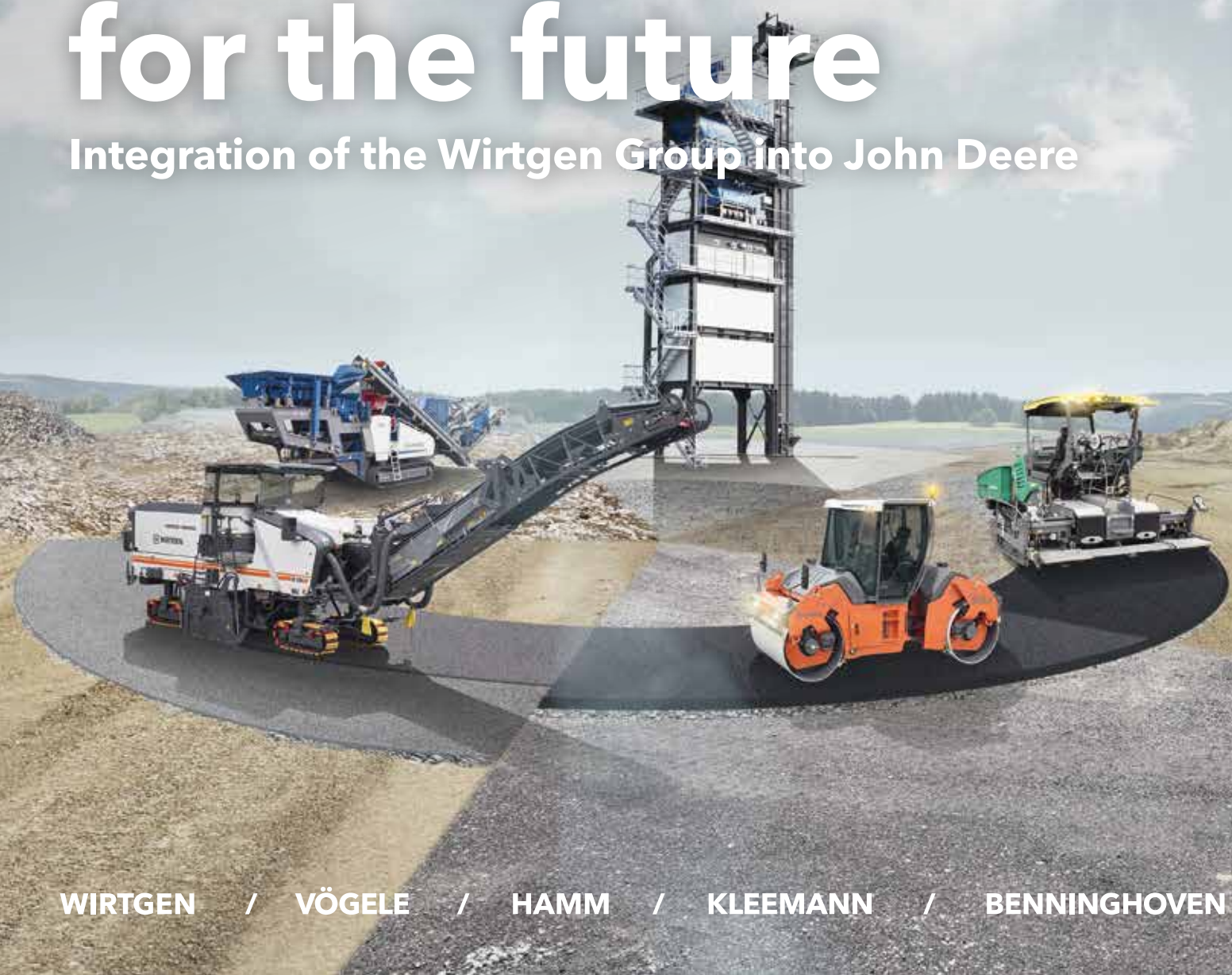
**WIRTGEN
GROUP**



JOHN DEERE

Foundation laid for the future

Integration of the Wirtgen Group into John Deere



WIRTGEN / VÖGELE / HAMM / KLEEMANN / BENNINGHOVEN



“The integration of the Wirtgen Group into John Deere represents a unique opportunity to bring two global market leaders together, providing them with a truly unique position in the global market.”

Dear employees, customers, business partners and friends,

In 2017, we are continuing to build on our outstanding performance of last year. The factories of our five product brands are operating at full speed, the Wirtgen Group's order books are up by 58% compared to the same time last year, and we have again hired new employees at all sites. After our record-breaking year in 2016, when we generated revenues of EUR 2.59 billion, we are now heading for the EUR 3 billion sales mark. It therefore looks like 2017 will also be, by far, the best year in our history, with growth once again in double percentage points.

Sustainable success concept

We owe our dynamic growth to our unique strategic position as the world's leading full-liner for mobile road construction equipment, our clear focus on cutting-edge factories, ongoing innovation, real customer proximity in sales and support, and - most importantly - our highly motivated team, which time and again sets itself ambitious new goals and joins forces to achieve them.

Together, we have become the global market leader in road technologies and, at the same time, established mineral technologies as our second strong area of business, where we can generate additional above-average growth. We achieved this by investing heavily in our factories, in our global sales and service network, in our products, and not least in our team.

Starting from the smallest beginnings, this is how the Wirtgen Group has evolved, gradually outgrowing the structures of a medium-sized enterprise. Today we are a globally operating group of companies with five brand headquarters in Germany, three local production sites in Brazil, China and India, 55 own sales and service companies, and more than 8,000 employees worldwide.

Securing the future

After the sudden death of our father, the two of us took over the management of the company at an early age. Just like him, we have based all of our key decisions on the guiding principle of ensuring a secure and stable future for the Wirtgen Group over the long term. In view of this responsibility, we have been contemplating for some time how to arrange the handover to the next generation, while continuing to honor our responsibility to the employees. After all, it is thanks to their tremendous passion and commitment that the Wirtgen Group has become so successful.

We firmly believe that a company of this size and significance in the market has to be able to make its way into the future independently of a single owner family. This is especially true in our case, because we would hardly be able to hand over the company to our own children, given their young age. We have therefore carefully weighed up all of the options for the future leadership of the Wirtgen Group.

The Wirtgen Group and John Deere: two global market leaders unite

We were therefore looking for a strong and stable partner that not only shares our company's cultural values and practices a similar corporate philosophy, but is also prepared to work with our entire team to continue along our growth path. We also wanted to see a sustainable plan for the future in which our new partner's range of services optimally complements our own, resulting in a new, larger, and even more stable entity with lasting benefits for both sides.

We have found this partner in John Deere, a globally renowned premium manufacturer of construction, agricultural, and forestry machinery, which will completely take over the Wirtgen Group by the end of this year. John Deere is a highly successful company that, like the Wirtgen Group, is characterized by a down-to-earth attitude, mutual respect, and long-term prospects and represents values of quality, passion, innovation, and most importantly customer focus. The integration is a unique opportunity to unite two global market leaders that together have an immense range of complementary products and who will therefore gain an absolutely unique position in the global market. John Deere will continue the Wirtgen Group's long-standing growth course, while retaining all of our product brands.

The next step

The signing of the contract on May 31, 2017, and the public announcement on June 1, 2017, will kick off a regulatory assessment process by antitrust authorities in several countries. This process is likely to be completed by the end of the fourth quarter 2017. There will be no noticeable changes during this time. The two of us will be closely involved in the transition until the year's end, initially passing on operational management to our experienced management team. Once the antitrust authorities have given their approval, the reins will pass to Rainer Otto, Dr. Günter Hähn, and Frank Betzelt under the leadership of John Deere's Domenic Ruccolo.

The Wirtgen Group and John Deere: a shared future

When two partners as strong and experienced as the Wirtgen Group and John Deere unite, brand-new opportunities open up across the board. Both companies can play to their proven strengths and build new ones together. United, they form a wider and more solid foundation for the future than ever before.

The Wirtgen family has led the company for 56 years. Today we strongly believe that we are putting the life's work of two generations in good hands. Although it will be a very difficult and emotional step for us, we will stay closely connected to this unique company with its unique team. We wish all employees of the Wirtgen Group under the umbrella of John Deere a successful future and, above all else, hope that they will always remain as we have come to know them: spirited, passionate and open to the future.

Our warmest wishes,



Stefan Wirtgen



Jürgen Wirtgen



**“John Deere and the Wirtgen Group:
two global market leaders on the path
to a successful future.”**



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FORUM 53 - This special edition is dedicated entirely to the integration of the Wirtgen Group into John Deere.



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Insight

An interview with the managing partners Jürgen and Stefan Wirtgen.

Wirtgen gentlemen: After 20 years as managing partners, you have decided to sell your company to John Deere, which was an unexpected move. What made you take this step?

When you own a company, at some point you have to ask yourself what will happen to that company after you leave, whether you like it or not. After all, we have a responsibility towards our employees. Our children are simply too young to take on that responsibility. By the time one of them is old enough to take over the leadership, the two of us will be at least 75. We simply have to realize that this is unrealistic.

Did money play a part in the decision?

No, it didn't. Of course, you don't pass on your life's work without a great deal of thought. After all, this company has been the focal point for two generations of our family. We've put our heart and soul into it. But what mattered most to us was ensuring that the Wirtgen Group, along with its employees, would be able to endure over the long term, even when we are no longer active.

Did you consider other options?

Yes, we did. But in the end, we came to the conclusion that it would be best for the Wirtgen Group to have a stable owner who knows the business, who understands the needs of the employees and customers, and who is fully committed to the company's long-term success.

How long did the decision process take?

It kept us busy for quite some time. Time and again we weighed up the options and asked ourselves whether our decision would be right for the long term. The specifics then emerged over the last twelve months.

Were there other potential buyers?

Of course. On average we received one offer per year.

So why did you make the decision at this particular time?

Right from the start we ruled out numerous interested parties – companies in our own sector, because we didn't want to sell to competitors, as well as hedge funds and private equity companies, because they couldn't have guaranteed a secure future for the Wirtgen Group. This considerably lowered the number of suitable candidates, and in the end, John Deere was the one company we wanted to consider. Given the requirements, the timing is not a matter of choice. When John Deere approached us about a year ago and we had our first talks, both sides immediately realized that it was a match.

You say you take a long-term perspective. Are the jobs secured in the long term?

Both of us strongly believe that the integration into John Deere will be fruitful over the long term, securing a stable future for all employees. For this reason, John Deere has given its firm assurance of a job guarantee to all Wirtgen Group employees for the coming years.

Will you keep any shares in the company?

No, we won't.

Will the Wirtgen Group and its product brands remain independent?

John Deere will build on the strong name of our five premium brands and on the steadfast loyalty of our customers. As a result, the companies of the Wirtgen Group will continue to be managed independently to a high degree.

Why did John Deere acquire the Wirtgen Group?

With this acquisition, John Deere wants to further expand its construction division, which will make it a leader not only in the agriculture market, but also in road construction. The integration will also enable John Deere to lend a whole new weight to its construction division and to generate additional growth.



Who is going to take your position in the future?

The two of us will stay at the company until the end of the year. During this period, until the transaction is completed at the end of 2017, our management responsibilities will be passed on to our proven management team. This means Mr. Rainer Otto, Dr. Günther Hähn and Mr. Frank Betzelt will have taken over management of the Wirtgen Group by the end of 2017 and, after this period, will be under the leadership of John Deere's Domenic Ruccolo.

In what ways can the Wirtgen Group benefit from John Deere?

When two global market leaders work together, the positive effects can be enormous. New opportunities will open up in every field. The product lines of the two companies complement each other perfectly, which will lead to an unprecedented range of customer solutions as well as access to new markets, new groups of customers, and completely new opportunities for collaboration. Take for example the important topic of customer financing, where John Deere has a very strong international position through its own financing company John Deere Finance. In this respect, the Wirtgen Group will benefit especially in markets where our current partner Deutsche Leasing is not yet present.

How has your team reacted so far?

At first, such an unexpected piece of news causes a sense of dismay. That's not surprising, given the fact that we've worked together for so many years. Everyone is influenced by emotions in such moments. But ultimately the entire team has responded, as always, with open-mindedness and courage, and by looking ahead to the future.

How do you see the future of the Wirtgen Group with John Deere?

The path of growth will continue. Anything else would be completely illogical. In the medium term, the Wirtgen Group will generate EUR 4 billion of annual revenue. Thanks to the integration into John Deere, we're now a global leader in the manufacture of construction machines, not only in terms of market shares, but also in terms of overall company size. Considering that we started out with just one concrete crusher, our "Klöppler," that's truly incredible.



Can you tell us about the bonus you are planning to pay to the employees?

We're both well aware that not everyone has the opportunity to work with such committed employees to build something as unique as the Wirtgen Group. We're thankful for this, and it's especially important to us to thank each one individually for contributing to our shared success with passion, commitment, heart and soul. At the end of this year, we're therefore going to provide a gross amount in the triple-digit million range, which will be distributed among all 8,000 employees of the Wirtgen Group.

Finally, do you have any advice for your employees?

Both of us have said in our speeches that we're of the opinion that we have the best team in the industry. We believe this wholeheartedly. So our advice is simply: stay as you are. The company has already changed several times - from a transport business to a service provider, then to a machine manufacturer, and finally to a successful global group. We achieved all this together because the entire team was always ready for something new and pitched in with conviction. We're both immensely thankful for this and are absolutely certain that this step will drive our company forward and open up new opportunities to all employees.

What do the Wirtgen Group and John Deere already have in common?

Both companies are global market leaders and 100% focused on a partnership of trust with their customers. Our guiding principle, "Close to our customers," will therefore be upheld, while the Wirtgen Group customers will remain the focal point of our team's thoughts and activities. That's extremely important to us.

What are your own priorities now?

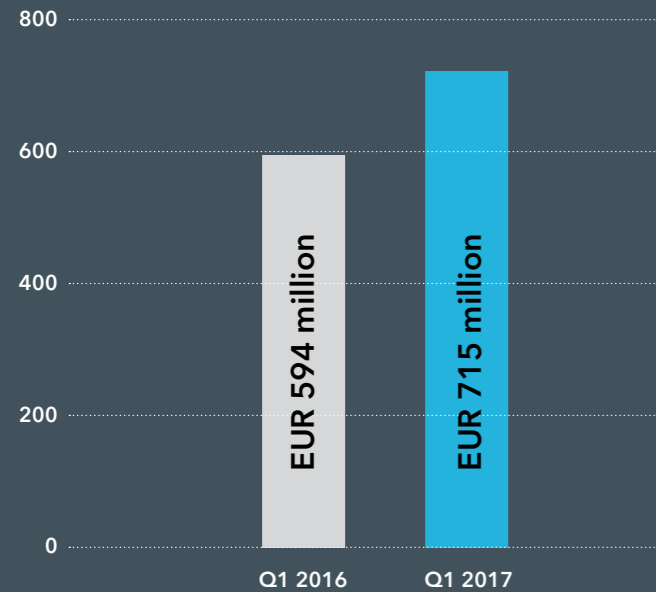
First we'll ensure an orderly transition. That's our top priority. Then it will be important to gain some distance. We'd like to catch up on many things we didn't have time for in the past. Family is first on the list. And of course, we also want to support our mother in continuing her life's work, the charity group "Kinder in Not," a foundation for children in need.

Are you going to stay in the region?

Yes, we are. This is our home; this is where we have our roots. That won't change.

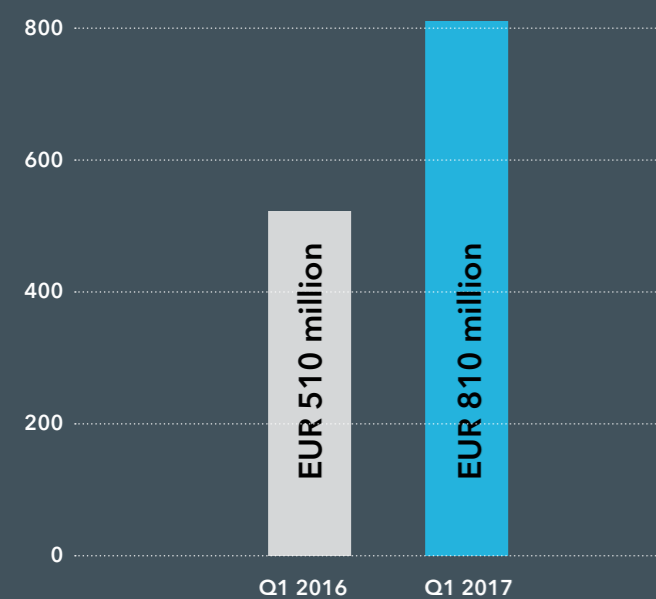
Successful business performance

The Wirtgen Group in figures



Sales in the 1st quarter

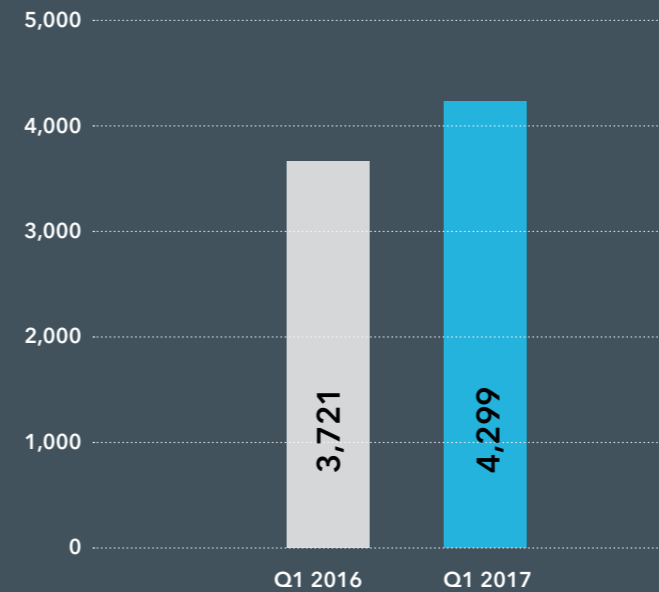
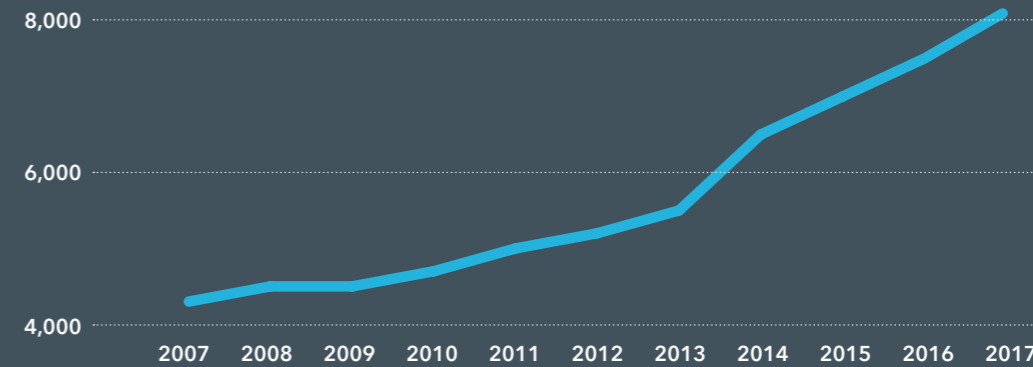
+ 20.4 %



Volume of orders in the 1st quarter

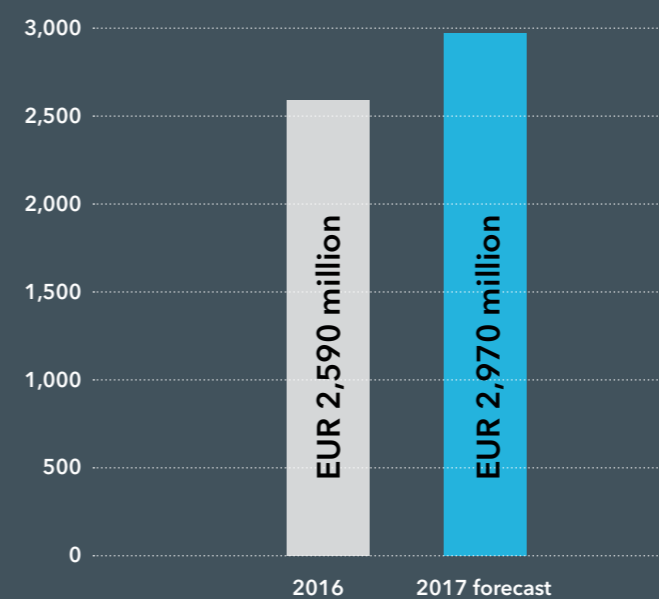
+ 58.8 %

Development of employee numbers



Machines produced in the 1st quarter

+ 15.5 %



Annual sales

+ 14.7 %

Stable foundation for the future

Investments in the brand headquarters of Wirtgen, Vögele and Hamm.



Wirtgen GmbH, Windhagen:

Company grounds: 380,000 m²
1,600 employees
64 machine types

Investments:

- › Expansion of the company grounds by 90,000 m² to increase production capacities and build a training center
- › Investment volume EUR > 90 million



Joseph Vögele AG, Ludwigshafen:

Company grounds: 379,000 m²
1,000 employees
36 machine types/9 screed types

Investments:

- › Construction of a new dispatchment facility
- › Construction of new employee car parks
- › Investment in modern production facilities
- › Investment volume EUR > 20 million



01

Hamm AG, Tirschenreuth:

Company grounds: 353,000 m²
900 employees
170 machine types

Investments:

- › Setup of a new indexing conveyor and additional assembly stations
- › Construction of a new 12,000 m² logistics center
- › Expansion of the spare parts warehouse by 60%
- › Expansion of the drum factory by 3,600 m²
- › Construction of a 2,000 m² facility for training courses
- › Construction of a second permanent track for testing prototypes
- › Investment volume EUR > 30 million



02



03

01 In late 2015, Hamm set itself the goal of expanding production capacities to 12,000 rollers a year in order to meet the consistently high demand for Hamm asphalt and soil rollers.

02 With the commissioning of the second permanent test track, there will be, among other things, a zone for endurance tests for the articulated joint used in soil rollers, a double jump panel, an individually configurable bumpy track for tandem rollers and an additional vibration area.

03 Once the warehouse is fully stocked, it will hold nearly 15,000 different parts from approximately 760 different suppliers.

Unique growth opportunities

Investments in the brand headquarters of Kleemann and Benninghoven.



Kleemann GmbH, Göppingen:

Company grounds: 150,000 m²
 480 employees
 45 machine types

Investments:

- › Expanding the company grounds by 80,000 m² will make it possible to double production capacities
- › Expanding logistics and the assembly facilities
- › Investment volume EUR > 50 million



01



02

Benninghoven GmbH & Co. KG, Mülheim an der Mosel/Wittlich:

Company grounds: 153,000 m²
 700 employees
 18 system and machine types

Investments:

- › Construction of a brand-new factory in Wittlich
- › A 60,000 m² production and logistics facility and a 12,000 m² administration building are being built on company grounds measuring 310,000 m²
- › Investment volume EUR > 130 million



03



04



05

01 The new Benninghoven factory in Wittlich is currently being built on grounds measuring an impressive 310,000 m².
 02 Benninghoven's existing factory in Mülheim.
 03 Groundbreaking ceremony for Benninghoven's new brand headquarters in Wittlich-Wengerohr.
 04 The people involved in the cornerstone laying ceremony (left to right): Mayor Joachim Rodenkirch, Dr. Martin Kühn - Executive Director of Benninghoven, Oliver Fich - Head of the new Benninghoven factory project, Elmar Egli - Executive Director of Benninghoven.
 05 Working together to stabilize the ground: Wirtgen soil stabilizers and Hamm soil rollers creating the weight-bearing foundation for the new factory.

Full speed ahead in the markets of the future

Our cutting-edge production facilities around the world.

Langfang, China

- › Company grounds: 200,000 m²
- › Production of Wirtgen milling machines, Vögele pavers and Hamm rollers just outside Beijing
- › Center for Training and Technology (CTT) measuring more than 2,000 m²
- › More than ten sales and service centers throughout the country
- › Exceptional customer support with high spare part availability



01 Assembly of the cold milling machine W 215
 02 Production facility in Langfang, China



02

Pune, India

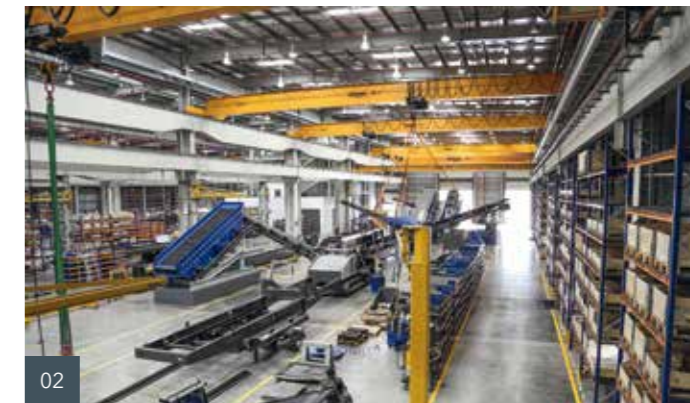
- › Production of Vögele pavers and Hamm rollers for the local market as well as Kleemann screening plants
- › Large sales and service center with spare part warehouse and training center
- › Seven sales and service centers throughout the country

Investments:

- › Construction of a new production facility for screening systems in 2016
- › Production of four different Kleemann screening systems
- › Production of customized Vögele paver for the Indian market



01



02



03

01 Production facility in Pune, India.
 02 New production line for Kleemann screening systems.
 03 Vögele's new Super 1400 paver.



01

Porto Alegre, Brazil

- › Production of Wirtgen milling machines, Vögele pavers and Hamm rollers
- › Production of asphalt plants (Group brand Ciber)
- › Exceptional customer support with high spare part availability
- › 25% increase in R&D investment



02

01 Ciber, Porto Alegre, Brazil
 02 Ciber's new iNOVA 2000 mobile asphalt plant

Gaining ground with new subsidiaries around the world

55
Group-owned sales and service subsidiaries

100
Group branches

150
authorized dealers



USA: Capacity doubled for customer training courses at the CTT in Nashville.



Brazil: New Wirtgen Brazil branches reinforce the sales and service network in Brazil.



South Africa: The Wirtgen South Africa team moved into the new 20,000 m² building in 2016.



Norway: Well positioned in the new subsidiary.



UK: New building for the Winthorpe subsidiary. Completion scheduled for summer 2018.



France: Two are better than one. Second branch in France near Lyon.



Lithuania: More space for all five Wirtgen Group brands in the new Wirtgen Lithuania offices.



China: Creation of a new subsidiary in Taicang near Shanghai. Scheduled to open in September 2017.



China again: An additional service and distribution center will open in Foshan near Guangzhou in mid-2018.



Germany: Two training rooms, four large repair shops, the only recently occupied 22,000 m² site for the service and distribution subsidiary Wirtgen Windhagen.



Malaysia: Close to our customers in Malaysia with brand-new offices.



Thailand: Inauguration of the subsidiary's new building in spring 2016.



Bulgaria: Under construction: The new expanded subsidiary will open its doors in fall 2017.



Australia: Significant investment in customer proximity - in both road and mineral technologies.

Advancing into the future with continuity

The Wirtgen brothers will be intensively involved in the transition process up through the end of 2017, at which time they'll hand over the reins to the proven management team. As of 2018, this team will be responsible for leading the Wirtgen Group in collaboration with the management teams of the brand headquarters and subsidiaries around the world, all under the leadership of Domenic Ruccolo of John Deere.



Rainer Otto:

"By incorporating two financially stable companies, we've created a strong, joint foundation on which to advance into the future. On this basis, we are able to systematically carry out the new growth strategy together with the whole team."

Born in 1957, Rainer Otto has been with the company since 1997. He has been Executive Director of the Wirtgen Group Holding since 2003 and has the authority to issue guidelines on accounting. He is responsible for corporate audit, controlling, tax, legal, compliance and insurance.



Dr. Günter Hähn:

"With John Deere, we now have a partner on an equal footing that's already setting benchmarks in a whole host of forward-looking areas such as telematics. I'm confident that our collaboration with the John Deere experts will secure our leading role in technology over the long term."

Born in 1957, Dr. Günter Hähn has been with the company since 1992 and was appointed Executive Director in 1996, responsible for R&D, production, purchasing, IT and processes, and quality.



Frank Betzelt:

"The sales and service structures of the Wirtgen Group and John Deere complement each other perfectly. Together we'll be even closer to our customers in the future, offering customer-oriented solutions with an even wider range of products and services."

Born in 1968, Frank Betzelt has been with the company since 2005 and was appointed Executive Director in 2015, responsible for sales and customer support.



Our roots run deep

For 180 years, John Deere has been committed to the core values of our founder whose name we bear. We are excited to join forces with the Wirtgen Group and deepen our pursuit of integrity, quality, commitment and innovation.

John Deere and the Wirtgen Group join forces to make a powerful team

In 1837, a blacksmith named John Deere crafted a steel plow that made farming in the clay-like soil of the U.S. Midwest easier and more productive. His work laid the foundation for an iconic American company that now employs approximately 60,000 people around the world.

On June 1, 2017, Deere & Company and the Wirtgen Group announced they would join forces in the construction equipment industry with Deere acquiring the Wirtgen Group and its premium brands in the road construction industry.

In this interview, Max Guinn, President of John Deere's Worldwide Construction & Forestry division, and Domenic Ruccolo, Senior Vice President of Sales and Marketing for the division, talk about the transaction and what it means for employees, the Wirtgen Group and John Deere.

Isn't John Deere mainly a farm equipment company?

Guinn: Deere is certainly well known for its farm equipment but we also are a leader in construction equipment, a business we have been in for more than 60 years. Deere & Company is a publicly-owned company that provides products and services in agriculture, construction, forestry and turf care. Joining forces with the Wirtgen Group strengthens our position in construction equipment.

How did this transaction come about?

Guinn: Deere has respected the Wirtgen Group for a long time. The Wirtgen Group's products and employees have a superb reputation and strong customer relationships. This is similar to John Deere. We have been interested in the Wirtgen Group for years and when the Wirtgen family was interested in finding a partner and ensuring a continued future for the Wirtgen Group, we came together immediately. We believe our companies have similar values and both want to serve customers with high quality products in the heavy equipment industry.

"The Wirtgen Group's products and employees have a superb reputation and strong customer relationships. This is similar to John Deere."



01

Will all of our equipment now be branded as John Deere?

Ruccolo: The employees of the Wirtgen Group have worked very hard for many years to earn customer loyalty to the premium brands that are part of the company. Deere plans to maintain the Wirtgen Group's existing brands, management, manufacturing footprint, employees and distribution network.

How does the Wirtgen Group fit into John Deere's organization?

Guinn: The Wirtgen Group will be part of Deere's Worldwide Construction & Forestry division but it will continue to operate much as it does today. By joining forces with the Wirtgen Group, Deere is showing a significant commitment to the road construction business. The Wirtgen Group's leadership of this industry segment has been well earned through its high quality products and exceptional customer service.

What can I expect as an employee of John Deere?

Ruccolo: John Deere employees work at a company that is still committed to the core values of the founder, John Deere. These values of integrity, quality, commitment and innovation are important to the way we do business. We believe the Wirtgen Group is very similar in this regard.

Guinn: One way to determine more about John Deere is to look at the many organizations that recognize Deere each year. For instance, in 2016, John Deere was listed as a Top Employer in Germany by Focus Magazine, as one of the World's Top 50 Most

Admired Companies by Fortune magazine and as one of the World's Most Ethical Companies by the Ethisphere Institute. Also in 2016, Deere earned recognition as one of America's Best Employers and as a Top Employer in Spain, Canada and Brazil.

01 Deere & Company senior leadership team shown with 9620 RX tractor at company headquarters in Moline, Illinois. From left to right: Jim Field, Mark von Pentz, John May, Cory Reed, Mary Jones, Jean Gilles, Sam Allen, Marc Howze, Max Guinn and Raj Kalathur.

Has Deere been successful with acquisitions such as this one?

Guinn: It's interesting to note that Deere has had a few large, impactful acquisitions in our history, in addition to growing our business organically. This is similar to the success of the Wirtgen Group. Nearly 100 years ago, John Deere was in the plow business and made a decision to buy a company that was producing farm tractors. Those gasoline-powered tractors were new to the market then but that was certainly a great decision as John Deere now is the world's largest manufacturer of equipment for agriculture.

Ruccolo: In the Construction & Forestry division, Deere acquired Timberjack nearly 20 years ago and that made Deere the world's largest manufacturer of forest harvesting equipment - another important heavy equipment segment.

How will the Wirtgen Group benefit from joining forces with John Deere?

Guinn: The Wirtgen Group is a high-quality business with exceptional intellectual property, engineering, manufacturing, customer support and brand image. Opportunities to join forces with a significant market-leading company are not common. There are opportunities for the combined company to benefit from the purchasing of direct materials such as steel, investment in research and development, and in other areas such as machine technologies and enhanced operations.

Ruccolo: It is rare that two companies can join forces and not have any product overlap. While John Deere makes earth moving equipment that is used on road construction work sites, the Wirtgen Group completes the process in this segment of the overall construction industry with a full line of products for road construction. Deere considers construction equipment to be one of its two global growth businesses so it is a natural fit to add a highly complementary business to our existing Construction & Forestry division.

Does John Deere have other operations in Germany?

Ruccolo: In 1956, Deere acquired a controlling interest in a German-based farm equipment company by the name of Heinrich Lanz AG. Deere's European headquarters are now in Mannheim, where we also manufacture farm tractors. In addition, John Deere has facilities in Bruchsal, Stadtlohn and Zweibruecken.



Max A. Guinn
President, Worldwide Construction & Forestry



Domenic G. Ruccolo
Senior Vice President, Worldwide Construction & Forestry

What does this transaction mean for employees at the Wirtgen Group?

Guinn: Deere plans to maintain the Wirtgen Group's existing brands, management, manufacturing footprint, employees, and distribution network. The combined business is expected to benefit from sharing best practices in distribution, manufacturing and technology as well as in scale and efficiency of operations. The existing employees are critical to the ongoing success of the Wirtgen Group for Deere as there is significant expertise within the current organization. The Wirtgen Group has been successful through customer responsiveness and quality products. We don't want that to change.

What does all this mean for my job?

Guinn: No changes in employment are planned. We recognize the Wirtgen Group has seen great success due to the hard work and dedication of its employees. This is critical to the continuing success going forward. John Deere takes pride in maintaining a workplace where employees develop and grow in their skills, knowledge and careers.

Do you have a vision for the future in this industry?

Ruccolo: Spending in the area of transportation infrastructure is expected to continue growing all around the world. In fact, it is likely that it will grow faster than the construction industry overall. Deere's strategic plan is driven by several macro trends and one of them is the rapid urbanization that is taking place worldwide. As the Wirtgen Group and John Deere join forces, we will be well positioned to help meet the need for contractors building and rehabilitating highways, roads and other construction projects.

Guinn: For 180 years, John Deere has played an essential role in serving customers in a growing, more prosperous world. The broad trends of population and income growth, especially in developing nations, drive a need for more agricultural output and infrastructure investment. We believe John Deere and its customers, employees and dealers are well-positioned to help meet these needs.

Who will lead the Wirtgen Group business following the acquisition?

Ruccolo: I am honored to join with several of your colleagues in this leadership effort. This leadership team will include Rainer Otto, Dr. Günter Hähn and Frank Betzelt. Together with the existing Management Team in the brand headquarters and the subsidiaries we'll work to continue the outstanding success story of the Wirtgen Group.



Deere & Company is driven by core values

Company was founded 180 years ago.

John Deere is a world leader in providing products and services for customers whose work is linked to the land – farmers, ranchers, builders, loggers and landowners. The equipment and services designed and built by Deere employees around the globe help customers meet the world’s increasing need for food, fuel, shelter and infrastructure.

In the current decade, Deere & Company has delivered record financial performance for several years and then experienced market conditions that were at historically low levels in many product lines. Through it all, the durable business model that Deere has built continued to deliver solid financial results while serving customers with technology and innovation while making investments in products and markets for the future.

Deere & Company is a world leader in providing advanced products and services for agriculture, construction, forestry and turf care. The company also provides financial services worldwide and manufactures and markets engines used in heavy equipment.

The values on which John Deere founded the company 180 years ago have not changed as Deere has become a world leader in heavy equipment. The heritage of integrity, quality, commitment and innovation are values that remain a focus for John Deere’s employees around the globe.

At John Deere, a focus on serving those linked to the land helps improve the quality of life of millions of people around the world and address the enormous challenges of feeding a population expected to increase by a few billion people and constructing the infrastructure required to support increased urbanization. This is exactly why Deere considers its two global growth businesses as agriculture and construction – operations that are uniquely positioned to respond to today’s powerful macroeconomic trends.

The Deere & Company World Headquarters are in Moline, Illinois in the U.S. Deere sells products in more than 130 countries worldwide, employs more than 57,000 people, and has operations on six continents.

Facts about John Deere

- › USD 31 million in global charity
- › 800,000 unique part numbers
- › 75% waste recycling goal
- › 11th consecutive year as one of the World’s Most Ethical Companies

Deere gains recognition for workplace, ethics, brand and technology

Each year, Deere & Company is recognized by a variety of organizations. In 2016, Deere earned the following key recognition:



World's Top 50 Most Admired Companies
Fortune magazine

Top 100 Global Brands
Interbrand

World's Most Ethical Companies
Ethisphere Institute

America's Best Employers
Forbes magazine

Just 100: America's Top 100 Corporate Citizens
Forbes magazine, Just Capital

Winning "W" Company
2020 Women on Boards

Top Employers in Germany
Magazin Focus

Top Employers in Spain
Top Employers Institute

Top 10 Brand
YouGov Brand Index Consumer Advocacy

Canada's Best Employers
Forbes magazine

Great Place to Work in Brazil
Great Place to Work Institute, Época magazine

U.S. President's Volunteer Service Award
Junior Achievement USA

Best Working Mother Companies in Mexico
Working Mothers Mexico Institute

Top 100 Most Family-Friendly Employers in Germany -
Zeitschrift Freundin und Arbeitgeber-Bewertungsplattform kununu

Ag Technology Company of the Year
Technology Association of Iowa



Since 1948, the John Deere Foundation has provided over USD 250 million in grants worldwide to support solutions for world hunger, youth education and economically vibrant home communities. John Deere volunteered 160,000 hours in 2016, bolstering the company's commitment to our communities and the world.



Deere is on the move in construction and forestry

John Deere is the world's leading manufacturer of forestry equipment and a leading producer of construction equipment. The Construction & Forestry division manufactures and distributes a broad range of machines used in construction, public works, earthmoving, material-handling and timber-harvesting. Major products include articulated dump trucks, crawler dozers and loaders, backhoe loaders, four-wheel-drive loaders, excavators, motor graders, skid-steer loaders, and timber harvesters, feller bunchers, forwarders, skidders and loaders.

Society around the world is becoming more mobile and increasingly is moving to urban areas. By 2050, nearly 70% of the world's population is expected to be living in cities. This larger population will require the construction of more housing, roads, bridges and other infrastructure.

Deere's Worldwide Construction & Forestry division was established in the 1950s and was originally named the Industrial Equipment Division. In late 1957 and early 1958, John Deere appointed its first dealers responsible for selling construction equipment exclusively. Today, John Deere construction and forestry products are distributed through a network of more than 600 dealer locations worldwide.



John Deere construction equipment is used in numerous types of earthmoving, including road building, underground utilities, site development and residential construction, and in material handling, road repair and maintenance. John Deere forestry equipment is used in full-tree and cut-to-length harvesting operations and in mill yards.

John Deere has an important, long-standing strategic alliance with Hitachi Construction Machinery. In 1988, Deere-Hitachi Construction Machinery Corporation was formed. John Deere hydraulic excavators are produced by Deere-Hitachi Construction Machinery Corporation in Kernersville, North Carolina, for distribution in the Americas.

Deere has invested in recent years to establish a more global presence in construction equipment with new factories in China and Brazil.

Deere's commitment to production class equipment in construction was evident at the Con Expo - the recently-held and well-known construction equipment show held every three years in Las Vegas. At the show, Deere introduced the 950K crawler dozer, its second production-class crawler dozer.

In addition, the company announced the creation of the John Deere Machine Health Monitoring Center to assist customers and dealers to monitor machines and react and respond more efficiently to critical issues that can result in costly downtime for customers.

Another highlight at Con Expo was the introduction of an exclusive strategic alliance with Kespry through which John Deere construction and forestry dealers can provide the Kespry Aerial Intelligence System to customers on construction job sites. The system is a fully-integrated industrial drone platform to capture topographic data in minutes with survey-grade accuracy.





John Deere is the world leader in agriculture

John Deere is the world's leading producer of agricultural equipment, offering full lines of tractors, combine, cotton and sugarcane harvesters, tillage, seeding, nutrient-management and soil preparation machinery, sprayers, hay and forage equipment, and integrated agricultural management systems.

The Agriculture & Turf division also produces and markets products for commercial and residential users, including lawn, garden, commercial and utility tractors, mowing equipment, including walk-behind and autonomous mowers, golf course equipment, utility vehicles and other outdoor power products. John Deere consistently invests in research and development at levels rarely achieved by competitors. This focus on innovation earned global recognition in 2016. As an example, John Deere won more than one-quarter of the awards presented for innovation and engineering advancement by a leading engineering society. Honored products included the 9RX and 6R tractors, a high-speed applicator for dry nutrients, and mobile applications for tractors, tillage tools, planters and harvesters.

Precision Agriculture is an important focus for the Agriculture & Turf division. Today's John Deere machines are more productive as they are bigger, faster and stronger. Greater productivity emerges with added technology that makes operations easier, smarter and more precise.

The combination of equipment, technology and services is the backbone of John Deere's efforts in precision agriculture as the company works to provide better machine performance, better job performance and better agronomic decisions. Technology plays a role in all three areas.

Better machine performance targets maximizing the performance of the equipment, increasing the consistency of the operator, and ensuring the machine functions as expected.

Better job performance equates into achieving quality outcomes for each job performed by equipment, coordinating machines as they execute jobs and monitor job progress and adjusting operating plans.

Finally, better agronomic decisions are facilitated by John Deere's online tools, which help farmers collaborate and direct information when and where it is needed and automate collection and transfer of data from machines to digital platforms and tools.

In Deere's Agriculture & Turf division, nearly half of the company's sales come from what it considers large ag - high horsepower equipment used in production agriculture. About one-eighth of the division's sales come from turf care equipment and the rest comes from small ag.

The need for equipment in agriculture is expected to remain well into the future. Global demand for grain and oilseeds continues to rise, as it has done for nearly 50 years. Experts have said the production of farm commodities will need to nearly double over the first half of the century to keep pace with demand. This plus the small labor pool in rural areas will drive more demand for mechanization in farming.

John Deere is also leader in other businesses

Financial Services

John Deere Financial Services is one of the largest equipment finance companies in the United States and has operations around the world. In addition to providing retail, wholesale and lease financing to help facilitate the sale of John Deere equipment, John Deere Financial offers revolving credit and operating loans to farmers.

Power Systems

John Deere Power Systems is a leading producer of heavy-duty diesel engines and drivetrain components. Power Systems supplies products for John Deere equipment and other manufacturers.

Intelligent Solutions Group

The Intelligent Solutions Group designs operator stations, displays, receivers, guidance systems, field and crop-management programs, and information and logistics systems.

Parts Services

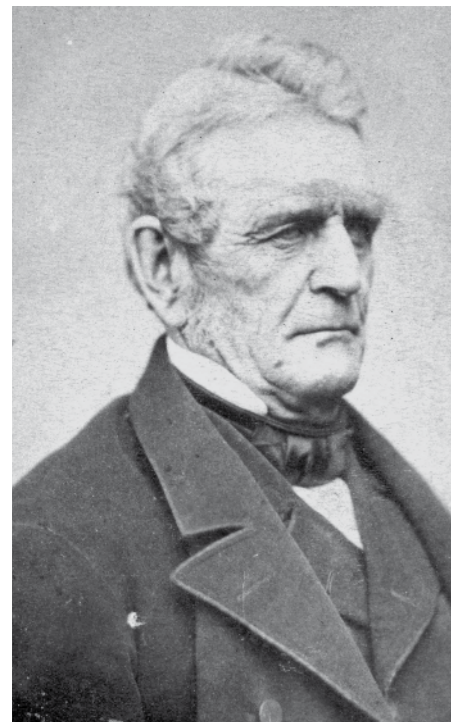
Worldwide Parts Services coordinates the global distribution and management of parts inventory and materials.

John Deere has a 180-year history of leadership

John Deere was a blacksmith who developed the first commercially successful, self-scouring steel plow in **1837** and founded the company that still bears his name. He was born in **1804** in Rutland, Vermont, and raised by his mother after his father was apparently lost at sea when John was four years old.

As a young man, John won acclaim as a blacksmith for his workmanship and ingenuity. When the New England economy collapsed in **1836**, he followed other Vermonters to Illinois, where he established a blacksmith shop in Grand Detour. Shortly after arriving, he learned from his farmer-customers that the commonly used cast-iron plows of the day performed poorly in the sticky soil of the Midwest prairies. Soil clung to the plow bottoms and farmers had to stop and scrape the dirt off every few feet.

Convinced that a plow with a highly polished surface would scour, or shed the sticky soil as it moved through the field, John Deere made a plow using steel from a broken saw blade and polished it smooth. So great was the need for a new, self-scouring plow that it is said hundreds of people gathered at the farm of Lewis Crandall, near Grand Detour, to see John Deere test his new product. It wasn't long before manufacturing plows became John Deere's business.



In **1848**, John Deere moved his growing manufacturing operation 70 miles southwest to Moline, Illinois, on the east bank of the Mississippi River. The river provided water power for running a factory and riverboats for bringing in raw materials and moving plows to market.

Soon, John Deere's company was making 1,000 plows a year. Business boomed and John Deere became known for his plows and his principles, the same principles followed at Deere & Company to this day. Among them was his insistence on selling only high-quality products.

In **1868**, Deere's business was incorporated under the Deere & Company name. John Deere died in **1886**, but his heirs were to lead the company for the next century. Known for his superb business skills, John Deere's son Charles Deere established marketing centers, called branch houses, to serve the company's network of independent retail dealers. By the time Charles died in **1907**, the company was making steel plows, cultivators, corn and cotton planters, and other implements.



Deere's third president, William Butterworth, who had married one of John Deere's granddaughters, established the company as a full-line manufacturer of farm equipment, largely through acquisitions.

During his presidency, in **1918**, Deere & Company bought the Waterloo Gasoline Engine Company, maker of the Waterloo Boy tractors. The acquisition marked the beginning of John Deere tractor operations.

In **1928**, Charles Deere Wiman, one of John Deere's great-grandsons, took over direction of the company. He was a strong advocate of research and new-product development, activities the company maintained at a high level even during the years of the Great Depression.

From **1955-1982**, Deere was guided by William A. Hewitt, Wiman's son-in-law, and the last Deere family member to lead the company. During his tenure, the company became the world leader in farm machinery and developed a sizable presence in construction and grounds-care equipment. Sales grew five-fold in the **1970s**, a period of unprecedented growth and investment.

In **1978**, Robert Hanson was appointed president of Deere & Company, becoming the first company president not related to John Deere. After William Hewitt's retirement in **1982**, he was elected chairman and chief executive officer. Hanson led the company through the farm equipment recession of the **1980s**

and retired in **1990** after successfully guiding the company through one of its most difficult economic periods.

In **1990**, Hans Becherer was elected chairman of Deere & Company upon Robert Hanson's retirement. He stressed "genuine value" - building on strategies of continuous improvement and global growth. During his term, Deere's landscaping and grounds care operations became a separate operating division. The company continued to expand its presence around the world, and entered new markets in China, India, South America and the former Soviet Union. During the **1990s**, technology took a firm hold and John Deere continued to lead the industry with innovations in precision farming.

Robert W. Lane succeeded Hans W. Becherer and served as Deere's CEO from **2000-2009**. During his leadership, Lane guided Deere to record growth and success. Deere & Company's net income reached unprecedented levels for five consecutive years, surpassing USD 2 billion in **2008**. Revenues more than doubled between **2000** and **2008**. Lane established the SVA model, which helped the company attain world-class status in asset efficiency and return on investment.

His focus on global expansion led to significant investments throughout the world, most notably in Brazil, India and China. Deere's traditional factories were reworked and modernized, and at the same time, Deere's dealer organizations worldwide were significantly upgraded to better support the advanced needs of customers.

Three Deere leaders involved in the Wirtgen Group transaction.

Sam Allen, Max Guinn and Domenic Ruccolo have a combined 106 years of experience working for John Deere. Throughout the decades, each has worked in positions of increasing responsibility. With their institutional knowledge of the John Deere business and industries, they will guide the company through the acquisition.



Samuel R. Allen
*Chairman and CEO,
Deere & Company*

Sam Allen joined John Deere in 1975 and has worked in positions of increasing responsibility. A Sumter, South Carolina, native, Allen has served as a senior officer of the company since 2001, with additional responsibilities in human resources, industrial relations, and John Deere Credit's global operations.

Previously, he served as President of the Worldwide Construction & Forestry division and was responsible for the global operations of John Deere Power Systems, Deere's intelligent mobile equipment technologies, and Deere's advanced technology and engineering. He has held the position of Chairman and CEO of Deere & Company since February 2010.

Allen is a 1975 graduate of Purdue University with a bachelor's degree in industrial management.



Max A. Guinn
*President, Worldwide
Construction & Forestry*

Since joining the company in 1980, Max Guinn has held positions in quality services, supply management and manufacturing in the agricultural, construction and forestry businesses.

Guinn was appointed Senior Vice President, Engineering and Manufacturing, Construction & Forestry division in 2000. He was later named Senior Vice President, Global Platform – Crop Harvesting, Agriculture & Turf division in May 2009. Immediately prior to his current position as President of Worldwide Construction & Forestry, which he has held since October 2014, he served as Senior Vice President, Human Resources, Communications, Public Affairs and Labor Relations.

Guinn graduated from the University of Missouri-Rolla with a degree in mechanical engineering and holds an MBA from the University of Dubuque.



Domenic G. Ruccolo
*Senior Vice President,
Worldwide Construction &
Forestry*

Domenic G. Ruccolo began his career with John Deere in 1990 at John Deere Ltd., where he held various field product support and sales responsibilities.

In 2002, he was named Director, Hitachi Construction & Mining division, and prior to his current position he served as Vice President, Agricultural Equipment Marketing – U.S. and Canada, from January 2006. Since 2007, Ruccolo has been responsible for the sales, marketing and product support organization in the Worldwide Construction & Forestry division.

Ruccolo has a bachelor's degree in commerce from Concordia University in Montreal, Canada, and an MBA from the Fuqua School at Duke University.

Wirtgen Group and John Deere:

Building the future together.

Even stronger with combined strengths: The products of John Deere and the Wirtgen Group complement each other perfectly. The integration expands the overall range of services provided by the united company in the areas of construction machinery and road technologies, bringing it to a whole new level. The combined range of the two companies' complementary products now offers an enormous selection of customer solutions.

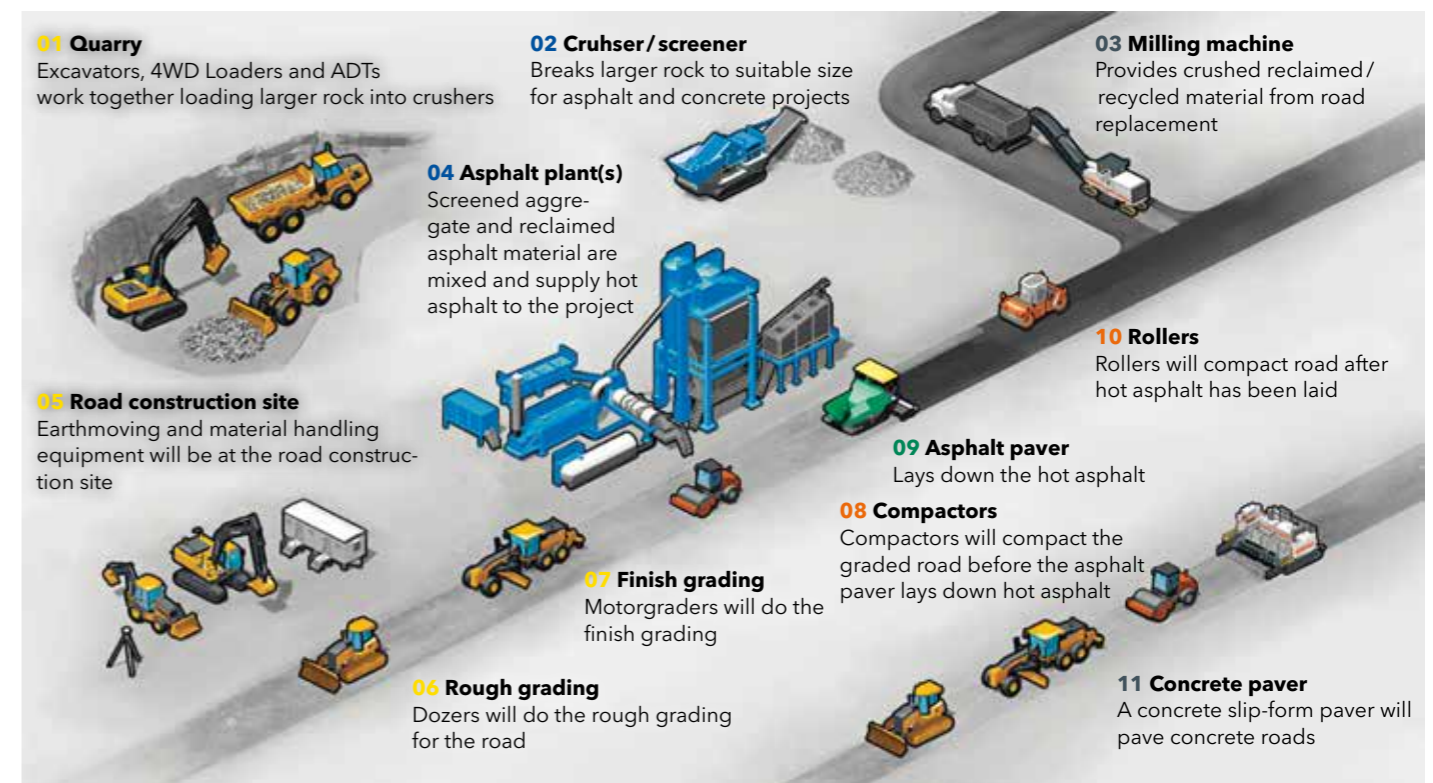
The optimal combination of the various product focuses of John Deere and the Wirtgen Group is most notable when you take a look at the different applications (see images on the right-hand side), which quickly reveals the logic behind the integration. To put it more simply: In the future, customers will be able to find comprehensive solutions in excavation, road and mineral technologies, as the range now offers the appropriate equipment for every stage of construction.

Preparing the ground for construction requires extensive excavation. John Deere manufactures excavators, wheel loaders and dumpers for efficient excavation and removal of earth, while the Wirtgen Group provides soil rollers for subsequent compression of the soil.

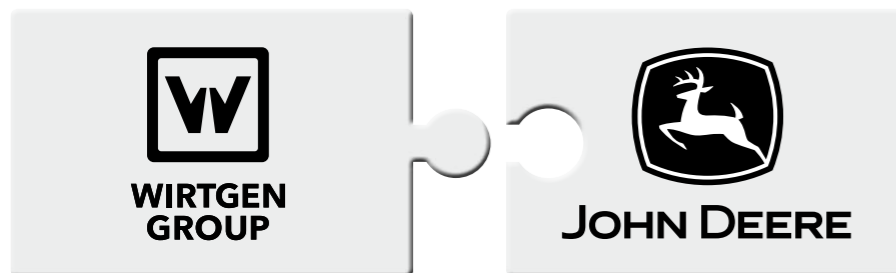
The two product ranges also form a consistent whole in the area of road technologies. Customers can use John Deere's graders and caterpillars for leveling the earth and the Wirtgen Group's cold recyclers, soil stabilizers, asphalt and concrete pavers, rollers and road milling machines for preparing, producing and maintaining road surfaces.

Following the integration, the Wirtgen Group's crushers, screening systems, asphalt plants and surface miners will also complete the company's overall mineral technologies portfolio, i.e., technologies used to extract useful minerals and prepare mineral resources and recycling materials.

This integration brings together what belongs together. Together with John Deere, the Wirtgen Group will have a broader and more solid foundation for the future than ever before.



From excavation to the finished road: John Deere and the Wirtgen Group cover the production process from start to finish.



Earth Moving			Road Building Technologies					Mineral Technologies		
Dozers & Graders	Wheel Loaders	Excavators	Milling Machines	Recyclers/Soil Stabilizers	Concrete Pavers	Asphalt Pavers	Compactors/Rollers	Surface Miners	Crushers	Asphalt Plants
John Deere			Wirtgen Group							



Charity Group
“Kinder in Not e.V.”
(Children in Need)

In 1983, I established the charity group "Kinder in Not," a foundation for children in need, and still volunteer for our aid projects in the Philippines, India and Brazil.

To this day, I still enjoy tackling the daily challenges we face in our aid organization with our team of employees. Probably also because I see with my own eyes the extreme poverty and hardship experienced by children and teens in particular whenever I travel to aid project locations.

When I visited the children who eke out a living in garbage dumps in the huge port of Cebu City in the Philippines, our partners and I made our way through the foul-smelling, hazardous garbage dump so I could see for myself the inhumane way in which large families with several children had to live, with their huts built out of trash.

I saw completely malnourished children in tattered clothes without shoes walking through piles of trash in search of something to eat. And I was amazed to find that they still had smiles on their faces.

I saw many children and teens living in cemeteries with their parents, their dwellings built alongside graves using plastic and boards. They didn't have access to running water or electricity and many of the children had acute cases of eczema.

Last year, "Kinder in Not" financed a daycare center for young children on the outskirts of the red light district, where children up to the age of six are looked after with love. Many of them



were not used to receiving food on a regular basis, and are much too small for their age and too weak. Many of the children are rarely shown any affection or love.

But there are also some little girls and boys at the daycare center whose mothers are willing to do whatever it takes to ensure that one day their children can lead better lives than they themselves.

The financial support provided by the charity group "Kinder in Not" and its donors appears to be a drop in the bucket, especially when you're looking to start an aid project. While it may appear that way, that's not the case. "Kinder in Not" now maintains four preschools near the three large garbage dumps as well as several health centers. When children leave the preschools, we help them attend the elementary school.

Working with our local partners, we were able to build around 50 humane dwellings for the poorest families at one of the cemeteries in Cebu City. Our partners continued negotiating with the City of Cebu until we were given more than 50 small plots of land bordering the cemetery.

In the small remote city of Alegria, we maintain a hospital, three preschools, a junior high, and a high school. More than 1,000 teens attend the junior high and high school and when they graduate from high school, our mentors help them with career training. Our primary goal is to help them help themselves. With a large agricultural project in the mountains of Alegria, we help farming families improve their lives.

Where do we see "Kinder in Not" in the future? We now support a total of 40 aid projects in the Philippines, India and Brazil, including projects for disabled children and teens, aid projects for children with HIV, and those that help provide the most impoverished children and teens with an education. All of these projects still need support for upkeep and expansion.

With an experienced partner in the Philippines, we're planning to develop an aid project dedicated to getting children out of prison, many of whom are incarcerated for months and even years without a hearing. Often their only crime is stealing food.

Some of these children are homeless or have parents who don't want to take care of them and many have been physically or sexually abused. Because no one knows what to do with them, we're planning to build a home that looks after them with love and provides them with therapy.

Another aid project is planned for disabled children in one of India's poorest states.



As always, my sons Jürgen and Stefan Wirtgen will assume all of the administrative costs of "Kinder in Not" in Windhagen and financially support the foundation in its development of new aid projects.

This ensures that, even in the future, the entire amount donated will go to the aid project selected and not to administrative costs.

I would like to thank everyone who has done their part to help countless children.



Best regards,

Gisela Wirtgen

Gisela Wirtgen
(Chairperson)
Charity Group "Kinder in Not e.V."



CHARITY GROUP "CHILDREN IN NEED"

YOU TOO CAN HELP CHILDREN IN NEED!

Our projects are designed to provide long-term assistance. Every cent brings us closer to our goal.

Account for donations

Sparkasse Neuwied
Account number: 012 022 752
Sort code: 574 501 20
IBAN: DE87 5745 0120 0012 0227 52
SWIFT-BIC: MALADE51NWD

Raiffeisenbank Neustadt e.G.
IBAN: DE16 5706 9238 0100 0527 24
BIC: GENODED1ASN

The association

was founded in 1983 on the initiative of Gisela Wirtgen, is a non-profit organization helping children in need to help themselves, is non-political and non-confessional, maintains aid projects in the Philippines, India and Brazil

Further information

➤ www.kinder-in-not.de



Special edition on the integration of the Wirtgen Group into John Deere



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