



2012 YEAR IN REVIEW

ROCK SOLID

Potential | Position | Plan | People | Performance



In a global marketplace filled with shifting dynamics, our customers count on Caterpillar as a dependable source of products, services and solutions to meet their needs. This strategy is the stabilizing force behind our business. Today, we're as confident of our rock solid strength as at any time in our history.

Forward-Looking Statements

Certain statements in this 2012 Year in Review relate to future events and expectations and are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "believe," "estimate," "will be," "will," "would," "expect," "anticipate," "plan," "project," "intend," "could," "should" or other similar words or expressions often identify forward-looking statements. All statements other than statements of historical fact are forward-looking statements, including, without limitation, statements regarding our outlook, projections, forecasts or trend descriptions. These statements do not guarantee future performance, and we do not undertake to update our forward-looking statements.

Caterpillar's actual results may differ materially from those described or implied in our forward-looking statements based on a number of factors, including, but not limited to: (i) global economic conditions and economic conditions in the industries and markets we serve; (ii) government monetary or fiscal policies and infrastructure spending; (iii) commodity or component price increases, fluctuations in demand for our products, or limited availability of raw materials and component products, including steel; (iv) our and our customers', dealers' and suppliers' ability to access and manage liquidity; (v) political and economic risks and instability, including national or international conflicts and civil unrest; (vi) our and Cat Financial's ability to: maintain credit ratings, avoid material increases in borrowing costs, and access capital markets; (vii) the financial condition and credit worthiness of Cat Financial's customers; (viii) changes in interest rates or market liquidity; (ix) changes in financial services regulation; (x) inability to realize expected benefits from acquisitions, including ERA Mining Machinery Limited, and divestitures, including the divestiture of the Bucyrus International, Inc. distribution business to our independent dealers; (xi) international trade and investment policies; (xii) market acceptance of our products and services; (xiii) changes in the competitive environment, including market share, pricing and geographic and product mix of sales; (xiv) successful implementation of capacity expansion projects, cost reduction initiatives and efficiency or productivity initiatives, including the Caterpillar Production System; (xv) inventory management decisions and sourcing practices of our dealers or original equipment manufacturers; (xvi) compliance with environmental laws and regulations; (xvii) alleged or actual violations of trade or anti-corruption laws and regulations; (xviii) additional tax expense or exposure; (xix) currency fluctuations; (xx) our or Cat Financial's compliance with financial covenants; (xxi) increased pension plan funding obligations; (xxii) union disputes or other labor matters; (xxiii) significant legal proceedings, claims, lawsuits or investigations; (xxiv) compliance requirements imposed if carbon emissions legislation and/or regulations are adopted; (xxv) changes in accounting standards; (xxvi) failure or breach of information technology security; (xxvii) adverse effects of natural disasters; and (xxviii) other factors described in more detail under "Item 1A. Risk Factors" in our Form 10-K filed with the SEC on February 19, 2013 for the year ended December 31, 2012. This filing is available on our website at www.caterpillar.com/secfilings.

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Caterpillar's strength depends on providing our customers with the best products, the best service and the best value proposition in the marketplace.

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Caterpillar's extended value chain is comprised of employees, dealers and suppliers around the world who are focused on the same customer-driven goals. The talent and commitment of this team is critical to our success. That's why we're investing in our people and working together more cohesively than ever before.

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Our renewed focus on customers is delivering results. When Caterpillar products and services deliver world-class performance for our customers, we are positioned to deliver world-class financial performance for our stockholders. We accomplished this in 2012 by translating record sales and revenues into solid profitability.

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Chairman's Message

When faced with challenges, it's how we respond that defines us. 2012 was full of challenges for the Caterpillar team, but our response to everything that was thrown at us was rock solid.

Doug Oberhelman,
Chairman and CEO



FURTHER POSITIONING OURSELVES FOR SUCCESS: GLOBAL GOVERNMENT & CORPORATE AFFAIRS

We believe that Caterpillar and our dealers deliver the best products and services in the world. However, the actions that governments take around the world can have significant impact on our business, our employees, customers and stockholders. The world is a big place, and we have big issues to face. But at Caterpillar, we don't just watch the world go by — we get involved.

We have a strong voice on the key issues — trade, energy, infrastructure and tax — that ensure growth and global competitiveness in the world's economy. In 2012, we led the way in support of a new U.S. highway bill — sending over 40,000 letters from employees, dealers, suppliers and customers for legislation that will provide investment in robust, modern infrastructure that can handle the rising exports to our customers around the world.

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Nowadays it seems there aren't many things that are rock solid. The global marketplace is constantly shifting and economies around the world face uncertainty on a variety of fronts — fiscally, politically and socially. The world struggles to address concerns like energy, infrastructure, workforce readiness and how to compete in the global economy. And our customers also face challenges like never before.

It's hard to grasp anything solid, steady and reliable anymore. But that's exactly what we try to be for our customers, stockholders, employees, dealers and suppliers. We live by our core values of Integrity, Excellence, Teamwork and Commitment. And as we do business in every corner of the globe, our values guide us to be fair and consistent. You know what to expect when you deal with Caterpillar.

Our products have always been made to be tough, durable and reliable. And we keep a constant focus on quality. In 2012 product quality was at a historically high level. Great news! But it's even better when you note that we also had historically high volumes and were introducing Tier 4 Interim products to the market.

The team has really delivered. I'm happy with quality, but even more importantly, our customers are happy. We are receiving very positive input from the field — rock solid!

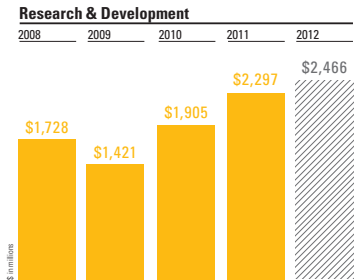
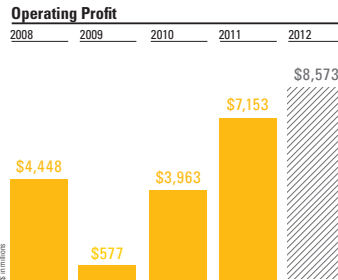
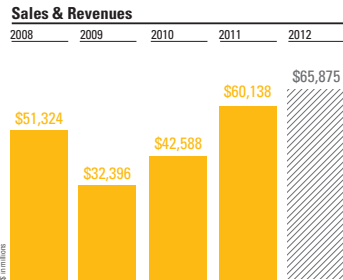
But our job doesn't end there. Today our customers count on us for much more.

That's why we innovate. In 2012 we spent \$2.5 billion on research and development. Our engineers and technologists are working on products and services for our customers both today and well into the future.

That's why we lead. Caterpillar has been an outspoken voice on the issues that affect our customers. It's up to us to educate our employees, communities and government officials on our position regarding topics like trade, tax, infrastructure and energy.

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Chairman's Message (continued)



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We were also a leading voice in urging Congress to establish Permanent Normal Trade Relations (PNTR) with Russia — another step toward job creation and investment that will open markets and increase economic growth.

While these are important victories, we still have a lot of work to do. We've repositioned our global engagement strategy and created a new division, Global Government & Corporate Affairs, to ensure we are even better positioned to make a positive difference around the world. Under the leadership of our new Vice President Kathryn Karol, we have an even stronger business focus that will further align global government teams across the enterprise. It's a commitment to our customers, dealers, employees and all of our stockholders. We'll continue to ensure we have the right team in place to tell our story and share the challenges we face as a global corporation. To learn more about our involvement, visit caterpillar.com/company/global-issues.

And that's why we maintain internal strength. At Caterpillar, we talk about controlling what we can within our four walls. The world around us is going to keep changing, and we have to be ready for anything. We do that with rock solid operations. We focus on maintaining a strong balance sheet, having efficient processes in our factories and offices and developing the best team. That's how we stay strong.

Rock solid doesn't imply perfection. We make mistakes — everyone does. But we learn from them, and the lessons we learn make us stronger.

And you'll see that strength throughout our Year in Review. Our customers, our employees and our communities are doing amazing work, and I'm proud to share their stories with you!

Here are just a few highlights of some of the rock solid accomplishments we had in 2012.

- Achieved record sales, revenues and profit in 2012
- Opened the Caterpillar Visitors Center
- Displayed our largest exhibits ever at Bauma China and MineExpo
- Invested \$60 million in our communities through the Caterpillar Foundation
- Announced eight new facilities and expansions
- Registered the 100,000th machine using VisionLink™
- Manufactured the first ever machine in Thailand

It's been a big year for our team! I'm proud of all that we have accomplished, and I look forward to much of the same in 2013. I can't predict the future, and 2013 could be a tough year. But our team is prepared to execute and deliver no matter what the circumstances.

We have big plans for our people, our customers and our stockholders, and we will deliver the rock solid performance they have all come to expect! That's what makes our company rock solid. No matter what is happening in the world around us, we will always be prepared and ready to act.



Doug Oberhelman
Caterpillar Inc. Chairman and CEO

PEOPLE IN THE WORLD



ROCK SOLID POTENTIAL

Energy. Commodities. Infrastructure.

It's hard to think of another company that touches as many industries with as attractive long-term demand fundamentals as Caterpillar. A growing global population needs more energy, water, roads, schools, power systems and housing, to name a few — all needs that our customers will help meet for decades to come.

Rock Solid Potential

DEVELOPMENT IN THE DESERT

Saudi Arabia invests millions in infrastructure improvement.



Saudi Arabia's typical harsh desert conditions are occasionally interrupted by sudden, torrential rainfall that usually results in serious flooding. For the town of Jeddah, Saudi Arabia's second-largest city, the problem is an outdated sewer and drainage system that cannot handle large water volumes in downpours, according to Caterpillar Industry Sales Manager Maarten de Haas. In 2009 and 2011, the city experienced devastating floods that destroyed businesses, left roads submerged and killed nearly 500 people.

This recurring devastation prompted the Saudi government to develop a permanent solution for the water drainage problem — a \$171 million citywide stormwater, flood-control and wastewater infrastructure improvement program. The program calls for the construction of five dams, the expansion of existing stormwater canals in northern, southern and eastern Jeddah, and the construction of a new canal adjacent to a major, international airport. The new system will allow water to be collected in dams and then channeled underneath and around the city to the sea to prevent future flooding in the city.

At the heart of this long-awaited resolution are Cat® machines. More than 100 Cat machines will support this much-needed project, working around the clock to complete it in less than eight months.

"We are using Cat machines because they have the best up time and best productivity," said Caterpillar customer and Chairman of the Board of Directors of the Saudi Pan Kingdom Company (SAPAC) Shaikh Sulaiman Al-Harbi, one of the major contractors on the project. "Our main challenge for this project is its short time frame, so we wanted to ensure we were dealing with reliable machines, as well as working with a dealer with a good reputation that could support our project needs."

Al-Harbi said the aftersales support provided by Cat® dealer Zahid Tractor was a major factor in their decision to use Cat machines. Throughout the project, Zahid has provided unmatched support, parts and service support, as well as weekly operator training and demonstrator visits.

The Jeddah stormwater and drainage program is just one of many projects improving the infrastructure in Saudi Arabia. The country has infrastructure development and improvement projects under way at all levels. In 2012 alone, nearly \$25 billion was budgeted for infrastructure development.

For instance, the Saudi Railway Organization awarded Caterpillar customer Saad Al Mobty & Partners a \$1.7 billion-plus contract for the construction of a bypass to move its existing railway from the city center of Al-Hofuf. The new railway will reduce the amount of traffic in the city significantly, while improving its current railway system.

"We consider Cat® products to be the best brand with the best value and quality worldwide," said Majed Al Mobty of the Mobty Company, who is using Cat® equipment exclusively for this job. "The machines offer the best productivity and best product support with the least running cost."

Mobty has more than 100 Cat machines on the job site, in addition to three Cat® generators. The machines are working in harsh conditions, cutting nearly 10 million cubic meters of limestone and filling 8 million cubic meters of desert sand, while constructing nine bridges and 3,000 meters of pipeline protection. Zahid Tractor has provided two qualified technicians to remain on site to perform warranty repairs and preventive maintenance throughout the duration of the project, as well as a certified demonstrator to train operators on site.

The nearly \$200 million USD (SR 750M) project began in April 2011 and is estimated to take three years to complete. To date, more than 35 percent of the project is already complete.

Rock Solid Potential

A NATURAL FIT

New technologies to capitalize on a new era of natural gas growth.



Energy consumption is rising rapidly, driven by worldwide population growth, developing economies, improving global living standards and the use of ever more energy-dependent technologies. Access to affordable and dependable energy is also critical to energy security and economic prosperity.

At Caterpillar, there is support for the development and utilization of all energy resources — both traditional and alternative. The world needs more of everything — and when Caterpillar thinks power, it's not considered in terms of diesel or gas, but diesel *and* gas.

Natural gas presents important opportunities as its availability increases, along with the development of technologies to use natural gas in more products. Caterpillar has announced its intent for developing the technologies our customers need to accompany the growth in natural gas. To this end, Caterpillar acquired MWM Holding GmbH (MWM) in

2011, enabling the company to significantly expand customer options for sustainable, natural gas-powered solutions. Caterpillar announced that mining trucks and locomotives will be among the first Cat® machines to incorporate high pressure direct injection (HPDI) technology, extending the commitment to natural gas across its high-horsepower product lines. Additionally, the Dynamic Gas Blending line of retrofit kits for energy exploration and production engines was introduced.

Caterpillar is one of the world's leading technology suppliers to the diverse energy market, and leverages its technology and innovation to meet the world's growing energy needs. Gas continues to be a significant opportunity for the company and its customers. Natural gas could be a game-changer, and, at Caterpillar, there is a clear strategy to enable success in this exciting market.

To learn more more, visit caterpillar.com/naturalgas.

Rock Solid Potential

TRACKING ON THREE CONTINENTS

Investments to meet the growing demands of the railway industry.



Progress Rail Services and Electro-Motive Diesel (EMD) are committed to increasing capacity to produce locomotives globally. Rising oil costs in recent years have made railroads a more efficient transportation alternative than trucking for long hauls.

Since acquiring EMD in 2010, Caterpillar and Progress Rail have made significant investments in new equipment and plant improvements to enable the creation of new products and services to meet the growing demands of the international railway industry. With new locations located strategically around the world, Caterpillar is well-positioned to meet the challenging competitive realities of the global rail industry and to provide quality products to customers around the world.

The Muncie, Ind., facility is the first locomotive assembly plant to open in the U.S. in many years and marks Progress Rail's strategic approach to compete and win in the global railway industry. In less than two years, this facility has completed 100 diesel-electric locomotives for customers.

In South America, Progress Rail, through its subsidiary, MGE Equipamentos e Servicos Ferroviarios Ltda. (MGE), has located a locomotive manufacturing facility in Sete Lagoas, in the state of Minas Gerais, Brazil, to better serve the diesel-electric locomotive market in this region. The company made an investment to open and modernize the existing manufacturing plant to produce world-class locomotives. This state-of-the-art facility, which has the potential to create jobs, assembles and manufactures EMD-branded locomotives in a 12,000-square-meter space on a 100,000-square-meter site.

Since 2006, Caterpillar has demonstrated its rail commitment by investing more than \$2 billion to meet customers' growing needs. Through these collective investments, Progress Rail and EMD are positioned to produce the most durable, reliable and sustainable locomotives in the world.

Rock Solid Potential

DEEP INTO THE FOREST

A customer-first focus drives forestry machine development.



Caterpillar's forestry roots date back to the 1890s, when the Best Manufacturing Company and The Holt Manufacturing Company used steam traction engine tractors in logging applications. Today, forestry is a strategic business for Caterpillar and its dealers. The "skidder," a machine used to pull harvested trees out of the forest, was not expected to replace Cat® track-type tractors for logging — even with its advantages of speed, power to pull big loads and maneuverability around stumps. But loggers saw production improve with a machine designed to meet their unique needs, and the skidder became the first in a full line of Caterpillar timber harvesting machines marketed worldwide.

"In 2012, Caterpillar Forest Products improved product quality, introduced new machines and work tools and expanded our presence in international markets," explained John T. Carpenter, who led Caterpillar Forest Products through 2012.

NEW PRODUCTS

During 2012, Forest Products added a third model to the Cat® C Series wheel feller buncher. Through a new design, this machine meets more stringent EPA emissions regulations while delivering more horsepower and burning less fuel than competitive machines. For loggers working in rough terrain, a new track feller buncher went into production in preparation for an early 2013 launch. And in Brazil, where eucalyptus is the primary timber crop, a specialized work tool to delimb and strip the bark was introduced.

Collaborations blended the best of Caterpillar with other companies to produce additional new forestry products. The Prentice/Epsilon self-loader, which is mounted on a log truck, brings exceptional speed and precision to loading and unloading logs, and the Demlone high-lift log handler stacks logs up to 6.1 meters for more efficient use of ground space in a wood yard.

EDUCATION

Increasingly, logging contractors are having a difficult time finding qualified equipment operators. To answer that need, a community college in North Carolina launched a course in 2012 to train operators. Caterpillar Forest Products is an important partner in this program by providing guest instructors on maintenance and safety and loaning the machines needed to teach students how to harvest trees, transport them out of the forest and load them onto trucks.

CUSTOMER FOCUS

The foundation for Caterpillar's growth in the forestry market and the origin of all accomplishments in the last year is the business unit's focus on the "Voice of the Customer." Product councils consisting of loggers and dealer representatives are involved in new product design. Customer plant tours include give-and-take discussions with product engineers. And product specialists and engineers visit customer job sites to see firsthand what loggers need to do their jobs.

"We design products that originate from a deep understanding of customers' needs. Our daily focus in all we do is on our customers. This customer-first focus is ingrained in the business' culture and is what will propel Caterpillar Forest Products to even greater success," notes Carpenter.

ROCK SOLID POSITION



Today, our global reach is unmatched in the industry. The breadth and depth of our product portfolio, combined with our global dealer network sets us apart from competitors. An unprecedented level of additional capacity and product development is ensuring that we not only maintain, but also fortify and expand this unique position.



Rock Solid Position

EMERGING MARKETS, EMERGING NEEDS

A new brand targets a new kind of customer in China.

Caterpillar's 85-year leadership position has been largely built on the ability to listen and respond to customers. In recent years, emerging markets have produced a new type of customer with new needs.

"Over the past two decades, new customers in developing economies have increasingly comprised a larger portion of the global industry, especially in countries like China where a lot of newer contractors are entering the business," explained retired Construction Industries Group President Rich Lavin. "These newer contractors value an entry-level product as they come into the industry. They're looking for a machine that performs well, but with different features and service support."

Emerging economies are not only producing a new type of customer, but also developing a new type of competitor.

"These new competitors are entering the market aggressively, and clearly targeting these new customers by providing products and services aimed at their unique requirements," said Lavin. "If we're going to compete effectively against the growing number of emerging competitors — especially our Chinese competitors — we must have a utility product line that meets the needs of our customers."

Caterpillar's utility brand, Shandong SEM Machinery Co., Ltd. (SEM), targets this fast-growing customer base in China, as well as other parts of the world. Although the value proposition of SEM is fundamentally different than that of the Cat brand, SEM offers sturdy machines with greater parts availability and support than other utility competitors.

Since purchasing SEM in 2005, Caterpillar has invested significant resources to develop new utility models with improved product quality and reliability. SEM has expanded its historical product line of wheel loaders to cover a range of utility requirements from two to six tons. It has also added three motor graders and three soil compactors to its product line. In 2013, SEM is introducing SEM-branded track-type tractors to further expand its product portfolio.

In addition to expanding the product line, SEM has also added capacity. When complete in 2014, SEM™ wheel loader capacity will have nearly tripled since becoming part of Caterpillar. SEM has expanded manufacturing to begin production of SEM-branded track-type tractors for China and other growth countries, ramping up through 2013 and 2014. Beyond product and manufacturing expansions, SEM also has expanded its sales and service support. SEM™ dealers are now in 33 countries to provide sales, parts and basic service support capabilities. In 2013, SEM is adding dedicated parts distribution centers outside China.

"Our SEM™ product line serves us very well," explained Caterpillar Vice President Tom Bluth, who had responsibility for earthmoving in 2012. "It gives us the opportunity to position ourselves in China and other growth markets, but more importantly, it enables us to serve customers early in their industry experience and move them over time toward the Cat brand value proposition, establishing a relationship that will keep them with Caterpillar for the long term."



Rock Solid Position

CUSTOMER-DRIVEN TECHNOLOGY

Real-time information helps customers optimize productivity.

In today's world of instant information and smart devices, job sites are becoming increasingly connected. Customers are demanding real-time information to assist in effectively and efficiently managing their business.

Caterpillar recognizes that technology-enabled business solutions differentiate themselves from the competition. To achieve success in this rapidly changing technology space, Caterpillar has developed an enterprise-wide Technology Enabled Solutions (TES) Strategy. Our solutions will include such capabilities as equipment management, asset management, condition and remote monitoring, as well as prognostic and diagnostic tools.

Our technology solutions are tailored to meet customer requirements and will be fully integrated into our machines and engines at first fit, or through aftermarket retrofit options. The goal is for Caterpillar's fleet management approach to become the industry standard, by leveraging proven cross industry applications, and modules, which will give customers a competitive advantage.

Customers receive support for technology solutions through our unrivalled dealer network. Dealers provide technical expertise in the deployment of these technologies, and product support of machines and engines, to help customers be more successful.

"Operationally, telematics will give us access to a database of information that will allow us to hone that information to unprecedented levels," said Brett Lehmann, national survey manager at Abigroup Ltd. "We have a mature relationship with Caterpillar and our dealer which allows the use of telematics to be mutually beneficial. We have real-time, fleet-efficiency data sent directly to our supervisors in the field ... the power of that is phenomenal."

Caterpillar is partnering with the best suppliers and development partners to ensure all customer work streams are enabled by technology solutions. From grade control, to global positioning, to industry-specific services, Caterpillar is committed to improving customer productivity with lower operating costs through technology.

"Technology is going to be the deciding factor in the industry moving forward. Caterpillar technology touches every piece of our equipment, and with that information we can continue to drive our efficiency and effectiveness," said Chad Jessen, a Caterpillar customer and development and innovation partner, Kiewit. "It's no secret that the Cat® dealer network and parts availability are best in class. As customers, we know Caterpillar's technology platform is the next area where Caterpillar will serve customers as best in class. Working together we will set ourselves apart from everyone else."

The rapid implementation of the Technology Enabled Solutions (TES) strategy will ensure success jointly for Caterpillar, Cat dealers and customers far into the future.

Rock Solid Position

A BIG SHOW OF MINING STRENGTH

A showcase of the broadest line of mining equipment ever at MINExpo.



No matter what their interests — surface or underground, hard rock or soft rock — MINExpo International visitors experienced machines and technology at the Caterpillar exhibit to help them mine and move minerals safely and productively. MINExpo International, the world’s largest and most comprehensive trade show dedicated to mining, truly brought the theme “Wherever There’s Mining, We’re There” to life. With more than 52,000 square feet at the Las Vegas Convention Center, Caterpillar showcased the broadest line of mining and materials-handling equipment available — backed by the most extensive and capable product support team in the worldwide mining industry.

“There is no bigger stage to give us this remarkable opportunity to tell the Caterpillar mining story. We recognize that mining is at the core of an unprecedented drive for urbanization and modernization,” explained Caterpillar Chairman and Chief Executive Officer Doug Oberhelman. “We believe the long-term outlook is positive for this industry, and we’re uniquely positioned to capitalize on that growth. That’s why the company has made major investments in mining across the Caterpillar organization, plus expanding and modernizing our factories and developing even better mining products and solutions.”

Since July 2011, Caterpillar has added more than 100 products to its mining portfolio, many of which were showcased at the MINExpo exhibit. Divided into two areas, surface and underground, the Caterpillar exhibit

featured more than two dozen products and technologies, including an off-highway mining truck, hydraulic shovel, next-generation Cat® D11T Track-type Tractor and a variety of underground mining machines such as continuous miners, a longwall shearer and plow, as well as other support equipment. Among the new products introduced at MINExpo was the Cat® 6120B H FS Hydraulic Shovel. The Cat 6120B is the first diesel-electric hybrid ultra-class shovel available in the industry — promising to lower cost per ton in world-class mining operations.

“Like our customers, Caterpillar is committed to building a better world. That’s why when customers asked us to provide more products and solutions for the mining industry, the company responded in a big way,” said Steve Wunning, Caterpillar group president with responsibility for Resource Industries. “Beyond just the iron, we understand the issues our customers face, such as safety, environmental stewardship, emissions standards and skills shortages and training, and we work together to address them. This will continue to be our focus.”

Unique among all machines within the Caterpillar exhibit and throughout the hundreds of MINExpo displays, the Electro-Motive Diesel (EMD) SD70ACe locomotive — painted in Caterpillar yellow — gave the mining world an opportunity to explore the railroad technology that transports minerals to market. EMD™ SD70ACe locomotives run in mining operations across the globe.

Rock Solid Position

RIGHT PART, RIGHT PLACE, RIGHT TIME

When it comes to parts, minutes matter.



Cat® machines are at work around the clock in every corner of the globe. When customers buy yellow iron, they expect the legendary Caterpillar product support that helps them to be more productive and profitable than anyone else in the industry. Making sure customers have the right part, at the right place, at the right time is what Caterpillar does.

Parts support to dealers and customers is a 24 hours per day, seven days per week, 365 days per year business. Minutes matter to customers — and they matter to Caterpillar, which ships more than 158 million parts orders a year. That translates into 400,000-plus orders per day, 18,000-plus orders per hour, 300-plus orders per minute of every day of every year. That kind of around-the-clock global support doesn't happen without a world-class distribution network.

The Caterpillar distribution network is second to none, yet improvement and expansions are always occurring to ensure customers have support when and where they need it. In fact, in 2012, Caterpillar invested in product support capabilities in every region of the world and announced new distribution facilities in Yatala, Australia, and San Luis Potosí, Mexico, as part of a multiyear modernization plan to enhance the global Caterpillar parts distribution network and to get parts to dealers and customers faster.

These facilities will join new distribution facilities in Waco, Texas; Clayton, Ohio; Spokane, Washington; Arvine, California; and Dubai, United Arab Emirates (UAE). These new facilities represent an increase of nearly 4.5 million square feet to the overall distribution network and support the commitment to providing unmatched parts availability to customers and dealers around the world.

In addition to creating new distribution centers, Caterpillar invested in the expansion of existing parts distribution facilities in Grimbergen, Belgium; Melbourne, Australia; and Shanghai, China. All of these facilities are leveraging common systems and processes in addition to deployment of SAP's Service Parts Management (SPM), a global solution that replaces multiple legacy software systems supporting the Caterpillar parts network.

"We are focused on ensuring our customers' success through a global, high-velocity network that delivers the industry's best parts availability," said Steve Larson, president of Caterpillar Logistics Inc. "All of these investments have the singular purpose of ensuring that Caterpillar and Cat® dealers support our customers' success better than anyone else."



ROCK SOLID HISTORY

In August 1928, a customer called a Cat® dealership at 6 a.m. during harvest time. This customer had a machine broken down in the field and lived 40 miles from the dealership. The Cousins Tractor Co. made arrangements for airplane service and delivered the parts the customer needed, just one hour after the call came in.

ROCK SOLID PLAN



Caterpillar's strength depends on providing customers with the best products, the best service and the best value proposition in the marketplace. Our updated Vision 2020 strategy is squarely focused on these goals. Two years into executing this strategy, we are more confident than ever that we have the right plan to pursue.

Rock Solid Plan

A RENEWABLE COMBINATION

Solar Turbines lead to increased efficiency.



Rising demand for sustainable power is driving the use of renewable fuels in power generation applications. The prospect of meeting global energy needs while minimizing the impact on the environment is presenting real opportunities. Solar Turbines, a Caterpillar company, is seizing this opportunity by developing new Combined Heat and Power (CHP) technology.

CHP, also known as cogeneration, is an efficient, clean and reliable approach to generating power and thermal energy from a single fuel source. Installation of a CHP system can greatly increase operational efficiency, while at the same time decrease energy costs.

Customers such as Veolia Environmental Services, located outside of Paris, France, have installed a 15-megawatt landfill gas-fueled combined-cycle plant. The plant uses a Mars 100 Solar™ Gas Turbine Generator Set, packaged by Turbomach at its European facility in Switzerland.

Renewable fuels in CHP applications make sense for efficiency, sustainability and energy security. Caterpillar continues to commit research and development resources to supporting renewable fuels as part of a winning solution for clean energy and a sustainable future.



ROCK SOLID HISTORY

In 1946, Solar capitalized on the opportunity to design a gas turbine — a product that would go on to become Solar's signature product, and remains a focus today ... 85 years after Solar started as an airplane manufacturing company in 1928.

Rock Solid Plan

DEALERS GET IN THE MINING GAME

Aligning distribution in our mining business.



When Caterpillar acquired mining equipment company Bucyrus in 2011, there was a need to align their distribution capabilities within Caterpillar’s dealer-oriented distribution model. Through a series of divestitures, Caterpillar is engaging dealers in the product distribution and product support aspects of the business.

“The primary focus of the divestitures is to improve service to end-users by leveraging the proven distribution capabilities we have with our dealers,” explained Dave Hoffman, chief financial officer for Resource Industries with responsibility for leading the divestiture team. By the end of 2012, Caterpillar had successfully completed 13 sale transactions to dealerships accounting for a significant portion of the Bucyrus distribution business. This is in line with Caterpillar’s plan to engage dealers in Bucyrus opportunities as quickly as possible.

“Our dealers have a long history of exceptional service to mining customers around the world, and they know what is needed in local markets and individual mines. As service to our customers improves, our dealers will be rewarded and ultimately Caterpillar will be rewarded with higher customer satisfaction and sales,” said Hoffman.

Each transition is unique and requires professional handling with a sharp focus on quality. In addition, the territories do not directly overlap with Cat® dealers, so the divestiture process ensures a smooth transition and uninterrupted service to customers.

“From a 20,000-foot perspective, it looks pretty simple to insert the dealers into the value chain, but it’s all the details that make it challenging,” said Hoffman. “We are focused on doing it right the first time and have a dedicated team in place to ensure a smooth transition.”

To date, the transitions have been successful with limited disruption to Caterpillar customers. Clive Thomson, chief executive officer of Barloworld, Cat dealer in South Africa and Botswana, said, “This acquisition is perfectly aligned with the group’s growth strategy. It builds on our existing strengths and will enhance our leading position in the mining industry by significantly expanding the range of equipment solutions we are able to provide to customers operating across southern Africa.”



Rock Solid Plan

HIGH-TECH VISION

A technology roadmap is created to keep customers competitive.

What does the future look like for Caterpillar and its customers? How and where will Cat® products work in 2030? What technologies will customers need to be successful? The Caterpillar product development community is thinking about these questions today in order to meet customer needs well into the future.

The enterprise product and technology strategy is the foundation of Caterpillar's future vision. The strategy, conceived in 2011 and introduced in 2012, defines the key technologies and areas of research and development investment necessary to meet customer needs and sustain Caterpillar's competitive advantage for the long term.

It is focused on three themes — Energy & Power Systems, Machines & Machine Systems and Automation & Enterprise Solutions. Each theme has bold goals serving as targets against which development progress can be measured. Research and advanced engineering activities currently under way within these areas include opportunities to reduce customer owning and operating costs; improve productivity and safety; and improve the environment.

In 2012 the technology strategy came to life in the form of several innovative technologies and products with customer value outcomes.

Energy & Power Systems: For some customer applications, natural gas can represent a breakthrough opportunity for fuel-cost savings when compared to diesel power alone. Efforts to expand natural gas-fueled power system products are well under way with the acquisition of MWM and an agreement with Westport Innovations to develop dual-fuel (diesel and gas) injectors for large mining trucks and EMD locomotives. "Dual-fuel and natural-gas engines can bring a significant cost advantage to many customers' bottom line. We are introducing a complete lineup of gas-capable power systems across the market segments — electric power, petroleum, mining, rail and marine — to provide this value," said Joel Feucht, general manager for Gas/Medium Speed Engines in Caterpillar's Large Power Systems and Growth Markets Division.

Machines & Machine Systems: A suite of advanced machine system technologies brings innovations in hydraulics and transmissions together to enable unprecedented efficiency and productivity. The Cat® 336E H, Caterpillar's first hydraulic hybrid excavator, uses up to 25 percent less fuel than the standard Cat® 336E excavator, while delivering equal or better performance. "We are applying technologies which reduce our customers' owning and operating costs to ensure they make more money when they choose Cat products and the Cat® dealer network than they can with any competitive alternative. This new generation of machines uses far less fuel, which translates to lower cost for customers and lower emissions for the environment," said Ken Gray, global product manager for Large Hydraulic Excavators in Caterpillar's Excavation Division.

Automation & Enterprise Solutions: The autonomous mine site of the future is becoming a reality with the development of Cat Command for Hauling. Since March of 2011, Caterpillar, in alliance with BHP Billiton, has commissioned Billiton's Navajo mine site in New Mexico to trial a small fleet of autonomous Cat® 793 Mining Trucks, 24 hours per day, seven days per week.

"The technology that we use in these unmanned machines will revolutionize the way we approach mining in the future. These trucks are able to operate in hazardous conditions, on continual shifts without putting our operators in harm's way," explained Jim Humphrey, the program's first project manager and member of the mining solutions team. "It's been a very successful trial program to date."

The world of the future holds many challenges for Caterpillar customers. Caterpillar's product development community is working now to bring innovation to bear on those future challenges and turn them into opportunities for long-term success.

Rock Solid Plan

REDUCING CLAIMS, INCREASING PROFITS

Big improvements in parts quality benefit customers.



Machine downtime means lost profit. That's why parts availability can be the lifeblood of a Caterpillar customer's business. It's also the single biggest driver of customer loyalty and integral to the Cat brand ... a key part of the Caterpillar Business Model.

In 2008, Caterpillar launched a sweeping new plan to address parts quality issues and turn a laser-like focus on customers' needs. This plan has led to a dramatic reduction in errors, defects and waste, even with today's higher volume. Learn more about this initiative to reduce claims and better position customers for success at <http://youtu.be/6i49wZWHwOM>.

A photograph of a man in a blue short-sleeved button-down shirt and a blue and white baseball cap with the Caterpillar logo. He is smiling and looking towards the camera while operating a piece of heavy machinery. His hands are on the steering wheel and controls. The background is a blurred industrial setting with yellow and grey tones.

ROCK SOLID PEOPLE

Caterpillar's extended value chain comprises employees, dealers and suppliers around the world who are focused on the same customer-driven goals. The talent and commitment of this team is critical to our success. That's why we're investing in our people and working together more cohesively than ever before.



Rock Solid People

BETTER TOGETHER

Great examples of collaboration across the value chain.

Efforts to drive an enterprise point of view across the value chain with suppliers, dealers and ultimately customers are under way at Caterpillar. Multiple internal initiatives are now extending to increase collaboration across the entire value chain.

Suppliers in China, for example, are deploying the Caterpillar Production System (CPS) in order to experience the same transformation that the system has delivered in our own manufacturing operations. The Cat brand and a focus on brand advocacy was a key initiative with dealers, and Caterpillar's flagship leadership development program is now inviting leaders from critical suppliers, dealer principals and select customers ... all in an effort to develop rock solid people.

CPS FOR SUPPLIERS

In 2006, Caterpillar rolled out CPS, focusing first on internal operations. Three years later, CPS was extended to its supply base through the CPS for Suppliers program in an effort to drive collaboration across its entire value chain. Today, that program is driving significant results around the world, creating long-term relationships with key suppliers sharing a common goal to produce the highest-quality products as efficiently and safely as possible.

"The introduction of CPS has brought significant changes in the ideas of Chinese suppliers," explained Gao Erging, general manager of BUT Construction Machinery Manufacturing in Xuzhou, China. "We are more confident about the elimination of waste and cost reduction, and about maintaining our competitiveness for Cat® products."

According to Erging, who has been a Caterpillar supplier for nearly 17 years, they reduced the amount of space in their production area by nearly 40 percent by following the CPS Principles. "We use only three-fifths of the production area originally planned to achieve the same production capacity in layout," said Erging. "CPS has helped us greatly reduce our investment in the plant and improve our efficiency, so it is of great significance to us."

DEALERS ADVOCATING THE CAT BRAND

For more than 85 years, Caterpillar has had a unique relationship with its dealers. This simple yet powerful partnership has combined the capabilities of a global technology and manufacturing leader with dealers who enjoy close relationships with their customers in their own language and culture.

The dealer network helps Caterpillar and customers win around the world. Cat® dealers share the Caterpillar passion, enhance the competitive edge and ensure customers receive maximum business value from Cat products and services. Most Cat dealers are independently owned, locally operated businesses and benefit from strong, longstanding customer relationships.

They are an integral part of the enterprise strategy and play a key role in the Caterpillar business model. They are at the front lines of serving our customers. They are a competitive advantage that competitors simply cannot match. That's why Cat dealers were a key player in the rollout of Caterpillar's revitalized brand strategy in 2012, which focused on energizing and developing a culture that has an intense, acute focus on the customer.

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“We are rededicating ourselves to living up to our brand promise. To ensure that the way we present ourselves, both internally and externally, reflects our unwavering dedication to ensuring our customers’ success,” stated Caterpillar Group President Stu Levenick. In addition to the more than 9,000 Caterpillar employees worldwide who completed the brand experience training, more than 600 dealer marketing managers from 114 dealerships in 13 regions of the world and 22 of their agencies also learned about the Cat brand promise and updated global advertising framework. Working together with a common understanding of what the Cat brand stands for, we are champions for our customers’ enduring success.

SUPPLIERS/DEALERS/CUSTOMERS LEARNING TO L.E.A.D.

Leadership Excellence in Accountability and Development (L.E.A.D.), Caterpillar’s leadership development program, has a flagship program designed specifically to prepare future Caterpillar leaders for executive-level positions. Developed in partnership with Stanford University’s Graduate School of Business, this program includes intense week-long

sessions spread over 12 months in different locations around the world, allowing participants to experience Caterpillar’s global footprint with an emphasis on growth markets.

While the program was initially designed to develop Caterpillar leaders for senior roles in the enterprise, it quickly became evident that leaders from the entire value chain would benefit from participation and bring another dimension to the program. Now, critical suppliers, dealer leadership teams and selected Caterpillar customers comprise about one-third of program participants.

“The intent is to have the entire value chain represented to truly provide the enterprise point of view,” said Group President Ed Rapp. “Participants see the value in having open, honest dialogue with one another and see the power of the entire value chain, including customer leaders, there in the same room to work on project teams to solve real business challenges we’re facing.”

Rock Solid People

CELEBRACIÓN DE MEXICO

Celebrating 50 years of Caterpillar success in Mexico.



It was February 1963 when Caterpillar broke ground on its first operations in Mexico. The facility opened its doors with 130 employees, and the production and distribution facility proudly called Monterrey its home.

Fifty years later, Caterpillar's Mexico operations now include several facilities, with four of them directly supporting the Integrated Manufacturing Operations Division (IMOD). Today, more than 5,000 IMOD employees specialize in large fabrications to support the construction and mining businesses.

To celebrate the first 50 years, a grand ceremony was held during September 2012. With the assistance of several managers, business partners and special guests, employees were thanked for their hard work that has helped pave Caterpillar's road to success through the years.

"We celebrated in Monterrey because this is where we began," said Ron Riekema, managing director and Mexico country manager. "And we continued the celebrations all through our Mexico facilities."

Two days after the celebration, an open house was held at the Monterrey, Mexico, facility for all employees and their families. This was the first time in more than 10 years that the facility was open to employees to share with their families. As a result, there was a lot of anticipation leading up to the event. Approximately 10,000 attendees visited the facility for tours of the production building, where they were able to learn how one of the main products, the small truck body, is built.

"The open house was great for some of our newest employees," said Logistics Manager Roberto Tellez Gonzalez, who has been with Caterpillar for 14 years. "They had the opportunity to show their families everything that the Monterrey facility does. We all had the opportunity to go on a facility tour, and it was amazing."

Maria Carvajal Fernandez, a service technician, said the open house was very well organized, and she was proud to bring her family.

"Caterpillar is the only company that I have worked for, and I have seen many changes over the past 24 years since I began working," Fernandez said. "I think that the open house was a great opportunity for our families to see and understand what we do and where we work. I was very proud because I came with my mom, who had the opportunity to come to the open house more than 10 years ago, and now she could compare and see many positive changes have been made."

Families who explored the Monterrey facility not only enjoyed Cat® products, but also a playground for children, a presentation from a local TV children's show and a museum that focuses on Caterpillar's presence and contributions in Mexico.

For many who participated, the main attraction was an interactive show that involved Cat® machines, dancers, musicians and acrobats. Among the many performers was a Cat® 416E Backhoe Loader, a Cat® 966E Wheel Loader and a Cat® 770 Off-highway Truck.

Employees were thankful for this great opportunity to share their Caterpillar pride with their families.

"I'm very proud of the team who has pulled together over the years, whether it was for the business or for our communities," Riekema said.

Rock Solid People

THE STORY OF YELLOW IRON

A new showcase for the history, technology and people behind Caterpillar.



People know the yellow iron. Now they can understand the history, technology and global team behind it. A once-empty block on the Peoria, Ill., riverfront is now occupied by the Caterpillar Visitors Center, which offers a wide range of interactive exhibits to thousands of visitors every week. Just six weeks after opening on October 20, 2012, the Caterpillar Visitors Center had already counted more than 20,000 visitors.

To commemorate the opening, a time capsule was placed in the globe of the Visitors Center lobby. The capsule includes 78 different items, such as a Cat® D73 machine blueprint, diesel exhaust fluid tank cap and a pair of Cat® work boots, to be revealed in 38 years on the 125th anniversary of Caterpillar.

The Center itself is a state-of-the-art, LEED-certified building and provides a fascinating look at the company, the iron and the rock solid people making sustainable progress possible around the world. With nearly 50,000 square feet to explore, employees, retirees, dealers, customers, suppliers and the general public learn the story of Caterpillar through 28 exhibits, 53 videos, and approximately 775 photographs throughout the experience.

Possibly the most notable feature is the massive, life-size Cat® 797 Mining Truck at the heart of the building. Each visitor's journey begins in the bed of the Cat 797, which is home to a 62-person, rumble-seat theater. The featured video begins with stories from Caterpillar customers who talk about the work they do and how it impacts the world around them — every day, across the globe. These customers are the heart of Caterpillar's business — and the spotlight of the Visitors Center.



ROCK SOLID HISTORY

Recognized at the time as the largest showroom of its kind anywhere in the world, the Building HH Showroom in East Peoria, Ill., was 308 feet long, 108 feet wide and featured at least one sample of every machine Caterpillar built at any given time. Opened in 1929, thousands of people visited the showroom each year, including dealers, customers and the public. In 1938 alone, the showroom saw 14,566 visitors.

Rock Solid People

DEFINING THE DIFFERENCE

Differentiating a Caterpillar career for prospective employees.



MY ROAD TO PROGRESS

What is it like to work at Caterpillar?

“At Caterpillar, you work for a *global leader with global resources to support your career. You work with a talented team grounded in timeless values. And as all of us work together, Caterpillar provides the opportunity to make a transformational, tangible impact on your community and the world.*”

These statements are the pillars of Caterpillar’s employment brand message, developed in 2012 to describe what differentiates the Caterpillar career experience from other employers’ — it’s why employees choose to work here and why job candidates should consider a career at Caterpillar.

Extensive research was conducted with current employees, recent new hires, executive leaders and potential candidates to define the employment brand and to be certain it matched the real work experience that makes Caterpillar unique among other companies. The employment brand message is now being used to describe the Caterpillar work experience to potential candidates, while improving the career experience for current employees.

“As we have added more than 30,000 new employees globally in the last two years through direct hires and acquisitions, we believed it was important strategically to develop a consistent message of what it is like to work at Caterpillar,” explained Vice President and Chief Human Resources Officer Kim Hauer. “As we grow globally we want to reinforce and perpetuate the Caterpillar culture and brand that we have inherited from previous generations.”

As a global leader with global resources, Caterpillar offers:

- More than 85 years of industry leadership through its broad product line, a respected and admired corporate leader as a Fortune 50 company listed in the Dow Jones Industrial Average.
- Dynamic and flexible careers with boundless growth throughout hundreds of facility locations globally and diverse career paths, allowing employees to gather deep expertise in their fields and move between product lines and business areas.
- Opportunities to work with a team committed to customer success and living by Our Values in Action — Caterpillar’s Worldwide Code of Conduct.
- Innovation that is purposeful and tangible. Currently, Caterpillar has more than 10,000 engineers. Historically, more than 7,000 patents have been granted.
- The opportunity to make a difference. Caterpillar equipment plays an unmistakable role in developing countries and creating economic growth. Employment with Caterpillar is truly an opportunity to change the world.

It’s been said around Caterpillar for decades that the road to progress begins with a road, period. So, as Caterpillar makes progress possible around the world through its powerful machine and engine products and solutions, Caterpillar employs “rock solid people” who can say, “My road to progress begins with a career at Caterpillar.”

The employment brand message on “Why Caterpillar” can be found on the caterpillar.com/careers website.



ROCK SOLID PERFORMANCE

Our renewed focus on customers is delivering results. When Caterpillar products and services deliver world-class performance for our customers, then we are positioned to deliver world-class financial performance for our stockholders. We accomplished this in 2012 by translating record sales and revenues into solid profitability.

Rock Solid Performance

GETTING A FIX ON VARIABLE EXPENSE

Job Site Solutions helps a dairy better manage the bottom line.



Spend any time with the McCarty family at their dairy operation and you're likely to hear the words family, relationship, trust and integrity, along with analysis and innovation. All of this played a part in a recent deal from Foley Equipment for 17 new Cat® machines to handle feed and manure for McCarty Family Farms.

The McCarty family transplanted their entire operation to Kansas from Pennsylvania, where rising costs made it difficult to acquire acreage needed to grow the business. With this expansion came the need for more machines to run the operation. The McCartys turned to their equipment partner, Foley Equipment, and Caterpillar for an analysis of their purchase and operating options.

As with most businesses, the dairy business is considerably more competitive today than in the past, so watching costs is critical. "In any given month, we might find a \$30,000 or \$40,000 'surprise expense' for machine or equipment repairs," said Ken McCarty, who operates the Rexford dairy with his brother Clay.

"Our goal is to minimize the up-and-down fluctuations in operating costs. We're really tuned in to finding partners and ways of doing business where the unknowns become known," said Clay. "Foley made it so we know how much machine operating expenses will be for the long term," Ken continued. "This brings incredible stability to our operating cost, which ultimately flows to the bottom line."

Long-time Foley sales representative Dustin Daniels and Scott Bailey of Caterpillar's Job Site Solutions team conducted an exhaustive, top-to-bottom analysis of the entire operation, including capital and cash flow; machine requirements and their fit to operational tasks; work flows and productivity; and safety and maintenance.

The outcome of the analysis is a solution that optimizes machine utilization, component life, operator performance, fuel consumption and total fleet

availability at a fixed cost. The end result is a fleet fully integrated with dairy operations to significantly improve the bottom line.

Monitoring and managing each machine wouldn't be possible without technology. Each machine is outfitted with Cat® Product Link™ and monitored by Foley through VisionLink™ desktop and mobile monitoring applications. Machines are set up with limits on certain operating parameters, based on the site and the work required and monitored on a number of productivity measures, as well.

Issues such as engine overspeeds, improper shift points or excessive idling that could create a safety issue, an unplanned repair or higher operating costs are now visible. In doing so, Foley will be able to identify issues and develop remedies before they turn into costly downtime.

Productivity of the machines will also be tracked in an effort to optimize efficiency. Load volumes and cycle times will provide insight into inefficiencies or bottlenecks in the day-to-day operations, with the goal of eliminating them.

Delton Taylor, equipment solutions manager for Foley Equipment, will be the primary point of contact for much of this information called Condition Monitoring. "What's neat about this is that it's going to be transparent to the customer. In most instances we're going to know a problem exists before the customer has a chance to pick up the phone. In fact, we'll likely be reporting the problem to them," explained Taylor.

"The more we looked at this, the more it appeared to be a no-brainer on so many levels," said Mike McCarty. "Think about it this way; we've taken a variable expense and made it fixed. That's huge. We've taken the machine maintenance and off-loaded it to the people who really know the machines. As the technology advances it's tougher to train workers and keep them up-to-date. Plus, with an operation this large, we're increasingly looking for a better quality of life, and that doesn't include spending our free time wrenching on a machine," McCarty concluded.

Rock Solid Performance

PRAISE FOR A NEW PROCESS AND PRODUCT

A new development approach leads to accolades for Tier 4i motor graders.



Just one year after its release, Caterpillar's new Cat® M2-Series motor grader continues to gain accolades for its superior performance, reliability and productivity. Although customer satisfaction is what really counts, the process leading up to its release gained praise itself — raising the bar and setting higher standards for new product introduction at Caterpillar.

The Cat M2 was Caterpillar's first machine introduced to meet a new round of emission standards in North America and Europe — Tier 4 Interim (Tier 4i) standards for the United States and Stage IIIB standards in the European Union (EU).

According to Caterpillar Motor Grader New Product Introduction (NPI) Manager Jeff Castleman, the sheer magnitude of teamwork and collaboration involved was extremely well orchestrated — spanning four continents and representing Caterpillar's product development team, manufacturing facilities and supply base.

"This truly is a great example of Caterpillar at its best, in terms of global collaboration, to make sure we excel at product development," explained Castleman. "The team went in with a very aggressive plan to execute and deliver a new product introduction that not only met emission requirements, but also offers superior value to our customers."

One year post-introduction, Castleman said, "The dealer's feedback on the Cat M2-Series has been very positive. They specifically saw improvements in machine performance, as well as feature improvements that not only provide value to the customer, but also make their jobs easier."

Cat® dealer Empire Machinery Sales Manager Kevin Shanley said the introduction of Tier 4i emissions technology to the Cat M2 has been a seamless transition for Empire and its clients. "From our perspective,

Cat M2 motor graders have been outstanding," he explained. "We've had several customers tell us the initial difference in performance is excellent, and over time they have seen considerable fuel savings, excellent reliability and improved uptime. Based on positive customer feedback, strong initial quality metrics and the high confidence of our account managers, the Cat M2 has more than delivered in performance and reliability."

Built on the strengths of the M-Series predecessors, the Cat 120M2, Cat 12M2, Cat 140M2 and Cat 160M2 feature new engines, revolutionary joystick controls and integrated technologies that help the customer do more work in less time at a lower total cost. Other added features include a new ripper design, swing open cooling package, anti-icing glass and Cat® Grade Control.

"The new swing out radiator on the M2-Series makes our routine maintenance a lot easier," said Bobby Aiken, road department Superintendent for Seminole County, Georgia, "It's a lot less downtime for us."

Since the release of the Cat M2, multiple products have gone into production with Tier 4i — medium wheel loaders, articulated trucks, track-type tractors and more. The next round of emissions regulations, Tier 4 Final, takes effect January 1, 2014.

"Throughout the introduction of the Cat M2, the commitment to continuously improve the overall development and execution process was unprecedented," said Global Motor Grader Product Manager Pat O'Connell. "We're building and improving on this foundation as we prepare for Tier 4 Final."

Rock Solid Performance

MANAGING AND MONITORING THE SMART WAY

Smart electronics yield better engine performance.



Caterpillar is constantly developing and refining advanced technologies to help make customers' equipment more productive and efficient, and to help them more effectively manage fleets and operations.

Smart electronics, for example, help to monitor and control Caterpillar-powered gas compression stations around the world. These innovative solutions also help Energy & Power Systems customers utilize equipment data for proactive asset management, ranging from basic location tracking to advanced condition monitoring.

The value of these smart electronics is evident at the Atmos Energy Corporation Ponder Compressor Station, located northwest of Fort Worth, Texas. Here, Atmos operates two Cat® G3612 Engines. Both units are required to run 24 hours per day, seven days per week, but the station is unmanned at night and on the weekends. By filling this gap in operational surveillance, the Caterpillar monitoring system provides value and helps to enable customer success.

As a result of implementing the monitoring system, the customer has achieved 99 percent runtime, and the interaction between the operator and Caterpillar experts has proved very helpful by increasing operator knowledge of this equipment.

Business pressures to improve reliability and reduce costs have increased the challenge faced by operations and maintenance organizations as they acquire and maintain engines with the newer technology. Caterpillar has a long history of innovating on behalf of its customers. Energy & Power Systems customers are choosing to address these challenges by leveraging Caterpillar equipment monitoring solutions to assist in the proactive management of their equipment.

Rock Solid Performance

READY, SET... ASSEMBLE!

Collaboration improves truck assembly.



Few organizations in the world can boast such well-established, successful relationships as those that exist between Caterpillar and its dealers, who continually look for ways to work together more efficiently and effectively to benefit customers. A 2012 initiative between Caterpillar and Cat® dealers to improve the assembly time of the Cat® 793F Large Mining Truck is a great example of how this collaboration benefits customers.

The massive truck is more than 18 feet tall, 44 feet long, weighs upwards of 270,000 pounds and has a payload of 250 tons. The assembly of this workhorse is a massive undertaking. Historically, assembly took many weeks with multiple technicians, depending upon the truck's configuration. This process tied up the skilled technicians at the dealership and kept them from addressing other customer needs.

A global core team of 15 individuals, with an additional 60 people representing 13 different dealerships and seven different Caterpillar business units, collaborated to improve the process.

"As the team started to get into the real details of the problem, it became apparent very quickly that the challenge had many dimensions, the solution had to be global and sustainable, and the project would require an extraordinary degree of communication and collaboration amongst multiple divisions and dealers," explained Cameron Ferguson, dealer capability manager. "With an issue as complex as assembling large product consistently around the world, involving hundreds of people, thousands of parts, several languages and local customization, this project showed that with the right tools and commitment, a flexible but consistent solution can be achieved and exceed customer expectations."

The team used the rigor of 6 Sigma methodology and the discipline of the Caterpillar Production System (CPS) to identify areas of opportunity and define sustainable solutions. The overall goals were to best match the labor force to tasks, reduce cycle time, reduce total labor hours, deliver the standard work in a sustainable way and improve safety by identifying the right specialty and shop tools for the tasks.

The results have been remarkable. Using the new processes and tools, the base assembly time has been reduced by an average of 40 percent. In addition to the faster assembly, the quality levels of the machines have been significantly improved, due to the focus on standard processes and tools, which are being replicated for other large mining trucks. This global collaboration leads to a better product delivered faster and more cost effectively to customers.

Darren Tasker, chief operating officer of WesTrac, one of the pilot dealers heavily involved in the project noted, "WesTrac has been focused on driving continuous improvement throughout its entire organization, including the large mining truck 'order to delivery' cycle. Through the collaboration of both Caterpillar and WesTrac, the project quickly gathered momentum with immediate benefits."

These benefits included elimination of waste, reduced defects/rework and predictable cycle times and man hours required to perform the assembly of the machines.

"There is no doubt that without the expertise provided by Caterpillar, WesTrac would not have realized this level of benefits, which also will benefit other Cat dealers," added Tasker.

Rock Solid Performance

WHY CATERPILLAR?

Good reasons why Caterpillar is a good choice for all stakeholders.

With more than seven billion people in the world who need infrastructure, energy and power, and the world's commodities, Caterpillar is in a great position to win in the global marketplace. Group President Ed Rapp describes a number of factors that put Caterpillar ahead of the competition:

- The broadest line of products and services in the industry, and vertical integration of products, components and systems that provide unique advantages over the competition.
- A global manufacturing footprint that helps balance the shifting world economies.
- A dealer network that is unmatched and a supply chain that facilitated the ramp-up to record levels.
- A Caterpillar business model that puts the largest population of machines in the field at the lowest life-cycle cost for the customer.
- A diverse and talented team of great people.
- A strong balance sheet that provides financial strength as Caterpillar delivered another year of record sales and revenues and profits in 2012.

To learn more, visit <http://youtu.be/GETaxNON9mw>.

Business Segments

CONSTRUCTION INDUSTRIES

Construction Industries is focused on helping our customers build what the world needs — new highways, railroads, airports, water systems, housing, hospitals and schools, to name a few. Primarily responsible for supporting customers using machinery in infrastructure and building construction applications. Responsibilities include business strategy, product design, product management and development, manufacturing, marketing, and sales and product support. The product portfolio includes backhoe loaders, small wheel loaders, small track-type tractors, skid steer loaders, multi-terrain loaders, mini excavators, compact wheel loaders, select work tools, small, medium and large track excavators, wheel excavators, medium wheel loaders, medium track-type tractors, track-type loaders, motor graders, telehandlers, pipelayers and related parts.

ENERGY & POWER SYSTEMS

Energy & Power Systems is focused on supporting customers to meet increasing demand for energy through a variety of solutions and applications. This segment is primarily responsible for supporting customers using reciprocating engines, turbines and related parts across industries serving electric power, industrial, petroleum and marine applications as well as rail-related businesses. Responsibilities include business strategy, product design, product management, development, manufacturing, marketing, sales and product support of reciprocating engine powered generator sets, integrated systems used in the electric power generation industry, reciprocating engines and integrated systems and solutions for the marine and petroleum industries; reciprocating engines supplied to the industrial industry as well as Caterpillar machinery; the business strategy, product design, product management, development, manufacturing, marketing, sales and product support of turbines and turbine-related services; the development, manufacturing, remanufacturing, maintenance, leasing and service of diesel-electric locomotives and components and other rail-related products and services.

RESOURCE INDUSTRIES

Resource Industries helps customers mine and harvest resources like coal, iron ore and lumber. Responsibilities include business strategy, product design, product management and development, manufacturing, marketing and sales and product support. The product portfolio includes large track-type tractors, large mining trucks, underground mining equipment, tunnel boring equipment, large wheel loaders, off-highway trucks, articulated trucks, wheel tractor scrapers, wheel dozers, compactors, select work tools, forestry products, paving products, machinery components and electronics and control systems. In addition, Resource Industries manages areas that provide services to other parts of the company, including integrated manufacturing, research and development and coordination of the Caterpillar Production System. Since the acquisition of Bucyrus in 2011, additional responsibilities were added and include business strategy, product design, product management and development, manufacturing, marketing and sales and product support for electric rope shovels, draglines, hydraulic shovels, drills, highwall miners and electric drive off-highway trucks.

CUSTOMER & DEALER SUPPORT

Customer & Dealer Support strengthens Caterpillar's product support excellence by bringing a strong focus to Cat branded parts and customer service and delivering outstanding dealer development. This segment supports customers and dealers in a variety of ways, such as providing employee equipment training on job sites, supplying aftermarket parts and service support, and offering eBusiness and Equipment Management solutions. A key strength is the ability to manufacture parts and components, provide remanufacturing solutions and deliver unmatched parts availability to dealers and customers anywhere in the world.

FINANCIAL PRODUCTS

Caterpillar sustains sound relationships with its dealers, customers and suppliers by providing customized financing solutions through offices in more than 35 countries. Financing plans include operating and finance leases, installment sale contracts, working capital loans and wholesale financing plans. The segment also provides various forms of insurance to customers and dealers to help support the purchase and lease of Cat® equipment.



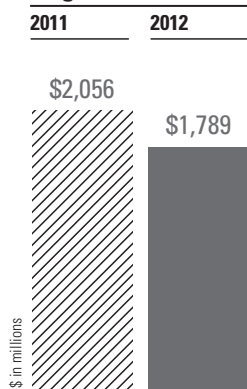
Construction Industries

RICH LAVIN
Caterpillar Group President

Sales



Segment Profit

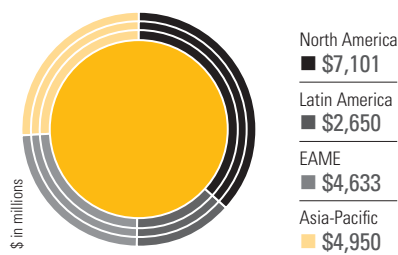


Despite a difficult and challenging year, Construction Industries (CI) contributed to yet another record year for the enterprise and had some incredible accomplishments.

- We achieved historical bests in both quality and safety.
- We improved our overall industry leadership position.
- We made progress in China — bauma China 2012 was an excellent example that displayed the strength of our product offerings in China.
- We improved the diversity of our leadership in Asia-Pacific.
- We made considerable strides in becoming the lowest cost producer (LCP).
- We deployed Tier 4i, while improving overall customer value and maintaining excellent quality.
- We saw positive expansion of global facilities and continue to have success on those in progress.

At the end of last year, I entered a new chapter in my life to begin my retirement, with Group President Ed Rapp taking leadership of Construction Industries. I'm confident that Ed will take the performance of our business to the next level and build on the tremendous foundation that has already been established. I leave Caterpillar very optimistic about its long-term future and the success it will bring in the years ahead.

2012 Sales by Geography

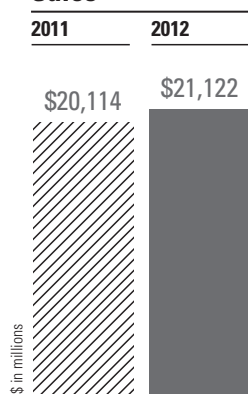




Energy & Power Systems

GERARD VITTECOQ
Caterpillar Group President

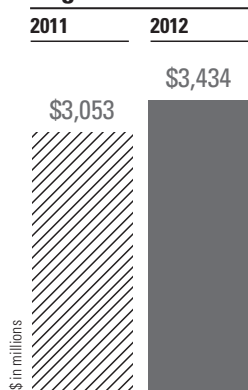
Sales



In 2012, the Energy & Power Systems team delivered record results, making significant progress toward our 2015 goals.

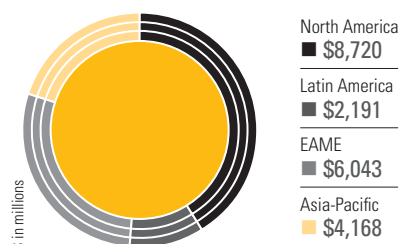
We expanded capacity with the opening of a new Rail facility in Sete Lagoas, Brazil, and a new Solar Turbines facility in Zatec, Czech Republic. We continued to make great strides in integrating MWM into Caterpillar following our acquisition in 2011, ultimately enabling us to significantly expand customer options for sustainable power generation solutions. We made a number of exciting announcements as well, including a joint venture with Ariel Corporation to provide complete pressure-pumping solutions to global oil and gas customers and an agreement with Westport to develop natural gas technology for off-road equipment. We also added to our growing list of agreements with International Power Project (IPP) providers to develop temporary power solutions to meet the needs of the growing IPP segment.

Segment Profit



I also marked a personal milestone with an announcement at the end of the year of my retirement after more than 37 years with the company. Earlier this year, Jim Umpleby assumed responsibility as group president with responsibility for Energy & Power Systems. I have tremendous confidence in Jim's ability to lead this business and continue to build on the successes we've achieved thus far. When it comes to our Energy & Power Systems businesses, we are in the right businesses at the right time, for a long time. Our potential is rock solid, and I look forward to the many great things to come from this group in the future.

2012 Sales by Geography



Resource Industries

STEVE WUNNING
Caterpillar Group President



As we enter into a new year that looks to be as challenging as 2012, it's important that we not forget just how far we've come in Resource Industries. We have had many remarkable accomplishments, and I would like to take the opportunity to mention a few. The integration of Bucyrus is going very well and is delivering our commitments made to our customers and stakeholders. On-time shipping performance from our plants is more than 85 percent compared to less than 40 percent five years ago. We've expanded and modernized our machine and component manufacturing plants all around the world, making our manufacturing facilities world class.

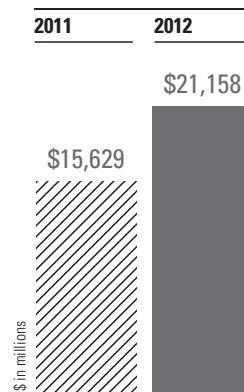
New startup facilities in Asia separate Caterpillar even more from competition with the largest, most modern and global manufacturing presence in the mining industry. The showcase of all our new products, technologies and solutions at MINExpo was a powerful example to our customers that we take our leadership in the mining industry very seriously.

Our diversified businesses continue to respond to a difficult and uncertain business climate, particularly in our Forest Products, Tunneling Products and Paving Products businesses. Our new Industrial & Waste strategic business is providing the necessary focus to this important segment. And, our Defense & Federal Products, OEM Solutions and Work Tool businesses are performing exceptionally well, making important contributions to the enterprise.

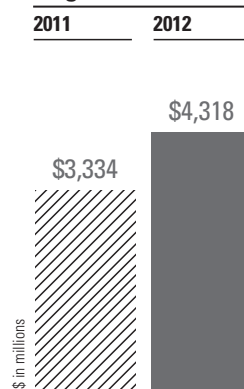
Product quality has improved tremendously, continuing the legacy that's been our foundation for more than 85 years. We continue to successfully invest and deploy the Caterpillar Production System (CPS) with all of our newly acquired plants from South Milwaukee, Wisconsin, to Thiruvallur, India, which is leading the pack in manufacturing excellence. The component business has been equally successful with improved delivery performance, and the investments in our product technology strategy and Tier 4 deployment continue to differentiate us, providing greater value to our customers today and into the future. Most importantly, we've seen outstanding improvement in employee safety over a 10-year journey. We are pleased with our progress, but recognize we still have a long way to go to reach Vision Zero.

Throughout 2013, Resource Industries will have to be flexible, but there is one constant and that is this ... our team of dedicated employees always delivers, no matter the challenge.

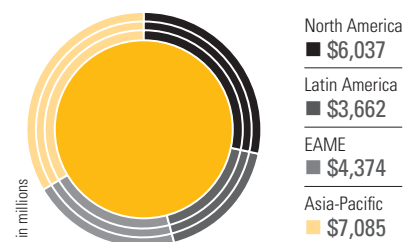
Sales



Segment Profit



2012 Sales by Geography



Customer & Dealer Support

STU LEVENICK
Caterpillar Group President



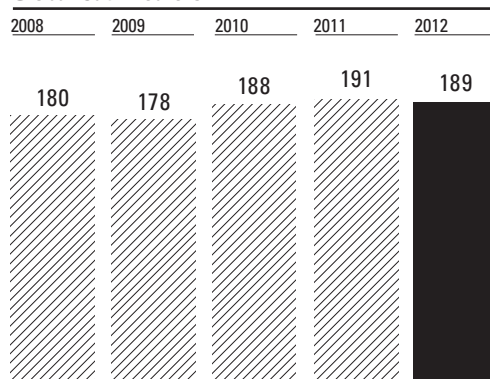
The Customer & Dealer Support (C&DS) organization faced a number of challenges in 2012, but we continued to focus on our customers and execute the key role we play in the Caterpillar Business Model. We have a rock solid strategy and a well-aligned organization that is executing very well.

I am proud of my organization's accomplishments as progress continues to be made toward our very aggressive 2015 goals and our safety targets have again been exceeded. We invested heavily in our parts distribution network in every region of the world and in our Reman and Components global capacity. Despite the economic headwinds during the year, we continued to improve quality. We made great strides in our efforts to provide world-class support to the greatest dealer network in the world. Our eBusiness capabilities continued to expand, we accelerated our penetration into telematics and Equipment Management, and we launched our revitalized Global Brand strategy that uniquely positions and strengthens our Cat brand in the global marketplace.

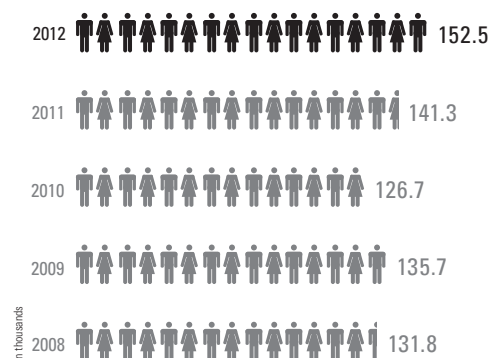
These are just a few of the 2012 Customer & Dealer Support organization's accomplishments. I encourage you to read about the many things Caterpillar delivered in 2012. Whether it was dealer collaboration, innovation, supplying power to the world or building more infrastructure, you will quickly learn why I am proud to be part of the remarkable accomplishments at Caterpillar and get the opportunity to lead a great team of employees.

What we do makes a difference — not only for Caterpillar, but more importantly for our dealers and customers.

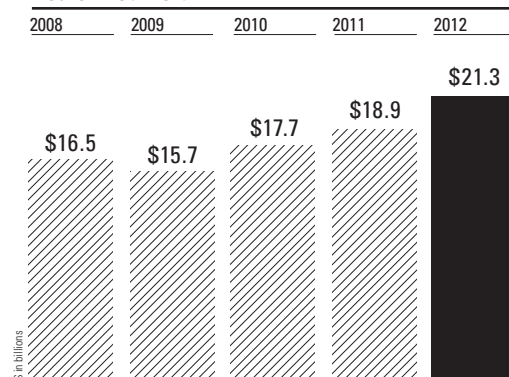
Global Cat® Dealers



Dealer Employees



Dealer Net Worth





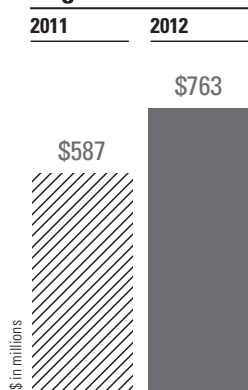
Financial Products & Corporate Services

ED RAPP
Caterpillar Group President & Chief Financial Officer

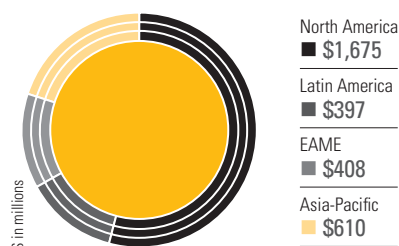
Revenues



Segment Profit



2012 Revenues by Geography



As I reflect on 2012 as Group President of Financial Products & Corporate Services, I realize our employees of the services groups and Financial Products have accomplished much as you consider:

- Our recovery since the “Great Recession” has been the fastest ramp-up in company history, stretching all of us and our supply chain. I think we have made good progress in building these supplier relationships.
- Cat Financial came out of this challenging period even stronger and we have improved alignment.
- Add to that, we’re integrating four major strategic acquisitions, including the largest in company history, the largest capital expansion program ever, and our largest divestiture. All of those activities involved our entire suite of support services. Now, as a company we need to stay focused on execution.
- All of our groups have had major transformations underway that are truly making us more effective and efficient at delivering services to the business, supply chain and customers: People initiatives to help us develop the Best Team, Purchasing transformation, Order to Delivery/Finance Transformation (Mach 1) and our strategy to deliver as a captive finance company.
- That doesn’t even begin to touch all of the aspects of deep expertise and fundamentals that are executed without a hitch day in and day out in Cat Financial, information technology, human resources, procurement and finance.

There is considerable capability across Corporate Services and Cat Financial to bring value to the business. We are using those capabilities to solve real business problems and to chase that value add to the bottom line. I’m proud to say I’ve been a part of Corporate Services as I move to leadership of Construction Industries in 2013.



Performance Summary

Financial Performance



Market Performance



Business Performance



2012 Regional Performance

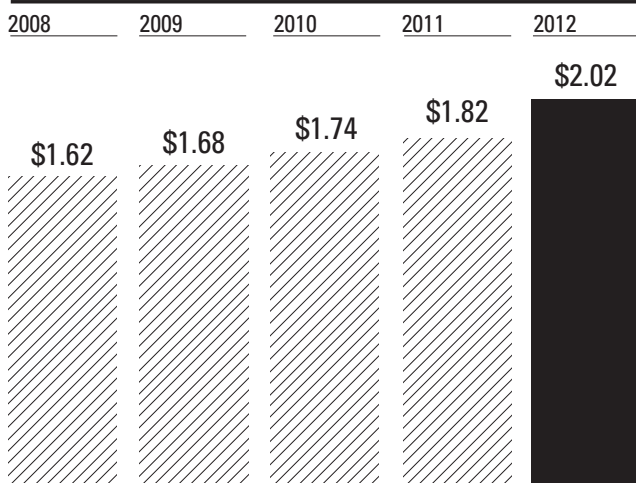


5-Year Financial Summary



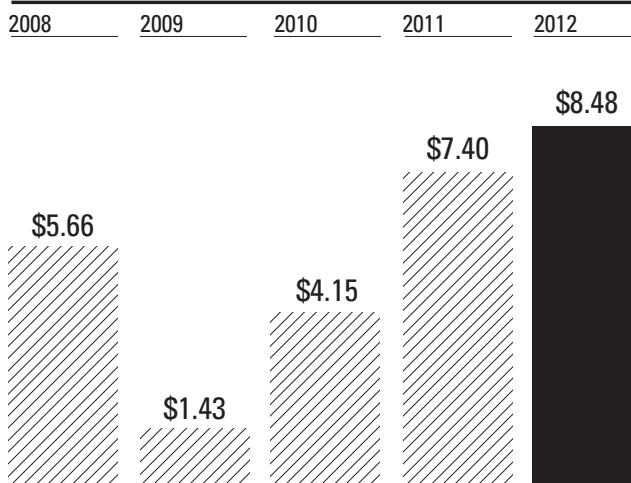
Financial Performance

Dividends Declared Per Share



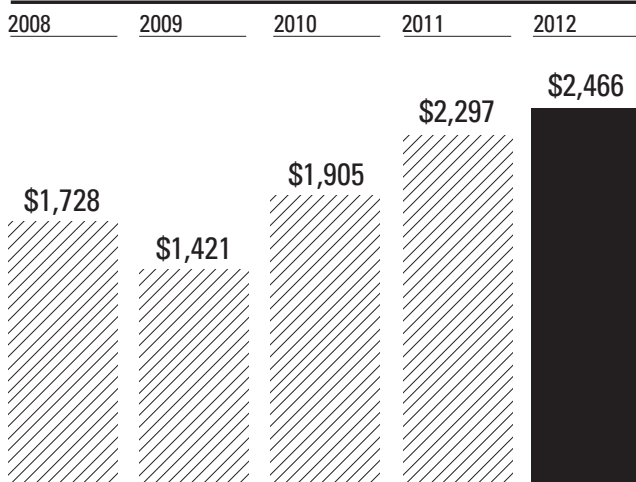
2012 marked the 19th consecutive year Caterpillar has paid an increased dividend to stockholders.

Profit Per Share (diluted)



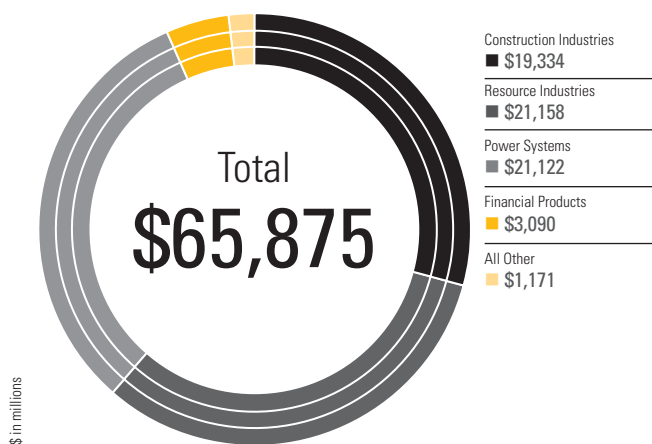
A significant increase in profit per share in 2012 reflected effective profit pull-through, one of our "Big 8" strategic imperatives.

Research & Development



Investment in research and development reached record levels in 2012.

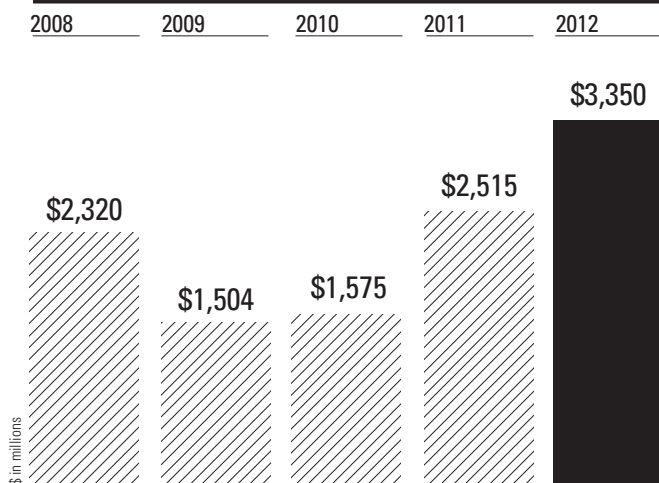
2012 Sales & Revenues By Segment



Sales and revenues were \$65.88 billion compared with \$60.14 billion in 2011. The increase in sales and revenues is a result of the net impact of acquisitions and divestitures, higher sales volume and improved price realization.

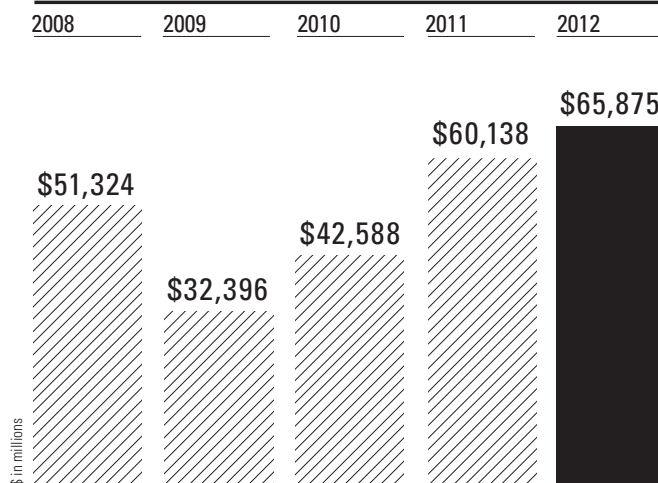
Financial Performance

Capital Expenditures (excludes equipment leased)



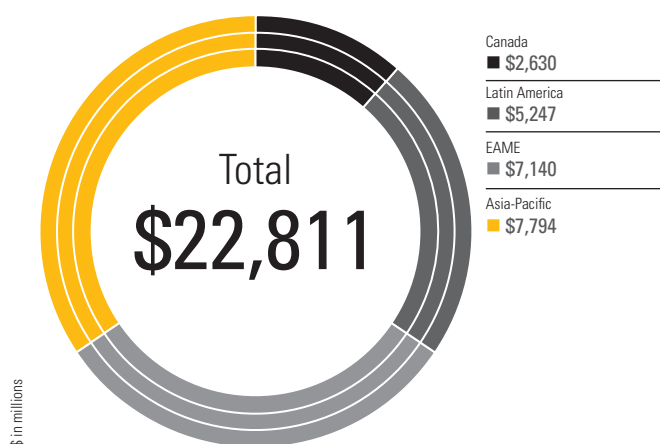
Caterpillar invested more than \$3.35 billion in capital expenditures during 2012, reflecting capacity expansion around the world to support customer demand.

Sales & Revenues



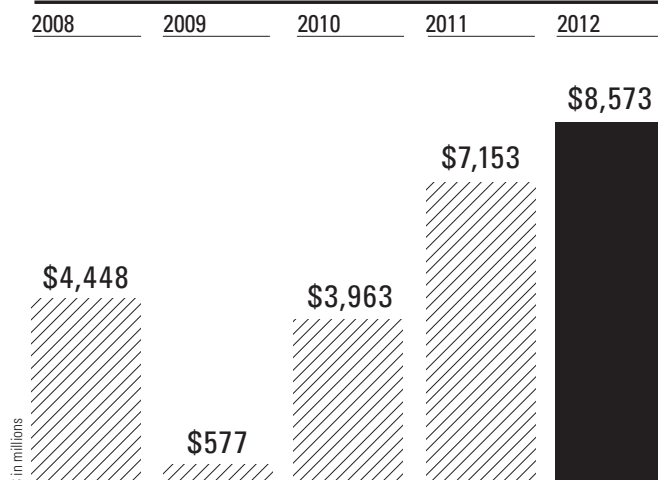
Sales and revenues increased 10 percent to \$65.88 billion in 2012, an all-time record.

2012 Exports From U.S. By Region



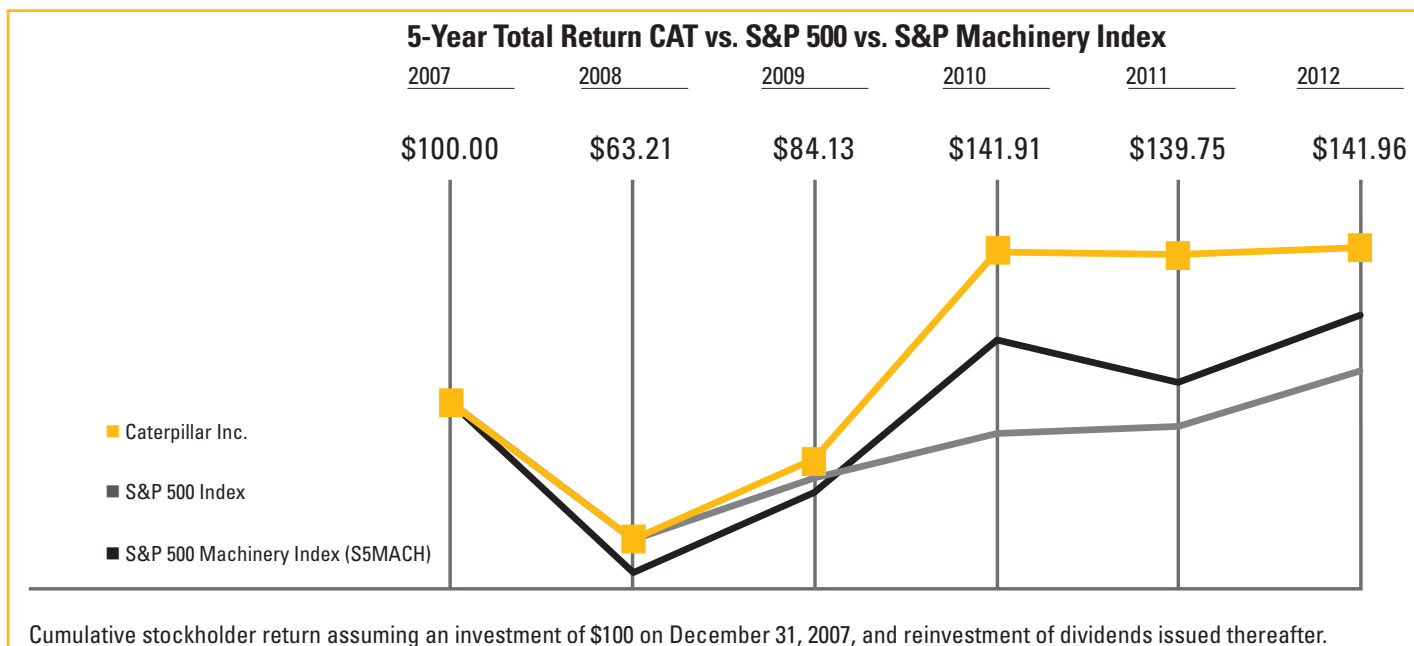
U.S. exports of \$22.81 billion increased 16 percent from 2011 to 2012.

Operating Profit



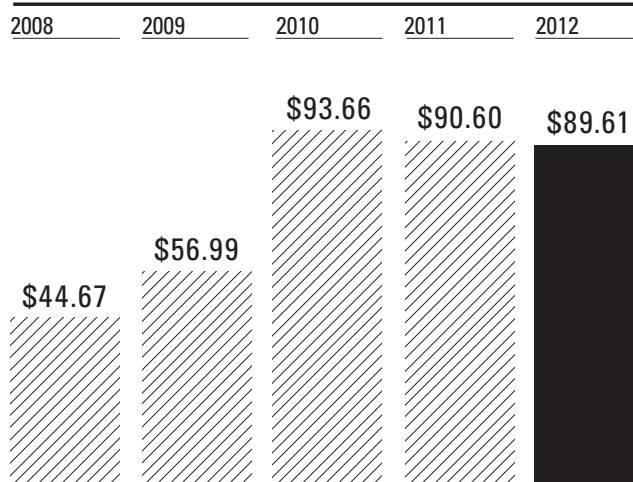
Operating profit was \$8.57 billion compared with \$7.15 billion in 2011.

Market Performance



Caterpillar has consistently outperformed the S&P 500 over the past five years.

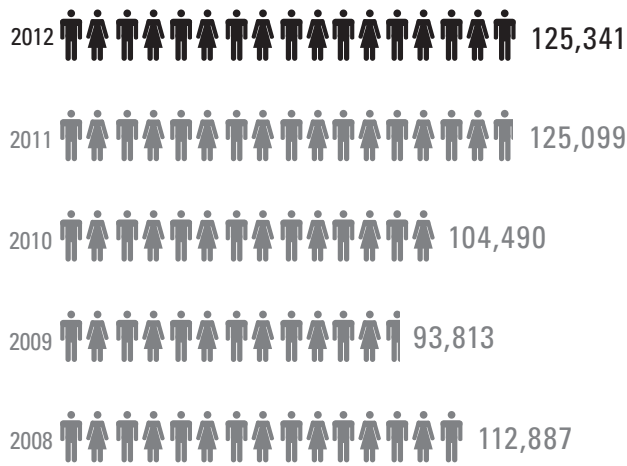
5-Year Closing Stock Price



Caterpillar shares have enjoyed a significant level of appreciation since the downturn of 2008.

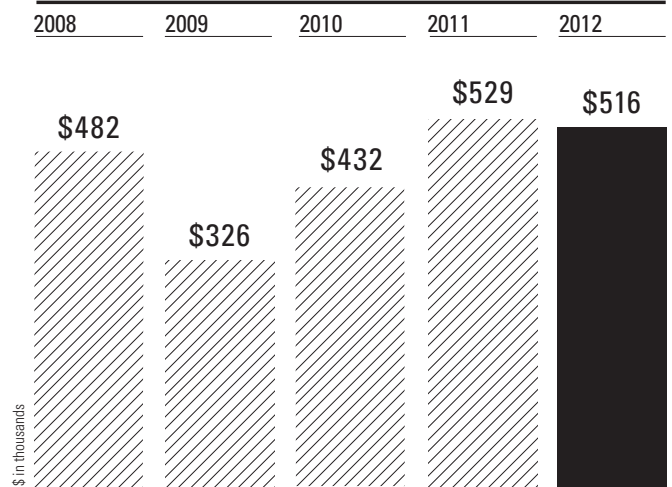
Business Performance

Global Employees (at year end)



Worldwide full-time employment was 125,341 at the end of 2012 compared with 125,099 at the end of 2011.

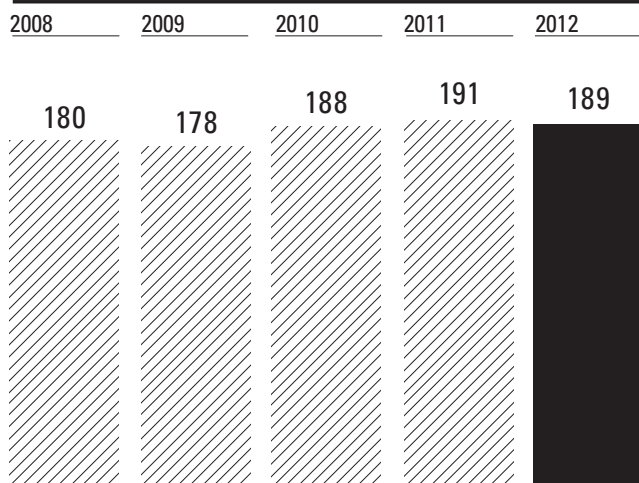
Sales & Revenues Per Employee



Sales and revenues per employee in 2012 were \$516,000.

Dealer Statistics

Global Cat® Dealers



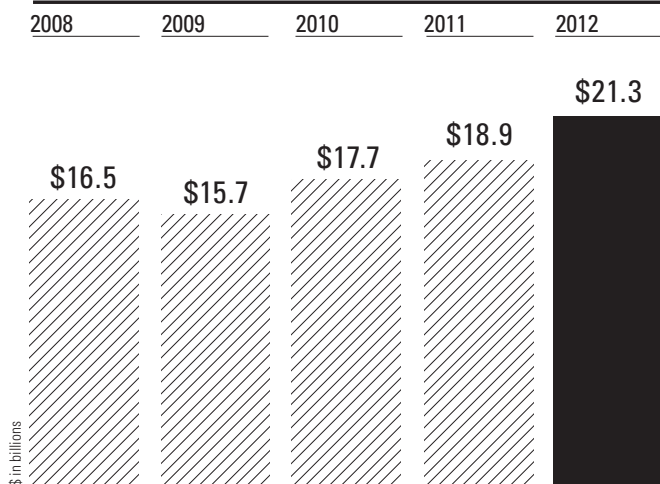
Our vast dealer network offers comprehensive solutions for customers worldwide.

Dealer Employees



Cat® dealer employees share our commitment to customers and ensure maximum business value from our products and services.

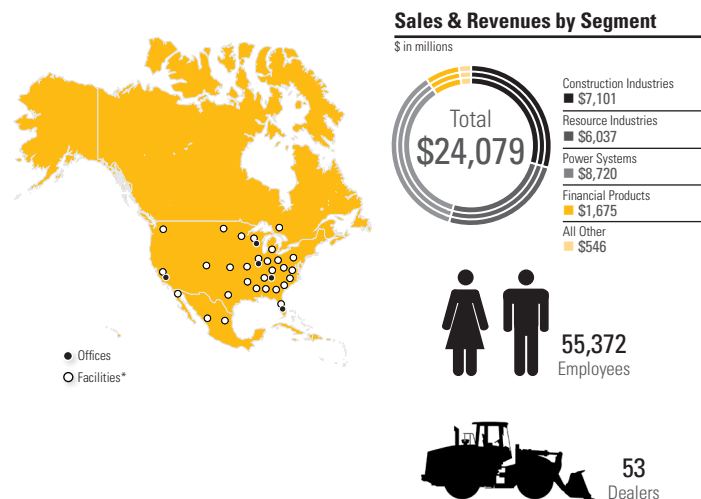
Dealer Net Worth



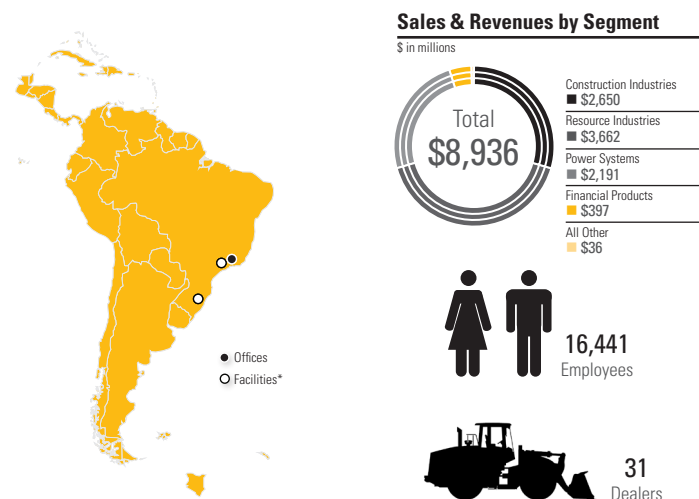
Most Cat® dealers are independently owned, locally operated businesses and benefit from strong, longstanding customer relationships.

Regional Performance

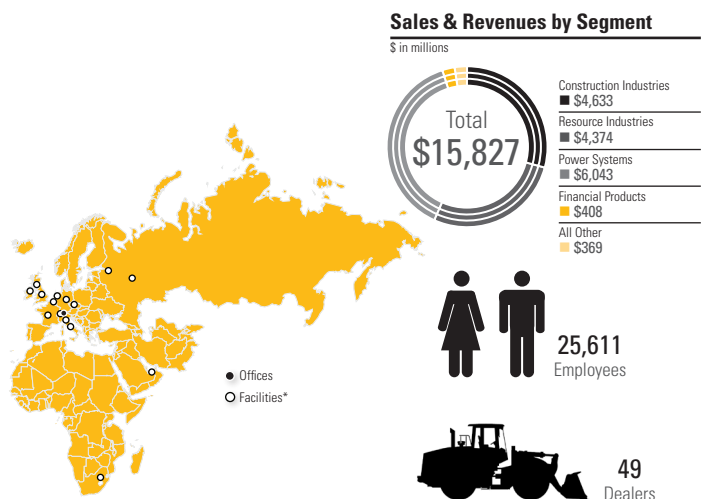
North America



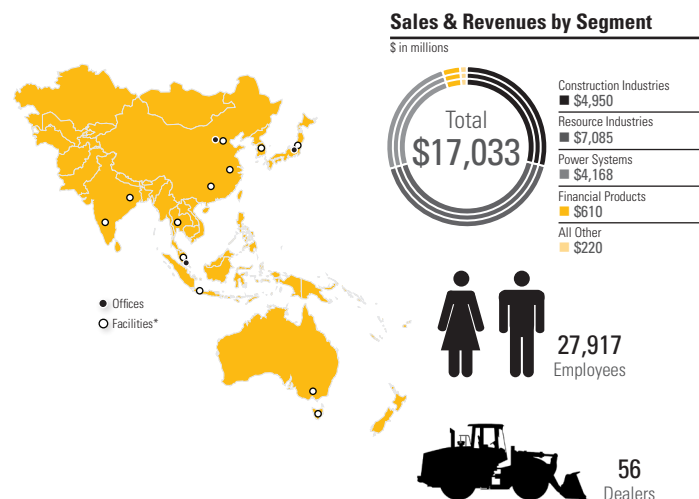
Latin America



EAME



Asia-Pacific



*Facilities include principal locations where manufacturing, parts distribution, rail, and remanufacturing work takes place. In certain geographic areas, the facility symbol may represent multiple facilities.

5-YEAR FINANCIAL SUMMARY

(dollars in millions except per share data)

Years ended December 31,	2012	2011	2010	2009	2008
Sales and revenues	\$ 65,875	\$ 60,138	\$ 42,588	\$ 32,396	\$ 51,324
Percent inside the United States	31%	30%	32%	31%	33%
Percent outside the United States	69%	70%	68%	69%	67%
Sales	\$ 63,068	\$ 57,392	\$ 39,867	\$ 29,540	\$ 48,044
Revenues	\$ 2,807	\$ 2,746	\$ 2,721	\$ 2,856	\$ 3,280
Profit ⁴	\$ 5,681	\$ 4,928	\$ 2,700	\$ 895	\$ 3,557
Profit per common share ¹	\$ 8.71	\$ 7.64	\$ 4.28	\$ 1.45	\$ 5.83
Profit per common share — diluted ²	\$ 8.48	\$ 7.40	\$ 4.15	\$ 1.43	\$ 5.66
Dividends declared per share of common stock	\$ 2.020	\$ 1.820	\$ 1.740	\$ 1.680	\$ 1.620
Return on average common stockholders' equity ^{3,5}	37.2%	41.4%	27.4%	11.9%	46.8%
Capital expenditures:					
Property, plant and equipment	\$ 3,350	\$ 2,515	\$ 1,575	\$ 1,504	\$ 2,320
Equipment leased to others	\$ 1,726	\$ 1,409	\$ 1,011	\$ 968	\$ 1,566
Depreciation and amortization	\$ 2,813	\$ 2,527	\$ 2,296	\$ 2,336	\$ 1,980
Research and development expenses	\$ 2,466	\$ 2,297	\$ 1,905	\$ 1,421	\$ 1,728
As a percent of sales and revenues	3.7%	3.8%	4.5%	4.4%	3.4%
Wages, salaries and employee benefits	\$ 11,756	\$ 10,994	\$ 9,187	\$ 7,416	\$ 9,076
Average number of employees	127,758	113,620	98,554	99,359	106,518
December 31,					
Total assets	\$ 89,356	\$ 81,446	\$ 64,020	\$ 60,038	\$ 67,782
Long-term debt due after one year:					
Consolidated	\$ 27,752	\$ 24,944	\$ 20,437	\$ 21,847	\$ 22,834
Machinery and Power Systems	\$ 8,666	\$ 8,415	\$ 4,505	\$ 5,652	\$ 5,736
Financial Products	\$ 19,086	\$ 16,529	\$ 15,932	\$ 16,195	\$ 17,098
Total debt:					
Consolidated	\$ 40,143	\$ 34,592	\$ 28,418	\$ 31,631	\$ 35,535
Machinery and Power Systems	\$ 10,415	\$ 9,066	\$ 5,204	\$ 6,387	\$ 7,824
Financial Products	\$ 29,728	\$ 25,526	\$ 23,214	\$ 25,244	\$ 27,711

1. Computed on weighted-average number of shares outstanding.

2. Computed on weighted-average number of shares outstanding diluted by assumed exercise of stock-based compensation awards, using the treasury stock method.

3. Represents profit divided by average stockholders' equity (beginning of year stockholders' equity plus end of year stockholders' equity divided by two).

4. Profit attributable to common stockholders.

5. Effective January 1, 2009, we changed the manner in which we accounted for noncontrolling interests. Prior periods have been revised, as applicable.



About Caterpillar



Business Overview

We are the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives.



Global Snapshot

With offices and facilities that span six continents, our global reach is unmatched in the industry.



Leadership Team

Our officers and directors lead more than 125,000 employees around the world in executing our strategy.



The Caterpillar Foundation

Founded in 1952, the Caterpillar Foundation helps make sustainable progress possible around the world.

Business Overview

Caterpillar powers world progress. Cat® equipment — more than three million units around the world — is at work for our customers on highways, rail lines, oceans and rivers, in forests, quarries and oil fields. We supply the machines, solutions and support so our customers can excel under varying terrain, soil and climate conditions. Our engines and gas turbines provide the horsepower for customers to move goods and commodities across the globe, while generators deliver power wherever it is needed. Caterpillar manufacturing excellence is supplemented by world-class service businesses, supported by logistics, financial products and remanufacturing. More information about Caterpillar products, services and solutions can be found at www.cat.com.

Major Product Groups

Articulated Truck	Locomotive	Pipelayer	Track-Type Tractor
Backhoe Loader	Material Handler	Scraper	Turbine
Compactor	Motor Grader	Skid Steer Loader	Underground Mining Vehicles
Engine	Off-Highway Truck	Surface Mining	Wheel Dozer
Forestry Machines	On-Highway Truck	Telehandler	Wheel Excavator
Generator Set	Paving Equipment	Track Loader	Wheel Loader
Hydraulic Excavator			

Major Industries Served

Demolition and Scrap	Industrial/OEM	Oil & Gas	Railroad
Forestry	Landscaping	Paving	Road Construction
General Construction	Logistics	Pipeline	Underground Utilities
Governmental	Marine	Power Generation	Waste Services
Heavy Construction	Mining	Quarry & Aggregate	

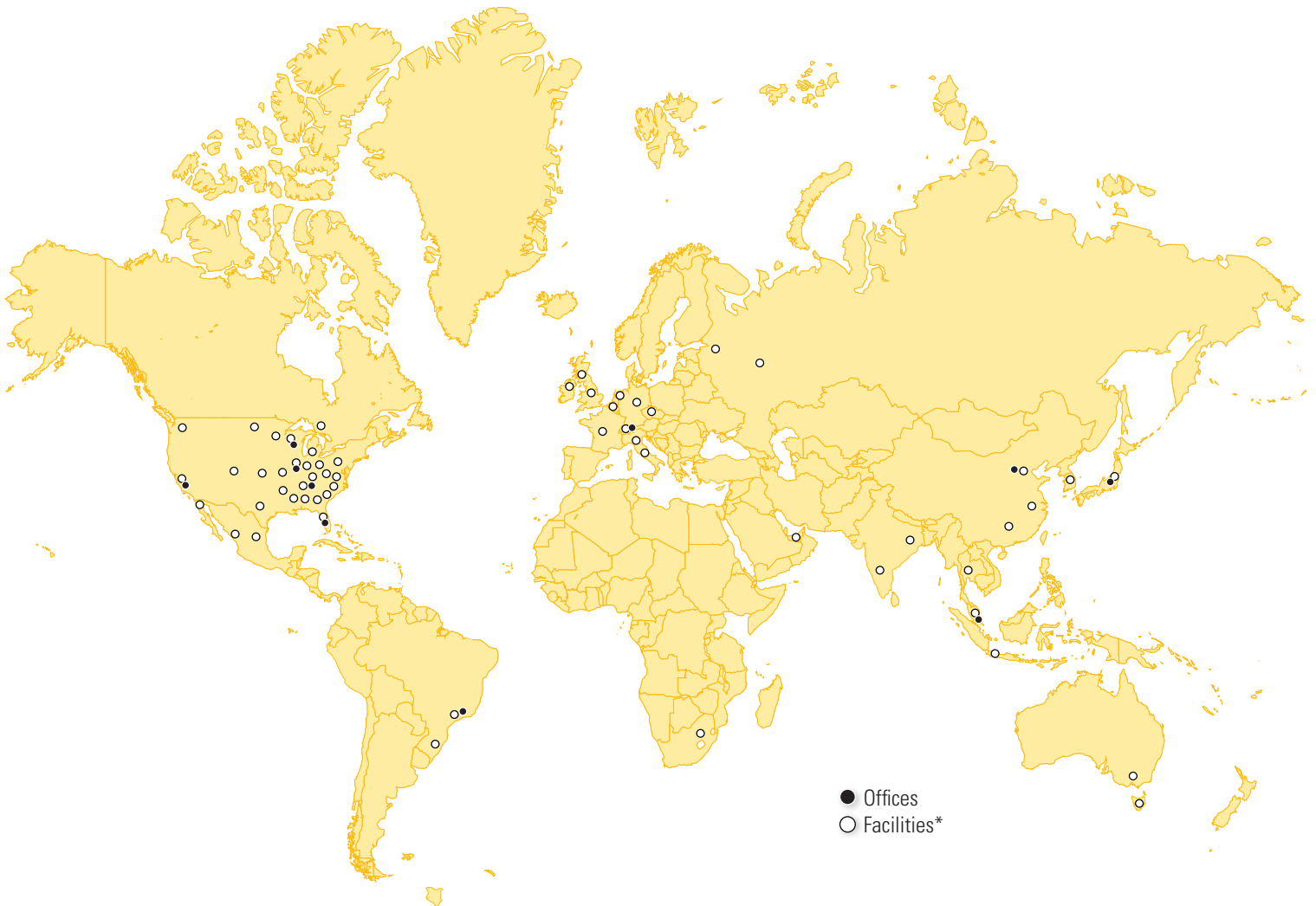
Major Service Areas

Customer Services	Locomotive & Railcar	Remanufacturing	Turbines
Financing	Maintenance and Repair	Rental	Training
Insurance	OEM Solutions	Safety	

Brands

Caterpillar Inc. owns a portfolio of brands. These brands help support our growth strategy and achieve our enterprise goals. The Caterpillar brand represents our corporation with the investment community, employees, public policymakers and other key stakeholders. Built on decades of performance, our portfolio of brands — including our primary public-facing brand name, Cat® — speaks quality, reliability and an assurance of the finest in design, engineering and customer service. For an overview of the Caterpillar brand portfolio, visit caterpillar.com/brands.

Global Snapshot



**Facilities include principal locations where manufacturing, parts distribution, rail, and remanufacturing work takes place. In certain geographic areas, the facility symbol may represent multiple facilities.*



From Left to Right: **Ed Rapp**, CFO, Financial Products & Corporate Services; **Steve Wunning**, Resource Industries; **Gerard Vittecoq**, Energy & Power Systems; **Doug Oberhelman**, Chairman and CEO; **Rich Lavin**, Construction Industries; **Stu Levenick**, Customer & Dealer Support

Executive Officers (Data based on 2012 year-end)

Doug Oberhelman, *Chairman and CEO*

Doug Oberhelman joined Caterpillar in 1975 and was elected a vice president in 1995. In 2002, he was elected a group president and became a member of Caterpillar's executive office. In October 2009, the Caterpillar Board of Directors named Mr. Oberhelman vice chairman and CEO-elect. During this time, he led a team that developed the future strategic plan for the company. Mr. Oberhelman was elected chief executive officer and a member of the board of directors effective July 1, 2010, and became chairman effective November 1, 2010.

Rich Lavin, *Construction Industries*

During 2012, Rich Lavin served as group president and executive office member of Caterpillar with responsibility for Construction Industries, which included the Earthmoving, Excavation, Building Construction Products, Europe/South America Operations and Caterpillar Japan Ltd. (CJL) divisions, as well as Global Construction & Infrastructure and China/India/ASEAN. Mr. Lavin retired at the end of 2012. His areas of responsibility have been assumed by Ed Rapp.

Stuart L. Levenick, *Customer & Dealer Support*

Stu Levenick is group president of Caterpillar with responsibility for Customer & Dealer Support, which includes Europe-Africa-Middle East (EAME), Americas and Asia-Pacific Distribution divisions, Remanufacturing & Components, Customer Services Support and Parts Distribution & Logistics.

Ed Rapp, *CFO, Financial Products & Corporate Services*

During 2012, Ed Rapp served as group president and CFO of Caterpillar with responsibility for the Finance Services, Human Services, Global Information Services, Global Purchasing and Financial Products divisions. He is also responsible for Strategy & Business Development, Corporate Auditing, Shared Services and Investor Relations. Effective January 1, 2013, Mr. Rapp became group president, Construction Industries, and Bradley Halverson was named CFO and group president.

Gerard Vittecoq, *Energy & Power Systems*

During 2012, Gerard Vittecoq served as group president of Caterpillar with responsibility for Caterpillar's Energy & Power Systems group, which includes the Industrial Power Systems & Growth Markets, Large Power Systems & Growth Markets, Marine & Petroleum Power, Electric Power, Progress Rail and Solar Turbines divisions. At the end of 2012, Mr. Vittecoq announced his upcoming retirement effective May 31, 2013. James Umpleby became group president responsible for Energy & Power Systems effective January 1, 2013.

Steve H. Wunning, *Resource Industries*

Steve Wunning is group president of Caterpillar with responsibility for the Resource Industries Group, which includes the Advanced Components & Systems, Diversified Products, Integrated Manufacturing Operations, Mining Sales & Support, Mining Products, and Product Development & Global Technology divisions.



Officers (Data based on 2012 year-end)

Chairman and Chief Executive Officer

Douglas R. Oberhelman

Group Presidents

Richard P. Lavin
 Stuart L. Levenick
 Edward J. Rapp
 Gerard R. Vittecoq
 Steven H. Wunning

Executive Vice President, Law and Public Policy

James B. Buda

Vice Presidents

Kent M. Adams
 William P. Ainsworth
 Mary H. Bell
 Thomas J. Bluth
 David P. Bozeman
 Robert B. Charter
 Frank J. Crespo
 Christopher C. Curfman
 Paolo Fellin
 William E. Finerty
 Steven L. Fisher
 Gregory S. Folley
 Thomas G. Frake
 Stephen A. Gosselin
 Hans A. Haefeli
 Bradley M. Halverson
 Kimberly S. Hauer
 Gwenne A. Henricks
 Kathryn Dickey Karol
 Randy Krotowski
 Stephen P. Larson
 William J. Rohner
 Mark E. Sweeney
 D. James Umpleby, III
 Tana L. Utley

Chief Financial Officer

Edward J. Rapp

Treasurer

Edward J. Scott

Chief Audit Officer

Matthew R. Jones

Chief Ethics and Compliance Officer

Christopher C. Spears

Controller and Chief Accounting Officer

Jananne A. Copeland

Corporate Secretary

Christopher M. Reitz

Assistant Treasurer

Robin D. Beran

Assistant Secretary

Patrick G. Holcombe
 Joni J. Funk



From Left to Right: Susan C. Schwab, Edward B. Rust, Jr., Joshua I. Smith, Jesse J. Greene, Jr., Douglas R. Oberhelman, David L. Calhoun, Juan Gallardo, Dennis A. Muilenburg, Jon M. Huntsman, Jr., Miles D. White, Charles D. Powell, Eugene V. Fife, Daniel M. Dickinson, Peter A. Magowan, William A. Osborn, David R. Goode.

Board of Directors

David L. Calhoun, 55

Chief executive officer (since May 2010) and a director (since January 2011) of Nielsen Holdings N.V. (marketing and media information) and chairman of the executive board and chief executive officer of The Nielsen Company B.V. (since September 2006). Prior to his positions at Nielsen, Mr. Calhoun served as vice chairman of General Electric Company and president and chief executive officer of GE Infrastructure. Other current directorships: The Boeing Company. Other directorships within the last five years: Medtronic, Inc. Mr. Calhoun has been a director of the Company since 2011.

Daniel M. Dickinson, 51

Managing partner of HCI Equity Partners (private equity investment). Other current directorships: MISTRAS Group, Inc. and HCI Equity Partners. Other directorships within the last five years: Progressive Waste Solutions Ltd. Mr. Dickinson has been a director of the Company since 2006.

Eugene V. Fife, 72

Managing principal of Vawter Capital, LLC (private investment). Mr. Fife served as the interim CEO and president of Eclipsys Corporation (healthcare information services) from April to November of 2005 and the nonexecutive chairman from 2001 until 2010, when Eclipsys merged with Allscripts Healthcare Solutions, Inc. Mr. Fife was formerly a partner of The Goldman Sachs Group, Inc., retiring in 1995. Other directorships within the last five years: Allscripts Healthcare Solutions, Inc. and Eclipsys Corporation. Mr. Fife has been a director of the Company since 2002 and retired from the board at the end of 2012.

Juan Gallardo, 65

Chairman and former CEO of Grupo Embotelladoras Unidas S.A.B. de C.V. (beverages and bottling). Other current directorships: Lafarge SA. Other directorships within the last five years: Grupo Mexico, S.A. de C.V. Mr. Gallardo has been a director of the Company since 1998.

David R. Goode, 71

Former chairman, president and CEO of Norfolk Southern Corporation (holding company engaged principally in surface transportation). Other current directorships: Delta Air Lines, Inc. and Texas Instruments Incorporated. Mr. Goode has been a director of the Company since 1993.

Jesse J. Greene, Jr., 67

Instructor at Columbia Business School in New York City, where he teaches corporate governance, risk management and other business topics at the graduate and executive education levels. He was formerly vice president of financial management and chief financial risk officer of International Business Machines Corporation (computer and office equipment). Mr. Greene has been a director of the Company since 2011.

Jon M. Huntsman, Jr., 52

Former United States Ambassador to China (2009-2011) and former governor of Utah (2005-2009). Other current directorships: Ford Motor Company and Huntsman Corporation. Mr. Huntsman has been a director of the Company since April 2012.

(continued)

Board of Directors (continued)

Peter A. Magowan, 70

Former president and managing general partner (1993-2008) of the San Francisco Giants (Major League Baseball team) and chairman (1980-1998) and chief executive officer (1980-1993) of Safeway Inc. (food retailer). Other directorships within the last five years: DaimlerChrysler AG. Mr. Magowan has been a director of the Company since 1993.

Dennis A. Muilenburg, 48

Executive vice president of The Boeing Company (aerospace/defense products and services) and president and chief executive officer of Boeing Defense, Space & Security since September 2009. Prior to his current position, Mr. Muilenburg was president of Boeing Global Services & Support (2008-2009) and vice president and general manager of the Boeing Combat Systems division (2006-2008). Mr. Muilenburg has been a director of the Company since 2011.

Douglas R. Oberhelman, 59

Chairman and chief executive officer of Caterpillar Inc. (machinery, power systems and financial products). Prior to his current position, Mr. Oberhelman served as vice chairman and chief executive officer-elect and as a group president of Caterpillar Inc. Other current directorships: Eli Lilly and Company. Other directorships within the last five years: Ameren Corporation. Mr. Oberhelman has been a director of the Company since 2010.

William A. Osborn, 65

Former chairman and CEO of Northern Trust Corporation (multibank holding company) and the Northern Trust Company (bank). Other current directorships: Abbott Laboratories and General Dynamics Corporation. Other directorships within the last five years: Nicor Inc., Tribune Company and Northern Trust Corporation. Mr. Osborn has been a director of the Company since 2000.

Charles D. Powell, 71

Chairman of Capital Generation Partners (asset and investment management), LVMH Services Limited (luxury goods) and Magna Holdings (real estate investment). Prior to his current positions, Lord Powell was chairman of Sagitta Asset Management Limited (asset management). Other current directorships: LVMH Moët-Hennessy Louis Vuitton and Textron Inc. Lord Powell has been a director of the Company since 2001.

Edward B. Rust, Jr., 62

Chairman, CEO and president of State Farm Mutual Automobile Insurance Company (insurance). He is also president and CEO of State Farm Fire and Casualty Company, State Farm Life Insurance Company and other principal State Farm affiliates, as well as trustee and president of State Farm Mutual Fund Trust and State Farm Variable Product Trust. Other current directorships: Helmerich & Payne, Inc. and The McGraw-Hill Companies, Inc. Mr. Rust has been a director of the Company since 2003.

Susan C. Schwab, 57

Professor at the University of Maryland School of Public Policy and a strategic advisor for Mayer Brown LLP. Prior to her current positions, Ambassador Schwab held various positions, including United States trade representative (member of the U.S. president's cabinet) and deputy United States trade representative. Other current directorships: FedEx Corporation and The Boeing Company. Ambassador Schwab has been a director of the Company since 2009.

Joshua I. Smith, 71

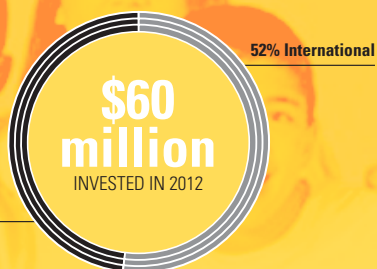
Chairman and managing partner of Coaching Group, LLC (management consulting). Other current directorships: Comprehensive Care Corporation, FedEx Corporation and The Allstate Corporation. Other directorships within the last five years: CardioComm Solutions Inc. Mr. Smith has been a director of the Company since 1993.

Miles D. White, 57

Chairman and chief executive officer of Abbott Laboratories (pharmaceutical and medical products). Other current directorships: McDonald's Corporation. Other directorships within the last five years: Motorola, Inc. and Tribune Company. Mr. White has been a director of the Company since 2011.

The Caterpillar Foundation

The Caterpillar Foundation reflects the philanthropic efforts of Caterpillar Inc. Founded in 1952 by Caterpillar, the Caterpillar Foundation has contributed more than \$550 million to help make sustainable progress possible around the world by providing program support in the areas of environmental sustainability, access to education and basic human needs. To learn more about the Foundation's investments, please visit caterpillar.com/Foundation.



Food

In the U.S. and around the world, the Caterpillar Foundation invests in many programs focused on ensuring disadvantaged populations have enough to eat.



WORLD FOOD PROGRAMME

The World Food Programme (WFP) operates school meal programs in 60 countries. In the poorest nations, this program has shown to as much as double primary school enrollment and greatly equalizes gender disparities. With support from the Caterpillar Foundation, WFP reaches about **22 million** children annually.

FEEDING AMERICA

Feeding America's network of over 200 food banks across the United States will serve **8 million** meals because of the Caterpillar Foundation's investment.

Water

For many, fresh, clean water is not as simple as turning on the tap. The Caterpillar Foundation supports organizations that are striving to bring potable water to those in need.

CHARITY: WATER

Since 2010, charity: water has funded **6,994 water projects in 20 countries**. These well and filtration system projects in Southeast Asia and Africa will serve more than 2.5 million people. In 2012, the Caterpillar Foundation provided support for their work in Tanzania, Liberia and Malawi.



WATER.ORG

Water.org works to provide microloans for clean water access and the construction of household sanitation facilities. The Caterpillar Foundation's investment in Water.org has helped thousands of people in India gain access to fresh water and the dignity of sanitation facilities.

The Caterpillar Foundation

(continued)



Shelter

The Caterpillar Foundation works with a number of organizations specializing in providing those in need with temporary, transitional and permanent housing.

HABITAT FOR HUMANITY

60,000+

AFFORDABLE HOMES BUILT SINCE 1976.

REBUILDING TOGETHER

\$25,000

INVESTED IN PEORIA AND AURORA, ILL., REBUILDING TOGETHER PROGRAMS.

AMERICAN RED CROSS



WE HELP THOSE AFFECTED BY DISASTERS WITH SERVICES SUCH AS EMERGENCY SHELTER.

TECHO



PROVIDES TRANSITIONAL HOUSING IN SLUM AREAS

of

19
Latin American Countries

MANY CATERPILLAR AND DEALER EMPLOYEES VOLUNTEER WITH TECHO TO CONSTRUCT HOUSES FOR DISADVANTAGED FAMILIES IN THESE AREAS.

SINCE 1997

245,000
volunteers

HAVE CONSTRUCTED
65,000
transitional homes

FOR
260,000
people in need



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