



MESSAGE FROM DOUG

People, CPS and Technology

You have all seen our Enterprise Strategy. It's our path to achieving our 2015 goals. It's a good plan, and as we begin a new year, it is absolutely still our path. Each year we pull out a few key areas to focus on. This year, much of our focus is going to be on Caterpillar Production System (CPS), Technology and People.

I'm pleased with our success in CPS, especially in terms of safety and quality, but it's time for us to take it to the next level. Our focus is to step up our game in supply chain efficiency, from the moment a customer places an order until it's in his or her hands.



We are also going to be focusing on technology and eBusiness. In our personal lives, we use our smart phones, tablets and computers to do everything. We need to continue making our products and services more advanced in terms of technology and we need to make it easier for our customers to do business with us through technology as well. It's all about making connections. We're going to leverage technology to ensure that we're connected to our products in the field and that our customers are connected to Caterpillar and our dealers.

"We're going to leverage technology to ensure that we're connected to our products and our customers are connected to Caterpillar."

And finally, we are going to focus on our people. Our company is growing in terms of the industries and global markets we serve, our overall financial performance and employment. This growth presents new opportunities and challenges for all of us. We all need to be "in the game" ... ready to deliver outstanding results.

We have great opportunities ahead as a company, and that also means opportunities for everyone on the Caterpillar team.

Thanks for all your hard work. I truly appreciate the work you do, and I'm proud to be part of this team.



CAT THERAPY: Customer's 920 Wheel Loader Aids In Stroke Recovery

"Cat Therapy" has some big believers in Barnstable, Mass.

A retired owner of a successful construction company on Cape Cod, Tom Vettori suffered a massive stroke while vacationing in Florida. He survived, but was left with no control over the left side of his body.

Tom began rehabilitation sessions after 18 days in the hospital. Still, there was no noticeable progress, and Tom didn't understand why the therapists only worked with him for 30 minutes, three times a week.

"Just as I was getting stronger, they would tell me it was time to take a rest. I did not want to take a rest, I wanted to get better!" said Tom.

Tom and his wife went back to Massachusetts to a hospital on Cape Cod for therapy instead, but the story repeated itself. Tom was ready and willing to do more, and was getting frustrated. One day, early in the morning, he took matters in his own hands. He dragged himself out of bed and worked his way to his backyard, where his old Cat® 920 Wheel Loader was parked. It took him some time, but he was able to slowly climb to the cab and sit in the operator's seat.

He picked up his left hand with his right and placed it on the control.

It was then that something happened that gave him goose bumps – his left hand gripped the knob. "It was like it remembered what it was supposed to do!" said Tom.



Day after day Tom ventured out to the machine and improved strength and the motion of his left side using the steering wheel until he was finally able to turn the wheel 360 degrees.

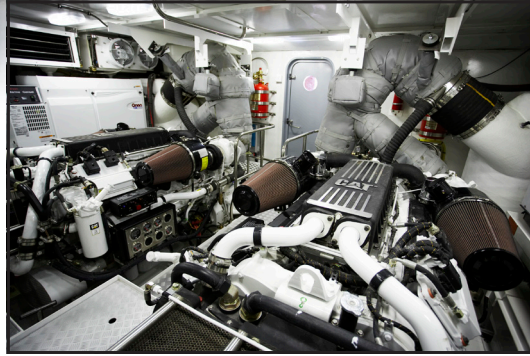
From that day on, Tom spent hours in his wheel loader, willing his hand and arm to turn the steering wheel a little more each day until one day he was able to make a full 360 degree rotation. When he went back to his regular physical therapist for a checkup, she couldn't believe his

progress, and wanted to know what his secret was. "So I said it was Cat therapy," Tom said, laughing. "She was in shock."

His next step was to work on his left foot. He used his Cat 416 Backhoe Loader, which unlike his wheel loader, had a mechanical foot brake and took effort to press to the floor. The story repeated itself, with Tom demanding more of himself every day, until his foot was strong enough that he could walk without a cane.

So how is he today? "The only thing I cannot do is stand on my tippy toes!" said Tom.

Cat® Concierge supports marine engines around the world



Cat® Concierge began as a small program run through one dealer and one Original Equipment Manufacturer (OEM). It was launched after the introduction of the Cat C32 diesel marine engine and the goal was simple: improve customer satisfaction for private pleasure craft owners. Cat Concierge is the global leader and only supplier with this level and quality of service.

Any yacht purchased from a participating OEM that is powered by a Cat marine engine is eligible. The service is free for five years as part of the Caterpillar two-plus-three warranty – a full two-year warranty, plus a three-year limited warranty. It doesn't matter if the vessel is 40 feet long or 120 feet long. During the yacht's life, the owner may need to make a general inquiry, report an emergency, resolve a technical problem or schedule maintenance. One call to Cat Concierge takes care of it all.

"Like most new product introductions, there were certain challenges. We needed a tool to help maintain customer relationships and sales, and the Cat Concierge was born," said David Shannon, Global Pleasure Craft manager.

Cat Concierge has been operating globally since May 2012 and the biggest challenge was understanding the different requirements and expectations from each customer around the world.

To help resolve those challenges, the program opted for locations in three different time zones, rather than one, central

European location. And when it comes to staff, Cat Concierge prefers to hire local people who have excellent product insight and knowledge. The service handled more than 400 projects in 2012 – some of which involved arranging to have parts flown thousands of miles.

"The Cat Concierge program is something we have been strong supporters of since its conception.

It perfectly reflects our own customer service philosophy and complements our aftersales operation in all markets," said Chris Gates, managing director of Princess Yachts International, who is an avid believer in the program.

The service also provides regular progress reports, so customers are always up-to-date about the status of their vessel. Other service benefits are the complimentary First Owner Sea Trial and orientation. During a First Owner Sea Trial, Cat engines are run at different revolutions per minute to measure engine and ship performance together. With the customer on board during and involved with the 2.5-hour trial (for each engine), the owner comes away with a better understanding of the vessel's capabilities.

With the success of Cat Concierge for private pleasure craft, the service is being extended to commercial vessels. CMPS just completed a workshop to adapt the process for key accounts in the commercial marine segment. This process will be piloted with two or three key accounts later in 2013.



Caterpillar Named Top 50 Employer

Caterpillar has been named to the 22nd annual "Top 50 Employers" list published in CAREERS & the disABLED Magazine. The annual list is generated by reader surveys and highlights the top companies in the United States for hiring people with disabilities.

"It is an honor to be recognized by CAREERS & the disABLED Magazine," said Latasha Gillespie, director of Global Diversity & Inclusion. "I'd also like to thank the Champions of Challenge resource group for its outstanding support of employees with disabilities. Caterpillar is committed to a diverse and inclusive culture that values the characteristics, experiences and viewpoints of our entire global team."

Established in 1986, CAREERS & the disABLED is the nation's first and only career-guidance and recruitment magazine for people with disabilities. Readers selected the top 50 companies for which they would most prefer to work or believe are progressive in hiring people with disabilities. Caterpillar's ranking appeared in the winter 2012-2013 edition.

CATERPILLAR

REG UP PAT OFF

Gallery Hosts Bring Their Own Heritage to Caterpillar Visitors Center

When stopping by the Caterpillar Visitors Center (CVC) in Peoria, Ill., be sure to ask the gallery hosts about their own story as well as the story of Caterpillar, as many are rehired retirees that have served the company for 19 to 42 years. This February, the CVC celebrated its first “Heritage Day” where the



Jean Hurt, CVC Gallery Host, showing Lee Fosburgh, Corporate Archivist, her custom hard hat from Trakindo Cat® in Indonesia.

retirees could display items from their Caterpillar careers and showcase their own history to fellow CVC employees.

From engine-shaped cuff links and Caterpillar matchboxes to a nostalgic photo of Facility HH and an engraved steel hard hat, CVC employees were captivated by each host’s memorabilia and story that accompanied it. Corporate Archivist Lee Fosburgh stopped by the center to look at the items the hosts were showcasing. “It’s more than just finding the object itself, but getting the story and putting everything into context,” said Fosburgh. “Each item is the piece of a larger puzzle.”

“I was presented with this custom hard hat from Trakindo Cat® for working a trade with a NACD dealer to get a 773 off-highway truck immediately to their mine site in Indonesia,” said Jean Hurt, who retired after working for 42 years at Caterpillar. “I started as a ‘tub file’ clerk in 1967 and my favorite memory is looking out the window of a plane in awe on my first business trip in 1979, thinking ‘Caterpillar believes I can do this!’”



CVC gallery hosts sharing different photos from their careers with employees.

Susie Baker, Roger Birky, Dean Costello, Ken Gerber, Jean Hurt, Jerry LaConte, Rosemary McCullough and Linnea Reinboldt are CVC gallery hosts and Caterpillar retirees.

The Caterpillar Visitors Center provides free admittance for Caterpillar

retirees and is located at 110 SW Washington St. in downtown Peoria, Ill., open from 10 a.m.–5 p.m. Monday through Saturday (last ticket sold at 3:30 p.m.).

Inquiries about possible donations to the Corporate Archives may be sent to archives@cat.com.

After 62 years...

Employee retires and continues to provide knowledge to company

Jack South worked for Caterpillar in Peoria, Ill., for 35 years before retiring for the first time. He loved working for Caterpillar so much, he came back as a rehired retiree and worked another 27 years before retiring a second time.

South worked in a sales tax position for Caterpillar from 1950 through 1985. He was hired back because of his keen knowledge of Caterpillar’s business and accounting practices, as well as his deep understanding of Illinois laws and regulations.

“Jack has a phenomenal work ethic,” said South’s former manager, Lori Magee. “He believes every dollar he saves the company is like saving his own money. He looks at every single invoice and goes after every single dollar.”

Magee said South has saved the company millions of dollars over the years.

South, 81, said the only reason he retired in 1985 is because he hates the winters. He retired and moved to California for three

months, coming back to Peoria in August. He then got a call from his former boss for a special project, which is when he came back to Caterpillar as a rehired retiree.

“I’m proud to be a Caterpillar employee. It’s been an exciting time because you can really see when you save the company money. It’s one invoice at a time,” he said.

South said although he hates the winters, his wife never acclimated to California. “My desire was to be here and spend the winters in California. She never did acclimate to that and I had to make a decision whether I wanted to be in California or be married. I thought I’d rather be married,” he joked.

And in that decision, Caterpillar lucked out.

“Jack is resourceful and knows where to look. He really enjoys what he does. I have never met anyone in my career that has the



Jack South

passion to do what he does. He’s wonderful to work with and he has developed a huge amount of resources throughout the years,” Magee said. “He treats every penny as if it were his own.”

After giving the company 62 years in total, he retired a second time in December 2012 from the sales tax department. He continues to work

part-time for JD Michael, who is leveraging his sales tax experience to provide their clients with tax-savings opportunities.

“He was known as a phenomenal asset to Caterpillar, and although he is retired, his knowledge has been captured elsewhere for Caterpillar,” Magee said.

South said he plans on working as long as he is able.

“As long as I’m mentally and physically able to, I want to work. I really, truly love this job,” South said.

Global Petroleum Ships First Dynamic Gas Blend Retrofit Kit

Caterpillar Global Petroleum has shipped the first unit of the Dynamic Gas Blending retrofit kit to Rosneft, a Russian oil and gas company. The Dynamic Gas Blending kit allows customers to reduce fuel costs and meet changing emissions regulations by utilizing a wide range of gaseous fuels in their existing diesel generator sets. Designed for land drilling and production applications, the kit also successfully completed an extensive field test for Encana Oil & Gas (USA) Inc. in Colorado. Caterpillar Global Petroleum is the first Caterpillar industry division to successfully ship a dual fuel product.

"This is a critical product for our global petroleum division because it leverages the transformation from diesel to gas and is paving a path for applications beyond petroleum. This technology will additionally be applied to marine, rail, electric power and mining in the near future," Todd Krueckeberg, Global Petroleum DGB product manager, said. "From an overall oil and gas industry perspective, this product has been highly desired by our customers to support them in reducing their overall operating costs."

Significant opportunities for DGB solutions exist in the oil and gas industry.

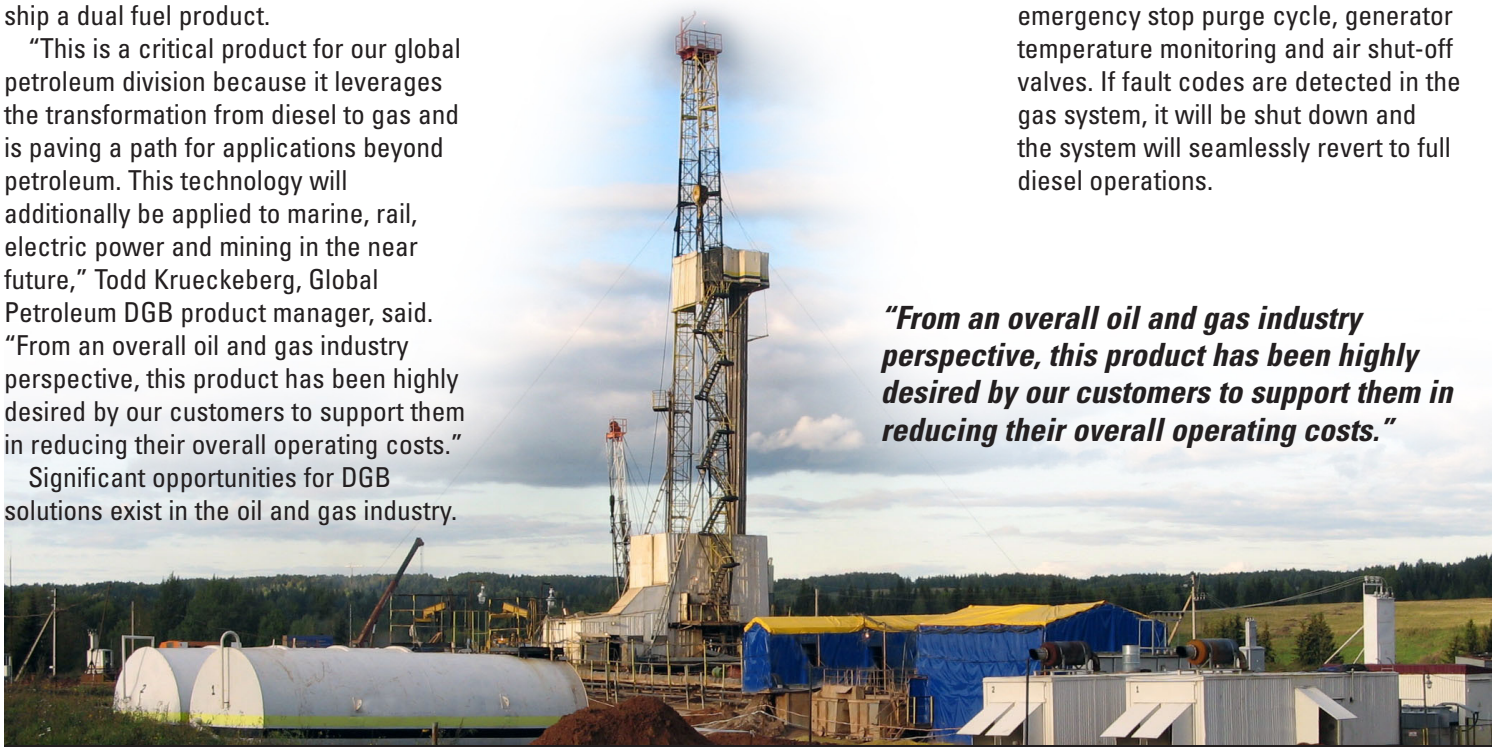
From a supply standpoint, an abundance of field gas exists in various shale plays worldwide and infrastructure is being developed for expanded gas delivery. Additionally, utilizing low cost natural gas provides a cost effective solution to offset the increasing cost of diesel.

Furthermore, the DGB technology offers customers the flexibility to operate on a wide range of fuel qualities and continue to meet applicable emissions regulations and legislation that are increasing in complexity and will continue to do so in upcoming years.

The Dynamic Gas Blending kit automatically adjusts to changes in incoming fuel quality and pressure allowing engines to run on a wide variety of fuels, from associated gas to vaporized LNG with no loss of performance integrity. It maintains diesel performance levels with up to 70 percent replacement of diesel with gas, accepts up to 55 percent inerts. No customer input or gas analysis is needed during operation, and no recalibration is required when the equipment is moved or the gas supply changes.

The gas blending kit includes an emergency stop purge cycle, generator temperature monitoring and air shut-off valves. If fault codes are detected in the gas system, it will be shut down and the system will seamlessly revert to full diesel operations.

"From an overall oil and gas industry perspective, this product has been highly desired by our customers to support them in reducing their overall operating costs."



Shown is the Russian site where the DGBs (the white containers) are installed.

Around the world...

Cat® products can be found all around the world. These machines are pictured in Mexico.



Contact Us

Cat Folks is published quarterly by Corporate Affairs. Please send comments, questions and story ideas to cat_folks@cat.com. You can visit us online at caterpillar.com/company/employees-and-retirees. We always appreciate your feedback!

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