Below are key highlights from Caterpillar Inc.’s Q2 2016 earnings results. For full financial results, please refer to the press release on Caterpillar’s Investor Relations site. (http://www.caterpillar.com/investors)

**2016 SECOND-QUARTER FINANCIAL RESULTS – KEY METRICS:**

<table>
<thead>
<tr>
<th>($ in billions except per share data)</th>
<th>2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and Revenues</td>
<td>$12.317</td>
<td>$10.342</td>
</tr>
<tr>
<td>Profit Per Share</td>
<td>$ 1.31</td>
<td>$ 0.93</td>
</tr>
<tr>
<td>Profit Per Share (excluding restructuring costs)</td>
<td>$ 1.40</td>
<td>$ 1.09</td>
</tr>
</tbody>
</table>

**2016 OUTLOOK AS OF JULY 26, 2016:**

<table>
<thead>
<tr>
<th></th>
<th>Previous Outlook</th>
<th>Current Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and Revenues</td>
<td>$40 – $42 billion</td>
<td>$40 – $40.5 billion</td>
</tr>
<tr>
<td>Profit Per Share</td>
<td>$3.00</td>
<td>$2.75</td>
</tr>
<tr>
<td>Profit Per Share (excluding restructuring costs)</td>
<td>$3.70</td>
<td>$3.55</td>
</tr>
</tbody>
</table>

**Comments from Doug Oberhelman, Caterpillar Chairman and Chief Executive Officer:**

“I’m pleased with our financial performance and focus on our long-term strategy given the difficult economic and industry environment we’re facing. Our goal when sales decrease is to lower costs so the decline in operating profit is no more than 25 to 30 percent of the decline in sales and revenues. For the quarter, our decremental operating profit pull through was better than our target range. Together with our dealers, we’re having success managing through the downturn in industries like mining and oil and gas, and in sluggish economic conditions in much of the developing world. In what is likely to be our fourth down year for sales and revenues, we’re proud of what we’re accomplishing – our machine market position has increased, including in China, product quality continues to be at high levels, and the safety in our facilities is world class.”
CHALLENGING ENVIRONMENT:

Continued tough market conditions
- World economic growth remains subdued.
- We are not expecting an upturn in important industries like mining, oil and gas and rail to happen this year.
- Commodity prices appear to have stabilized, but at low levels.
- Global uncertainty continues, and the recent Brexit outcome and the turmoil in Turkey adds to risks, especially in Europe.

OUR RESPONSE:

Focusing on what we can control: quality of our products, market position, safety in our facilities, continued restructuring and cost reduction
- Second-quarter sales and revenues and profit were better than expected.
- Our decremental operating profit pull through was better than our target range.
- Cost reduction efforts are paying off; restructuring costs in 2016 are now expected to be about $700 million.
- Cat Financial portfolio continues to perform well despite ongoing weakness in many key end markets; current past dues remain lower than historical averages and write-offs were better than a year ago.
- In what is likely to be our fourth down year for sales and revenues, our machine market position has increased, including in China.
- Product quality continues to be at high levels and the safety in our facilities is world class.

SECOND-QUARTER NEWS & NOTES (Click each story to learn more)

- Maintained dividend to stockholders despite challenging market conditions.
- Led delegation to Cuba as latest step in ongoing efforts to promote open markets and free trade.
- Celebrated the expansion of the Panama Canal, recognizing Caterpillar’s role in the canal’s history.
- Top female leaders recognized in the fields of Resource Industries and Human Resources.
- Acquired M2M Data Corporation, expanding existing Cat® Connect offerings.
- Launched hybrid microgrids solution, integrating reliability of Caterpillar gensets with renewable power sources.
- Introduced “The Age of Smart Iron” theme describing digital solutions designed to improve productivity, efficiency, safety and profitability for customers.
- Caterpillar-supported FIRST Robotics team wins global championship.
FORWARD-LOOKING STATEMENTS

Certain statements in this press release 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 and regional economic conditions and economic conditions in the industries we serve; (ii) government monetary or fiscal policies and infrastructure spending; (iii) commodity price changes, component price increases, fluctuations in demand for our products or significant shortages of component products; (iv) disruptions or volatility in global financial markets limiting our sources of liquidity or the liquidity of our customers, dealers and suppliers; (v) political and economic risks, commercial instability and events beyond our control in the countries in which we operate; (vi) failure to maintain our credit ratings and potential resulting increases to our cost of borrowing and adverse effects on our cost of funds, liquidity, competitive position and access to capital markets; (vii) our Financial Products segment’s risks associated with the financial services industry; (viii) changes in interest rates or market liquidity conditions; (ix) an increase in delinquencies, repossessions or net losses of Cat Financial’s customers; (x) new regulations or changes in financial services regulations; (xi) a failure to realize, or a delay in realizing, all of the anticipated benefits of our acquisitions, joint ventures or divestitures; (xii) international trade policies and their impact on our products and our competitive position; (xiii) our ability to develop, produce and market quality products that meet our customers’ needs; (xiv) the impact of the highly competitive environment in which we operate on our sales and pricing; (xv) failure to realize all of the anticipated benefits from initiatives to increase our productivity, efficiency and cash flow and to reduce costs; (xvi) additional restructuring costs or a failure to realize anticipated savings or benefits from past or future cost reduction actions; (xvii) inventory management decisions and sourcing practices of our dealers and our OEM customers; (xviii) compliance with environmental laws and regulations; (xix) alleged or actual violations of trade or anti-corruption laws and regulations; (xx) additional tax expense or exposure; (xxi) currency fluctuations; (xxii) our or Cat Financial’s compliance with financial covenants; (xxiii) increased pension plan funding obligations; (xxiv) union disputes or other employee relations issues; (xxv) significant legal proceedings, claims, lawsuits or government investigations; (xxvi) changes in accounting standards; (xxvii) failure or breach of IT security; (xxviii) adverse effects of unexpected events including natural disasters; and (xxix) other factors described in more detail under “Item 1A. Risk Factors” in our Form 10-K filed with the SEC on February 16, 2016 for the year ended December 31, 2015.

NON-GAAP FINANCIAL MEASURES

The following definition is provided for “non-GAAP financial measures” in connection with Regulation G issued by the Securities and Exchange Commission. The non-GAAP financial measures we use have no standardized meaning prescribed by U.S. GAAP and therefore are unlikely to be comparable to the calculation of similar measures for other companies. Management does not intend these items to be considered in isolation or substituted for the related GAAP measure.

PROFIT PER SHARE EXCLUDING RESTRUCTURING COSTS

We incurred restructuring costs in 2015 and in the first and second quarters of 2016 and expect to incur additional restructuring costs in the second half of 2016. We believe it is important to separately quantify the profit per share impact of restructuring costs in order for our results and outlook to be meaningful to our readers as these costs are incurred in the current year to generate longer-term benefits. Reconciliation of profit per share excluding restructuring costs to the most directly comparable GAAP measure, diluted profit per share, are as follows:

<table>
<thead>
<tr>
<th>Second Quarter</th>
<th>2016 Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
</tr>
<tr>
<td>Profit (Loss) Per Share</td>
<td>$1.31</td>
</tr>
<tr>
<td>Per share restructuring costs³</td>
<td>$0.09</td>
</tr>
<tr>
<td>Profit per share excluding restructuring costs</td>
<td>$1.40</td>
</tr>
</tbody>
</table>

¹  2016 Sales and Revenues Outlook in a range of $40-42 billion (as of April 22, 2016). Profit per share at midpoint.
²  2016 Sales and Revenues Outlook in a range of $40-40.5 billion (as of July 26, 2016). Profit per share at midpoint.
³  2016 Outlook does not include any impact from mark-to-market gains or losses resulting from pension and OPEB plan remeasurements.

At statutory tax rates, except 2016 Previous Outlook, which was at the estimated annual tax rate. At statutory tax rates, the 2016 Previous Outlook for per share restructuring costs was $0.62.