Below are key highlights from Caterpillar Inc.’s Q3 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 THIRD-QUARTER FINANCIAL RESULTS – KEY METRICS:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and Revenues</td>
<td>$ 9.160</td>
<td>$ 10.962</td>
</tr>
<tr>
<td>Profit Per Share</td>
<td>$ 0.48</td>
<td>$ 0.94</td>
</tr>
<tr>
<td>Profit Per Share (excluding restructuring costs)</td>
<td>$ 0.85</td>
<td>$ 1.05</td>
</tr>
</tbody>
</table>

2016 OUTLOOK:

<table>
<thead>
<tr>
<th></th>
<th>Current Outlook¹</th>
<th>Previous Outlook¹-²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and Revenues</td>
<td>$39 billion</td>
<td>$40 – $40.5 billion</td>
</tr>
<tr>
<td>Profit Per Share</td>
<td>$2.35</td>
<td>$2.75²</td>
</tr>
<tr>
<td>Profit Per Share (excluding restructuring costs)</td>
<td>$3.25</td>
<td>$3.55²</td>
</tr>
</tbody>
</table>

1. 2016 Profit Per Share Outlook does not include any impact from mark-to-market gains or losses resulting from pension and OPEB plan remeasurements. While this year’s impact could change significantly over the next quarter, based on interest rates (which are lower than year-end 2015) and investment returns as of the end of the third quarter, the year-end impact would be negative to profit after tax by approximately $2 billion or $3.50 per share.

2. At the mid-point of the sales and revenues range.

2017 PRELIMINARY OUTLOOK:

2017 Sales and Revenues are not expected to be significantly different than 2016.

Comments on 2016 from Caterpillar Chairman and CEO Doug Oberhelman:

“Economic weakness throughout much of the world persists and, as a result, most of our end markets remain challenged… However, there were a few bright spots this quarter... I’m pleased with how Caterpillar has responded and our team’s incredible focus on reducing costs and pulling through profit despite sluggish end markets. In the third quarter, despite a $1.8 billion decline in sales and revenues, our operating profit pull through was significantly better than our target range. Lower variable manufacturing costs of $234 million and lower period costs of $420 million enabled us to offset much of the negative impact from a weak sales environment and continue investment in products and digital capabilities.”
2016 THIRD-QUARTER CHALLENGING ENVIRONMENT & OUR RESPONSE:

- Substantially lower costs in the third quarter helped mitigate the impact of lower sales — restructuring and cost reduction actions are paying off
- Market position for machines continuing to improve — including China
- Strong balance sheet and continued commitment to stockholders — maintained $0.77 per share dividend (announced October 12, 2016)
- Most commodity prices, while low, seem to have stabilized
- Full-year 2016 outlook lowered in challenged environment

2017 PRELIMINARY SALES & REVENUES OUTLOOK:

- Preliminary outlook for 2017 is that sales and revenues will not be significantly different than 2016
- Should commodity prices show relative stability and move higher in 2017, it is reasonable to expect that business would respond and see a more positive second half

Comments on 2017 from Caterpillar Chairman and CEO Doug Oberhelman:

“While we are seeing early signals of improvement in some areas, we continue to face a number of challenges. We remain cautious as we look ahead to 2017, but are hopeful as the year unfolds we will begin to see more positive momentum... As you know, I’ve decided to retire after 41 years at Caterpillar, and Jim Umpleby will succeed me as CEO. He’s been a key part of the leadership team for several years and is absolutely ready to lead Caterpillar. I’m confident I’m turning over a company that’s ready for a better future... At some point, and I think we’re getting closer to that point, our businesses will turn up... It’s a good time for Jim to take over, as I know Caterpillar will deliver even better financial results when key industries begin to improve and get back to mid-cycle replacement demand levels.”

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

- **Named to the 2016 Dow Jones Sustainability Indices**, including both the World and North American lists, marking the 17th time Caterpillar has been included among global peers.
- Showcased **predictive analytics platform, EMD Uptime**, to help customers increase efficiency for locomotive fleets and prevent potential failures.
- **Recognized for influential and disruptive young leaders with Caterpillar’s Morgan Vawter**, chief analytics director, named to *Fortune’s 40 Under 40 list*.
- **Showcased rapid advances in leveraging technology and data to improve customers’ productivity and efficiency at MINExpo.**
- **Announced plans to invest more than $1 billion in countries throughout Africa over the next five years, along with independent dealers and the Caterpillar Foundation.**
- **Established new dedicated Marine Center in Singapore,** featuring new manufacturing and design capability for Caterpillar’s Marine Propulsion business.
- **Recognized for influential and disruptive young leaders with Caterpillar’s Morgan Vawter**, chief analytics director, named to *Fortune’s 40 Under 40 list*.
- **Introduce the Cat® RP Series portable generators,** marking Caterpillar’s entry into the home and outdoor power market.
- **Announced strategic alliance agreement with Ritchie Bros.,** to continue an accelerated delivery of connectivity offerings to improve customer fleet utilization.
- **Announced donation of 3500 genset to empower the Port-au-Prince hospital complex, St. Luke’s Foundation for Haiti, with reliable electricity to celebrate the 35th anniversary of the 3500 engine.**
- **Port-au-Prince**
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 demand for 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 three quarters of 2016 and expect to incur additional restructuring costs in the fourth quarter 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. We have also provided 2015 profit per share excluding restructuring costs comparable to the 2016 presentation. Reconciliation of profit per share excluding restructuring costs to the most directly comparable GAAP measure, diluted profit per share, are as follows:

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<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2016</td>
</tr>
<tr>
<td>Profit (Loss) Per Share</td>
<td>$0.94</td>
<td>$0.48</td>
</tr>
<tr>
<td>Per share restructuring costs³</td>
<td>$0.11</td>
<td>$0.37</td>
</tr>
<tr>
<td>Profit per share excluding restructuring costs</td>
<td>$1.05</td>
<td>$0.85</td>
</tr>
</tbody>
</table>

¹ 2016 Sales and Revenues Outlook in a range of $40-40.5 billion (as of July 26, 2016). Profit per share at midpoint.
² 2016 current Outlook as of October 25, 2016. Sales and Revenues Outlook of about $39 billion.
³ 2016 Outlook does not include any impact from mark-to-market gains or losses resulting from pension and OPEB plan remeasurements. While this year’s impact could change significantly over the next quarter, based on interest rates (which are lower than year-end 2015) and investment returns as of the end of the third quarter, the year-end impact would be negative to profit after tax by approximately $2 billion or $3.50 per share.

At statutory tax rates.