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Caterpillar contact:

Rachel Potts

Global Government & Corporate Affairs

Office: 309-675-6892

Mobile: 309-573-3444

Potts_Rachel_A@cat.com**FOR IMMEDIATE RELEASE****Caterpillar Officer Retires; Company Creates Division Focused On Advancing Research, Product Development and Innovation Capabilities**

PEORIA, Ill. – Caterpillar Inc. (NYSE: CAT) today announced the following changes:

- Following a distinguished career of more than 35 years with the company, Gwenne Henricks, currently vice president with responsibility for the Product Development & Global Technology Division (PD>), is retiring.
- The company will form a single research, technology and product development division to deliver high-quality product differentiation and system integration. Current Advanced Component & System Division (ACSD) Vice President Jean Savage will lead this newly formed team of ACSD and PD> employees.
- The manufacturing functions within ACSD will be led by current ACSD Operations General Manager Steve Ferguson, who will report directly to Resource Industries Group President Denise Johnson and drive lean, cost-competitive component manufacturing operations.

Henricks has spent the last four years leading the company's R&D and technology strategies, concluding a successful 35 years of service to the company.

“Gwenne has spent her entire career in engineering, product and business management, which made her the absolute right advocate and leader to deploy the Enterprise Technology Strategy and strengthen the global engineering talent pipeline,” said Denise Johnson. “She is one

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of the most collaborative leaders who's always focused on what's best for the enterprise – whether that's defining and executing on a turnaround plan during her time as Industrial Power Systems Division vice president or as a critical member of the Tier 4 emissions rollout across Caterpillar's extensive product line. I thank Gwenne for her commitment to this company for more than three decades, and I wish her only the best in her well-deserved retirement.”

Since joining Caterpillar in 1981, Henricks held numerous product development, management and business leadership positions with increasing responsibility before being named vice president with responsibility for the Electronics and Connected Worksite Division in 2007. She then became vice president with responsibility for the Industrial Power Systems Division before the Board of Directors named her to her most recent position in 2012.

Henricks has both a bachelor's degree in physics and a master's degree in electrical engineering from Bradley University, a master's in business administration from the University of Illinois and completed the Managing Engineering Design and Development Program at Carnegie Bosch Institute, Carnegie Mellon University.

Savage, who joined Caterpillar subsidiary Progress Rail Services (PRS) in 2002, has an extensive background in engineering and manufacturing with PRS, Caterpillar and in the industry for 14 years prior. She also spent nine years in the Army Reserves as a military intelligence officer. Savage has a bachelor's degree in electrical and computer engineering from the University of Cincinnati and a master's degree in engineering management from the University of Dayton. Her proven leadership and background solidly position her to bring these two groups together as one new team focused on evolving Caterpillar's technology and product development.

“Jean's role in leading the formation and development of this new organization will be critical in establishing how Caterpillar accelerates our global research, technology and product development strategies. Our end goal remains – helping our customers through the development and delivery of differentiated products,” said Johnson. “The creation of this division will also deliver necessary efficiencies, which does mean continued and significant workforce reductions. While difficult, the streamlining at all levels of the company, including within the officer ranks, is necessary given the global market environment that is impacting the company's business.”

The organizational changes are effective September 1, 2016. For full bios of each of the officers, visit <http://www.caterpillar.com>.

About Caterpillar

For 90 years, Caterpillar Inc. has been making sustainable progress possible and driving positive change on every continent. Customers turn to Caterpillar to help them develop infrastructure, energy and natural resource assets. With 2015 sales and revenues of \$47.011 billion, Caterpillar is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments - Construction Industries, Resource Industries and Energy & Transportation - and also provides financing and related services through its Financial Products segment. For more information, visit caterpillar.com. To connect with us on social media, visit caterpillar.com/social-media.

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.