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**FOR IMMEDIATE RELEASE****Caterpillar to Establish Global Headquarters in Chicago Area**

*Company will maintain significant presence in Peoria area*

- New location will improve access to global customers, dealers and Caterpillar's worldwide operations, while also enhancing executive recruitment
- Peoria, Illinois, area will continue to have largest concentration of employees in the world
- Previously announced Peoria headquarters complex will not be built

PEORIA, Ill. – Caterpillar Inc. (NYSE: CAT) announced today it will locate a limited group of senior executives and support functions in the Chicago area later this year and reaffirmed the ongoing importance of its presence in Peoria and Central Illinois.

“Caterpillar’s Board of Directors has been discussing the benefits of a more accessible, strategic location for some time,” said Caterpillar CEO Jim Umpleby. “Since 2012, about two-thirds of Caterpillar’s sales and revenues have come from outside the United States. Locating our headquarters closer to a global transportation hub, such as Chicago, means we can meet with our global customers, dealers and employees more easily and frequently.”

“We value our deep roots in Central Illinois, and Peoria will continue to be our hometown. The vast majority of our people will remain in this important region where we have many essential facilities and functions,” added Umpleby. “The new location is also an opportunity to add to our talented team while improving the productivity of our senior leaders.”

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As a result of continuing challenging market conditions and the need to prioritize resources to focus on growth, Caterpillar will not build the previously announced headquarters complex in Peoria. The current headquarters building will continue to be used for Caterpillar offices.

Over the last five years, even while facing these challenging conditions, Caterpillar, along with its employees and retirees, has contributed more than \$60 million to support thousands of families, organizations and programs across Central Illinois. The company will continue its philanthropic support and deep civic involvement in the Peoria area.

“As mayor, I never want jobs moving out of the city. However, the overwhelming majority of Caterpillar employees and their families based in the Peoria area won’t be impacted by this decision. I’m pleased Caterpillar continues to call Peoria its hometown,” said Peoria Mayor Jim Ardis.

“If Caterpillar succeeds globally, we win in Central Illinois. I’m disappointed we can’t keep every job here, but if moving some of its team near Chicago helps Caterpillar thrive, it will benefit Peoria, our county and the surrounding communities,” said Peoria County Board Chairman Andrew Rand.

A limited number of senior executives will move into leased office space beginning in 2017. Once the new location is fully operational, Caterpillar expects about 300 employees to be based there, which includes some positions relocated from the Peoria area.

### **About Caterpillar**

For more than 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 2016 sales and revenues of \$38.537 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](http://caterpillar.com). To connect with us on social media, visit [caterpillar.com/social-media](http://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,

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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.