

Caterpillar – Making Sustainable Progress Possible

Highlights from our 2008 Sustainability Report

Our business is all about helping our customers solve big problems. Working together, we make sustainable progress possible. Using energy, materials and water more efficiently, and reducing waste, creates economic, environmental and societal benefits.

For more than 80 years, Caterpillar Inc. has been making progress possible and driving positive and sustainable change on every continent. With 2008 sales and revenues of \$51.324 billion, Caterpillar is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines and industrial gas turbines. The company also is a leading services provider through Cat Financial Services, Cat Remanufacturing Services, Cat Logistics Services and Progress Rail Services.

We are proud to be a leader in building the world's infrastructure, and in enabling progress for millions of people around the globe. We manufacture more than 300 products in 23 countries and serve customers in nearly 200 countries. We are headquartered in Peoria, Illinois.

Our approach to sustainable development

Our customers—like consumers everywhere—are looking for more value from Caterpillar's products and services. They want engines that burn less (or different) fuel, machines that work more productively and job sites that are more efficient. Some want to repair, rebuild and upgrade their current equipment instead of buying new. Team Caterpillar has these solutions. Sustainable development continues to present a big opportunity for business growth and profitability. In 2009, we'll strive to demonstrate this to our stakeholders.

Sustainability begins within our own operations. We have established high performance standards for our facilities that extend beyond compliance with laws and regulations. Proactive implementation of these standards demonstrates our commitment to sustainability leadership in our industry.

Establishing sustainability targets for products, services and solutions is also important for our growth and our focus on substantial, sustainable and profitable actions. In 2009, plans include identifying business models for the industries we serve that will establish focused sustainability targets for specific segments of our business and drive additional activity to support sustainable development.

Sustainability Vision, Mission and Strategy

Vision

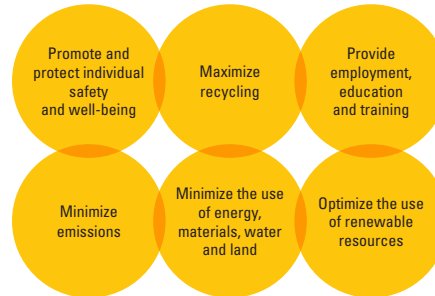
Our vision is a world in which all people's basic requirements—such as shelter, clean water, sanitation and reliable power—are fulfilled in a way that sustains our environment.

Mission

Our mission is to enable economic growth through infrastructure and energy development, and provide solutions that protect people and preserve the planet.

Strategy

Our strategy is to provide work environments, products, services and solutions that make efficient use of the world's natural resources and reduce unnecessary impacts on people, the environment and the economy. This means that we leverage resources, including technology and innovation to:



2020 Goals for Operations



Reduce recordable workplace injury rates to 0.6 and lost-time case rate due to injury to 0.15



Eliminate waste by reducing waste generation and reusing or recycling all that remains

↑25%

Increase energy efficiency by 25%



Hold water consumption flat

↓25%

Reduce absolute greenhouse gas emissions from existing facilities by 25%

LEED

Design all new construction to meet Leadership in Energy and Environmental Design (LEED) or comparable green building criteria

20%

Use alternative/renewable sources to meet 20% of our energy needs

2020 Goals for Products, Services and Solutions



Provide leadership in the safety of people in, on and around our products

↑20%

Increase customer energy efficiency by 20%

↓20%

Reduce customer greenhouse gas emissions by 20%

↑20%

Increase customer material efficiency by 20%

Caterpillar Inc. Facts
As of December 31, 2008

NYSE SYMBOL
CAT

2008 STOCK PRICE
High: \$85.96
Low: \$31.95
Close: \$44.67

SHARES OUTSTANDING
601.5 Million

MARKET CAPITALIZATION
\$26,870 Million

SUSTAINABLE DEVELOPMENT
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catir@cat.com

INTERNET ACCESS
www.cat.com

MAKING PROGRESS POSSIBLE
cat.com/progress

SAFETY INFORMATION
safety.cat.com

EMPLOYMENT INFORMATION
jointeamcaterpillar.com

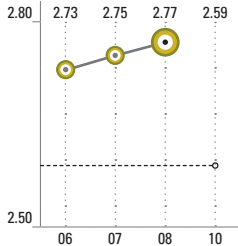
REQUEST MORE INFORMATION
cat.com/materialsrequest

Performance at a Glance

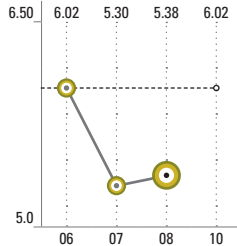
Over the past five years, in the face of strong global economic growth and unprecedented customer demand, Team Caterpillar remained steadfast in our commitment to sustainable development. Even as our top-line sales and revenues grew by approximately 25 percent over the past two years, our environmental footprint showed improvements.

ENVIRONMENTAL IMPACT^{1,2}

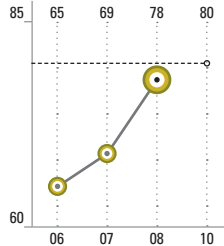
Absolute GHG
(Absolute million metric tons of CO₂eq)



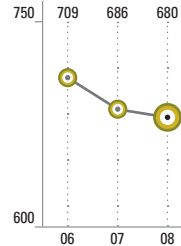
Water Use
(Absolute billion gallons used)



Percent Recycled³
(Absolute pounds recycled waste / absolute pounds total waste) x 100

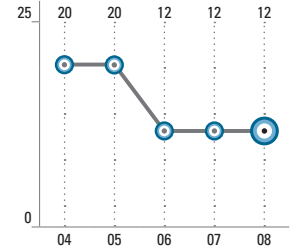


Energy Intensity⁴
(Gigajoules per million dollars of normalized revenue)



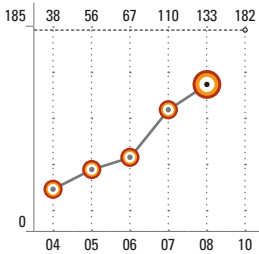
EMISSIONS

Solar™ Gas Turbines⁶
(NOx emissions from SoLoNOx™ as a percent of NOx emissions from standard combustion systems)

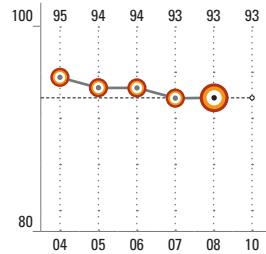


REMANUFACTURING (REMAN)¹

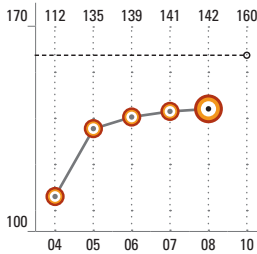
Reman Business Growth
(Percent revenue increase over 2001 base)



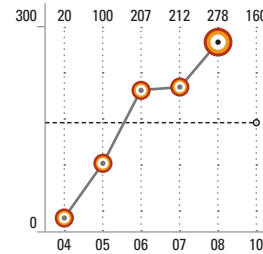
Reman End-of-Life "Take Back" Percent
(Actual end-of-life returns / eligible returns) x 100



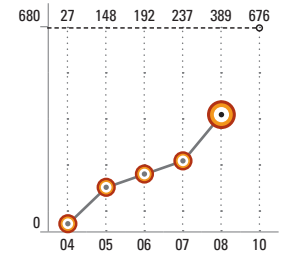
Reman End-of-Life "Take Back" by Weight
(Millions of pounds of end-of-life material received)



Reman Reuse and Recycle Technology Projects
(6 Sigma based)

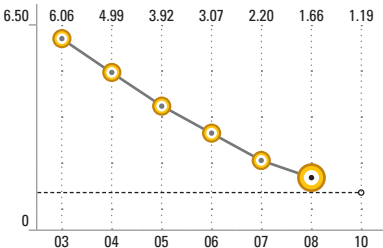


Certified Rebuild⁵
(Percent revenue increase over 2001 base)

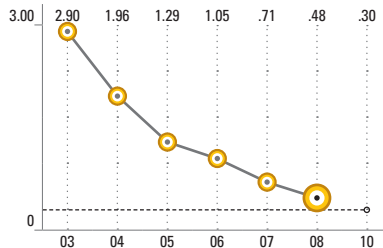


WORKPLACE SAFETY

Recordable Injury Frequency (RIF)
(Recordable injuries per 200,000 hours worked)



Lost-Time Case Frequency (LTCFR)
(Lost-time injuries per 200,000 hours worked)



- (1) Data does not include facilities acquired after January 1, 2008, or Progress Rail operations.
- (2) Data prior to 2008 has been restated due to: a) facility acquisitions and divestments, b) facility data updates realized from improved accuracy, c) updated conversion and emissions factors.
- (3) Percent recycled waste excludes the weight of metal, which is 100% recycled. Including metal raises the level to 90% in 2008.

- (4) Normalized revenue based on the preliminary estimate of the annual 2008 Producer Price Index for Finished Goods issued by the U.S. Department of Labor, Bureau of Statistics, and adjusted for inflation from a 2002 base.
- (5) Data previously reported in units; now reported in percent revenue increase to better describe business growth.
- (6) Centaur™ 50 turbine operating at full load on pipeline-quality natural gas at ambient temperatures above 0°F.

For additional performance data and information as well as highlights from specific projects that support our sustainable development efforts, view our online 2008 Sustainability Report at www.cat.com/sustainability

Email our sustainability team at sd@cat.com, or contact us at: Caterpillar Inc., Sustainable Development, 100 N.E. Adams Street, Peoria, IL 61629-3350

This information should not be construed as an offer to sell or solicitation of an offer to buy Caterpillar securities and is qualified in its entirety by Caterpillar's most recent filings on Form 10-K, Form 10-Q and Form 8-K. Certain information herein relates to future events and expectations and as such constitute forward-looking statements involving known and unknown factors that may cause actual results of Caterpillar Inc. to be different from those expressed or implied in the forward-looking statements. In this context, words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "will," or other similar words and phrases often identify forward-looking statements made on behalf of Caterpillar. It is important to note that actual results of the company may differ materially from those described or implied in such forward-looking statements based on a number of factors and uncertainties, including, but not limited to, changes in economic conditions, currency exchange rates or political stability; market acceptance of the company's products and services; significant changes in the competitive environment; changes in law, regulations and tax rates; and other general economic, business and financing conditions and factors described in more detail in the company's filings with the Securities and Exchange Commission, including in its Annual Report on Form 10-K for the year December 31, 2007 and filed with the Securities and Exchange Commission on February 22, 2008. We do not undertake to update our forward-looking statements.

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