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Caterpillar contact:

Bridget M. Young
Corporate Public Affairs
309-675-8463
young_bridget_m@cat.com

FOR IMMEDIATE RELEASE**Caterpillar Implements Workforce Actions to Align Production with Demand**

PEORIA, Ill.— Caterpillar Inc. (NYSE: CAT) announced today plans to selectively align production levels with demand and resource requirements. Caterpillar has already started bringing some laid off employees back to work at various facilities, and based on current demand schedules, the company expects to return other employees to jobs as demand increases in the coming months. Approximately 550 laid off U.S. employees have returned or will return to work before the end of 2010, including support, management and production employees.

Also, Caterpillar today began notifying approximately 2,500 laid off U.S. employees that they will be separated from the company. The company is offering a separation package for those employees. A breakdown of impacted employees by location will not be provided.

“We are pleased that signs of recovery in the global economy allow us to return a selected group of laid off employees to work,” said Caterpillar Chairman and CEO Jim Owens. “But it’s important to remember that we are not close to the record-breaking demand we experienced from 2004 through 2008.”

Looking forward, Caterpillar will adjust its workforce as production levels and resource requirements change. These actions may vary from business unit to business unit within the company.

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Last week, Caterpillar updated its outlook for 2009 and issued a preliminary sales and revenues outlook for 2010. The company expects 2009 sales and revenues of \$32 to \$33 billion. The 2009 profit outlook range has improved to \$1.10 to \$1.30 per share compared to the previous range of \$0.40 to \$1.50 per share. The profit outlook includes redundancy costs of about \$0.75 per share. Excluding redundancy costs, the profit forecast for 2009 is \$1.85 to \$2.05 per share compared to the previous range of \$1.15 to \$2.25 per share. Caterpillar's preliminary outlook for 2010 calls for sales and revenues to be up 10 to 25 percent from the midpoint of the 2009 outlook range.

About Caterpillar:

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 Caterpillar Financial Services, Caterpillar Remanufacturing Services, Caterpillar Logistics Services and Progress Rail Services. More information is available at <http://www.cat.com>.

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Certain statements in this release relate 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 "will," "would," "expect," "anticipate," "should" 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, (i) adverse change in general economic conditions; (ii) adverse change in the industries Caterpillar serves including construction, infrastructure, mining, energy, marine and electric power generation; (iii) Caterpillar's ability to manage material, including steel, and freight costs; (iv) Caterpillar's ability to generate cash from operations, secure external funding for its operations and manage its liquidity needs; (v) material adverse change in customers' access to liquidity and capital; (vi) currency exchange or interest rates changes; (vii) political stability; (viii) market acceptance of the company's products and services; (ix) significant changes in the competitive environment; (x) epidemic diseases; (xi) severe change in weather conditions negatively impacting operations; (xii) changes in law, regulations and tax rates; and (xiii) other general economic, business and financing conditions and factors described in more detail in "Item 1A – Risk Factors" in Part II of our Form 10-Q filed with the SEC on July 31, 2009 for the 2nd quarter 2009. The filing is available on our website at www.cat.com/sec_filings. We do not undertake to update our forward-looking statements.