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**FOR IMMEDIATE RELEASE**

**Caterpillar Contemplating Shift of Excavator Production from Japan to United States; Plan Could Double Number of U.S. Employees Building Excavators**

*Japanese excavator facility could also expand to meet long-term demand for growing customer base in Asia*

PEORIA, Ill. – As part of a long-term strategic initiative, Caterpillar Inc. (NYSE: CAT) today announced it has undertaken a study that could lead to a new hydraulic excavator facility being built in the United States. Such a move could triple the current capacity of hydraulic excavators now produced by the company in the U.S. and significantly increase Caterpillar’s employment in the U.S. dedicated to excavator production, and further leverage excavator production in Japan to serve increasing demand in China and across Asia.

“The study is based on the current analysis of where the global excavator market is heading and how Caterpillar should position itself for continued leadership in the excavator industry,” said Gary Stampanato, Caterpillar vice president with responsibility for excavators.

Currently, the company only produces two excavator models at a facility in Aurora, Ill., where it also produces wheel loaders, soil and landfill compactors, wheel dozers and components. In addition, Caterpillar produces excavators in Belgium, Brazil, China, France, Indonesia, Japan and Russia. If the contemplated decision is finalized, the

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new facility would manufacture the two models now made in Aurora, as well as several additional excavator models now produced in Japan and exported to the United States.

“The excavator business is highly competitive and continues to evolve with a diverse and growing number of manufacturers around the world,” Stampanato added. “As the global leader in the construction and mining equipment industry, it is imperative for Caterpillar to refine its excavator manufacturing strategy in order to provide customers with the products that will make them more productive and profitable.”

This study is part of a long-term strategic initiative to develop the appropriate global footprint needed to competitively produce hydraulic excavators.

Hydraulic excavators are a core machine family made by the company and are widely used in applications around the world. If finalized and approved, the new U.S.-based factory would be the primary North American source for excavators. Under this scenario, Caterpillar’s Akashi, Japan, excavator facility would have the available capacity needed to better serve customers in the rapidly expanding Asia-Pacific region. Based on Caterpillar’s current long-term forecast for the Asia-Pacific region, it is possible Akashi may need to increase capacity and employment to help meet demand. A final decision regarding this study will be made at a later date.

### **About Caterpillar:**

For more than 80 years, Caterpillar Inc. has been making progress possible and driving positive and sustainable change on every continent. With 2009 sales and revenues of \$32.396 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>.

### **Safe Harbor**

Certain statements in this release relate to future events and expectations and, as such, constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are subject to 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. 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 Caterpillar does not undertake to update its forward-looking statements. 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, including, but not limited to: (i) economic volatility in the global economy generally and in capital and credit markets; (ii) Caterpillar’s ability to generate cash from operations, secure external funding for operations and manage liquidity needs; (iii) adverse changes in the economic conditions of the industries or markets Caterpillar serves;

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(iv) government regulations or policies, including those affecting interest rates, liquidity, access to capital and government spending on infrastructure development; (v) commodity price increases and/or limited availability of raw materials and component products, including steel; (vi) compliance costs associated with environmental laws and regulations; (vii) Caterpillar's and Cat Financial's ability to maintain their respective credit ratings, material increases in either company's cost of borrowing or an inability of either company to access capital markets; (viii) financial condition and credit worthiness of Cat Financial's customers; (ix) material adverse changes in our customers' access to liquidity and capital; (x) market acceptance of Caterpillar's products and services; (xi) effects of changes in the competitive environment, which may include decreased market share, lack of acceptance of price increases, and/or negative changes to our geographic and product mix of sales; (xii) Caterpillar's ability to successfully implement Caterpillar Production System or other productivity initiatives; (xiii) international trade and investment policies, such as import quotas, capital controls or tariffs; (xiv) failure of Caterpillar or Cat Financial to comply with financial covenants in their respective credit facilities; (xv) adverse changes in sourcing practices for our dealers or original equipment manufacturers; (xvi) additional tax expense or exposure; (xvii) political and economic risks associated with our global operations, including changes in laws, regulations or government policies, currency restrictions, restrictions on repatriation of earnings, burdensome tariffs or quotas, national and international conflict, including terrorist acts and political and economic instability or civil unrest in the countries in which Caterpillar operates; (xviii) currency fluctuations, particularly increases and decreases in the U.S. dollar against other currencies; (xix) increased payment obligations under our pension plans; (xx) inability to successfully integrate and realize expected benefits from acquisitions; (xxi) significant legal proceedings, claims, lawsuits or investigations; (xxii) potential imposition of significant costs due to the enactment of healthcare reform legislation; (xxiii) changes in accounting standards or adoption of new accounting standards; (xxiv) adverse effects of natural disasters; and (xxv) other factors described in more detail in "Item 1A – Risk Factors" in Part I of our Form 10-K filed with the SEC on February 19, 2010 for the year ended December 31, 2009. This filing is available on our website at [www.cat.com/sec\\_filings](http://www.cat.com/sec_filings).