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FOR IMMEDIATE RELEASE

**Building on Customer Value: Caterpillar Announces Expansion of its
North Carolina Compact Construction Facility**

Additional Space Provides Increased Logistics and Fabrications Capacity to Meet Global Demand

PEORIA, Ill.—Caterpillar Inc. (CAT: NYSE) is announcing the expansion of its Compact Construction Equipment operations located in Sanford, North Carolina. The development will provide the increased logistics and fabrications capacity required to meet growing global demand for the skid steer, compact track and multi-terrain loaders produced in Sanford today.

The expansion plans include a 270,000-square-foot building addition that will house logistics and the latest robotic welding technology for fabrication production.

“The Sanford campus project provides Caterpillar with several key benefits that support our quest to constantly improve value for our customers,” said Mary Bell, Vice President of Caterpillar’s Building Construction Products Division. “We appreciate the support we received from our local partners and from the State of North Carolina for our growth strategy.”

The expansion of compact construction equipment production capacity is part of Caterpillar’s long-term strategy to deliver the highest quality, best value building construction machines in the industry.

Construction is expected to begin in early September 2010, with operations commencing in July 2011. When the expansion is complete and fully operational, it is anticipated that

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Caterpillar will add roughly 325 additional workers over a five-year period bringing the total workforce to approximately 750.

“For the second time in less than a week, Caterpillar is making a major investment in North Carolina and strengthening its ties as a corporate citizen of our state,” said Governor Bev Perdue. “By expanding its stake in North Carolina, Caterpillar has demonstrated that our own investments in education, worker training, transportation and infrastructure have paid off. We have created the kind of business climate and workforce that is attracting new companies and encouraging the ones that are here to grow.”

Caterpillar currently employs roughly 1,000 full-time workers in North Carolina in locations throughout the state including Cary, Charlotte, Clayton, Franklin, Goldsboro, Morganton, New Bern and Smithfield. The company recently announced the construction of a lower powertrain components facility in Winston-Salem that is expected to be operational in 2012 and will employ roughly 400 workers.

About Caterpillar:

For more than 85 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>.