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**FOR IMMEDIATE RELEASE**

**Caterpillar Expands in Brazil; Announces Location of New Facility and Investment in Piracicaba Operations**

*Additional facility will increase manufacturing capacity for backhoes and wheel loaders in Latin America and allow for capacity expansion for other products made in Brazil*

PEORIA, Ill. – Building on its 50-plus-year history in Brazil and capitalizing on the expected growth in Latin America, Caterpillar Inc. (NYSE: CAT) is announcing today the expansion of its manufacturing operations in Brazil. The company has acquired an existing industrial facility in Brazil, located in Campo Largo, Paraná State, that after upgrading will cover 50,000 square meters (538,195 square feet). The new facility in Campo Largo will manufacture backhoe loaders and small wheel loaders, which are currently produced at Piracicaba and are part of the machine line up for Caterpillar's Building Construction Products (BCP) Division.

"This new facility is an important investment for the long-term growth and success of BCP, particularly as we meet the growing demand for Caterpillar's smaller, versatile machines that help our customers accomplish their work more productively and profitably," said Mary Bell, Caterpillar vice president of the Building Construction Products Division.

In addition to the new facility, Caterpillar is announcing plans to increase its capacity at the Company's flagship facility in Piracicaba for the manufacture of core

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products. Total investment of about \$180 million is expected in both facilities over the next two years.

“The strategic decision to expand the operations in Brazil is part of Caterpillar’s long-term global strategy for growing our business in key growth markets and this move will enable Caterpillar to meet demand from its growing base of customers in Latin America,” said Rich Lavin, Caterpillar group president with responsibility for growth markets and core products.

“In selecting the new manufacturing facility, we considered a number of Brazilian cities over the last six months,” said Luiz Carlos Calil, President of Caterpillar Brasil. “Campo Largo was selected due to the site characteristics and the possibility of increasing capacity sooner. The geographic location of this new facility will enable Caterpillar to improve its supply chain efficiency and expand its operations flexibility aligned with the Caterpillar Production System principles,” Calil added.

It is expected that the new facility will begin production in 2011 and will create up to 1,000 new jobs in Brazil when at full capacity.

“It is an honor to have Caterpillar - a world class company - in our city. The investments being made in this new plant will bring additional jobs to the city and support Campo Largo development”, said Edson Basso, Mayor of Campo Largo.

**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>.

**About Caterpillar Brasil:**

The present production facility of Caterpillar in Brazil, located in Piracicaba, employs 5,000 people. It currently produces wheel loaders, motor graders, backhoe loaders, track-type tractors, hydraulic excavators, compactors, underground mining loaders, generator sets and a number of components. The company is the main exporter in its industry, and it has been named as one of the five best companies to work for in Brazil for the last four years. This year, it was elected by the Great Place to Work Institute as the third-best company to work for in Latin America.

**Forward-Looking Statements**

Certain statements in this press 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.

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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; (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) imposition of significant costs or restrictions due to the enactment and implementation of health care reform legislation and proposed financial regulation 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 under “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 and in Part II of our Form 10-Q filed with the SEC on May 3, 2010 for the quarter ended March 31, 2010. These filings are available on our website at [www.cat.com/sec\\_filings](http://www.cat.com/sec_filings).