

Caterpillar Announces \$2.5 Billion Accelerated Stock Repurchase

PEORIA, Ill., July 29, 2014 -- Caterpillar Inc. (NYSE: CAT) today announced it has entered into definitive agreements with Société Générale to purchase a total of \$2.5 billion of its common stock under accelerated stock repurchase transactions. In January of 2014, the company announced a similar \$1.7 billion transaction, which was completed in March.

"Caterpillar has invested more than \$30 billion in capital expenditures, research and development, acquisitions and other growth initiatives since 2009, highlighting our commitment to our customers. Delivering on our commitments to our stockholders is also a priority for our company. Repurchasing an additional \$2.5 billion of Caterpillar stock in the third quarter of 2014 will bring our total 2014 stock repurchases to \$4.2 billion. This, combined with the 17 percent increase in our quarterly dividend announced in June, clearly shows how we are taking advantage of our strong cash position to deliver superior returns to stockholders," said Caterpillar Chairman and CEO Doug Oberhelman.

"The solid operational and financial performance of our global team has enabled Caterpillar to return an additional \$8 billion of capital to stockholders through stock repurchase and dividends since the beginning of 2013. And still, our balance sheet remains strong," Oberhelman added.

Pursuant to the terms of the accelerated stock repurchase agreements, Caterpillar has agreed to repurchase a total of \$2.5 billion of its common stock from Société Générale, with an immediate delivery of approximately 22 million shares based on current market prices. The final number of shares to be repurchased and the aggregate cost per share to Caterpillar will be based on Caterpillar's volume-weighted average stock price during the term of the transactions, which are expected to be completed in September of 2014. In January of 2014, the Board of Directors authorized the repurchase of \$10 billion of Caterpillar stock, which will expire on December 31, 2018.

About Caterpillar:

For nearly 90 years, Caterpillar Inc. has been making sustainable progress possible and driving positive change on every continent. Customers turn to Caterpillar to help them develop infrastructure, energy and natural resource assets. With 2013 sales and revenues of \$55.656 billion, Caterpillar is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments - Resource Industries, Construction Industries and Energy & Transportation - and also provides financing and related services through its Financial Products segment. For more information, visit caterpillar.com. To connect with us on social media, visit caterpillar.com/social-media.

Forward-Looking Statements

Certain statements in this press release relate to future events and expectations and are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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 we do not undertake to update our forward-looking statements.

Caterpillar's actual results may differ materially from those described or implied in our forward-looking statements based on a number of factors, including, but not limited to: (i) global economic conditions and economic conditions in the industries we serve; (ii) government monetary or fiscal policies and infrastructure spending; (iii) commodity price changes, component price increases, fluctuations in demand for our products or significant shortages of component products; (iv) disruptions or volatility in global financial markets limiting our sources of liquidity or the liquidity of our customers, dealers and suppliers; (v) political and economic risks, commercial instability and events beyond our control in the countries in which we operate; (vi) failure to maintain our credit

ratings and potential resulting increases to our cost of borrowing and adverse effects on our cost of funds, liquidity, competitive position and access to capital markets; (vii) our Financial Products segment's risks associated with the financial services industry; (viii) changes in interest rates or market liquidity conditions; (ix) an increase in delinquencies, repossessions or net losses of Cat Financial's customers; (x) new regulations or changes in financial services regulations; (xi) a failure to realize, or a delay in realizing, all of the anticipated benefits of our acquisitions, joint ventures or divestitures; (xii) international trade policies and their impact on demand for our products and our competitive position; (xiii) our ability to develop, produce and market quality products that meet our customers' needs; (xiv) the impact of the highly competitive environment in which we operate on our sales and pricing; (xv) failure to realize all of the anticipated benefits from initiatives to increase our productivity, efficiency and cash flow and to reduce costs; (xvi) additional restructuring costs or a failure to realize anticipated savings or benefits from past or future cost reduction actions; (xvii) inventory management decisions and sourcing practices of our dealers and our OEM customers; (xviii) compliance with environmental laws and regulation; (xix) alleged or actual violations of trade or anti-corruption laws and regulations; (xx) additional tax expense or exposure; (xxi) currency fluctuations; (xxii) our or Cat Financial's compliance with financial covenants; (xxiii) increased pension plan funding obligations; (xxiv) union disputes or other employee relations issues; (xxv) significant legal proceedings, claims, lawsuits or investigations; (xxvi) compliance requirements imposed if additional carbon emissions legislation and/or regulations are adopted; (xxvii) changes in accounting standards; (xxviii) failure or breach of IT security; (xxix) adverse effects of unexpected events including natural disasters; and (xxx) other factors described in more detail under "Item 1A. Risk Factors" in our Form 10-K filed with the SEC on February 18, 2014, for the year ended December 31, 2013.

SOURCE Caterpillar Inc.

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