

August 18, 2016

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Potts_Rachel_A@cat.com**FOR IMMEDIATE RELEASE****Caterpillar to Explore Strategic Alternatives for Certain Mining Products***Company continues restructuring and optimizing manufacturing footprint*

PEORIA, Ill. – To focus on those products with the greatest growth potential, Caterpillar Inc. (NYSE: CAT) announced today it intends to pursue strategic alternatives, including a possible divestiture, for its room and pillar products, which serve a segment of underground soft rock mining customers. The company will also discontinue production of track drills within its Resource Industries portfolio.

The company and its dealers remain committed to existing customers and will support those room and pillar and track drill fleets currently in operation.

“These moves, which align with Caterpillar’s ongoing restructuring, will allow us to focus resources on those areas of the business that provide the highest, sustainable growth and best long-term returns,” said Denise Johnson, group president with responsibility for Resource Industries.

Room and Pillar and Track Drills

The room and pillar underground mining products under strategic review include continuous miners, feeder breakers, coal haulage systems, highwall miners, roof bolters, utility vehicles and diesel vehicles. While under review, Caterpillar will stop taking new orders.

Production of track drills will be discontinued, and no new orders will be taken.

(more)

“Caterpillar remains committed to an extensive mining product portfolio. We firmly believe mining is an attractive long-term industry, and we continue to invest in a broad range of products, both surface and underground. We are targeting our investments within the mining product portfolio to concentrate on those areas with the highest profitability potential,” said Johnson. “At the same time, we continue to manage through the longest down-cycle in our history. We know these ongoing restructuring actions are not easy on our workforce; I’m grateful for our team’s ongoing dedication.”

Workforce Impact

In conjunction with the announcement, Caterpillar expects to take actions to reduce the workforce in Houston, Pennsylvania, where the room and pillar products are manufactured. While the company intends to sell the room and pillar products, it will also assess other options, including a possible closure of the Houston facility.

Total workforce reductions of up to 155 positions associated with the room and pillar business are expected, with some occurring immediately. These actions will more closely align employment levels with current end-market demand.

In Denison, Texas, where track drills are produced, approximately 40 positions will be eliminated as a result of the track drill exit and other facility restructuring.

Repurposing of Winston-Salem Facility

In addition to these moves, the company also continues to evaluate the most efficient and effective use of its manufacturing footprint. The company announced today it will repurpose its Winston-Salem, North Carolina, facility, transitioning it from a mining to a rail facility beginning later this year. Operations will transfer to Progress Rail, a wholly owned Caterpillar subsidiary.

As a result, the company will relocate the manufacturing of some components used in large mining trucks from its facility in Winston-Salem to its existing facility in Decatur, Illinois.

About Caterpillar

For 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 2015 sales and revenues of \$47.011 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 - Construction Industries, Resource 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 and regional 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 regulations; (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 government investigations; (xxvi) changes in accounting standards; (xxvii) failure or breach of IT security; (xxviii) adverse effects of unexpected events including natural disasters; and (xxix) other factors described in more detail under "Item 1A. Risk Factors" in our Form 10-K filed with the SEC on February 16, 2016, for the year ended December 31, 2015.