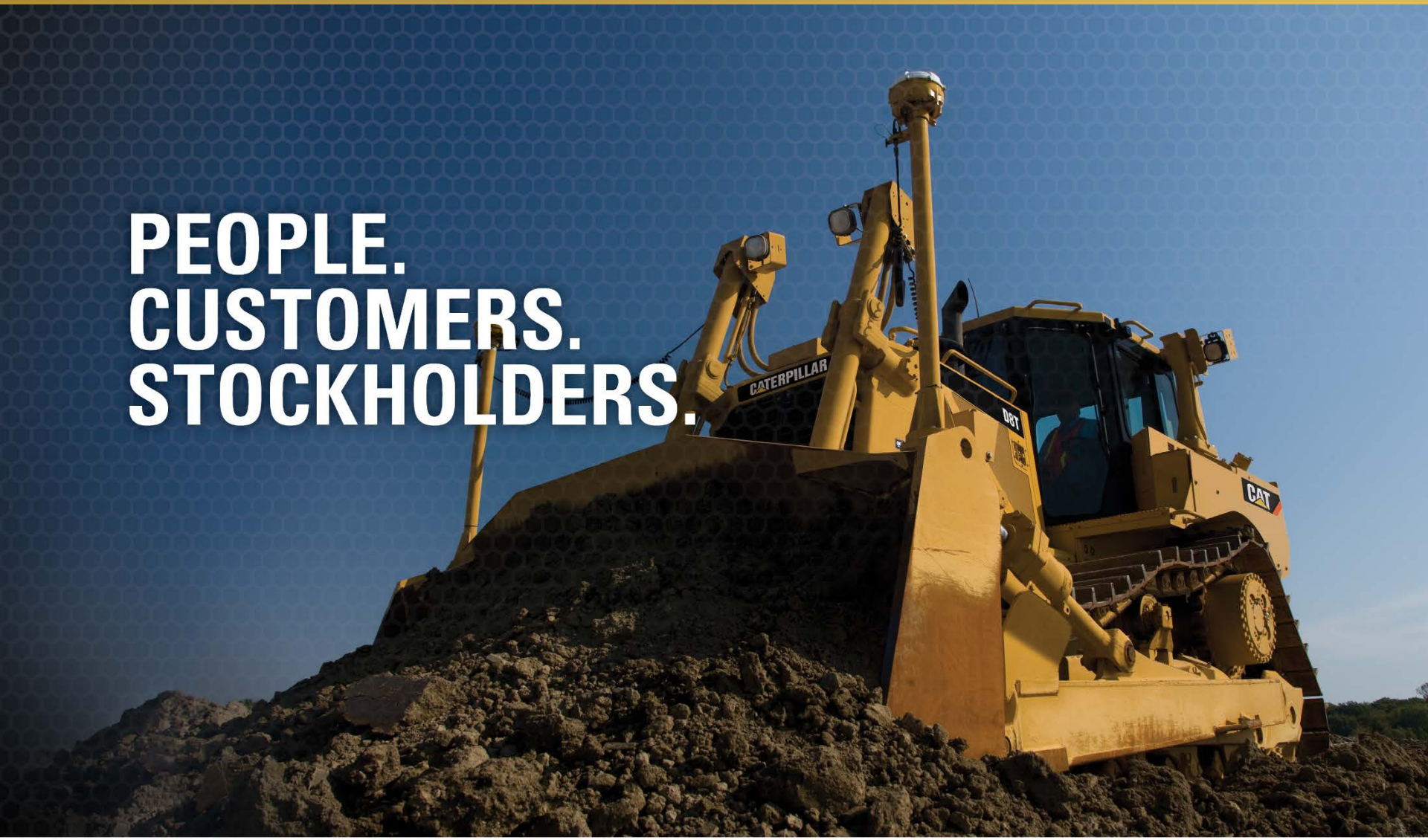

Barclays Investor Conference

Construction Industries – Tom Pellette
Investor Relations – Amy Campbell

February 18, 2016

CATERPILLAR®

Forward Looking Statements

Certain statements in this Presentation 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.

Our press releases describing 2015 full-year and fourth-quarter financial results contain a reconciliation of Non-GAAP financial information referenced in this presentation and can be found on our website at www.caterpillar.com/earnings

Discussion

- 2016 Outlook – Amy Campbell
- Construction Industries Review – Tom Pellette

2016 Outlook

At the midpoint of the sales and revenues range of $40-$44 billion

Outlook as of 1/28/16

Sales and Revenues
(in billions)

$42B

Profit Per Share
(in dollars)

$3.50

$4.00*

2016 Outlook:



Sales and revenues expected to be about 10 percent below 2015

- Construction Industries down about 5-10%
- Energy & Transportation down about 10-15%
- Resource Industries down about 15-20%

Includes changes in accounting for pension and OPEB
* Excluding restructuring costs

Sales and Revenues – A Historical Perspective

($billions)	4Q13	2014 1Q	2Q	3Q	4Q	2014
Sales and Revenues	$ 14.4	$ 13.2	$ 14.2	$ 13.5	$ 14.2	$ 55.1
Average 2014						$ 13.8

($billions)	4Q14	2015 1Q	2Q	3Q	4Q	2015
Sales and Revenues	$ 14.2	$ 12.7	$ 12.3	$ 11.0	$ 11.0	$ 47.0
Average 2015						$ 11.8

- 1st and 3rd Quarter generally weaker; 2nd and 4th Quarter typically stronger
  - For CI, it's seasonal; early/late Spring prep, dealer inventory build, vacation shut-downs
  - For E&T, the 4th Quarter affected by large project sales of turbines and locomotives
- Over the last three years, the average seasonal decline 4Q to 1Q was 12%
- We expect a similar seasonal pattern in 2016

Discussion

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Construction Industries Divisions



Earthmoving Division

Caterpillar Brazil
Global Paving



Excavation Division

European Operations
Forest Products



Global Construction & Infrastructure Division

Forest Products
Global Paving
Industrial & Waste
Work Tools
Global Heavy Rents



Building Construction Products Division



China Operations Division



Medium Tractor Products



Medium Wheel Loaders



Motor Graders



Cold Planers



Track Excavators
small, medium, large



Forest Machines



Wheel Excavators



Backhoe Loaders



Compact Track Loaders



Compact Wheel Loaders



Small Track-Type Tractors

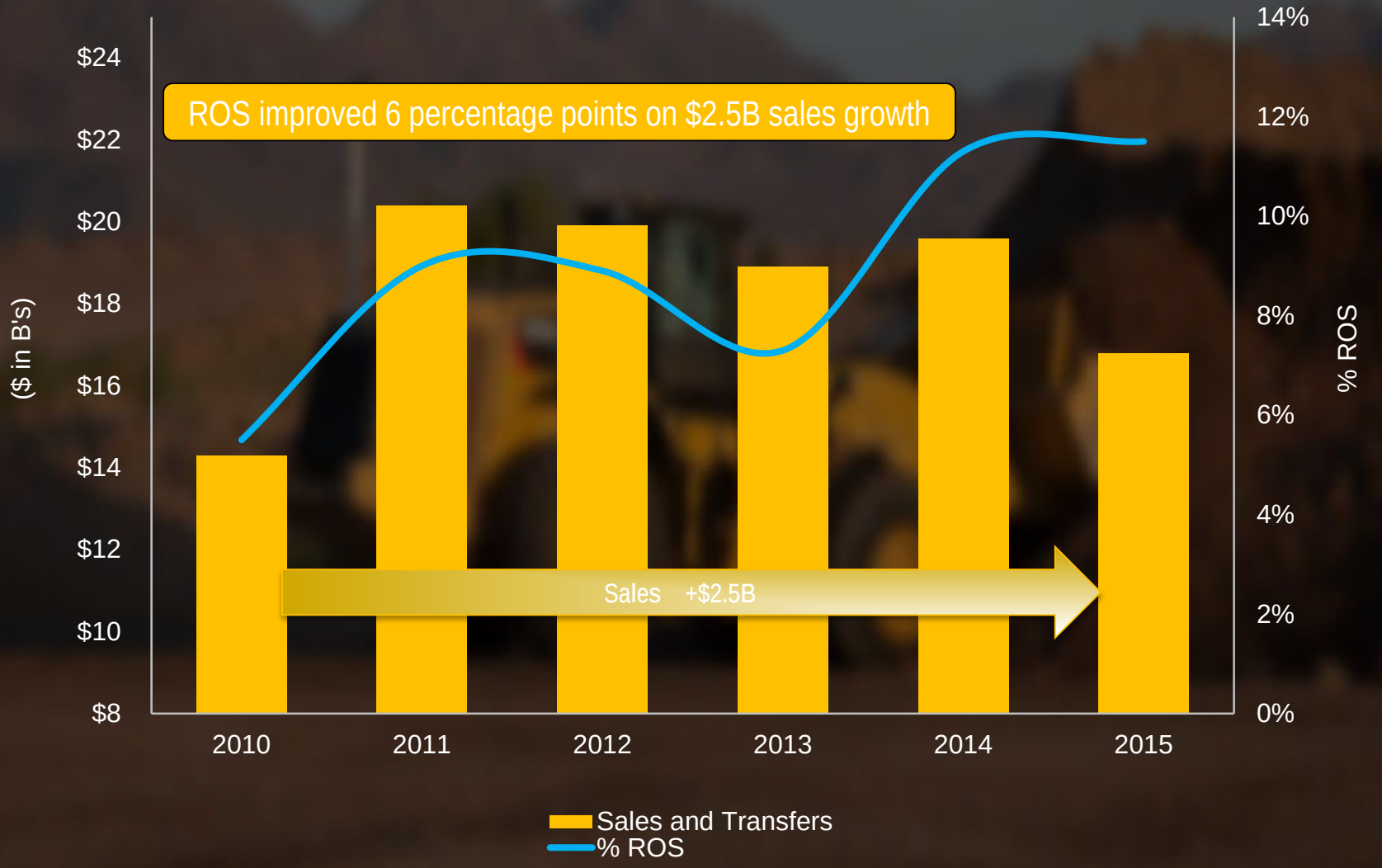


Mini Hydraulic Excavators



Skid Steer Loaders

Construction Industries Financial Trends



2016 Challenges

CI 5-10%*

*Sales Outlook as of 1/28/16

Uncertain
Global economy



China & Brazil

Continued



Weak Industry
Demand

Oil & Gas Decline



offset
U.S. Construction

Depressed



Commodity Prices

Strong
U.S. Dollar





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