

Bank of America Merrill Lynch Industrials Conference

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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.

A press release issued on January 28, 2016 describing our 2016 outlook contains a reconciliation of Non-GAAP financial information referenced in this presentation and can be found on our website at www.caterpillar.com/earnings. A reconciliation of Non-GAAP financial information for the first quarter of 2016 is below.

	Estimate
	1st Quarter 2016 [1]
Profit (Loss) per share	$0.50-$0.55
Per share restructuring costs[2]	$0.15
Profit per share excluding restructuring costs	$0.65-$0.70

[1] Does not include any impact from mark-to-market gains or losses resulting from pension and OPEB plan remea

[2] At effective tax rate

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2016 Challenges

CI 5-10%*

E&T 10-15%*

RI 15-20%*

*Sales Outlook as of 1/28/16

Oil & Gas



Uncertain
Global economy



China & Brazil

Continued



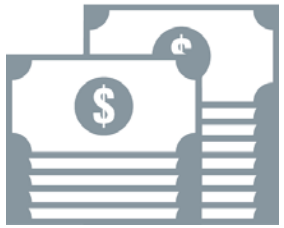
Weak Construction Demand

Commodity Prices



Depressed Mining

Strong
U.S. Dollar



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We don’t control the environment - - We’re focused on Execution

- Decremental pull through
- Machine Market Position: Improved 5 years in a row
- Focus on growth : R&D spending, Digital, Across the Table, Lean
- Quality
- Safety
- Capital returned to shareholders

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 – through the year

($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

	1Q	2Q	3Q	4Q
Qtrly S&R as a % of FY:				
10-Year Avg	23.5%	25.5%	24.9%	26.1%
20-Year Avg	23.3%	25.7%	24.8%	26.3%

1st Quarter Estimate

Sales & Revenues
(in billions)

$9.3 - $9.4B

Profit Per Share
(in dollars)

$0.50 - $0.55

$0.65 - $0.70*

* Excluding restructuring costs



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