

# News

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**FOR IMMEDIATE RELEASE**

**Caterpillar to Make Offer to Acquire ERA Mining Machinery Ltd.**

HONG KONG – Caterpillar Inc. (NYSE: CAT) (“Caterpillar”) and ERA Mining Machinery Limited (HKSE: 8043) (“ERA”) jointly announced today a pre-conditional voluntary offer by Caterpillar, through a wholly owned subsidiary, for all of the issued shares of ERA (the “Shares”).

ERA primarily designs, manufactures, sells and supports underground coal mining equipment in mainland China through its wholly owned subsidiary Zhengzhou Siwei Mechanical & Electrical Equipment Manufacturing Co., Ltd., commonly known as (“Siwei”).

As part of Caterpillar’s 2015 strategy, the company has identified the mining industry and improved support of its customers as one of Caterpillar’s key imperatives.

“Our announcement today underscores Caterpillar’s long-term commitment to continue to invest in China in order to support our growing base of Chinese customers,” said Steve Wunning, Caterpillar group president with responsibility for Resource Industries. “We intend to build on Siwei’s strong reputation and relationships in China, further investing in its mining roof support business and operations, while utilizing Caterpillar’s global reach and organization to help bring Siwei’s products to more customers outside of China,” Wunning said.

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Commented ERA Chairman Emory Williams, “Caterpillar has been an important contributor to improving equipment, safety and mining practices around the world. We believe they will continue to make a substantial ongoing contribution to the industry in China.”

“Caterpillar has developed a reputation for its community involvement and contributions to society in the communities where it operates and for the strong relationships it has with its employees,” said Siwei Chairman and Chief Executive Officer (CEO) Wang Fu.

As outlined in a joint announcement submitted to the Stock Exchange of Hong Kong, the offer consists of two options: (i) an all-cash alternative to acquire the Shares in consideration for HKD \$0.88 cash per Share, and/or (ii) a loan note alternative, which will entitle the loan note holder to receive a minimum of HKD \$0.75 and up to HKD \$1.15 per loan note upon redemption. ERA shareholders will be able to elect to receive the all-cash alternative in relation to some of their Shares and the loan note alternative in relation to the remainder of their Shares, or to elect to receive either the all-cash alternative or the loan note alternative in relation to all of their Shares. Dependent upon ERA’s performance and the number of shareholders who elect the cash alternative or the number who elect the loan note alternative, the offer values ERA at between HKD \$4,490 million and HKD \$6,885 million on a fully diluted basis.

The offer will be made by Caterpillar (Luxembourg) Investment Co. S.A., a wholly owned subsidiary of Caterpillar, if clearance from the Ministry of Commerce of the PRC under the Anti Monopoly Law of the PRC and any consent or approval of any governmental or regulatory body required by law in relation to the offer has been obtained.

Siwei possesses a manufacturing base of 600,000 square meters in Zhengzhou, Henan province, where it manufactures and sells roof support equipment to underground mining customers in China. Caterpillar intends to retain key executives of Siwei, and its base of employees. Following the completion of the offer, current Chairman and CEO Wang Fu would continue to lead the operations of the business.

Caterpillar has a long history in China and, during the past three decades, Caterpillar has grown from a single sales office in Beijing to a cross-country footprint today—which includes 16 locations for manufacturing, four research and development

facilities, three logistics and parts centers and other offices. In addition, Caterpillar has made significant investments in China and announced a wide range of new facilities, with a total of nine new facilities under construction. Between Caterpillar and its independent dealer network, more than 20,000 people work in China to support Caterpillar customers.

**About Caterpillar:**

With 2010 sales and revenues of US\$42.588 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 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.caterpillar.com>.

**About ERA Mining Machinery Limited (Stock code: 8043):**

ERA is a leading non-state owned hydraulic roof support manufacturer in the People's Republic of China through its wholly-owned subsidiary Zhengzhou Siwei Mechanical & Electrical Equipment Manufacturing Co., Ltd. which is based in Zhengzhou, Henan. ERA produces hydraulic roof supports for longwall coal mining and has established a clientele of coal mining producers primarily located in 13 of China's provinces and autonomous regions.

**Advisors:**

Citigroup Global Markets Asia Limited served as exclusive financial advisor for Caterpillar. Freshfields Bruckhaus Deringer LLP served as legal advisor for Caterpillar.

The Blackstone Group (HK) Limited served as exclusive financial advisor for ERA. DLA Piper served as legal advisor for ERA.

**Certain Additional Information:**

While no decision has been made on the availability or otherwise of applicable exemptions from the registration requirements of the U.S. Securities Act of 1933, as amended, Caterpillar does not currently intend to file a registration statement with respect to any securities in the United States or to conduct a public offering of securities in the United States in connection with the proposed acquisition.

The directors of Caterpillar (Luxembourg) Investment Co. S.A. jointly and severally accept full responsibility for the accuracy of the information contained in this press release (other than that relating to the Siwei group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this press release (other than those expressed by the Siwei group) have been arrived at after due and

careful consideration and there are no other facts not contained in this press release, the omission of which would make any statements in this press release misleading.

As at the date of this press release, the directors of Caterpillar (Luxembourg) Investment Co. S.A. is comprised of Mr. Francois Oggier, Mr. Christopher Honda and Mr. Michael Curran.

The directors of Caterpillar jointly and severally accept full responsibility for the accuracy of the information contained in this press release (other than that relating to the Siwei group) and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this press release (other than those expressed by the Siwei group) have been arrived at after due and careful consideration and there are no other facts not contained in this press release, the omission of which would make any statements in this press release misleading.

As at the date of this press release, the board of directors of Caterpillar is comprised of Mr. David L. Calhoun, Mr. Daniel M. Dickinson, Mr. Eugene V. Fife, Mr. Juan Gallardo, Mr. David R Goode, Mr. Jesse J. Greene Jr., Mr. Peter A. Magowan, Mr. Dennis A. Muilenburg, Mr. Douglas R. Oberhelman, Mr. William A. Osborne, Mr. Charles D. Powell, Mr. Edward B. Rust Jr., Ms. Susan C. Schwab, Mr. Joshua I. Smith and Mr. Miles D. White.

#### **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. These statements are subject to known and unknown factors that may cause Caterpillar's actual results 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 Caterpillar's actual results may differ materially from those described or implied in its forward-looking statements based on a number of factors, including, but not limited to: (i) global economic conditions and economic conditions in the industries and markets Caterpillar serves; (ii) government monetary or fiscal policies and government spending on infrastructure; (iii) commodity or component price increases and/or limited availability of raw materials and component products, including steel; (iv) Caterpillar's and its customers', dealers' and suppliers' ability to access and manage liquidity; (v) 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; (vi) 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; (vii) financial condition and credit worthiness of Cat Financial's customers; (viii) inability to realize expected benefits from acquisitions and divestitures, including the acquisition of Bucyrus International, Inc.; (ix) international trade and investment policies, such as import quotas, capital controls or tariffs; (x) the possibility that Caterpillar's introduction of Tier 4 emissions compliant machines and engines is not successful; (xi) market acceptance of Caterpillar's products and services; (xii) 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; (xiii) union disputes or other employee relations issues; (xiv) Caterpillar's ability

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to successfully implement the Caterpillar Production System or other productivity initiatives; (xv) adverse changes in sourcing practices of our dealers or original equipment manufacturers; (xvi) compliance costs associated with environmental laws and regulations; (xvii) alleged or actual violations of trade or anti-corruption laws and regulations; (xviii) additional tax expense or exposure; (xix) currency fluctuations, particularly increases and decreases in the U.S. dollar against other currencies; (xx) failure of Caterpillar or Cat Financial to comply with financial covenants in their respective credit facilities; (xxi) increased funding obligations under our pension plans; (xxii) significant legal proceedings, claims, lawsuits or investigations; (xxiii) imposition of operational restrictions or compliance requirements if carbon emissions legislation and/or regulations are adopted; (xxiv) changes in accounting standards or adoption of new accounting standards; (xxv) adverse effects of natural disasters; and (xxvi) 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 22, 2011 for the year ended December 31, 2010. This filing is available on our website at [www.caterpillar.com/secfilings](http://www.caterpillar.com/secfilings)