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FOR IMMEDIATE RELEASE**Caterpillar Expands Research and Development Center in China**

Larger facility to support expanding operations in China and other growth markets

WUXI, Jiangsu Province, People's Republic of China (PRC) – Caterpillar Inc. (NYSE: CAT) executives and governmental leaders from Wuxi today signed an agreement to expand the company's multi-functional research and development (R&D) center in Wuxi, China. The Wuxi R&D center first opened in December 2009. The Wuxi center currently has more than 500 engineers and support staff developing a variety of new products tailored to the demands of Caterpillar's rapidly expanding customer base in China and other growth markets.

“China is the largest construction equipment market in the world, and Caterpillar continues to invest in China to help our Chinese customers succeed and to position Caterpillar for long-term leadership in China,” said Caterpillar Vice President and Chief Technology Officer Tana Utley, who attended the event in Wuxi. “The Wuxi R&D center is enabling Caterpillar's product development success in China and other growth markets,” Utley added.

The center is strategically located in Jiangsu Province, near Caterpillar's component manufacturing campus in Wuxi that began production in 2006, the engine campus in Wuxi that began production in 2009, and the medium wheel loader and motor grader manufacturing facility in Suzhou that began production in 2009. It will also be

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near the company's Asia Pacific Proving Ground and the large wheel loader manufacturing facility with groundbreaking for both on January 5 in Tongzhou. In addition, Caterpillar's flagship excavator manufacturing facility in China is located in Xuzhou, which is also in Jiangsu Province.

"We are committed to developing sustainable and cost competitive local R&D resources to help Caterpillar compete in China and other growth markets," said Brian X. Sun, director of Caterpillar's Product Development & Global Technology Division with responsibility for China R&D Centers. "The expansion of the Wuxi R&D center will strengthen collaboration among cross-functional engineering teams and with suppliers, enabling integrated product development to ensure Caterpillar provides products with the right value/cost relationship to customers."

The Wuxi R&D center is being developed in a multi-phased approach. The phase announced today will add a number of engine test cells for light, medium and heavy-duty, as well as high horsepower engines. It will also include more labs for fuel systems, electronics, hydraulics, cooling, roll-over protection (ROPS) and virtual reality, as well as other component and system labs. The center will also have extended design capabilities. The implementation of this phase is expected to be completed in June 2012.

The Wuxi R&D center is the headquarters of Caterpillar Research & Development Co. (China), Ltd. (CRDC). CRDC also has a branch in Qingdao, Shandong Province that was established in 2005, and a branch in Tianjin that was established in 2008.

About Caterpillar:

For more than 85 years, Caterpillar Inc. has been making sustainable progress possible and driving positive change on every continent. With 2010 sales and revenues of \$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>.

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

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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 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.