

60th Anniversary of Caterpillar Inc. in Brazil
Remarks by Doug Oberhelman
Sao Paolo, Brazil
August 18, 2014

Boa Noite. Buenas Noches. Good Evening!

É um prazer estar aqui junto com tantos amigos celebrando um importante marco da nossa história – os 60 anos da Caterpillar no Brasil. Obrigado por aceitarem o nosso convite.

First of all I want to thank the authorities for their kind words. I also would like to recognize U.S. Ambassador Ayalde and other dignitaries.

It was great to hear from Odair, President of Caterpillar Brasil. Odair has been with us for 33 years, serving in challenging assignments all over the world. Now, we are glad to see him return to Brazil and leading our Caterpillar Brasil teams.

Although we are marking 60 years since we began doing business in Brazil, in reality we have had machines here much longer; since 1920, five years before Caterpillar was officially formed.

In 1960, we produced our first machine here, a motor-grader, and we have been expanding ever since. Today, we manufacture machines and equipment throughout Brazil.

Cat machines are built in Piracicaba, São Paulo, and in Campo Largo, Paraná.

Perkins engines are also manufactured in Paraná state.

Our EMD plant is at 7 Lagoas in Minas Gerais. In less than one year of production there, our diesel-electric locomotives have already won a big share of the market.

We recently added a new facility in Piracicaba to remanufacture machine parts and components. It's another example of our commitment to sustainability. Remanufacturing gives our components a second life. They carry the same warranty as new products, and they help our customers stay competitive in Latin America's very competitive markets.

Caterpillar has always located close to our customers. That's why we came to Brazil in 1954, and we have always been a truly global company.

We have more than 6,000 employees in Brazil and more than 15,000 across Latin America. If we include those who work for the more than 30 Latin American Cat dealers, there are tens of thousands of people working every day to manufacture, sell and service Caterpillar machines and equipment across the region.

So, it is truly an honor to be with you tonight and celebrate Caterpillar's legacy. We are a part of the foundation of this amazing country. We have been honored to be your partner -- supporting Brazil's growth, and the growth of Latin America.

For 60 years, Caterpillar machines have helped build projects that have improved standards of living and fueled economic growth.

A good example of this is the BR 101 -- the major highway that runs the length of Brazil. It connects as many as 12 Brazilian states and is part of the Pan-American Highway.

Another good example is the Itaipu Dam. In the Guaraní language, *Itaipu* means "the sounding stone." And the project near the sounding stone lives up to its name -- supplying approximately 75 percent of Paraguay's electricity and 17 percent of Brazil's. I lived in Uruguay in the early 1980's when this project was being finished -- it's great to see it so successful today.

We are building the future, too -- like the Belo Monte Dam under construction on the Xingu River in Pará. When finished, the Belo Monte hydroelectric dam complex will be the second-largest in Brazil and have one of the largest installed capacities in the world.

Hydroelectric plants produce over 85 percent of Brazil's electricity, and hydro power is essential to support Brazil's growth. And since a full 46 percent of Brazil's energy comes from renewable energy sources, we are particularly proud that Caterpillar machines work on projects that support your sustainable growth.

Considering the wealth of Brazilian soil, we also must talk about mining. Our machines are at work there, too -- especially in the Carajás Mines, the largest iron ore mine in the world.

Our machines also helped build the Carajás Railway -- 900 kilometers connecting the mines of Pará to the Port of Ponta Madeira. We have a long relationship with the rail segment, and that is expanding now with the investment of EMD and Progress Rail. That means we will contribute even more to Brazil's sustainable progress, supporting transportation and logistics.

We were on board with the pre-salt province initiatives, and other opportunities in the marine and petroleum industries. We invested in the production of generator sets for the industry -- both as a primary energy source and as propulsion power for the drill-ships.

These are just a few examples of our machines at work. I could list dozens more locations and ways that Caterpillar is helping Brazil and Latin America build the future. Our machines are part of our customer's daily lives, and some machines even become part of our

customer's history – as I've learned is true for the Andrade Gutierrez construction company; who, in honor of the historic work done by their first Caterpillar machine, a track-type tractor -- gave her a name: Soberano. Now retired, Soberano stands as a symbol of honor at their headquarters. The story is that while others moved earth with an ox wagon, they had this Cat tractor, and it was a big advantage.

As you can tell from these examples, Caterpillar has been fortunate to be part of Brazil's growth for 60 years. We were committed in 1954, and have been your partner as you have risen to the 7th largest economy in the world.

Of course there are challenges ahead. Every country faces uncertain times, but that is nothing new. I am confident you will overcome those challenges in the future, as you have in the past.

During my time at Caterpillar, I have travelled to Latin America dozens and dozens of times and, as I mentioned a minute ago, I lived and worked in Uruguay. I saw first hand the entrepreneurial spirit of our customers and Cat dealers in Latin America, and their determination to succeed.

I know that determination is still very much alive, and Caterpillar will be here as you continue to build. We have confidence in your dedication to develop additional infrastructure in Brazil, even when facing volatility and economic ups and downs.

The PAC2 program is a great example of Brazil's commitment to build for the future. More than 5,000 Cat machines helped improve roads to smaller cities, which means it will be easier for farmers to move their crops to bigger markets. PAC2 is improving people's daily lives.

And we look forward to more development ahead.

It's true here in Brazil -- as it is wherever we do business -- that our most important priority is to help our customers succeed, and that means we manufacture the best products available, anywhere.

We also invest to ensure we offer sustainable solutions. Everywhere we operate, Caterpillar values sustainability. I have already mentioned the Piracicaba remanufacturing facility and we are committed to sustainability in our operations, too. From 2010 to 2013, Caterpillar Brasil reduced our greenhouse gas emissions by 28 percent and our clean water consumption by 14 percent. We saved 3.3 million gallons of water in one year alone.

Through the Caterpillar Foundation and Caterpillar Brasil, we also invest in the communities where our employees live and work. This includes programs that help children attend school, provide job training to youth, improve women's health, reduce poverty, and increase

conservation conservation.

At our Campo Largo facility this morning, I planted a tree – just one of hundreds of trees that have been planted through the traditional ceremony we have at facilities. I have planted my share of trees on several continents, and it's a great tradition.

With today's tree, I left roots in Campo Largo. I cannot think of a better place to have roots!

Finally, I want to make sure you also know how proud I am of our Brazilian leaders and employees. Every year since 2007, Caterpillar has been recognized as one of the top five companies to work for in Brazil. That is a great recognition of our manager's values and leadership.

And each year Caterpillar gives internal awards – the Chairman's Awards – to recognize outstanding products, engineering and operations. For the second year in a row, Caterpillar Brasil received the award for Operations Excellence.

In 2012, that award went to the Piracicaba facility, and in 2013 the Campo Largo facility won the New Facility Operations Excellence award. These facilities also win our awards for product quality year after year.

Caterpillar has hundreds of facilities and manufactures hundreds of products around the world, so the competition for the Chairman's Awards is pretty tough. When I was at the Campo Largo facility this morning, I presented them with their award and thanked them for their hard work.

Recognizing our dedicated employees is one of the best parts of my job. It is as rewarding as events like this, where I get to join with our customers and dealers to celebrate a long, productive history. And, even more importantly, we can make plans to build Brazil even stronger tomorrow -- and Caterpillar is looking forward to sharing that tomorrow with you.

Obrigado. Gracias. Thank you!