Below are key highlights from Caterpillar Inc.'s Fourth-Quarter and full-year 2018 earnings results. For full financial results, please refer to the press release on Caterpillar’s Investor Relations site. (http://www.caterpillar.com/investors)

**2018 FOURTH-QUARTER AND FULL-YEAR FINANCIAL RESULTS – KEY METRICS:**

<table>
<thead>
<tr>
<th></th>
<th>FOURTH QUARTER</th>
<th>FULL YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2018</td>
<td>2017</td>
</tr>
<tr>
<td><strong>Sales and Revenues</strong></td>
<td>$14.3</td>
<td>$12.9</td>
</tr>
<tr>
<td><strong>Profit (Loss) Per Share</strong></td>
<td>$1.78</td>
<td>($2.18)</td>
</tr>
<tr>
<td><strong>Adjusted Profit Per Share</strong></td>
<td>$2.55</td>
<td>$2.16</td>
</tr>
</tbody>
</table>

1 Excludes restructuring costs, pension and OPEB mark-to-market losses, deferred tax valuation allowance adjustments and the impact of U.S. tax reform. For 2017, also excludes a gain on the sale of an equity investment.

**2018 FOURTH-QUARTER AND FULL-YEAR HIGHLIGHTS:**

- Fourth-quarter sales and revenues up 11 percent; full-year sales and revenues up 20 percent
- Strong financial position; ended 2018 with $7.9 billion of enterprise cash
- Repurchased $1.8 billion in company stock in the fourth quarter and $3.8 billion for the full year

**Comments from Caterpillar Chairman & CEO Jim Umpleby:**

“In 2018, Caterpillar achieved record profit per share and returned significant levels of capital to shareholders. Our global team remained focused on serving our customers, executing our strategy and investing for future profitable growth.”

**2019 OUTLOOK:** Profit per share expected to increase

<table>
<thead>
<tr>
<th></th>
<th>2018 Actual</th>
<th>2019 Outlook(^2)</th>
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<tbody>
<tr>
<td><strong>Profit Per Share</strong></td>
<td>$10.26</td>
<td>$11.75 – $12.75</td>
</tr>
<tr>
<td><strong>Adjusted Profit Per Share</strong></td>
<td>$11.22</td>
<td></td>
</tr>
</tbody>
</table>

1 Adjusted Profit for 2018 excludes restructuring costs, pension and OPEB mark-to-market losses, deferred tax valuation allowance adjustments and the impact of U.S. tax reform.

2 As of January 28, 2019.

**Comments from Caterpillar Chairman & CEO Jim Umpleby:**

“Our outlook assumes a modest sales increase based on the fundamentals of our diverse end markets as well as the macro-economic and geopolitical environment. We will continue to focus on operational excellence, including cost discipline, while investing in expanded offerings and services to drive long-term profitable growth.”
Fourth-Quarter and Full-Year 2018 Quarterly Financial Results

**FOURTH-QUARTER NEWS & NOTES** (Click each story to learn more)

**CEO Jim Umpleby**
also named
Caterpillar Chairman

**Showcased diverse product line**
at bauma China tradeshow

**FULL-YEAR 2018 HIGHLIGHTS** (Click each story to learn more)

**EXECUTING OUR STRATEGY**

**SERVICES**

- Launched equipment management app for customers

**PRODUCT MILESTONES**

- Increased dividend
- 25 consecutive years of higher dividends for shareholders
- 1,000th 797 Large Mining Truck
- 5,000th 793 Large Mining Truck
- 40,000th Large Track Type Tractor

**BUILDING A BETTER WORLD**

- Named to Dow Jones Sustainability Index for 19th time
- Caterpillar Foundation’s “Value of Water” campaign

**PEOPLE NEWS** (Click on officer’s name to learn more)

- New CFO and Executive Officer named, as well as new executive responsibilities

**EXPANDED OFFERINGS**

- Autonomous mining trucks marked 1 billion tonnes moved
- Mini Hydraulic Excavators
- Articulated Trucks
- Electric Drive Dozers

- Showcased diverse product line at bauma China tradeshow
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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. 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 speak only as of the date they are made, 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) commodity price changes, material price increases, fluctuations in demand for our products or significant shortages of material; (iii) government monetary or fiscal policies; (iv) political and economic risks, commercial instability and events beyond our control in the countries in which we operate; (v) international trade policies and their impact on demand for our products and our competitive position, including the imposition of new tariffs or changes in existing tariff rates; (vi) our ability to develop, produce and market quality products that meet our customers’ needs; (vii) the impact of the highly competitive environment in which we operate on our sales and pricing; (viii) information technology security threats and computer crime; (ix) additional restructuring costs or a failure to realize anticipated savings or benefits from past or future cost reduction actions; (x) failure to realize all of the anticipated benefits from initiatives to increase our productivity, efficiency and cash flow and to reduce costs; (xi) inventory management decisions and sourcing practices of our dealers and our OEM customers; (xii) a failure to realize, or a delay in realizing, all of the anticipated benefits of our acquisitions, joint ventures or divestitures; (xiii) union disputes or other employee relations issues; (xiv) adverse effects of unexpected events including natural disasters; (xv) disruptions or volatility in global financial markets limiting our sources of liquidity or the liquidity of our customers, dealers and suppliers; (xvi) 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; (xvii) our Financial Products segment’s risks associated with the financial services industry; (xviii) changes in interest rates or market liquidity conditions; (xix) an increase in delinquencies, repossessions or net losses of Cat Financial’s customers; (xx) currency fluctuations; (xxi) our or Cat Financial’s compliance with financial and other restrictive covenants in debt agreements; (xxii) increased pension plan funding obligations; (xxiii) alleged or actual violations of trade or anti-corruption laws and regulations; (xxiv) additional tax expense or exposure, including the impact of U.S. tax reform; (xxv) significant legal proceedings, claims, lawsuits or government investigations; (xxvi) new regulations or changes in financial services regulations; (xxvii) compliance with environmental laws and regulations; and (xxviii) other factors described in more detail in Caterpillar’s Forms 10-Q, 10-K and other filings with the Securities and Exchange Commission.

NON-GAAP FINANCIAL MEASURES

The following definitions are provided for the non-GAAP financial measures used in this report. These non-GAAP financial measures have no standardized meaning prescribed by U.S. GAAP and therefore are unlikely to be comparable to the calculation of similar measures for other companies. Management does not intend these items to be considered in isolation or as a substitute for the related GAAP measures.

ADJUSTED PROFIT

The company believes it is important to separately quantify the profit impact of several significant items in order for the company’s results to be meaningful to readers. These items consist of (i) restructuring costs, which are incurred in the current year to generate longer-term benefits, (ii) pension and OPEB mark-to-market losses resulting from plan remeasurements, (iii) certain deferred tax valuation allowance adjustments, (iv) U.S. tax reform impact and (v) a gain on the sale of an equity investment. The company does not consider these items indicative of earnings from ongoing business activities and believes the additional restructuring costs or a failure to realize anticipated savings or benefits from past or future cost reduction actions; (x) failure to realize all of the anticipated benefits from initiatives to increase our productivity, efficiency and cash flow and to reduce costs; (xi) inventory management decisions and sourcing practices of our dealers and our OEM customers; (xii) a failure to realize, or a delay in realizing, all of the anticipated benefits of our acquisitions, joint ventures or divestitures; (xiii) union disputes or other employee relations issues; (xiv) adverse effects of unexpected events including natural disasters; (xv) disruptions or volatility in global financial markets limiting our sources of liquidity or the liquidity of our customers, dealers and suppliers; (xvi) 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; (xvii) our Financial Products segment’s risks associated with the financial services industry; (xviii) changes in interest rates or market liquidity conditions; (xix) an increase in delinquencies, repossessions or net losses of Cat Financial’s customers; (xx) currency fluctuations; (xxi) our or Cat Financial’s compliance with financial and other restrictive covenants in debt agreements; (xxii) increased pension plan funding obligations; (xxiii) alleged or actual violations of trade or anti-corruption laws and regulations; (xxiv) additional tax expense or exposure, including the impact of U.S. tax reform; (xxv) significant legal proceedings, claims, lawsuits or government investigations; (xxvi) new regulations or changes in financial services regulations; (xxvii) compliance with environmental laws and regulations; and (xxviii) other factors described in more detail in Caterpillar’s Forms 10-Q, 10-K and other filings with the Securities and Exchange Commission.

Reconciliations of adjusted profit before taxes to the most directly comparable GAAP measure, consolidated profit before taxes, are as follows:

<table>
<thead>
<tr>
<th></th>
<th>FOURTH QUARTER</th>
<th>FULL YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>Profit before taxes</td>
<td>$1,111</td>
<td>$1,367</td>
</tr>
<tr>
<td>Restructuring costs</td>
<td>$  245</td>
<td>$   93</td>
</tr>
<tr>
<td>Mark-to-market losses</td>
<td>$  301</td>
<td>$  495</td>
</tr>
<tr>
<td>Gain on sale of equity investment</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Adjusted profit before taxes</td>
<td>$1,657</td>
<td>$1,955</td>
</tr>
</tbody>
</table>

Reconciliations of adjusted profit per share to the most directly comparable GAAP measure, diluted profit per share, are as follows:

<table>
<thead>
<tr>
<th></th>
<th>FOURTH QUARTER</th>
<th>FULL YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2018</td>
</tr>
<tr>
<td>Profit (Loss) per share</td>
<td>$(2.18)</td>
<td>$  1.78</td>
</tr>
<tr>
<td>Per share restructuring costs1</td>
<td>$  0.31</td>
<td>$  0.13</td>
</tr>
<tr>
<td>Per share mark-to-market losses2</td>
<td>$  0.26</td>
<td>$  0.66</td>
</tr>
<tr>
<td>Per share deferred tax valuation allowance adjustments</td>
<td>$(0.18)</td>
<td>$(0.11)</td>
</tr>
<tr>
<td>Per share U.S. tax reform impact</td>
<td>$  3.91</td>
<td>$  0.09</td>
</tr>
<tr>
<td>Per share gain on sale of equity investment2</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Adjusted profit per share</td>
<td>$  2.16</td>
<td>$  2.55</td>
</tr>
</tbody>
</table>

Per share amounts computed using fully diluted shares outstanding except for consolidated loss per share, which was computed using basic shares outstanding.

1 At statutory tax rates. 2017 is prior to consideration of U.S. tax reform. Full-year 2017 also includes $15 million increase in prior year taxes related to non-U.S. restructuring costs.

2 At statutory tax rates. 2017 is prior to consideration of U.S. tax reform.