

CATERPILLAR EXPANDS PRESENCE IN SOUTHERN ARIZONA WITH SURFACE MINING & TECHNOLOGY DIVISION

For Immediate Release:

TUCSON, Ariz. (May 3, 2016) - Arizona Governor Doug Ducey today announced an economic development project win for the state with the news that Caterpillar Inc., the world's leading manufacturer of construction and mining equipment, has selected Tucson, Ariz., as the new location for its surface mining and technology offices.

The Tucson facility will create more than 600 projected new Arizona jobs over five years, with employees in executive management, engineering, product development and support positions.

The state has estimated the economic impact of Caterpillar's consolidation in Southern Arizona at \$600 million.

"This is a huge win for Tucson and the entire region," said Governor Ducey. "In addition to bringing jobs and capital investment to Southern Arizona, a project of this level will have a ripple effect throughout the community and state. I'd like to thank the Caterpillar team for their commitment to and confidence in Arizona. I'd also like to thank our partners, the Arizona Commerce Authority, Sun Corridor Inc., Pima County, Rio Nuevo District and the City of Tucson, for their hard work in bringing this project to our state. This is an excellent example of Arizona's attractiveness to businesses as well as our strength in collaborative economic development."

Caterpillar has had a more than 70-year presence in the state, and its Tucson Proving Ground and Tinaja Hills Demonstration Center locations currently have a workforce of approximately 300 people. This move significantly expands the company's presence in the state, bringing total

Caterpillar employment in Southern Arizona to nearly 1,000. Caterpillar will begin moving employees to Tucson in the summer.

"The ability to get closer to our customers and tightly collaborate across all aspects of the business is at the center of our strategy. This decision positions us to build on the tremendous capabilities present at our Tucson Proving Grounds and Tinaja Demonstration Center and deliver the next generation of mining technology and leadership," said Tom Bluth, Caterpillar vice president with responsibility for Surface Mining and Technology. "Southern Arizona is a growing region known for a workforce rich in mining, technology, and engineering expertise as well as an attractive quality of life for both families and young graduates."

"Caterpillar's vision is to create a global mining and technology center, and we are thrilled they have selected Arizona as the ideal location to support that vision" said Sandra Watson, president & CEO, Arizona Commerce Authority. "Thanks to Governor Ducey's leadership and the collaborative efforts with our partners in southern Arizona, we were able to bring this project to Tucson. I am confident that Arizona's strengths in technology and workforce, combined with our pro-business environment and history of success in the mining industry will provide the perfect platform for Caterpillar's success."

"I thank Caterpillar for their decision to relocate here, which is another sign of how much Southern Arizona has to offer," said Congresswoman Martha McSally. "I also congratulate everyone who worked to bring these jobs to Tucson and look forward to continuing to work together to expand opportunity for our residents."

Pending formal approval by state, county and local governing boards, the Surface Mining and Technology division will be located in downtown Tucson, which is experiencing a major resurgence. In the short term, Caterpillar will lease approximately 40,000 square feet at 97 East Congress, with renovation planned to meet the unique

needs of the Caterpillar business.

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About Caterpillar Inc.:

For 90 years, Caterpillar Inc. has been making sustainable progress possible and driving positive change on every continent. Customers turn to Caterpillar to help them develop infrastructure, energy and natural resource assets. With 2015 sales and revenues of \$47.011 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 principally operates through its three product segments - Construction Industries, Resource Industries and Energy & Transportation - and also provides financing and related services through its Financial Products segment. Visit www.caterpillar.com for more information.

Additional Quotes:

Tucson Mayor Jonathan Rothschild: "We're thrilled to welcome Caterpillar to Tucson. This is an ideal location for them with our tech companies, our university, our workforce, and our proximity to Mexico. It's a great fit all around and these are great jobs Caterpillar is bringing to our community - I couldn't be more pleased."

Joe Snell, President & CEO, Sun Corridor Inc.: "Caterpillar's decision to consolidate its mining division here means the largest investment and economic development project in recent years. The economic impact of hundreds of high-paying jobs will change this community and be felt for many years to come."

Fletcher McCusker, Chair, Rio Nuevo District: "Downtown Tucson's tremendous resurgence over the last five years laid the perfect foundation for the Caterpillar operation. The influx of major corporations coming to the downtown area has proven to be the catalyst for a live, work and play urban renewal."

Sharon Bronson, Chair, Pima County Board of Supervisors: "The building at 97 East Congress will transition into a new cutting-edge collaborative workspace to allow the Cat engineering and product development and support teams to work closely together, along with customers. Growing and diversifying our local economy requires regional and state cooperation and attracting Caterpillar demonstrates the success we can have when we're all working together to bring high-wage employers to Pima County. I welcome Caterpillar and I'm extremely proud of the role Pima County played in these negotiations."

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