



News

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FOR IMMEDIATE RELEASE

New Caterpillar Service Parts Center in Texas Kicks Off Network Modernization Plan

(Morton, Ill) – Building on the strength of a best-in-class global service parts distribution network, Caterpillar Logistics Services, Inc. (Cat Logistics), a wholly owned subsidiary of Caterpillar Inc. (NYSE: CAT), is announcing plans to open a new parts distribution center in Waco, Texas. The new facility marks the beginning of a multiyear expansion and enhancement of the Caterpillar service parts distribution network throughout North America.

The more than 500,000-square-foot facility will employ between 140 and 180 people, increase network capacity and provide primary aftermarket parts support to six Caterpillar dealers in North America. Once operational, the new facility will replace the smaller regional distribution centers in Dallas, Texas, and Kansas City, Missouri, while increasing total warehouse capacity. It will process dealer stock and emergency orders as well as inbound parts.

"We certainly recognize the significant value parts availability provides our end users," said Bill Springer, Caterpillar vice president responsible for the Marketing and Product Support Division. "Therefore, this new parts distribution center will help Caterpillar and Cat dealers maintain our industry leadership by enabling quicker order-to-delivery time."

Currently most parts are routed through a single global entry point in Morton, Illinois. Through this network modernization plan, the new Texas distribution center will also handle inbound processing of parts directly from suppliers. Services at existing Cat

facilities in York, Pennsylvania, and Denver, Colorado, will be expanded to do the same. When complete, these process improvements will get parts on the shelf faster and improve Caterpillar's ability to fill dealer orders.

"We are enhancing the Caterpillar parts distribution network to ensure we continue meeting the expectations of our dealers and customers in the years ahead. This demonstrates our ongoing commitment to product support excellence," said Steve Larson, vice president of Caterpillar Inc. and chairman and president of Caterpillar Logistics Services, Inc.

Groundbreaking for the new Waco parts distribution center is planned for the second quarter 2008, with operations expected to be underway in early 2009.

About Caterpillar

For more than 80 years, Caterpillar Inc. has been making progress possible and driving positive and sustainable change on every continent. With 2007 sales and revenues of \$44.958 billion, Caterpillar is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines and industrial gas turbines. 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 www.cat.com.

About Cat Logistics

Caterpillar Logistics Services, Inc. provides world-class supply chain solutions and services to its parent company, Caterpillar Inc., and more than 65 other leading corporations throughout the world. Headquartered in Morton, Illinois, Cat Logistics operates more than 105 offices and facilities in 25 countries on six continents. Cat Logistics provides its full service capabilities to companies in market sectors, which include automotive, industrial and aerospace service parts, consumer durables, technology, electronics and manufacturing logistics. More information is available at www.CatLogistics.com.

Safe Harbor

Certain statements in this release relate to future events and expectations and as such constitute forward-looking statements involving known and unknown factors that may cause actual results of Caterpillar Inc. to be different from those expressed or implied in the forward-looking statements. In this context, words such as "will" and "expect" or other similar words and phrases often identify forward-looking statements made on behalf of Caterpillar. It is important to note that actual results of the company may differ materially from those described or implied in such forward-looking statements based on a number of factors and uncertainties, including, but not limited to, changes in economic conditions, currency exchange or interest rates; political stability; market acceptance of the company's products and services; significant changes in the competitive environment; epidemic diseases; changes in law, regulations and tax rates; and other general economic, business and financing conditions and factors described in more detail in the company's Form 10-K filed with the Securities and Exchange Commission on February 23, 2007. We do not undertake to update our forward-looking statements.