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FOR IMMEDIATE RELEASE**Caterpillar Announces Remanufacturing Joint Venture with China Yuchai to Promote China's Sustainability and Environmental Preservation Initiatives**

The two companies will lead the industry remanufacturing diesel engines.

PEORIA, Ill. – Caterpillar Inc. (NYSE: CAT), through Caterpillar (China) Investment Co., Ltd. (Caterpillar China), and China Yuchai International Limited (NYSE: CYD), through its main operating subsidiary, Guangxi Yuchai Machinery Co., Ltd. (Yuchai) have signed a joint-venture agreement to establish a company to provide remanufacturing services for Yuchai diesel engines and components and certain Caterpillar diesel engines and components. The new company will provide state-of-the-art remanufactured engines and components to its customers worldwide by leveraging remanufacturing technology through Caterpillar's Remanufacturing and Sustainable Solutions Division (Cat Reman).

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“We look forward to developing the new company using our remanufacturing expertise in order to provide sustainable, cost-effective solutions for customers, and ultimately, growing this new market,” said Steve Fisher, Caterpillar vice president with responsibility for remanufacturing. “Along with the environmental benefits, the new company will create a platform for more green jobs and technology.”

Remanufacturing is a highly sophisticated form of recycling, taking end-of-life components and transforming them into like-new products through salvage technology and state-of-the-art manufacturing practices. Caterpillar is a global leader in remanufacturing technology, recycling more than 100 million pounds of end-of-life iron annually, much of which is used for remanufactured engine, transmission and hydraulic components.

Yuchai is the key diesel engine manufacturer and the largest producer of internal combustion engines in China. Its engine product line family includes mini, light, medium and heavy-duty engines utilized for the truck, commercial bus, generator and passenger car markets.

“We are looking forward to achieving our new enterprise development target through the cooperation in remanufacturing, and we are confident we can provide value-added services exceeding our customers’ needs, while meeting the needs of our society and environment,” said Yan Jie, Yuchai vice general manager with responsibility for remanufacturing.

The remanufacturing business is one of the fastest growing industries, leveraging cutting-edge technology to help customers remain both competitive and profitable. Remanufacturing is also an environmentally friendly repair option as the process reduces waste and minimizes the need for raw materials to make new parts.

The Caterpillar China-Yuchai joint venture, once approved by the applicable regulatory authority, will be the first remanufacturing joint venture for Caterpillar in China. Through the platform of Caterpillar’s global remanufacturing business and this newly formed joint venture, Caterpillar China and Yuchai will support the Chinese government’s goal of achieving a sustainable economy based on industry-leading manufacturing expertise and environmentally friendly business practices.

“Caterpillar has a long history in China. This is our home,” said Jiming Zhu, Caterpillar vice president with responsibility for the China Division. “We are committed to helping China develop sustainable solutions in every province.”

About Caterpillar

For more than 80 years, Caterpillar Inc. has been making progress possible and driving positive and sustainable change on every continent. With 2008 sales and revenues of \$51.324 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 <http://www.cat.com>.

About Cat Reman

Caterpillar's Remanufacturing and Sustainable Solutions Division is comprised of 18 facilities located in the United States, Mexico, Europe and Asia. Caterpillar is one of the largest remanufacturers today, remanufacturing more than 2 million components annually. It uses state-of-the-art remanufacturing technology to recycle used products, such as engines and transmissions, into like-new components.

About China Yuchai International

China Yuchai International Limited, through its subsidiary, Guangxi Yuchai Machinery Company Limited ("GYMCL"), engages in the manufacture, assembly, and sale of a wide array of light-duty, medium-sized and heavy-duty diesel engines for construction equipment, trucks, buses, and cars in China. GYMCL also produces diesel power generators, which are primarily used in the construction and mining industries. Through its regional sales offices and authorized customer service centers, the Company distributes its diesel engines directly to auto OEMs and retailers and provides maintenance and retrofitting services throughout China. Founded in 1951, GYMCL has established a reputable brand name, strong research & development team and significant market share in China with high-quality products and reliable after-sales support. In 2008, GYMCL sold approximately 372,000 diesel engines and was consistently ranked No. 1 in unit sales by China Association of Automobile Manufacturers. For more information, please visit <http://www.cyilimited.com>.

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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," "would," "expect," "anticipate," "should" 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, (i) adverse change in general economic conditions; (ii) adverse change in the industries Caterpillar serves including construction, infrastructure, mining, energy, marine and electric power generation; (iii) Caterpillar's ability to manage material, including steel, and freight costs; (iv) Caterpillar's ability to generate cash from operations, secure external funding for its operations and manage its liquidity needs; (v) material adverse change in customers' access to liquidity and capital; (vi) currency exchange or interest rates changes; (vii) political stability; (viii) market acceptance of the company's products and services; (ix) significant changes in the competitive environment; (x) epidemic diseases; (xi) severe change in weather conditions negatively impacting operations; (xii) changes in law, regulations and tax rates; and (xiii) other general economic, business and financing conditions and factors described in more detail in "Item 1A – Risk Factors" in Part II of our Form 10-Q filed with the SEC on October 30, 2009 for the 3rd quarter of 2009. This filing is available on our website at www.cat.com/sec_filings. We do not undertake to update our forward-looking statements.