



Caterpillar Inc.

100 NE Adams Street  
Peoria, Illinois 61629

February 25, 2010

**BY E-MAIL & FIRST CLASS MAIL**

Ambassador Mark D. Wallace  
United Against Nuclear Iran  
P.O. Box 1028  
New York, NY 10185-1028

**Re: Caterpillar Inc.'s Response to United Against Nuclear Iran**

Dear Mr. Ambassador:

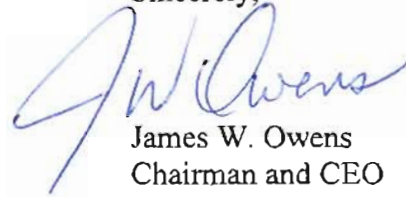
Caterpillar Inc. received your letters of February 4<sup>th</sup>, 11<sup>th</sup> and 12<sup>th</sup>. These letters outline a point of view on an important issue of international affairs, namely, organizing public and commercial pressure on the regime currently controlling Iran. Unfortunately, you and your organization have jumped to conclusions about Caterpillar that are not supported by the facts and I respectfully request that you refrain from making further uninformed statements about Caterpillar.

We take very seriously the allegations you and your organization have made about Caterpillar. Let me say first that your letters are not accurate in characterizing Caterpillar as a company with "extensive business in Iran." In fact, Caterpillar does not transact business in Iran. Indirect sales through dealers and distributors of Caterpillar branded products in Iran amount to less than two tenths of one percent of Caterpillar's 2009 worldwide sales and revenues. In no way are these sales material in a quantitative or qualitative sense. Further, as in other markets, many sales of Caterpillar branded products in Iran are sales by unrelated third parties in the secondary market that are in no way connected to Caterpillar or any of its foreign subsidiaries or even its independent dealers. Caterpillar has no legal means to control the secondary market for our products.

To date, the policy of Caterpillar Inc. and its affiliates has been to comply with applicable U.S. export control and economic sanctions laws and regulations. The Iranian Transactions Regulations, in contrast to the Cuban Assets Control Regulations, clearly allow foreign subsidiaries of U.S. parent corporations to sell directly to customers in Iran under certain circumstances. In compliance with these rules, and in the absence of a complete embargo similar to the embargo of Cuba, Caterpillar's foreign subsidiaries have conducted limited sales to independent dealers outside Iran, which in turn sell to customers inside Iran.

Caterpillar is a global enterprise operating through U.S. and non-U.S. subsidiaries around the world. Approximately 180 independently owned dealers market and sell Caterpillar® products to end-users. Caterpillar has no assets, operations or employees in Iran. In full compliance with all applicable laws, including the Iranian Transactions Regulations, Caterpillar's non-U.S. subsidiaries may, under some circumstances, sell products to independent dealers that resell to users in this country. However, Caterpillar has elected to prohibit its non-U.S. subsidiaries from accepting any orders for Caterpillar machines, engines and new parts where the subsidiary knows that the product would be shipped to Iran.

Sincerely,

A handwritten signature in blue ink that reads "J.W. Owens". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James W. Owens  
Chairman and CEO  
Caterpillar Inc.