



Win With China
China Operations Division

Caterpillar: Confidential Green

CATERPILLAR®
卡特彼勒

**MADE IN
CATERPILLAR**

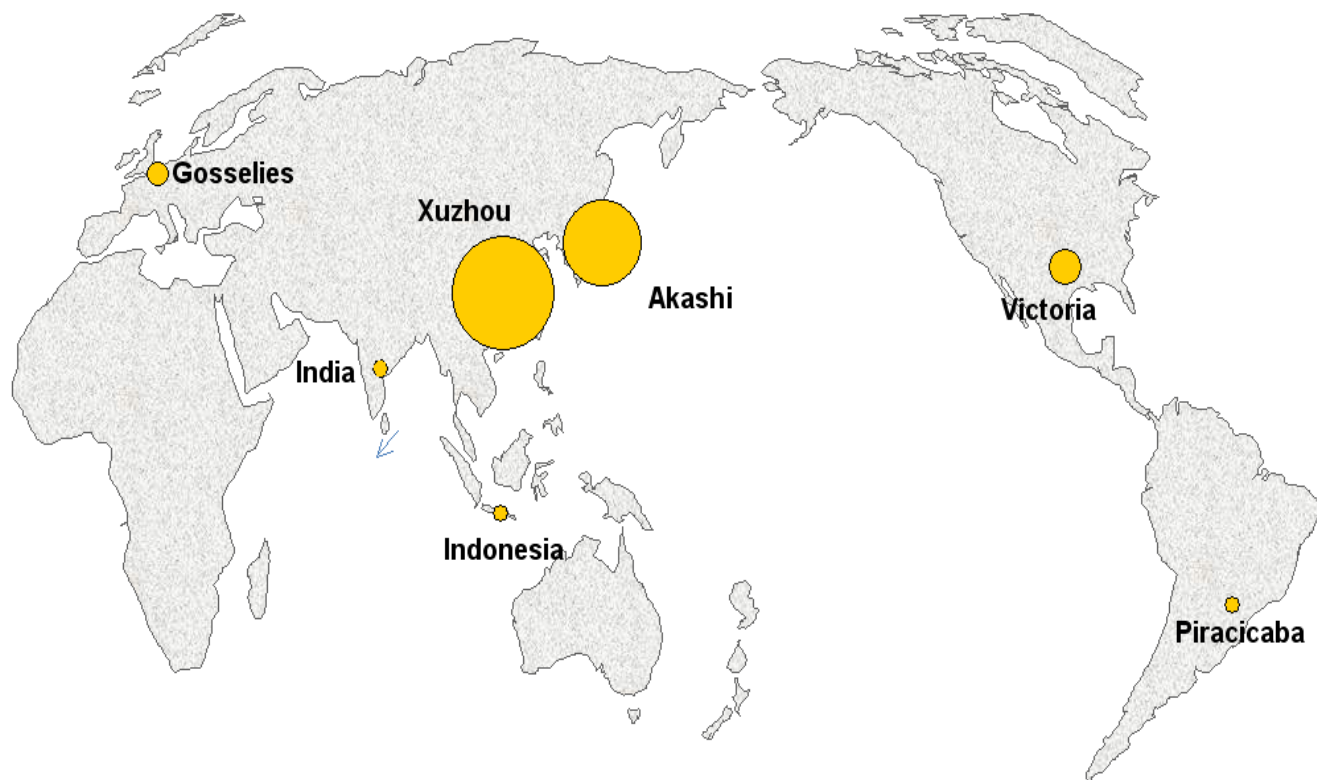
Introducing Caterpillar Xuzhou Limited

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Caterpillar's HEX Manufacturing Footprint

- Driven by world class standards
- Same high quality products from every facility worldwide
- Multiple manufacturing sites support customers worldwide
- Xuzhou provides increased capacity to support worldwide growth and will become the largest excavator mfg center for Caterpillar in the world



Our Manufacturing Facility - Caterpillar Xuzhou Limited

- A Caterpillar flagship facility
- 1800+ highly engaged employees
- 2012 employee opinion survey people engagement index – 97%
- 4 manufacturing buildings in Xuzhou campus support Hex manufacturing
- 219,000 square meters of manufacturing space optimized for small, medium and large Hex production
- A safe place for our employees – Zero Injury for 500 consecutive days with 5 million working hours



Caterpillar Xuzhou Limited Location



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Caterpillar Xuzhou Limited Growth History



1994

Caterpillar Xuzhou Ltd. Establishment



1995

CXL Groundbreaking Ceremony



2001

Stu Levenick Donates the 5,000th HEX to 2008 Beijing Olympic Committee



2003

CXL'S 10,000th HEX Celebration



2006

Celebration of the 20,000th HEX Sale



2007

25,000th HEX Sale



2008

30,000th HEX Sale



2010

Caterpillar Xuzhou New Assembly Building (K) starts operation



2010

Xuzhou Supplier Park Groundbreaking



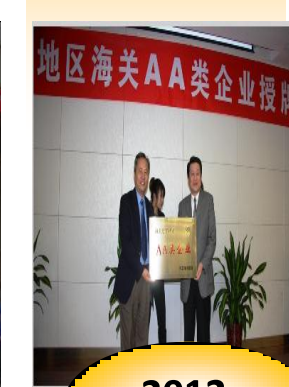
2010

Caterpillar Xuzhou LHEX Groundbreaking



2011

CXL'S 50,000th HEX Celebration



2012

Xuzhou Customs AA Certification

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Caterpillar Xuzhou Limited Growth Map

Building B, by 2006



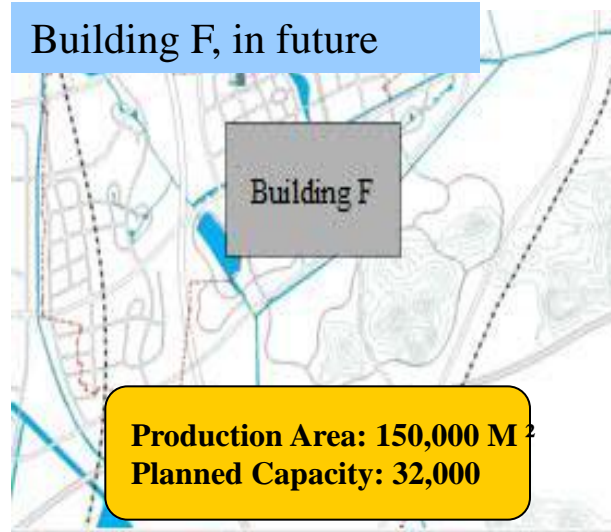
Building B & K by 2010



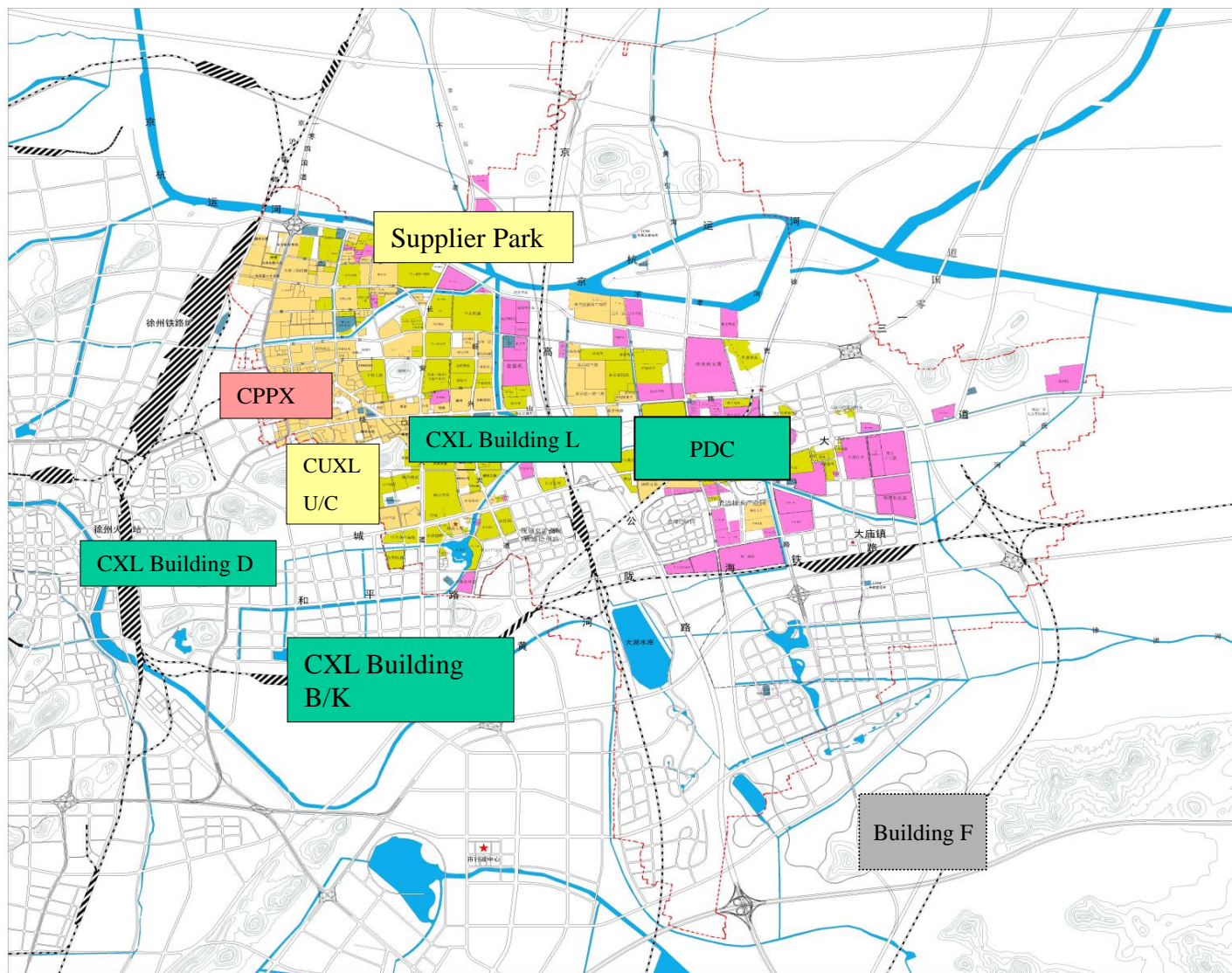
Building L, by 2012



Building F, in future



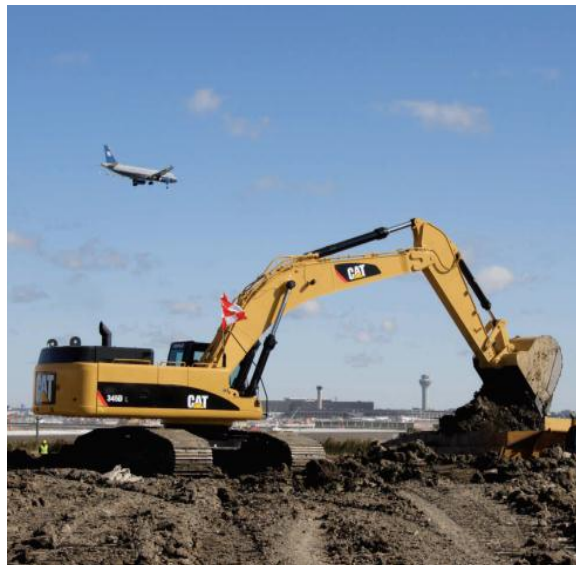
Caterpillar Xuzhou Limited Manufacturing Campus



Caterpillar Xuzhou Limited Products

A Full Range of Hydraulic Excavators

- SHEX: 312/315/318
- MHEX: 320/320GC/323/324/
326/329
- LHEX: 336/340/349/**374/390**
(future products)
- OEM: 323/324/329/336
- **WHEX: M313/M315**
(future products)



World-Class Manufacturing Capability & Quality Control

Assembly Production Line

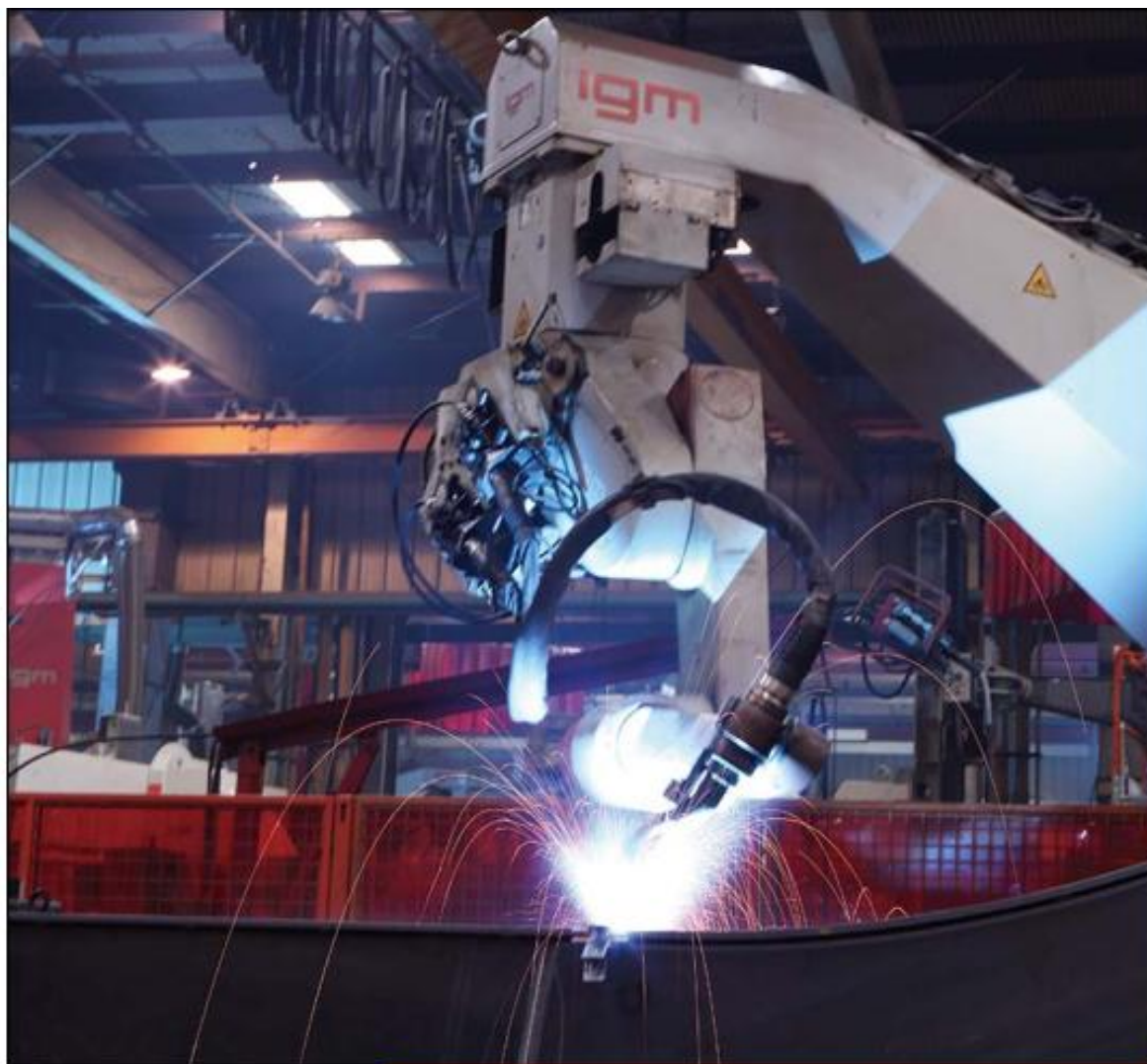
- Caterpillar Xuzhou designed to follow Caterpillar Production System (CPS)
- The assembly production process utilizes CPS principles to realize one-piece-flow and JIT delivery.
- Continuous Improvement (CI) Process and Process Improvement Dialogue (PID) assures daily focus on quality



World-Class Manufacturing Capability & Quality Control

Robot Welding

- Ensure weld consistency and quality
- Improve productivity
- Improve employee working environment



World-Class Manufacturing Capability & Quality Control

Machining Center

- Hex machining performed with Mitsubishi/Makino machining centers imported from Japan
- Machining process includes drilling, milling, hole-boring, tapping.
- Assure perfect assembly of every machine



World-Class Manufacturing Capability & Quality Control

Powder Painting

- Powder painting is a Caterpillar unique process making sustainable progress possible
- Painting process includes phosphate pretreatment to prepare metal before painting (common standard process in Europe, Japan and U.S.)
- Meet Caterpillar Worldwide Painting Specifications
- All critical chemicals are from Qualified suppliers of Caterpillar



World-Class Manufacturing Capability & Quality Control

Heat Treatment Process

- Extend the service life of the Boom & Stick by reducing the stress from the weld process
- Unique process by Caterpillar



World-Class Manufacturing Capability & Quality Control

Computer Test

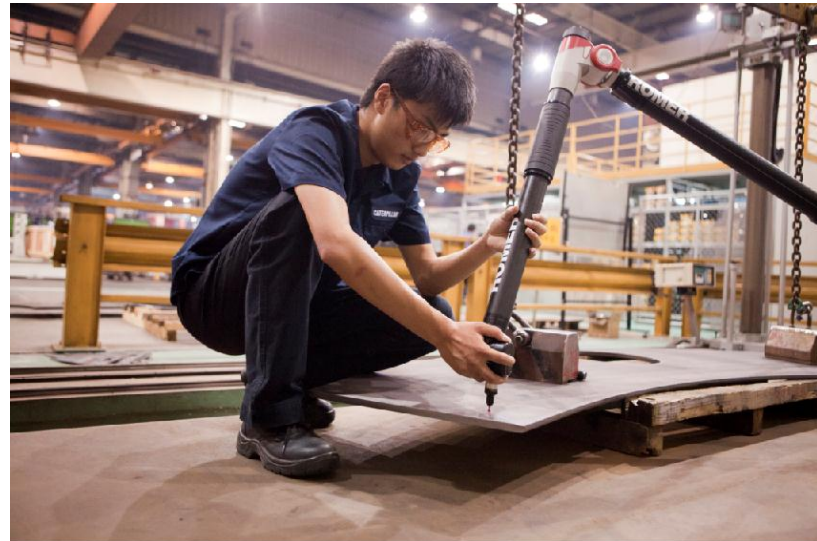
- Advanced imported equipment for machine hot test to ensure the function for engine and hydraulic system
- Every machine is tested



World-Class Manufacturing Capability & Quality Control

Quality Culture – Zero Defect

- Customer acceptance validation
- Ultrasonic testing for all key weld beads
- Dimension and specification controlled by CMM
- 100% Pre-delivery Inspection
- ISO9001 certification by DNV
- Internal quality certification MQ12005
- Learning / Training / Replication



Integrated Supply Chain Strategy

- Caterpillar Undercarriage Xuzhou Limited built in 2012 to support our growth
- Establish Xuzhou supplier park to have key suppliers start operation in Xuzhou around Xuzhou
- Logistics solution by partner with Material Logistic & Transportation
- Plan For Every Parts (PFEP) to support Just in Time & assembly sequence operations
- Transportation optimization
- Visual traffic management



Our Social Responsibility

Be A Good Citizen

- Scholarship at China University of Mining and Technology
- Caterpillar Charity Forest Project
- Foundation for Pengcheng Special Education School
- Support in local high schools, welfare house



Our Social Responsibility

Be A Greener Company

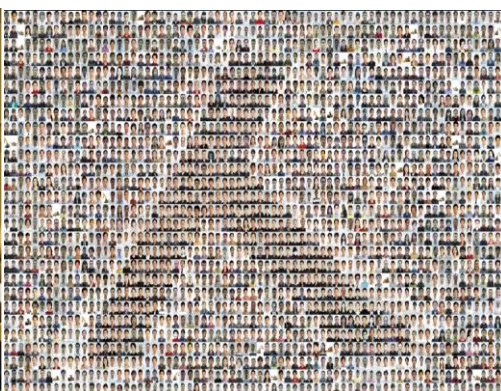
- Building K & Large Hex Facility Lead Certification
- Grey Water Recycling – Corporate Chairman Silver Award
- Waste water treatment plant and all waste water are treated to discharge with Class I
- Steamed water to be used for showering, fire sprinkler system and machine washing
- Powder painting to improve paint efficiency and reduce waste discharge
- Waste collection as various categories – living garbage, hazardous waste and recycling waste



A Journey From Good to Great...

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Team Caterpillar Xuzhou Makes All The Progress Possible



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