STATEMENT 1			Cate	rpillar Inc.
Consolidated Results of Operations for the Years Ended December 31				
(Dollars in millions except per share data)				
	 2018	 2017		2016
Sales and revenues:				
Sales of Machinery, Energy & Transportation	\$ 51,822	\$ 42,676	\$	35,773
Revenues of Financial Products	 2,900	 2,786		2,764
Total sales and revenues	54,722	45,462		38,537
Operating costs:				
Cost of goods sold	36,997	31,260		28,044
Selling, general and administrative expenses	5,478	4,999		4,383
Research and development expenses	1,850	1,842		1,853
Interest expense of Financial Products	722	646		596
Goodwill impairment charge	_	_		595
Other operating (income) expenses	1,382	2,255		1,904
Total operating costs	 46,429	41,002		37,375
Operating profit	8,293	4,460		1,162
Interest expense excluding Financial Products	404	531		505
Other income (expense)	 (67)	 153	·	(518)
Consolidated profit before taxes	7,822	4,082		139
Provision (benefit) for income taxes	1,698	3,339		192
Profit (loss) of consolidated companies	 6,124	743		(53)
Equity in profit (loss) of unconsolidated affiliated companies	 24	 16		(6)
Profit (loss) of consolidated and affiliated companies	6,148	759		(59)
Less: Profit (loss) attributable to noncontrolling interests	 1	 5		8
Profit (loss) <sup>1</sup>	\$ 6,147	\$ 754	\$	(67)
Profit (loss) per common share	\$ 10.39	\$ 1.27	\$	(0.11)
Profit (loss) per common share — diluted <sup>2,3</sup>	\$ 10.26	\$ 1.26	\$	(0.11)
Weighted-average common shares outstanding (millions)				
- Basic	591.4	591.8		584.3
- Diluted <sup>2,3</sup>	599.4	599.3		584.3

## See accompanying notes to Consolidated Financial Statements.

Profit (loss) attributable to common shareholders.

Diluted by assumed exercise of stock-based compensation awards, using the treasury stock method.

In 2016, the assumed exercise of stock-based compensation awards was not considered because the impact would be antidilutive.

STATEMENT 2			Cate	erpill	ar Inc.	
Consolidated Comprehensive Income (Loss) for the Years Ended December 31 (Millions of dollars)						
		2018	 2017	2016		
Profit (loss) of consolidated and affiliated companies	\$	6,148	\$ 759	\$	(59)	
Other comprehensive income (loss), net of tax:						
Foreign currency translation, net of tax (provision)/benefit of: 2018 - \$(24); 2017 - \$96; 2016 - \$(30)		(396)	765		(17)	
Pension and other postretirement benefits:						
Current year prior service credit (cost), net of tax (provision)/benefit of: 2018 - \$(6); 2017 - \$(26); 2016 - \$(69)	)	(6)	48		118	
Amortization of prior service (credit) cost, net of tax (provision)/benefit of: 2018 - \$8; 2017 - \$9; 2016 - \$21		(28)	(16)		(35)	
Derivative financial instruments:						
Gains (losses) deferred, net of tax (provision)/benefit of: 2018 - \$(19); 2017 - \$2; 2016 - \$33		61	(3)		(62)	
(Gains) losses reclassified to earnings, net of tax (provision)/benefit of: 2018 - \$31; 2017 - \$(44); 2016 - \$2		(100)	77		(3)	
Available-for-sale securities:						
Gains (losses) deferred, net of tax (provision)/benefit of: 2018 - \$3; 2017 - \$(23); 2016 - \$(12)		(12)	41		26	
(Gains) losses reclassified to earnings, net of tax (provision)/benefit of: 2018 - \$0; 2017 - \$35; 2016 - \$15		_	(65)		(31)	
Total other comprehensive income (loss), net of tax		(481)	 847		(4)	
Comprehensive income (loss)		5,667	 1,606		(63)	
Less: comprehensive income attributable to the noncontrolling interests		1	5		8	
Comprehensive income (loss) attributable to shareholders	\$	5,666	\$ 1,601	\$	(71)	
See accompanying notes to Consolidated Financial Statements.						

Page	STATEMENT 3			C	aterpillar Inc.
Section	Consolidated Financial Position at December 31				
Asset   Current assets   Current assets   Current assets   Current assets   Current assets   S 7,857   S	(Dollars in millions)		2018		2017
Case   As als short-tern investments   \$ 7,505   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,600   \$ 8,6	Assets		2010		2017
Cash and short-rem investments         \$ 7,857         \$           Receivables - trade and other         8,602         \$           Receivables - trade and other         8,602         \$           Pepadi expenses and other current assets         1,755         1           Investories         1,525         1           Total current assets         38,603         3           Property, plant and equipment – net         1,161         1           Long-term recivables – finance         1,243         1           Noncurrent deferred and refundable income taxes         1,439         1           Noncurrent deferred and refundable income taxes         1,439         1           Obodwill         6,217         1           Obodwill         6,217         1           Obodwill         6,217         1           Ober assets         2,332         2           Total assets         5,750         5           Total asset         5,750         5           Carried Rabidities         5,735         5           Carried Rabidities         5,735         5           Carried Rabidities         5,736         5           Carried Rabidities         1,243         6					
Receivables - Inaince         8,562           Receivables - Inaince         3,650           Prepaid expanses and other current assets         11,529           Investories         38,603           Total current assets         38,603           Property, plant and equipment - net         1,161           Long-term receivables - trade and other         1,161           Long-term receivables - finance         13,286           Romocurrent deferred and refundable income taxes         1,877           Godwill         6,217           Godwill         6,217           Godwill in the sasets         2,323           Total assets         5,78,509         5           Total assets         5,78,509         5         7           We have saved the save th		\$	7.857	\$	8,261
Receivables finance         8,550           Prepail expenses and other current assets         1,765           Investories         3,8603           Total current assets         3,8603           Property, plant and equipment – net         13,374         1           Long-serre receivables – transe and other         1,161         1           Long-serre receivables – transe and other         1,326         1           Non-current deferred and refundable income taxes         1,439         1           Intengister in exceivables – transe and other         1,439         1           Goodwill         6,217         1           Other assets         2,332         1           Goodwill         6,217         1           Other assets         2,332         1           Current liabilities           Strata saxets         5,723         5         7           Short-term borrowings:         5         5         7         8         7         8         7         8         7         8         7         8         7         8         7         8         7         8         7         8         7         8         7         8         7         8		<b>4</b>		Ψ	7,436
Prepaid expeases and other current assets         1,765           Investorities         11,529         1           Total current assets         38,633         3           Property, plant and equipment – ner         13,374         1           Long-term receivables – rande and other         1,161         1           Condering receivables – finance         13,386         1           Noncurrent deferred and refundable income taxes         1,837         1           Goodwill         6,177         6           Oodwill         6,217         6           Other assets         2,322         1           Total assets         5,765         5           Collectives         5,723         5           Machinery, Energy & Transportation         5,723         5           Accounts payable         7,651         5           Accounts payable         3,573         5           Account payable         435         1           Other current liabilities         1,19         2           Long-term debt due within one year:         1         2           Machinery, Energy & Transportation         8,05         1           Financial Products         3,573         1           <					8,757
Tital current assets					1,772
Property, plant and equipment   net   13,574   1   1   1   1   1   1   1   1   1					10,018
Long-term receivables - trade and other   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,					36,244
Long-term receivables - trade and other   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,161   1,	Property plant and equipment, not		12 574		14,155
Dog-term receivables - finance					990
Noncurrent deferred and refundable income taxes         1,439           Intrangible assets         1,837           Goodwill         6,217           Other assets         2,332           Tital assets         \$ 78,509         \$ 7           Liabilities           Surprise liabilities:           Short-term borrowings:           Machinery, Energy & Transportation         \$					
Transpile assets	-				13,542
Goodwill         6,217           Other assets         2,332           Total assets         7,850         8         7           Labilities           Current labilities           Short-term borrowings:           Machinery, Energy & Transportation         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —         \$         —					1,693
Other assets         2,332           Itabilities         Sometime bindities:           Sometime bindities:           Share, genery & Transportation         \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	-				2,111
					6,200
Liabilities           Current liabilities:         Short-term borrowings:           Machinery, Energy & Transportation         \$		<del> </del>			2,027
Short-term borrowings:   Machinery, Energy & Transportation   \$   \$   \$   \$   \$   \$   \$   \$   \$	Total assets	\$	78,509	\$	76,962
Machinery, Energy & Transportation   \$	Liabilities				
Machinery, Energy & Transportation         \$         5         7         5         7         5         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         7         8         8         8         8         8         8         8         8         8         8         8         8         8         8         8         8         8         8         8         8         8         8         9         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1         1	Current liabilities:				
Financial Products         5,723           Accounts payable         7,051           Accrued expenses         3,573           Accrued wages, salaries and employee benefits         2,384           Customer advances         1,243           Dividends payable         495           Other current liabilities         1,919           Long-term debt due within one year:         10           Machinery, Energy & Transportation         10           Financial Products         5,820           Total current liabilities         28,218           Long-term debt due after one year:         8,005           Machinery, Energy & Transportation         8,005           Financial Products         16,995         1           Liability for postemployment benefits         7,455         1           Other liabilities         3,756         1           Total liabilities         64,429         6           Commitments and contingencies (Notes 21 and 22)         5           Shareholders' equity         5,827         6           Common stock of \$1.00 par value:         5,827         6           Authorized shares: 2,000,000,000         5,827         6           Incertable shares: 2,001,83 and 2017 - 814,894,624 shares) at paid-in amount	Short-term borrowings:				
Accounts payable         7,051           Accrued expenses         3,573           Accrued wages, salaries and employee benefits         2,384           Customer advances         1,243           Dividends payable         495           Other current liabilities         1,919           Long-term debt due within one year:         10           Machinery, Energy & Transportation         10           Financial Products         28,218           Long-term debt due after one year:         3,261           Machinery, Energy & Transportation         8,005           Financial Products         16,995           Liability for postemployment benefits         7,455           Other liabilities         3,756           Total liabilities         64,429           Commitments and contingencies (Notes 21 and 22)         6           Shareholders' equity         5,827           Treasury stock: (2018 and 2017 – 814,894,624 shares) at paid-in amount         5,827           Treasury stock: (2018 – 239,351,886 shares; and 2017 - 217,268,852 shares) at cost         (20,531)         (1           Profit employed in the business         30,427         2           Accumulated other comprehensive income (loss)         (1,684)         (0           Noncontrolling interests	Machinery, Energy & Transportation	\$	_	\$	1
Accrued expenses         3,573           Accrued wages, salaries and employee benefits         2,384           Customer advances         1,243           Dividends payable         495           Other current liabilities         1,919           Long-term debt due within one year:         10           Machinery, Energy & Transportation         10           Financial Products         5,820           Total current liabilities         28,218         2           Long-term debt due after one year:         8,005         5           Machinery, Energy & Transportation         6,005         1           Financial Products         16,995         1           Liability for postemployment benefits         7,455         1           Other liabilities         3,756         6           Total labilities         64,429         6           Commitments and contingencies (Notes 21 and 22)         5           Shareholders' equity         5,827         6           Common stock of \$1.00 par value:         5,827         6           Shareholders' equity         5,827         6           Treasury stock: (2018 – 239,351,886 shares; and 2017 – 217,268,852 shares) at cost         20,531         (1           Profit employed in the busineses	Financial Products		5,723		4,836
Accrued wages, salaries and employee benefits         2,384           Customer advances         1,243           Dividends payable         495           Other current liabilities         1,919           Long-term debt due within one year:         10           Machinery, Energy & Transportation         5,820           Total current liabilities         28,218         2           Long-term debt due after one year:         8,005         5           Financial Products         16,995         1           Financial Products         16,995         1           Financial Products         3,556         5           Cother liabilities         3,556         6           Other liabilities         3,756         6           Total liabilities         3,756         6           Commitments and contingencies (Notes 21 and 22)         6           Commitments and contingencies (Notes 21 and 22)         5           Shareholders' equity         5,827           Treasury stock of \$1.00 par value:         5,827           Treasury stock: (2018 and 2017 – 814,894,624 shares) at paid-in amount         5,827           Treasury stock: (2018 – 239,351,886 shares; and 2017 – 217,268,852 shares) at cost         20,531         (1           Profit employed in the	Accounts payable		7,051		6,487
Customer advances       1,243         Dividends payable       495         Other current liabilities       1,919         Long-term debt due within one year:       10         Machinery, Energy & Transportation       5,820         Total current liabilities       28,218       2         Long-term debt due after one year:       8,005       1         Machinery, Energy & Transportation       8,005       1         Financial Products       16,995       1         Chier liabilities       3,756       1         Other liabilities       3,756       6         Other liabilities       64,229       6         Committents and contingencies (Notes 21 and 22)       6         Starcholders' equity       5,827       6         Common stock of \$1.00 par value:       5,827       6         Authorized shares: 2,000,000,000       5,827       7         Issued shares: (2018 and 2017 – 814,894,624 shares) at paid-in amount       5,827       6         Treasury stock: (2018 – 239,351,886 shares; and 2017 – 217,268,852 shares) at cost       (20,531)       (1         Profit employed in the business       (20,531)       (1         Accumulated other comprehensive income (loss)       (1,684)       (2         Nonc	Accrued expenses		3,573		3,220
Customer advances       1,243         Dividends payable       495         Other current liabilities       1,919         Long-term debt due within one year:       10         Machinery, Energy & Transportation       10         Financial Products       28,218       2         Total current liabilities       28,218       2         Long-term debt due after one year:       8,005       1         Machinery, Energy & Transportation       8,005       1         Financial Products       16,995       1         Chien liabilities       3,756       1         Other liabilities       3,756       6         Other liabilities       64,229       6         Committents and contingencies (Notes 21 and 22)       6       6         Shareholders' equity       5       6         Common stock of \$1.00 par value:       5,827       6         Authorized shares: 2,000,000,000       5,827       7         Issued shares: (2018 and 2017 – 814,894,624 shares) at paid-in amount       5,827       6         Treasury stock: (2018 – 239,351,886 shares; and 2017 – 217,268,852 shares) at cost       (20,531)       (1         Profit employed in the business       (30,427)       2         Accumulated other compre	Accrued wages, salaries and employee benefits		2,384		2,559
Dividends payable         495           Other current liabilities         1,919           Long-term debt due within one year:         ************************************			1,243		1,426
Long-term debt due within one year:       10         Machinery, Energy & Transportation       5,820         Total current liabilities       28,218       2         Long-term debt due after one year:       8,005       1         Machinery, Energy & Transportation       8,005       1         Financial Products       16,995       1         Liability for postemployment benefits       7,455       3,756         Other liabilities       3,756       6         Total liabilities       64,429       6         Commitments and contingencies (Notes 21 and 22)       8       6         Shareholders' equity       5,827       5         Treasury stock of \$1.00 par value:       5,827       1         Authorized shares: 2,000,000,000       5,827       1         Incompany stock: (2018 – 239,351,886 shares; and 2017 - 217,268,852 shares) at cost       (20,531)       (1         Profit employed in the business       30,427       2         Accumulated other comprehensive income (loss)       (1,684)       0         Noncontrolling interests       14,080       1         Total shareholders' equity       14,080       1	Dividends payable		495		466
Long-term debt due within one year:       10         Machinery, Energy & Transportation       5,820         Total current liabilities       28,218       2         Long-term debt due after one year:       8,005       8         Machinery, Energy & Transportation       8,005       16,995       1         Financial Products       16,995       1         Liability for postemployment benefits       7,455       3,756         Other liabilities       3,756       6         Total liabilities       64,429       6         Commitments and contingencies (Notes 21 and 22)       8       6         Shareholders' equity       5,827       6         Treasury stock of \$1.00 par value:       8,827       1         Authorized shares: 2,000,000,000       5,827       1         Treasury stock: (2018 – 239,351,886 shares; and 2017 - 217,268,852 shares) at cost       (20,531)       (1         Profit employed in the business       30,427       2         Accumulated other comprehensive income (loss)       (1,684)       0         Noncontrolling interests       41       1         Total shareholders' equity       14,080       1	Other current liabilities		1,919		1,742
Machinery, Energy & Transportation       10         Financial Products       5,820         Total current liabilities       28,218       2         Long-term debt due after one year:       8,005       1         Machinery, Energy & Transportation       8,005       1         Financial Products       16,995       1         Chability for postemployment benefits       7,455       3,756         Other liabilities       64,429       6         Commitments and contingencies (Notes 21 and 22)       8       6         Shareholders' equity       5,827       5         Common stock of \$1.00 par value:       4,822       4         Authorized shares: 2,000,000,000       5,827       5,827         Issued shares: (2018 and 2017 – 814,894,624 shares) at paid-in amount       5,827       (2         Treasury stock: (2018 – 239,351,886 shares; and 2017 - 217,268,852 shares) at cost       (20,531)       (1         Profit employed in the business       30,427       2         Accumulated other comprehensive income (loss)       (1,684)       (0         Noncontrolling interests       41       1         Total shareholders' equity       14,080       1	Long-term debt due within one year:				
Financial Products         5,820           Total current liabilities         28,218         2           Long-term debt due after one year:         8,005         1           Machinery, Energy & Transportation         8,005         1           Financial Products         16,995         1           Liability for postemployment benefits         7,455         1           Other liabilities         64,429         6           Total liabilities         64,429         6           Commitments and contingencies (Notes 21 and 22)         5           Shareholders' equity         2         4           Common stock of \$1.00 par value:         5,827         5,827           Treasury stock: (2018 and 2017 – 814,894,624 shares) at paid-in amount         5,827         (20,531)         (1           Profit employed in the business         30,427         2           Accumulated other comprehensive income (loss)         (1,684)         0           Noncontrolling interests         41         1           Total shareholders' equity         14,080         1			10		6
Total current liabilities         28,218         2           Long-term debt due after one year:         8,005         1           Machinery, Energy & Transportation         8,005         1           Financial Products         16,995         1           Liability for postemployment benefits         7,455         1           Other liabilities         64,429         6           Total liabilities         64,429         6           Commitments and contingencies (Notes 21 and 22)         5         5           Shareholders' equity         2         4         4           Common stock of \$1.00 par value:         4         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827         5,827	-				6,188
Long-term debt due after one year:       8,005         Machinery, Energy & Transportation       8,005         Financial Products       16,995       1         Liability for postemployment benefits       7,455         Other liabilities       3,756         Total liabilities       64,429       6         Commitments and contingencies (Notes 21 and 22)       8         Shareholders' equity       8       8         Common stock of \$1.00 par value:       8         Authorized shares: (2,000,000,000       5,827       8         Issued shares: (2018 and 2017 – 814,894,624 shares) at paid-in amount       5,827       9         Treasury stock: (2018 – 239,351,886 shares; and 2017 - 217,268,852 shares) at cost       (20,531)       (1         Profit employed in the business       30,427       2         Accumulated other comprehensive income (loss)       (1,684)       (0         Noncontrolling interests       41       1         Total shareholders' equity       14,080       1		·			26,931
Machinery, Energy & Transportation       8,005         Financial Products       16,995       1         Liability for postemployment benefits       7,455       1         Other liabilities       3,756       5         Total liabilities       64,429       6         Commitments and contingencies (Notes 21 and 22)       8       8       6         Shareholders' equity       8       8       8       8       8       8       9       6         Common stock of \$1.00 par value:       8       9       8       9       8       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       9       <					,
Financial Products       16,995       1         Liability for postemployment benefits       7,455       7,455         Other liabilities       64,429       6         Commitments and contingencies (Notes 21 and 22)       Shareholders' equity         Common stock of \$1.00 par value:       Authorized shares: 2,000,000,000         Issued shares: (2018 and 2017 – 814,894,624 shares) at paid-in amount       5,827         Treasury stock: (2018 – 239,351,886 shares; and 2017 - 217,268,852 shares) at cost       (20,531)       (1         Profit employed in the business       30,427       2         Accumulated other comprehensive income (loss)       (1,684)       0         Noncontrolling interests       41         Total shareholders' equity       14,080       1			8.005		7,929
Liability for postemployment benefits       7,455         Other liabilities       3,756         Total liabilities       64,429       6         Commitments and contingencies (Notes 21 and 22)       Shareholders' equity         Common stock of \$1.00 par value:       Authorized shares: 2,000,000,000         Issued shares: (2018 and 2017 – 814,894,624 shares) at paid-in amount       5,827         Treasury stock: (2018 – 239,351,886 shares; and 2017 - 217,268,852 shares) at cost       (20,531)       (1         Profit employed in the business       30,427       2         Accumulated other comprehensive income (loss)       (1,684)       0         Noncontrolling interests       41         Total shareholders' equity       14,080       1					15,918
Other liabilities         3,756           Total liabilities         64,429         6           Commitments and contingencies (Notes 21 and 22)         Shareholders' equity         Shareholders' equity         Shareholders' equity         Shareholders' equity         Shareholders' equity         5,827         Shareholders' equity         1,5827         1,5827         1,5827         1,5827         1,5827         1,5827         1,5827         1,5827         1,5827         1,5827         1,5827         1,5827         2,5827         1,5827         2,5827         1,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         2,5827         <					8,365
Total liabilities         64,429         6           Commitments and contingencies (Notes 21 and 22)         Shareholders' equity           Common stock of \$1.00 par value:         Authorized shares: 2,000,000,000           Issued shares: (2018 and 2017 – 814,894,624 shares) at paid-in amount         5,827           Treasury stock: (2018 – 239,351,886 shares; and 2017 - 217,268,852 shares) at cost         (20,531)         (1           Profit employed in the business         30,427         2           Accumulated other comprehensive income (loss)         (1,684)         (6           Noncontrolling interests         41         1           Total shareholders' equity         14,080         1					4,053
Commitments and contingencies (Notes 21 and 22)         Shareholders' equity         Common stock of \$1.00 par value:         Authorized shares: 2,000,000,000         Issued shares: (2018 and 2017 – 814,894,624 shares) at paid-in amount       5,827         Treasury stock: (2018 – 239,351,886 shares; and 2017 - 217,268,852 shares) at cost       (20,531)       (1         Profit employed in the business       30,427       2         Accumulated other comprehensive income (loss)       (1,684)       (0         Noncontrolling interests       41         Total shareholders' equity       14,080       1				-	63,196
Shareholders' equity         Common stock of \$1.00 par value:       40.000,000,000,000         Issued shares: (2018 and 2017 – 814,894,624 shares) at paid-in amount       5,827         Treasury stock: (2018 – 239,351,886 shares; and 2017 - 217,268,852 shares) at cost       (20,531)       (1         Profit employed in the business       30,427       2         Accumulated other comprehensive income (loss)       (1,684)       0         Noncontrolling interests       41         Total shareholders' equity       14,080       1			04,425		05,150
Common stock of \$1.00 par value:       Authorized shares: 2,000,000,000         Issued shares: (2018 and 2017 – 814,894,624 shares) at paid-in amount       5,827         Treasury stock: (2018 – 239,351,886 shares; and 2017 - 217,268,852 shares) at cost       (20,531)       (1         Profit employed in the business       30,427       2         Accumulated other comprehensive income (loss)       (1,684)       0         Noncontrolling interests       41         Total shareholders' equity       14,080       1					
Authorized shares: 2,000,000,000  Issued shares: (2018 and 2017 – 814,894,624 shares) at paid-in amount  Treasury stock: (2018 – 239,351,886 shares; and 2017 - 217,268,852 shares) at cost  Profit employed in the business  Accumulated other comprehensive income (loss)  Noncontrolling interests  Total shareholders' equity  14,080  15,827  (20,531)  (1 (1,684) (1,684) (1,684) (1,684) (1,684) (1,684) (1,684) (1,684) (1,684) (1,684) (1,684) (1,684) (1,684) (1,684) (1,684) (1,684) (1,684) (1,684)					
Issued shares: (2018 and 2017 – 814,894,624 shares) at paid-in amount       5,827         Treasury stock: (2018 – 239,351,886 shares; and 2017 - 217,268,852 shares) at cost       (20,531)       (1         Profit employed in the business       30,427       2         Accumulated other comprehensive income (loss)       (1,684)       0         Noncontrolling interests       41         Total shareholders' equity       14,080       1	-				
Treasury stock: (2018 – 239,351,886 shares; and 2017 - 217,268,852 shares) at cost  Profit employed in the business Accumulated other comprehensive income (loss) Noncontrolling interests  Total shareholders' equity  (20,531) (1,684) (1,684) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,784) (1,78			5,827		5,593
Profit employed in the business 30,427 2 Accumulated other comprehensive income (loss) (1,684) ( Noncontrolling interests 41  Total shareholders' equity 14,080 1					(17,005)
Accumulated other comprehensive income (loss)  Noncontrolling interests  Total shareholders' equity  (1,684)  41  14,080  1					26,301
Noncontrolling interests  Total shareholders' equity  14,080 1					(1,192)
Total shareholders' equity 14,080 1					69
					13,766
Total liabilities and shareholders' equity \$ 78,509 \$ 7		\$		\$	76,962
Total nationales and shareholders equity \$\frac{\phi}{2}\$   \frac{\phi}{2}\$   \fraca	rotal nationates and snatenotites equity	<del>Ψ</del>	70,303	Ψ.	70,302

See accompanying notes to Consolidated Financial Statements.

STATEMENT 4 Caterpillar Inc.

## Changes in Consolidated Shareholders' Equity for the Years Ended December 31 (Dollars in millions)

	ommon stock	7	Treasury stock	e	Profit mployed in the ousiness	oyed other he comprehensive		Noncontrolling interests		Total
Balance at January 1, 2016	\$ 5,238	\$	(17,640)	\$	29,246	\$	(2,035)	\$	76	\$ 14,885
Profit (loss) of consolidated and affiliated companies					(67)		_		8	(59)
Foreign currency translation, net of tax	_		_		_		(17)		_	(17)
Pension and other postretirement benefits, net of tax	_		_		_		83		_	83
Derivative financial instruments, net of tax	_		_		_		(65)		_	(65)
Available-for-sale securities, net of tax	_		_		_		(5)		_	(5)
Change in ownership from noncontrolling interests	(2)		_		_		_		2	_
Dividends declared	_		_		(1,802)		_		_	(1,802)
Distribution to noncontrolling interests  Common shares issued from treasury stock for stock-based	_		_		_		_		(10)	(10)
compensation: 4,164,134	(185)		162		_		_		_	(23)
Stock-based compensation expense	218		_		_		_		_	218
Net excess tax benefits from stock-based compensation	(6)		_		_		_		_	(6)
Other	 14						_	_		 14
<b>Balance at December 31, 2016</b> Adjustment to adopt stock-based compensation guidance <sup>1</sup>	\$ 5,277	\$	(17,478)	\$	<b>27,377</b> 15	\$	(2,039)	\$	76	\$ <b>13,213</b>
Balance at January 1, 2017	\$ 5,277	\$	(17,478)	\$	27,392	\$	(2,039)	\$	76	\$ 13,228
Profit (loss) of consolidated and affiliated companies	_		_		754		_		5	759
Foreign currency translation, net of tax	_		_		_		765		_	765
Pension and other postretirement benefits, net of tax	_		_		_		32		_	32
Derivative financial instruments, net of tax	_		_		_		74		_	74
Available-for-sale securities, net of tax	_		_		_		(24)		_	(24)
Change in ownership from noncontrolling interests	4		_		_		_		(3)	1
Dividends declared	_		_		(1,845)		_		_	(1,845)
Distribution to noncontrolling interests  Common shares issued from treasury stock for stock-based compensation: 11,139,748	93		— 473		_		_		(9)	(9) 566
			4/3		_		_		_	
Stock-based compensation expense	206		_		_		_		_	206
Other	 13							_		 13
Balance at December 31, 2017	\$ 5,593	\$	(17,005)	\$	26,301	\$	(1,192)	\$	69	\$ 13,766

(Continued)

STATEMENT 4 Caterpillar Inc.

## Changes in Consolidated Shareholders' Equity for the Years Ended December 31 (Dollars in millions)

	ommon stock	7	Treasury stock	Profit employed in the business	Accumulated other comprehensive income (loss)		Noncontrolling interests		Total
Balance at December 31, 2017	\$ 5,593	\$	(17,005)	\$ 26,301	\$	(1,192)	\$	69	\$ 13,766
Adjustments to adopt new accounting guidance <sup>1</sup>	 					_		_	
Revenue recognition	_		_	(12)		_		_	(12)
Tax accounting for intra-entity asset transfers	_		_	(35)		_		_	(35)
Recognition and measurement of financial assets and liabilities	_		_	11		(11)		_	_
Balance at January 1, 2018	\$ 5,593	\$	(17,005)	\$ 26,265	\$	(1,203)	\$	69	\$ 13,719
Profit (loss) of consolidated and affiliated companies	_		_	 6,147		_		1	6,148
Foreign currency translation, net of tax	_		_	_		(396)		_	(396)
Pension and other postretirement benefits, net of tax	_		_	_		(34)		_	(34)
Derivative financial instruments, net of tax	_		_	_		(39)		_	(39)
Available-for-sale securities, net of tax	_		_	_		(12)		_	(12)
Change in ownership from noncontrolling interests	(25)		_	_		_		(28)	(53)
Dividends declared	_		_	(1,985)		_		_	(1,985)
Distribution to noncontrolling interests	_		_	_		_		(1)	(1)
Common shares issued from treasury stock for stock-based compensation: $5,590,641$	41		272	_		_		_	313
Stock-based compensation expense	197		_	_		_		_	197
Common shares repurchased: 27,673,675 <sup>2</sup>	_		(3,798)	_		_		_	(3,798)
Other	 21			 					 21
Balance at December 31, 2018	\$ 5,827	\$	(20,531)	\$ 30,427	\$	(1,684)	\$	41	\$ 14,080

See Note 1J regarding new accounting guidance. See Note 16 regarding shares repurchased.

See accompanying notes to Consolidated Financial Statements.

STATEMENT 5 Caterpillar Inc.
Consolidated Statement of Cash Flow for the Years Ended December 31
(Millions of dollars)

	2018	2017	2016		
Cash flow from operating activities:					
Profit (loss) of consolidated and affiliated companies	\$ 6,148	\$ 759	\$ (59)		
Adjustments for non-cash items:					
Depreciation and amortization	2,766	2,877	3,034		
Actuarial (gain) loss on pension and postretirement benefits	495	301	985		
Provision (benefit) for deferred income taxes	220	1,213	(431)		
Goodwill impairment charge	_	_	595		
Other	1,006	750	859		
Changes in assets and liabilities, net of acquisitions and divestitures:					
Receivables – trade and other	(1,619)	(1,151)	829		
Inventories	(1,579)	(1,295)	1,109		
Accounts payable	709	1,478	(200)		
Accrued expenses	101	175	(201)		
Accrued wages, salaries and employee benefits	(162)	1,187	(708)		
Customer advances	(183)	(8)	(41)		
Other assets – net	41	(192)	224		
Other liabilities – net	(1,385)	(388)	(356)		
Net cash provided by (used for) operating activities	6,558	5,706	5,639		
Cash flow from investing activities:					
Capital expenditures – excluding equipment leased to others	(1,276)	(898)	(1,109)		
Expenditures for equipment leased to others	(1,640)	(1,438)	(1,819)		
Proceeds from disposals of leased assets and property, plant and equipment	936	1,164	899		
Additions to finance receivables	(12,183)	(11,953)	(9,339)		
Collections of finance receivables	10,901	12,018	9,369		
Proceeds from sale of finance receivables	477	127	127		
Investments and acquisitions (net of cash acquired)	(392)	(59)	(191)		
Proceeds from sale of businesses and investments (net of cash sold)	16	100	_		
Proceeds from sale of securities	442	932	694		
Investments in securities	(506)	(1,048)	(391)		
Other – net	13	89	(20)		
Net cash provided by (used for) investing activities	(3,212)	(966)	(1,780)		
Cash flow from financing activities:					
Dividends paid	(1,951)	(1,831)	(1,799)		
Common stock issued, including treasury shares reissued	313	566	(23)		
Common shares repurchased	(3,798)	_	_		
Proceeds from debt issued (original maturities greater than three months):					
- Machinery, Energy & Transportation	57	361	6		
- Financial Products	8,850	8,702	5,109		
Payments on debt (original maturities greater than three months):					
- Machinery, Energy & Transportation	(7)	(1,465)	(533)		
- Financial Products	(7,822)	(6,923)	(6,035)		
Short-term borrowings – net (original maturities three months or less)	762	(3,058)	140		
Other – net	(54)	(9)	(8)		
Net cash provided by (used for) financing activities	(3,650)	(3,657)	(3,143)		
Effect of exchange rate changes on cash	(126)	38	(28)		
Increase (decrease) in cash and short-term investments and restricted cash	(430)	1,121	688		
Cash and short-term investments and restricted cash at beginning of period	8,320	7,199	6,511		
Cash and short-term investments and restricted cash at end of period	\$ 7,890	\$ 8,320	\$ 7,199		

All short-term investments, which consist primarily of highly liquid investments with original maturities of three months or less, are considered to be cash equivalents.

Non-cash activities: In September 2016, \$381 million of medium-term notes with varying interest rates and maturity dates were exchanged for \$366 million of 1.93% medium-term notes due in 2021 and \$15 million of cash. In addition, a debt exchange premium of \$33 million was paid and is included in the operating activities section of the Consolidated Statement of Cash Flow.