MOODY'S INVESTORS SERVICE

Instrument Information

CUSIP: 14912HHY9

Issuer: CATERPILLAR FINANCIAL SERVICES CORPORATION

CATERPILLAR FINANCIAL SERVICES CORPORATION is a subsidiary of CATERPILLAR INC. This section details the Moody's ratings for CUSIP 14912HHY9.

A2 Senior Unsecured Rating as of 2/1/2008

Investment Grade | Non-Investment Grade

Instrument Long-Term Rating as of 2/1/2008

Obligations rated A are considered uppermedium grade and are subject to low credit risk.

Upgrade | Downgrade | Uncertain | **Not on Watch**

Instrument Watch Status

Moody's uses Watch Status to indicate that a rating is under review for possible change in the short-term.

Corporate Bond Information

Class	NA
Coupon	NA
Maturity	NA
Rating Date	NA
Sale Date	04 Feb 2008
Original Face Value (in millions)	$33.195
Currency	USD
Debt has Support	N

CATERPILLAR INC.

A2	Stable	Not on Watch
Long Term Rating as of 15-Jun-1995	Moody's Rating Outlook as of 2-Jun-2010	Company Watch Status

Company Profile

CAT is the world's leading producer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines, and diesel-electric locomotives. The company's Machinery and Power Systems operations generated $51.8 billion of sales during the last twelve months (LTM) through September 2011 (excluding the impact of Bucyrus), a 45% increase over the $34.9 billion in sales for the LTM through September 2010. The company's mix for equipment/power systems revenues is approximately 70/30, and the geographic mix for North America/international revenues is approximately 35/65. Caterpillar Financial Services Corporation (CFSC) has a $29.5 billion portfolio of total assets, and it provides a significant portion of the wholesale and retail financing for Caterpillar equipment.

Moody's Opinion as of 15-Dec-2011

Rating Drivers

Strong recovery for heavy construction and mining (C&M) equipment in emerging markets.

Highly competitive position in all key markets, and exceptional global dealer network.

Share repurchase and acquisition strategies that will be managed by CAT so that it can remain strongly positioned at the A2 rating level.

Prudent management of captive finance operation mitigates potential pressure to CAT's overall credit quality.

Rating Rationale

CAT's A2 rating reflects the company's position as the world's leading producer of construction equipment. The company benefits from an increasingly global manufacturing footprint, highly competitive operating efficiencies, a broader line of equipment than any of its competitors, and the industry's strongest global dealer network.

Caterpillar completed the $8.8 billion acquisition of Bucyrus during July 2011. That transaction will materially strengthen the company's long-term position in the global mining equipment markets. The proposed acquisition of ERA Mining Machinery Limited (ERA) for $900 million will provide Caterpillar with a mining equipment presence in China that was lacking in Bucyrus' operational footprint. Caterpillar has made a significant commitment to the global mining equipment market with the Bucyrus and ERA acquisitions. We believe that these undertakings are strategically sound given the favorable long-term outlook for the mining and commodity sectors, and the high degree of synergy with Caterpillar's existing operations.

We expect that Caterpillar will maintain an aggressive long-term reinvestment strategy and will continue to pursue bolt-on acquisitions that support its Machinery and Power Systems business. A key area of analytic focus for Moody's during this period will be the company's success at managing/capitalizing on these investments and integrating the significant acquisitions undertaken during 2010 and 2011.

As a result of these strong operating fundamentals CAT is well positioned to benefit from the continuing recovery in demand for (C&M) equipment. Improving demand, particularly in emerging markets, should provide a strong lift to the company's earnings, cash generation and credit metrics. These metrics were very weak for the A2 rating level following the severe downturn in demand during

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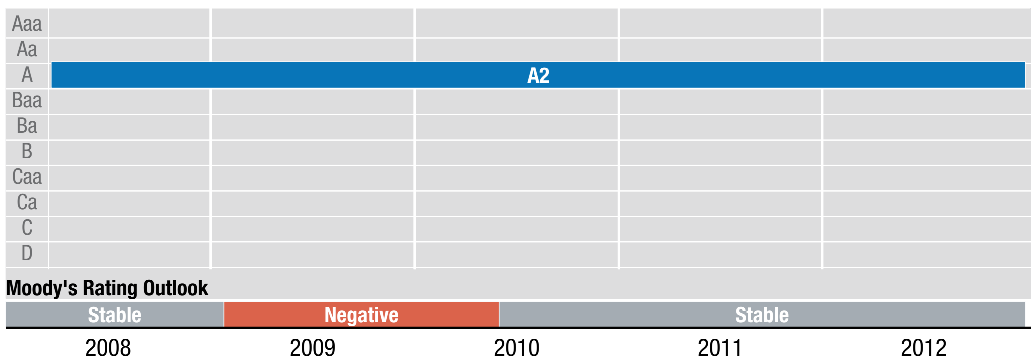
Rating History

CATERPILLAR FINANCIAL SERVICES CORPORATION has a long term rating of A2 that reflects the LT Issuer Rating rating description.

This new rating was assigned on 06/15/1995.

5 Year Long Term Rating History



Rating Rationale *Continued from Page 1*

2009. However, metrics have rebounded sharply as a result of the company's aggressive restructuring initiatives and the recovery in demand - including the rebuilding of inventory to more normal levels at dealers.

For the last twelve months through September 2011 Caterpillar generated: a record $53 billion in sales and 12.7% operating margin; $5.7 billion in free cash flow; EBIT/interest of 9.8x; and debt/EBITDA of 1.8x (all figures reflecting Moody's standard adjustments). Pro forma for the Bucyrus and ERA acquisitions, these metrics will weaken but should remain supportive of the A2. Moreover, as CAT continues to capitalize on the recovery in demand and the revenue growth opportunities available through Bucyrus and ERA, its operating performance and credit metric should continue to improve.

An additional factor supporting the rating is CAT's commitment to financial policies that will remain supportive of an A2 rating. These policies are characterized by: a strong liquidity position to support the sizable liquidity requirements of CFSC; prudent capitalization and underwriting standards of the finance operations; and a public commitment to maintaining a single-A rating.

Detailed Rating Considerations

STRONG RECOVERY IN DEMAND FOR CONSTRUCTION AND MINING EQUIPMENT

Following the unprecedented collapse of global construction equipment markets (C&M) during 2009, demand recovered strongly during 2010 and should remain strong through at least 2012. Demand is exceptionally robust in developing economies and in the mining sector. The North American market is currently benefiting by dealers rebuilding inventory levels that are closer to pre-downturn levels, and by rental companies and equipment users making much-needed replacements to aging fleets. The European market remains well below pre-downturn levels and a sustained recovery is not likely until 2012. Despite the continued softness in segments of the US market and in Europe, overall recovery in demand lifted CAT's machinery and power systems sales to $40 billion in 2010 from $30 billion in 2009. Sales are now on track to exceed $55 billion for 2011.

HIGHLY COMPETITIVE PRODUCT LINEUP AND FORMIDABLE GLOBAL DEALER NETWORK

CAT has the broadest and one of the most competitive lineups of construction and mining equipment in the industry. The strength of this portfolio will be enhanced with the acquisition of Bucyrus. In addition CAT has a significant competitive advantage in its dealer network. CAT's dealers have extensive global presence, they are well capitalized, they have built a sizable replacement and service business that provides essential support during cyclical downturns, and they have an excellent service quality reputation.

LONG-TERM BENEFITS OF BUCYRUS ACQUISITION

The product portfolios and operating profiles of CAT and Bucyrus complement each other well, and the acquisition should afford CAT with considerable long-term opportunities to expand its revenue and earnings. Bucyrus is one of the world's leading producers of heavy mining equipment, an area that represents one the few gaps in CAT's equipment portfolio. One of CAT's principal competitive strengths is a global dealer network that is highly efficient, very profitable, and well capitalized. In contrast, one of Bucyrus' competitive challenges has been the lack of a strong dealer network. The combination of Bucyrus' mining equipment operations and CAT's dealer network should afford the opportunity to achieve considerable revenue synergies by expanding sales of both mining equipment and related replacement parts over the long-term. The strategic logic underpinning this acquisition is primarily the longer-term strategic and revenue enhancement opportunities. Over time there will also be synergies and cost reductions that CAT expects will grow to approximately $500 million per year by 2015.

PRUDENT MANAGEMENT OF CFSC

CAT views CFSC as an essential component in the long-term competitiveness and success of its industrial business. The finance unit fills a critical role in providing retail and wholesale funding for CAT's machinery and engine operations globally. Notwithstanding the commercial benefits afforded by CFSC, maintaining prudent underwriting standards, capitalization and liquidity at the captive finance unit is critical to CAT's ability to maintain the A2 rating. We believe that CFSC

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Key Indicators CATERPILLAR INC.[1]

	12/31/2010	12/31/2009	12/31/2008	12/31/2007
Sales (USD Billions)	$39.9	$29.5	$48.0	$42.0
EBITA Margin	10.7%	4.0%	9.0%	11.3%
EBITA / Avg Assets	10.2%	2.9%	11.0%	14.4%
EBIT / Interest	6.0x	1.2x	8.0x	9.6x
Gross Debt / EBITDA	1.9x	4.7x	2.9x	1.3x
RCF / Net Debt	44.7%	11.1%	25.6%	57.5%
FCF / Gross Debt	31.9%	10.6%	1.9%	38.3%
Gross Debt / Book Capital	42.6%	52.0%	61.5%	38.4%
(Cash & Marketable Securities) / Debt	16.3%	15.8%	9.1%	11.3%

[1] Standard adjustments in accordance with "Rating Methodology: Moody's Approach to Global Standard Adjustments in the Analysis of Financial Statements for Non-Financial Corporations, Part 1, Part 2 and Part 3". In addition, Moody's adjusts for one time items.

Detailed Rating Considerations *Continued from Page 2*

manages its operations in a manner that enables it to effectively support the industrial operations and that also preserves adequate levels of financial discipline. At September 30, 2011, CFSC's ratio of debt/equity was a prudent 7.7:1 (vs a covenant-required level of 10:1), and its fixed charge coverage was a strong 1.55:1 (vs a convent-required level of 1.15:1). In addition, past due accounts as a percent of total receivables was 3.54% (down from a near-peak level of 5.54% at year-end 2009) and allowance for credit losses was a prudent 1.49%.

In the absence of adequate financial and underwriting discipline at CFSC, the finance unit could represent a potential source of pressure on CAT's A2 rating. We believe that CAT/CFSC will maintain practices that minimize any potential pressure.

Liquidity

Because of CFSC's need to continuously raise substantial amounts of new debt to fund its receivable portfolio, it is critical for CAT to maintain a strong liquidity position. At September 30, 2011 CAT's consolidated liquidity resources will included approximately $3.2 billion in cash and securities, $8.5 billion in committed credit facilities, and free cash flow that we estimate will approximate $4 billion during the coming twelve months. These total liquidity sources of roughly $16 billion provide ample coverage of the combined $7.5 billion in debt coming due during the next twelve months at Caterpillar and CFSC.

Rating Outlook

The stable rating reflects our expectation that CAT will remain the leading player in the global C&M equipment sector, and that its operating performance and financial policies will remain solidly supportive of an A2 rating. We expect that as cash generation improves the company will distribute capital to equity investors in the form of share repurchases. However, the size and pace of these distributions will be managed so that CAT can remain well-positioned at the A2 level.

What Could Change the Rating DOWN

There could be pressure on CAT's rating if it were to undertake aggressive share repurchases or additional acquisitions prior to strengthening its liquidity cushion. The rating could also be pressured by a weakening in the financial and underwriting standards at CFSC. We think that such actions are unlikely.

What Could Change the Rating UP

Upward movement in CAT's rating is unlikely. We believe that the cost of capital and market access afforded by the current A2 long-term and Prime-1 short-term ratings are consistent with the company's financial strategy. A higher long-term rating might limit the company's ability to return capital to shareholders as its performance continues to improve, and might not afford an acceptable offset in the form of a lower cost of borrowing. Although CAT's credit metrics could periodically reach levels that support a higher rating, the additional financial flexibility reflected in such metrics could be used to support debt-fund acquisitions or share repurchases.

Other Considerations

CAT's grid-implied rating under the Heavy Manufacturing Methodology is a Baa1 compared with an actual rating of A2. This grid-indicated rating reflects three-year average financial performance and includes metrics from the severely depressed downturn year of 2009. CAT's performance for FYE 2010 and for LTM through September 2011 is significantly more robust than that incorporated in the three-year average period. We believe that the A2 rating is much more reflective of the company's long-term credit profile. Over time, the grid-indicated rating should improve and become more in line with the A2 actual rating.

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Rating Definitions

Long-Term Obligation Ratings

Moody's long-term obligation ratings are opinions of the relative credit risk of fixed-income obligations with an original maturity of one year or more. They address the possibility that a financial obligation will not be honored as promised. Such ratings reflect both the likelihood of default and any financial loss suffered in the event of default.

Aaa Obligations rated Aaa are judged to be of the highest quality, with minimal credit risk.

Aa Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.

A Obligations rated A are considered upper-medium grade and are subject to low credit risk.

Baa Obligations rated Baa are subject to moderate credit risk. They are considered medium-grade and as such may possess certain speculative characteristics.

Ba Obligations rated Ba are judged to have speculative elements and are subject to substantial credit risk.

B Obligations rated B are considered speculative and are subject to high credit risk.

Caa Obligations rated Caa are judged to be of poor standing and are subject to very high credit risk.

Ca Obligations rated Ca are highly speculative and are likely in, or very near, default, with some prospect of recovery of principal and interest.

C Obligations rated C are the lowest rated class of bonds and are typically in default, with little prospect for recovery of principal or interest.

Note: Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Rating Outlooks

A Moody's rating outlook is an opinion regarding the likely direction of a rating over the medium term. Where assigned, rating outlooks fall into the following four categories: Positive (POS), Negative (NEG), Stable (STA), and Developing (DEV -- contingent upon an event). In the few instances where an issuer has multiple outlooks of differing directions, an "(m)" modifier (indicating multiple, differing outlooks) will be displayed, and Moody's written research will describe any differences and provide the rationale for these differences. A RUR (Rating(s) Under Review) designation indicates that the issuer has one or more ratings under review for possible change, and thus overrides the outlook designation. When an outlook has not been assigned to an eligible entity, NOO (No Outlook) may be displayed.

Watchlist

Moody's uses the Watchlist to indicate that a rating is under review for possible change in the short-term. A rating can be placed on review for possible upgrade (UPG), on review for possible downgrade (DNG), or more rarely with direction uncertain (UNC). A credit is removed from the Watchlist when the rating is upgraded, downgraded or confirmed.

Provisional Ratings

As a service to the market and typically at the request of an issuer, Moody's will assign a provisional rating when it is highly likely that the rating will become final after all documents are received, or an obligation is issued into the market. A provisional rating is denoted by placing a (P) in front of the rating. Such ratings may also be assigned to shelf registrations under SEC rule 415.