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7,799 8,480

Total long-term debt due after one year \$11,596 \$11,291 \$11,334

All outstanding notes and debentures are unsecured. The capital lease obligations are collateralized by leased manufacturing equipment and/or security deposits.

The 6% notes due in 2003, classified as debt due within one year, may be redeemed in whole at their principal amount if we are required to pay additional taxes or duties as a result of a change in tax law and that obligation cannot be reasonably avoided. In addition, if the identity of beneficial owners of the notes must be disclosed in certain circumstances, we would be required either to redeem the notes or satisfy the information disclosure requirement through the payment of certain taxes or charges. We also may purchase the 6% notes at any time in the open market.

The 6% debentures due in 2007, were sold at significant original issue discounts (\$144). This issue is carried net of the unamortized portion of its discount, which is amortized as interest expense over the life of the issue. These debentures have a principal at maturity of \$250 and an effective annual cost of 13.3%. We may redeem them, at our option, at an amount equal to the respective principal at maturity.

We may redeem the 6.55% notes and the 7.25%, 6.625%, 7.3%, 6.95% and 7.375% debentures in whole or in part at our option at any time at a redemption price equal to the greater of 100% of the principal amount of the debentures to be redeemed or the sum of the present value of the remaining scheduled payments.

The terms of other notes and debentures do not specify a redemption option prior to maturity.

The medium-term notes are offered on a continuous basis through agents and are primarily at fixed rates. At December 31, 2002, *Machinery and Engines* medium-term notes had a weighted average interest rate of 8.1% with one to two years remaining to maturity. *Financial Products* medium-term notes have a weighted average interest rate of 3.7% with remaining maturities up to 13 years at December 31, 2002.

The aggregate amounts of maturities of long-term debt during each of the years 2003 through 2007, including amounts due within one year and classified as current, are:

	December 31,				
	2003	2004	2005	2006	2007
Machinery and Engines	\$ 258	\$ 67	\$ 18	\$ 231	\$ 204
Financial Products	3,654	2,714	1,474	981	818
	<u>\$ 3,912</u>	<u>\$ 2,781</u>	<u>\$ 1,492</u>	<u>\$ 1,212</u>	<u>\$ 1,022</u>

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Interest paid on short-term and long-term borrowings for 2002, 2001 and 2000 was \$815, \$1,009 and \$930, respectively.

Please refer to Note 17 and Table V in this Item 15 for fair value information on long-term debt.

14. Credit commitments

	December 31, 2002		
	Consolidated	Machinery and Engines	Financial Products
Credit lines available:			
Global credit facility	\$ 4,550 ⁽¹⁾	\$ 4,550 ⁽¹⁾	\$ 3,950 ⁽¹⁾
Other external	1,353	542	811
Intercompany	--	500 ⁽²⁾	826 ⁽²⁾
Total credit lines available	5,903	5,592	5,587
Utilized credit	238	64	174
Unused credit	\$ 5,665	\$ 5,528	\$ 5,413

⁽¹⁾ A global credit facility of \$4,550 is available to both *Machinery and Engines* and *Financial Products* (Cat Financial) to support commercial paper programs. Cat Financial may use up to 90% of the available facility subject to a maximum debt to equity and a minimum interest coverage ratio. *Machinery and Engines* may use up to 100% of the available facility subject to a minimum level of net worth. Based on these restrictions, and the allocation decisions of available credit made by management, the portion of the facility available to Cat Financial at December 31, 2002, was \$3,950. The facility is comprised of two components; \$2,425 expiring in September 2003 and \$2,125 expiring in September 2006. The facility expiring in September 2003 has a provision which allows Caterpillar to obtain a one-year term loan in September 2003 that matures in September 2004.

⁽²⁾ Represents variable lending agreements between Caterpillar Inc. and Cat Financial.

Based on long-term credit agreements, \$1,825, \$1,885 and \$2,732 of commercial paper outstanding at December 31, 2002, 2001 and 2000, respectively, was classified as long-term debt due after one year.

15. Capital stock

A. Stock options

In 1996, stockholders approved the Stock Option and Long-Term Incentive Plan (the Plan) providing for the granting of options to purchase common stock to officers and other key employees, as well as non-employee directors. The Plan reserves 47 million shares of common stock for issuance (39 million under the Plan and 8 million under prior stock option plans). Options vest at the rate of one-third per year over the three year period following the date of grant, and have a maximum term of 10 years. Common shares issued under stock options, including treasury shares reissued, totaled 882,580, 693,444 and 346,333, in 2002, 2001 and 2000, respectively.

The Plan grants options which have exercise prices equal to the average market price on the date of grant. As required by SFAS 148, a summary of the pro forma net income and profit per share amounts is shown in Note 1K on Page A-9. The fair value of each option grant is estimated at the date of grant using the Black-Scholes option-pricing model.

Please refer to Table IV for additional financial information on our stock options.

TABLE IV--Financial Information Related to Capital Stock

TABLE IV--Financial Information Related to Capital Stock

Changes in the status of common shares subject to issuance under options:

	2002		2001		2000	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Fixed Options:						
Outstanding at beginning of year	32,295,230	\$ 47.34	26,336,074	\$ 44.49	20,404,176	\$ 45.90
Granted to officers and key employees	8,050,864	\$ 50.72	7,512,206	\$ 53.53	6,621,858	\$ 38.41
Granted to outside directors	52,000	\$ 58.87	52,000	\$ 45.51	44,000	\$ 43.75
Exercised	(1,580,754)	\$ 26.41	(1,273,361)	\$ 23.64	(543,090)	\$ 19.49
Lapsed	(95,976)	\$ 50.28	(331,689)	\$ 47.13	(190,870)	\$ 55.17
Outstanding at end of year	38,721,364	\$ 48.91	32,295,230	\$ 47.34	26,336,074	\$ 44.49
Options exercisable at year-end	23,909,130	\$ 48.23	19,062,802	\$ 45.74	15,214,347	\$ 42.47
Weighted-average fair value of options granted during the year	\$14.85		\$14.56		\$10.92	

Stock options outstanding and exercisable:

Exercise Prices	Options Outstanding			Options Exercisable	
	# Outstanding at 12/31/02	Weighted-Average Remaining Contractual Life (Years)	Weighted-Average Exercise Price	# Outstanding at 12/31/02	Weighted-Average Exercise Price
\$ 15.19-\$18.77	264,617	0.4	\$ 18.66	264,617	\$ 18.66
\$ 26.77-\$39.19	10,479,468	5.5	\$ 35.26	8,535,350	\$ 34.55
\$ 43.75-\$62.34	27,977,279	7.5	\$ 54.30	15,109,163	\$ 56.47
	38,721,364	6.9	\$ 48.91	23,909,130	\$ 48.23

Weighted-average assumptions used in determining fair value of option grants:

	Grant Year		
	2002	2001	2000
Dividend yield	2.55%	2.49%	2.11%
Expected volatility	35.0%	30.1%	26.4%
Risk-free interest rates	4.13%	4.88%	6.20%
Expected lives	5 years	5 years	5 years

B. Restricted stock

The Plan permits the award of restricted stock to officers and other key employees, as well as non-employee directors. During 2002, 2001 and 2000, officers and other key employees were awarded 52,475 shares, 143,686 shares and 52,032 shares, respectively, of restricted stock. During 2002, 8,450 restricted shares (in phantom form) were awarded to officers and other key

employees. During 2001 and 2000, non-employee directors were granted 9,750 shares and 9,050 shares, respectively, of restricted stock.

C. Stockholders' rights plan

We are authorized to issue 5,000,000 shares of preferred stock, of which 2,000,000 shares have been designated as Series A Junior Participating Preferred Stock of \$1 par value. None of the preferred shares have been issued.

Stockholders would receive certain preferred stock purchase rights if someone acquired or announced a tender offer to acquire 15% or more of outstanding Caterpillar stock. In essence, those rights would permit each holder (other than the acquiring person) to purchase one share of Caterpillar stock at a 50% discount for every share owned. The rights, designed to protect the interests of Caterpillar stockholders during a takeover attempt, expire December 11, 2006.

16. Profit per share

Stock options to purchase 27,881,279, 19,886,054 and 12,636,262 shares of common stock at a weighted-average price of \$54.34, \$55.79 and \$57.14 were outstanding during 2002, 2001 and 2000, respectively, but were not included in the computation of diluted profit per share because the options' exercise price was greater than the average market price of the common shares.

17. Fair values of financial instruments

We used the following methods and assumptions to estimate the fair value of our financial instruments:

Cash and short-term investments--carrying amount approximated fair value.

Long-term investments (other than investments in unconsolidated affiliated companies)--fair value was estimated based on quoted market prices.

Foreign currency forward and option contracts--fair value of forward contracts was determined by discounting the future cash flow resulting from the differential between the contract price and the forward rate. Fair value of option contracts was determined by using the Black-Scholes model.

Finance receivables--fair value was estimated by discounting the future cash flow using current rates, representative of receivables with similar remaining maturities. Historical bad-debt experience also was considered.

Short-term borrowings--carrying amount approximated fair value.

Long-term debt--for *Machinery and Engines* notes and debentures, fair value was estimated based on quoted market prices. For *Financial Products*, fair value was estimated by discounting the future cash flow using our current borrowing rates for similar types and maturities of debt, except for floating rate notes and commercial paper supported by revolving credit agreements for which the carrying amounts were considered a reasonable estimate of fair value.

Interest rate swaps--fair value was estimated based on the amount that we would receive or pay to terminate our agreements as of year end.

Please refer to Table V for the fair values of our financial instruments.

TABLE V--Fair Values of Financial Instruments

	2002		2001		2000		Reference #
	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	
Asset (Liability) At December 31							
Cash and short-term investments	\$ 309	\$ 309	\$ 400	\$ 400	\$ 334	\$ 334	Statement 3, Note 18

TABLE V--Fair Values of Financial Instruments

Long-term investments	874	874	791	791	741	741	Note 18
Foreign currency contracts	47	47	2	2	(30)	(34)	Note 2
Finance receivables-- net (excluding finance type leases ⁽¹⁾)	12,093	12,177	10,931	10,957	10,479	10,582	Note 5
Short-term borrowings	2,175	2,175	(2,180)	(2,180)	(971)	(971)	Note 12
Long-term debt (including amounts due within one year)							
Machinery and Engines	3,661	4,185	(3,565)	(3,749)	(3,058)	(3,198)	Note 13
Financial Products	11,847	12,118	(10,857)	(11,048)	(11,038)	(11,154)	Note 13
Interest rate swaps							
Machinery and Engines-- in a net receivable position	--	--	--	--	--	25	Note 2
in a net payable position	--	--	--	--	(1)	--	Note 2
Financial Products-- in a net receivable position	84	84	58	58	8	27	Note 2
in a net payable position	(85)	(85)	(71)	(71)	--	(25)	Note 2

⁽¹⁾ Excluded items have a net carrying value at December 31, 2002, 2001 and 2000 of \$1,369, \$1,185 and \$1,087, respectively.

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18. Concentration of credit risk

Financial instruments with potential credit risk consist primarily of trade and finance receivables and short-term and long-term investments. Additionally, to a lesser extent, we have a potential credit risk associated with counterparties to derivative contracts.

Trade receivables are primarily short-term receivables from independently owned and operated dealers which arise in the normal course of business. Terms of up to six months are standard on machine sales to dealers in the United States and Canada. We perform regular credit evaluations of our dealers. Collateral generally is not required, and the majority of our trade receivables are unsecured. We do, however, when deemed necessary, make use of various devices such as security agreements and letters of credit to protect our interests. No single dealer represents a significant concentration of credit risk.

Finance receivables primarily represent receivables under installment sales contracts, receivables arising from leasing transactions and notes receivable. Receivables from customers in construction-related industries made up approximately one-third of total finance receivables at December 31, 2002, 2001 and 2000. We generally maintain a secured interest in the equipment financed. No single customer or region represents a significant concentration of credit risk.

Short-term and long-term investments are held with high quality institutions and, by policy, the amount of credit exposure to any one institution is limited. Long-term investments are comprised of investments which collateralize capital lease obligations (see Note 13) and investments of Cat Insurance supporting insurance reserve requirements.

Outstanding derivative instruments, with notional amounts totaling \$6,983, \$5,872 and \$6,794, and terms generally ranging up to five years, were held at December 31, 2002, 2001 and 2000, respectively. Collateral is not required of the counterparties or of our company. We do not anticipate nonperformance by any of the counterparties. Our exposure to credit loss in the event of nonperformance by the counterparties is limited to only those gains that we have recorded, but have not yet received, cash payment. At December 31, 2002, 2001 and 2000, the exposure to credit loss was \$176, \$80 and \$30, respectively.

Please refer to Note 17 and Table V for fair value information.

19. Operating leases

We lease certain computer and communications equipment, transportation equipment and other property through operating leases. Total rental expense for operating leases was \$240, \$256 and \$267 for 2002, 2001 and 2000, respectively.

Minimum payments for operating leases having initial or remaining non-cancelable terms in excess of one year are:

Years ended December 31,						
2003	2004	2005	2006	2007	After 2007	Total
\$ 185	\$ 154	\$ 102	\$ 72	\$ 53	\$ 300	\$ 866

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20. Guarantees and product warranty

We have guaranteed to repurchase loans of certain Caterpillar dealers from the Dealer Capital Asset Trust (DCAT) in the event of default. These guarantees arose in conjunction with Cat Financial's relationship with third party dealers who sell Caterpillar equipment. These guarantees have terms ranging from one to four years and are secured primarily by dealer assets. At December 31, 2002, the total amount outstanding under these guarantees was \$290 and the related book value was zero. For guarantees entered into after December 31, 2002, we will record a liability in accordance with FIN 45.

Our product warranty liability is determined by applying historical claim rate experience to the current field population and dealer inventory. Generally, historical claim rates are developed using a 12-month rolling average of actual warranty payments. These rates are applied to the field population and dealer inventory to determine the liability.

	2002	2001	2000
Warranty liability, January 1	\$ 652	\$ 615	\$ 578
Payments	(494)	(478)	(471)
Provision for warranty	535	515	508
Warranty liability, December 31	\$ 693	\$ 652	\$ 615

21. Environmental and legal matters

The company is regulated by federal, state and international environmental laws governing our use of substances and control of emissions. Compliance with these existing laws has not had a material impact on our capital expenditures, earnings or competitive position.

We are cleaning up hazardous waste at a number of locations, often with other companies, pursuant to federal and state laws. When it is likely we will pay clean-up costs at a site and those costs can be estimated, the costs are charged against our earnings. In making that estimate, we do not consider amounts expected to be recovered from insurance companies and others.

The amount set aside for environmental cleanup is not material and is included in "Accrued expenses" in Statement 3. If a range of liability estimates is available on a particular site, we accrue the lower end of that range.

We cannot estimate costs on sites in the very early stages of cleanup. Currently, we have five sites in the very early stages of cleanup, and there is no more than a remote chance that a material amount for cleanup will be required.

Pursuant to a consent decree Caterpillar entered with the United States Environmental Protection Agency (EPA), the company was required to meet certain emission standards by October 2002. The decree provides that if the manufacturers were unable to meet the standards at that time they would be required to pay a non-conformance penalty (NCP) on each engine sold that did not meet the standard. The amount of the NCP would be based on how close to meeting the standard the engine came - the more out of compliance the higher the penalty. The company began shipping lower emission engines in October 2002 as a bridge until fully compliant Advanced Combustion Emission Reduction Technology (ACERT) engines are introduced in 2003.

The consent decree also provided the ability to "bank" emissions credits prior to October 2002 that could be used to offset non-conforming engines produced after January 1, 2003. That is, if a company was able to produce and sell engines that were

below the applicable standard prior to October 2002, then the company could apply the emission credits created by those engines to engines produced after January 1, 2003 that do not meet the consent decree standard. For example, an engine produced and sold prior to October 2002 that produced 3.5 grams of NOx as compared to 4.0 gram standard would create a 0.5 gram credit. This credit would be "banked" to be used to offset the NOx deficiency of an engine produced after January 1, 2003 that did not meet the consent decree standard. Given this scenario, a company could produce and sell a 3.0 gram engine in 2003 without paying an NCP even though the engine exceeds the 2.5 gram standard. Caterpillar has a legal right, as described in the consent decree, to use its banked credits as offsets against NCPs for non-compliant engines produced after December 31, 2002. The EPA has approved the process by which the credits are calculated.

We produced and sold 70,399 medium heavy-duty engines prior to October 2002 that yielded emissions below the applicable standard for that period, resulting in 20,987.8 Mg of medium heavy-duty banked credits. We expect to produce approximately 26,800 non-conforming medium heavy-duty engines after January 1, 2003, but we do not expect to pay any NCPs on these medium-duty engines in 2003 due to our banked credits. We produced and sold 958 heavy-duty engines in 2002 resulting in 1,230.2 Mg of heavy-duty banked credits. Of the approximately 25,800 non-conforming heavy-duty engines we expect to build after January 1, 2003, these banked credits are expected to offset the NCPs on approximately 3,000 of these units.

We began production of medium heavy-duty ACERT engines complying with the EPA emissions standards in early 2003. Caterpillar received certification from the EPA in January 2003 for the C9 diesel engine, the first of our new engines equipped with ACERT Technology. We began shipping of the C9 -- which was certified to the more stringent Transit Bus standards - in March. We received certification for our second ACERT equipped model, the C7 in March and this engine will be in production in June of 2003.

We anticipate that our heavy heavy-duty models -- the C13 and C15 (the ACERT versions of the current C-12 and C-15, respectively) -- will be in full production by October and the C11 (the ACERT version of the current C-10) will be in full production by December after the EPA has certified each engine. As a result, we do not anticipate paying NCPs beyond 2003.

The certification process is described in the consent decree and the regulations, and includes the following:

- The durability of the engine is established through testing to determine if the engine emissions change with time. An emissions deterioration factor is determined that represents the amount of emission deterioration that would be expected over the useful life of the engine.
- An emission data engine is tested according to the regulations. Emission levels are determined on various steady state and transient tests.
- The results from the two tests are submitted to the EPA in a certification application as proof that the engine meets the requirements along with additional information and a request that a certificate be granted.
- The EPA reviews the application and if all the regulatory requirements are met, a certificate is issued.
- If the engine exceeds the standard, the EPA issues a certificate for either a banked or an NCP engine. The NCP engine certificate requires Production Compliance Auditing (PCA) testing.

After receipt of the EPA certificate manufacturing and shipment of the certified engines can begin. Each engine is labeled to indicate that it is certified.

Our expense for NCPs was \$40 million in 2002. This amount was based on levels that we believed the engines would perform when tested. For 2002, we paid NCPs on 6,195 heavy-duty units and 7,198 medium heavy-duty units, and in 2003 we estimate we will pay NCPs on 22,858 heavy-duty units. The actual NCP amount will not be known until final testing with the EPA is completed with all models during 2003. Our estimates of the NCP amounts are based on our knowledge of how each of the engine models is expected to perform in PCA testing. Caterpillar can make fairly accurate predictions of the emissions profiles of its engines due to its engineering knowledge, development process, and prior testing of its engines during development. PCA testing on medium heavy-duty engines has now been completed; PCA testing on heavy heavy-duty engines is on going. Therefore, while PCA testing has not been concluded, we are confident that our NCP and credit-consumption estimates will be fairly accurate.

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Aside from \$142 million in customary research and development expenses, emissions standard changes negatively impacted our 2002 financial results by \$24 million (\$17 million after tax) as NCPs (\$40 million pre-tax), product cost increases and ramp-up production costs (\$4 million pre-tax) were partially offset by price increases for these engines (\$20 million pre-tax). We recorded the \$40 million for NCPs when the bridge engines were produced, and either have paid or will pay the EPA from an escrow account no later than 30 days after PCA testing on an engine class is complete. For example, on January 31, 2003, Caterpillar deposited \$41.4 million (the recorded \$40 million based on our estimates plus an additional \$1.4 million following the completion of PCA testing) with an escrow agent for estimated NCPs related to fourth quarter 2002 bridge engine production. This included \$17 million for medium heavy-duty engine models and \$24.4 million for heavy-duty engine models. After completion of EPA testing of "high horsepower" medium heavy-duty engines, on March 11, 2003 Caterpillar released \$8 million from the escrow account to the EPA. After completion of testing of the remaining medium heavy-duty engine models, on March 25, 2003 Caterpillar released the remaining \$9 million from the medium heavy-duty engine escrow account and paid an additional \$900,000 to the EPA because the tested level of NCPs for that engine family was slightly higher per engine than was anticipated at the time of the January 31 escrow deposit.

The following table reflects the 2002 impact of the emission standard changes:

2002	
(millions of dollars)	
Price (Engines Sold x Price Increase)	\$ 20
Incremental Costs (Cost of Additional Materials)	(4)
NCPs (Engines Sold x Projected NCP per Engine)	(40)
Net Effect Pre-Tax	\$ (24)
Tax	7
Net Effect After Tax	\$ (17)

In addition to the above, the consent decree required Caterpillar to pay a fine of \$25 million, which was expensed in 1998 and to make investments totaling \$35 million in environmental-related products by July 7, 2007. Total qualifying investments to date for these projects is \$21 million, of which \$10 million was made in 2002. A future benefit is expected to be realized from these environmental projects related to Caterpillar's ability to capitalize on the technologies it developed in complying with its environmental project obligations. In short, Caterpillar expects to receive a positive net return on the environmental projects by being able to market the technology it developed.

As of December 31, 2002 we expect the net unfavorable impact of emission standard changes in 2003 to be no more than 2002 as we estimate that significantly higher NCPs (approximately \$93 million pre-tax), product cost increases and ramp-up production costs (approximately \$76 million pre-tax), will be partially offset by price increases for bridge and ACERT engines (approximately \$153 million pre-tax). For example, we estimate that we will sell 8,728 C-12 engines in 2003 that will be subject to NCPs. We also estimate that the blended (there are multiple models of the C-12) NCP per engine will be \$5,103. Caterpillar is not required to make any payment to the EPA for these engines until PCA testing for the engine model has been completed. However, Caterpillar is required to place an amount equal to its estimated NCPs for that engine model into an escrow account on a quarterly basis. As a result, we will record approximately \$93 million for NCPs as the bridge engines are produced and once PCA testing is completed for an engine model, we will pay the EPA the NCPs on these engine sales out of the established escrow accounts on a quarterly basis.

The following table reflects the projected 2003 impact of the emission standard changes:

2003	
(millions of dollars)	
Price (Bridge or ACERT Price Increase x Projected Engine Sales)	\$ 153
Incremental Costs (Cost of Additional Materials)	(76)

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NCPs (Projected NCP per Engine x Projected Engine Sales - banked credits)		(93)
Net Effect Pre-Tax	\$	(16)
Tax		4
Net Effect After Tax	\$	(12)

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As reflected in this table, our projections for 2003 are subject to assumptions regarding projected NCPs, price increases and volumes. For example, our estimate of NCPs per engine could change from the \$3600 average per heavy-duty engine based on the results of on-going EPA testing; this testing could impact both the NCP level per engine and the utilization of banked credits. However, we are able to make fairly accurate predictions of the results of the EPA tests due to our engineering knowledge, development process and internal testing during development. Our net price increase for heavy-duty bridge engines was successfully implemented on October 1, 2002; this increase was competitive with price increases implemented by other engine manufacturers on that date. With the introduction of ACERT engines in 2003, there will be an additional price increase to truck manufacturers that purchase our engines. This increase has been communicated to the truck manufacturers and is based on the additional value that we expect truck owners to receive from ACERT engines compared to our competitors as a result of better fuel economy, less maintenance and greater durability. The ultimate net price increase we are able to achieve for our ACERT engines is dependent upon marketplace acceptance of these engines versus competitive alternatives. While we estimate volume to the best of our ability, industry volume is an issue out of our control.

We will revise our disclosures in future filings accordingly if the actual NCP amount in 2003 vary materially from our projections, if the market unexpectedly will not bear the planned price increase or if our estimated volumes prove to have been materially too conservative or optimistic.

On January 16, 2002, Caterpillar commenced an action against Navistar International Transportation Corporation and International Truck and Engine Corporation (Navistar). Caterpillar seeks a declaratory judgment upholding a long-term purchase contract plus damages arising from Navistar's alleged breach of contract. On January 22, 2003, Caterpillar filed its First Amended Complaint to add four additional defendants and to add claims alleging that two of the new defendants colluded with Navistar to utilize technology misappropriated from Caterpillar. At December 31, 2002, the past due receivable from Navistar related to this case was \$104 million. On January 17, 2002, Navistar commenced an action against Caterpillar that alleges we breached various aspects of the long-term purchase contract. On April 2, 2002, the Court granted Caterpillar's Motion for Involuntary Dismissal of this action; Navistar subsequently asserted its claims as counterclaims in the action Caterpillar filed in Peoria. We believe Navistar's claims are without merit, and resolution of these matters will not have a material impact on our financial statements.

On May 7, 2002, International Truck and Engine Corporation (International) commenced an action against Caterpillar in the Circuit Court of DuPage County, Illinois that alleges Caterpillar breached various aspects of a long-term agreement term sheet. In its third amended complaint, International seeks a declaration from the court that the term sheet constitutes a legally binding contract for the sale of heavy-duty engines at specified prices through the end of 2006, alleges that Caterpillar breached the term sheet by raising certain prices effective October 1, 2002, and also alleges that Caterpillar breached an obligation to negotiate a comprehensive long-term agreement referenced in the term sheet. International further claims that Caterpillar improperly restricted the supply of heavy-duty engines to International from June through September 2002. International seeks damages "in an amount to be determined at trial" and injunctive relief. Caterpillar filed an answer denying International's claims and has filed a counterclaim seeking a declaration that the term sheet has effectively been terminated. Caterpillar denies International's claims and will vigorously contest them. The company further believes that final resolution of this matter will not have a material impact on our financial statements. This matter is not related to the breach of contract action brought by Caterpillar against International currently pending in the Circuit Court of Peoria County, Illinois.

22. Segment information

A. Basis for segment information

The company is organized based on a decentralized structure that has established accountabilities to continually improve business focus and increase our ability to react quickly to changes in both the global business cycle and competitors' actions. Our current structure uses a product, geographic matrix organization comprised of multiple profit and service center divisions.

Caterpillar is a highly integrated company. The majority of our profit centers are product focused. They are primarily responsible for the design, manufacture and ongoing support of their products. However, some of these product-focused profit centers also have marketing responsibilities. We also have geographically-based profit centers that are focused primarily on marketing. However, most of these profit centers also have some manufacturing responsibilities. One of our profit centers provides various financial services to our customers and dealers. The service center divisions perform corporate functions and provide centralized services.

We have developed an internal measurement system to evaluate performance and to drive continuous improvement. This measurement system, which is not based on generally accepted accounting principles (GAAP), is intended to motivate desired behavior of employees and drive performance. It is not intended to measure a division's contribution to enterprise results. The sales and cost information used for internal purposes varies significantly from our consolidated, externally reported information resulting in substantial reconciling items. Each division has specific performance targets and is evaluated and compensated based on achieving those targets. Performance targets differ from division to division; therefore, meaningful comparisons cannot be made among the profit or service center divisions. It is the comparison of actual results to budgeted results that makes our internal reporting valuable to management. Consequently, we feel that the financial information required by Statement of Financial Accounting Standards No. 131 (SFAS 131) "Disclosures about Segments of an Enterprise and Related Information" has limited value for our external readers.

Due to Caterpillar's high level of integration and our concern that segment disclosures based on SFAS 131 requirements have limited value to external readers, we are continuing to disclose financial results for our three lines of business (Machinery, Engines and Financial Products) in our Management's Discussion and Analysis in Item 7 of this Form 10-K/A.

B. Description of segments

The profit center divisions meet the SFAS 131 definition of "operating segments;" however, the service center divisions do not. Several of the profit centers have similar characteristics and have been aggregated. The following is a brief description of our seven reportable segments and the business activities included in the "All other" category.

Asia/Pacific Marketing: Primarily responsible for marketing products through dealers in Australia, Asia (excluding Japan) and the Pacific Rim. Also includes the regional manufacturing of some products which also are produced by *Construction & Mining Products*.

Construction & Mining Products: Primarily responsible for the design, manufacture and ongoing support of small, medium and large machinery used in a variety of construction and mining applications. Also includes the design, manufacture, procurement and marketing of components and control systems that are consumed primarily in the manufacturing of our machinery.

EAME Marketing: Primarily responsible for marketing products through dealers in Europe, Africa, the Middle East and the Commonwealth of Independent States. Also includes the regional manufacturing of some products which are also produced by *Construction & Mining Products* and *Power Products*.

Finance & Insurance Services: Provides financing to customers and dealers for the purchase and lease of Caterpillar and other equipment, as well as some financing for Caterpillar sales to dealers. Financing plans include operating and finance leases, installment sale contracts, working capital loans and wholesale financing plans. The division also provides various forms of insurance to customers and dealers to help support the purchase and lease of our equipment.

Latin America Marketing: Primarily responsible for marketing products through dealers in Latin America. Also includes the regional manufacturing of some products that also are produced by *Construction & Mining Products* and *Power Products*.

Power Products: Primarily responsible for the design, manufacture, marketing and ongoing support of reciprocating and turbine engines along with related systems. These engines and related systems are used in products manufactured in other segments, on-highway trucks and locomotives; and in a variety of construction, electric power generation, marine, petroleum and industrial applications.

North America Marketing: Primarily responsible for marketing products (excluding *Power Products*) through dealers in the United States and Canada.

All other: Primarily includes activities such as: service support and parts distribution to Caterpillar dealers worldwide; the design, manufacture and ongoing support of agricultural machinery and paving products; logistics services for other companies; service tools for Caterpillar dealers; and the remanufacture of Caterpillar engines and components.

C. Segment measurement and reconciliations

Please refer to Table VI for financial information regarding our segments. There are several accounting differences between our segment reporting and our GAAP-based external reporting. Our segments are measured on an accountable basis; therefore, only those items for which divisional management is directly responsible are included in the determination of segment profit/(loss) and assets. The following is a list of the more significant accounting differences:

- Generally, liabilities are managed at the corporate level and are not included in segment operations. Segment accountable assets generally include inventories, receivables, property, plant and equipment.
- We account for intersegment transfers using a system of market-based prices. With minor exceptions, each of the profit centers either sells or purchases virtually all of its products to or from other profit centers within the company. Our high level of integration results in our internally reported sales being approximately double that of our consolidated, externally reported sales.
- Segment inventories and cost of sales are valued using a current cost methodology.
- Postretirement benefit expenses are split; segments are generally responsible for service and prior services costs, with the remaining elements of net periodic benefit cost included as a methodology difference.
- Interest expense is imputed (i.e., charged) to profit centers based on their level of accountable assets. This calculation takes into consideration the corporate debt to debt-plus-equity ratio and a weighted-average corporate interest rate.
- In general, foreign currency fluctuations are neutralized for segment reporting.
- Accountable profit is determined on a pretax basis.

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TABLE VI--Segment Information**Business Segments:****Machinery and Engines**

	Asia/ Pacific Marketing	Construction & Mining Products	EAME Marketing	Latin America Marketing	Power Products	North America Marketing	All Other	Total	Financing & Insurance Services	Consolidated Total
2002										
External sales and revenues	\$ 1,660	237	2,828	1,313	5,736	5,575	1,253	18,602	1,779	\$ 20,381
Intersegment sales and revenues	\$ 4	6,728	1,784	181	3,996	152	1,926	14,771	--	\$ 14,771
Total sales and revenues	\$ 1,664	6,965	4,612	1,494	9,732	5,727	3,179	33,373	1,779	\$ 35,152
Depreciation and amortization	\$ 12	209	49	25	293	--	69	657	417	\$ 1,074
Imputed interest expense	\$ 12	67	30	6	124	36	66	341	540	\$ 881
Accountable profit (loss)	\$ 113	431	135	72	34	64	323	1,172	268	\$ 1,440
Accountable assets at Dec. 31	\$ 436	2,184	912	485	4,025	1,574	2,371	11,987	17,417	\$ 29,404
Capital Expenditures	\$ 13	179	63	13	238	2	81	589	1,177	\$ 1,766
2001										
External sales and revenues	\$ 1,408	230	2,847	1,501	5,844	5,878	1,263	18,971	1,717	\$ 20,688
Intersegment sales and revenues	\$ 12	7,167	1,814	145	4,684	219	1,859	15,900	1	\$ 15,901
Total sales and revenues	\$ 1,420	7,397	4,661	1,646	10,528	6,097	3,122	34,871	1,718	\$ 36,589
Depreciation and amortization	\$ 12	211	58	26	380	--	71	758	315	\$ 1,073
	\$ 13	70	27	8	117	61	67	363	673	\$ 1,036

TABLE VI--Segment Information

Imputed interest expense											
Accountable profit (loss)	\$	25	507	147	61	220	56	245	1,261	346	\$ 1,607
Accountable assets at Dec. 31	\$	441	2,450	826	587	3,946	1,369	2,463	12,082	15,437	\$ 27,519
Capital Expenditures	\$	10	270	59	21	335	--	140	835	858	\$ 1,693

2000											
External sales and revenues	\$	1,377	222	2,768	1,303	6,247	5,861	1,062	18,840	1,527	\$ 20,367
Intersegment sales and revenues	\$	7	7,070	1,885	123	4,711	173	1,907	15,876	--	\$ 15,876
Total sales and revenues	\$	1,384	7,292	4,653	1,426	10,958	6,034	2,969	34,716	1,527	\$ 36,243
Depreciation and amortization	\$	11	211	60	27	345	--	63	717	237	\$ 954
Imputed interest expense	\$	9	60	27	10	101	88	65	360	703	\$ 1,063
Accountable profit (loss)	\$	64	581	194	33	489	85	197	1,643	253	\$ 1,896
Accountable assets at Dec. 31	\$	405	2,267	906	592	3,867	1,739	2,377	12,153	14,185	\$ 26,338
Capital Expenditures	\$	8	204	67	24	254	1	94	652	659	\$ 1,311

Reconciliations:

	(Unaudited)			
	Machinery and Engines	Financial & Insurance Services	Consolidating Adjustments	Consolidated Total
Sales & Revenues				
2002				
Total external sales and revenues from business segments	\$ 18,602	\$ 1,779	\$ --	\$ 20,381
Other	46	(101)	(174)	(229)
Total sales and revenues	\$ 18,648	\$ 1,678	\$ (174)	\$ 20,152
2001				
Total external sales and revenues from business segments	\$ 18,971	\$ 1,717	\$ --	\$ 20,688
Other	56	(72)	(222)	(238)
Total sales and revenues	\$ 19,027	\$ 1,645	\$ (222)	\$ 20,450
2000				
Total external sales and revenues from business segments	\$ 18,840	\$ 1,527	\$ --	\$ 20,367
Other	73	(62)	(203)	(192)
Total sales and revenues	\$ 18,913	\$ 1,465	\$ (203)	\$ 20,175

Reconciliations:

	(Unaudited)		
	Machinery and Engines	Financial & Insurance Services	Consolidated Total
Profit before taxes			
2002			
Total accountable profit from business segments	\$ 1,172	\$ 268	\$ 1,440
Corporate costs	(242)	--	(242)
Methodology differences:			
Inventory/cost of sales	(313)	--	(313)
Postretirement benefit expense	125	--	125
Financing costs	(32)	--	(32)
Other methodology differences	74	19	93
Other	43	--	43
Total profit before taxes	\$ 827	\$ 287	\$ 1,114
2001			
Total accountable profit from business segments	\$ 1,261	\$ 346	\$ 1,607
Corporate costs	(291)	--	(291)
Other charges not allocated to business segments	(153)	--	(153)
Methodology differences:			
Inventory/cost of sales	(107)	--	(107)
Postretirement benefit expense	185	--	185
Financing costs	(114)	--	(114)
Other methodology differences	(23)	11	(12)
Methodology changes in segment reporting	3	(12)	(9)
Other	63	--	63
Total profit before taxes	\$ 824	\$ 345	\$ 1,169
2000			
Total accountable profit from business segments	\$ 1,643	\$ 253	\$ 1,896
Corporate costs	(232)	--	(232)
Methodology differences:			
Inventory/cost of sales	(399)	--	(399)
Postretirement benefit expense	195	--	195
Financing costs	(138)	--	(138)
Other methodology differences	32	25	57
Methodology changes in segment reporting	72	--	72
Other	77	--	77
Total profit before taxes	\$ 1,250	\$ 278	\$ 1,528

Reconciliations:

Reconciliations:

	(Unaudited)			
	Machinery and Engines	Financial & Insurance Services	Consolidating Adjustments	Consolidated Total
Assets				
2002				
Total accountable assets from business segments	\$ 11,987	\$ 17,417	\$ --	\$ 29,404
Items not included in segment assets:				
Cash and short-term investments	146	163	--	309
Intercompany trade receivables	917	343	(1,260)	--
Investment in affiliated companies	283	--	--	283
Investment in Financial Products	1,961	--	(1,961)	--
Deferred income taxes and prepaids	2,802	75	(133)	2,744
Intangible assets and other assets	1,541	--	--	1,541
Service center assets	810	--	--	810
Dealer receivables double counted in segment assets	(1,857)	--	--	(1,857)
Liabilities included in segment assets	848	--	--	848
Inventory methodology differences	(1,590)	--	--	(1,590)
Other	245	149	(35)	359
Total assets	\$ 18,093	\$ 18,147	\$ (3,389)	\$ 32,851
2001				
Total accountable assets from business segments	\$ 12,082	\$ 15,437	\$ --	\$ 27,519
Items not included in segment assets:				
Cash and short-term investments	251	149	--	400
Intercompany trade receivables	405	355	(760)	--
Investment in affiliated companies	345	--	--	345
Investment in Financial Products	1,662	--	(1,662)	--
Deferred income taxes and prepaids	2,472	55	(74)	2,453
Intangible assets and other assets	1,445	--	--	1,445
Service center assets	844	--	--	844
Dealer receivables double counted in segment assets	(1,757)	--	--	(1,757)
Liabilities included in segment assets	853	--	--	853
Inventory methodology differences	(1,571)	--	--	(1,571)
Other	244	(101)	(17)	126
Total assets	\$ 17,275	\$ 15,895	\$ (2,513)	\$ 30,657
2000				
Total accountable assets from business segments	\$ 12,153	\$ 14,185	\$ --	\$ 26,338
Items not included in segment assets:				
Cash and short-term investments	206	128	--	334
Intercompany trade receivables	559	445	(1,004)	--
Investment in affiliated companies	450	--	--	450

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Investment in Financial Products	1,620	--	(1,620)	--
Deferred income taxes and prepaids	2,356	30	(63)	2,323
Intangible assets and other assets	1,549	--	--	1,549
Service center assets	453	--	--	453
Dealer receivables double counted in segment assets	(1,790)	--	--	(1,790)
Liabilities included in segment assets	696	--	--	696
Inventory methodology differences	(1,653)	--	--	(1,653)
Other	(45)	(170)	(21)	(236)
Total assets	\$ 16,554	\$ 14,618	\$ (2,708)	\$ 28,464

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Enterprise-wide Disclosures:

External sales and revenues from products and services:

	2002	2001	2000
Machinery	\$ 11,975	\$ 12,158	\$ 11,857
Engines	6,673	6,869	7,056
Financial Products	1,504	1,423	1,262
Total consolidated	\$ 20,152	\$ 20,450	\$ 20,175

Information about Geographic Areas:

	Sales & Revenues ⁽¹⁾			Net property, plant and equipment		
	December 31,					
	2002	2001	2000	2002	2001	2000
Inside United States	\$ 9,291	\$ 10,033	\$ 10,076	\$ 4,524	\$ 4,351	\$ 3,854
Outside United States	10,861	10,417	10,099	2,522 ⁽²⁾	2,252 ⁽²⁾	2,097 ⁽²⁾
Total	\$ 20,152	\$ 20,450	\$ 20,175	\$ 7,046	\$ 6,603	\$ 5,951

⁽¹⁾ Sales of machinery and engines are based on dealer location. Revenues from services provided are based on where service is rendered.

⁽²⁾ Amount includes \$680, \$681 and \$628 of net property, plant and equipment located in the United Kingdom as of December 31, 2002, 2001 and 2000, respectively.

Reconciling items are created based on accounting differences between segment reporting and our consolidated, external reporting. Please refer to Table V in Note 17 for financial information regarding significant reconciling items. Most of our reconciling items are self-explanatory given the above explanations of accounting differences. However, for the reconciliation of profit, we have grouped the reconciling items as follows:

- **Corporate costs:** Certain corporate costs are not charged to our segments. These costs are related to corporate requirements and strategies that are considered to be for the benefit of the entire organization.
- **Methodology differences:** See previous discussion of significant accounting differences between segment reporting and consolidated, external reporting.

- **Methodology changes in segment reporting:** Estimated restatements of prior periods to reflect changes in our internal-reporting methodology.

23. Alliances and acquisitions

In fourth quarter 2001, we entered a software alliance with Ford Motor Company to develop a world-class logistics information system to increase the speed at which service repair parts are delivered to market.

24. Other charges

	2001 Charge	Asset Impairments	2002 Activity*	12/31/02 Balance
Challenger:				
Asset impairments	\$ 32	\$ (32)	\$ --	\$ --
Exit costs	49	--	(38)	11
	81	(32)	(38)	11
Shrewsbury:				
Asset impairments	16	(16)	--	--
Redundancy	10	--	(6)	4
Exit costs	4	--	(2)	2
	30	(16)	(8)	6
U.S. employment reduction	34	--	(34)	--
Other asset impairments	8	(8)	--	--
Total	\$ 153	\$ (56)	\$ (80)	\$ 17

* All amounts were paid in cash except for the U.S. employment reduction of \$34 which was reclassified to our pension accounts. Please refer to Table II in Note 11.

During the fourth quarter of 2001, we recorded pretax charges of \$153 related to the sale of the Challenger agricultural tractor line to AGCO, charges related to ceasing engine production at our Shrewsbury, England plant, planned U.S. salaried and management employment reductions and other asset impairment charges. These charges were recorded in the "Other Operating Expenses" line in Statement 1. Planned employee reductions were 495 for Shrewsbury and 433 for the U.S. employment reduction. Challenger assets were held in our *All Other* segment and Shrewsbury assets are held in our *Power Products* segment.

During 2002, we reduced the Challenger exit cost reserve by \$38, primarily for cash outlays for research and development expenses and manufacturing equipment in accordance with the contract with AGCO. We reduced the Shrewsbury redundancy reserve by \$6 for separation benefits for 225 employees. As planned, the U.S. employment reduction was achieved entirely through voluntary retirements. As a result, the reserve of \$34 was reclassified to our pension accounts upon completion of the retirement program.

Future cash outlays for contractual commitments for the Challenger of approximately \$2 per year will continue through 2008. Most of the diesel engine production at our Shrewsbury, England plant ceased in 2002; however, it has taken longer than anticipated to finalize the design of one replacement engine. As a result, some diesel engine production at Shrewsbury will continue through 2003. The reserve will be reduced as redundancy and exit costs are incurred through 2003.

25. Selected quarterly financial results (unaudited)

	2002 Quarter			
	1st	2nd	3rd	4th
Sales and revenues	\$ 4,409	\$ 5,291	\$ 5,075	\$ 5,377
Less: Revenues	365	376	375	388
Sales	4,044	4,915	4,700	4,989
Cost of goods sold	3,205	3,856	3,690	3,958
Gross margin	839	1,059	1,010	1,031
Profit	80	200	213	305
Profit per common share	\$.23	\$.58	\$.62	\$.89
Profit per common share --diluted	\$.23	\$.58	\$.61	\$.88

	2001 Quarter			
	1st	2nd	3rd	4th
Sales and revenues	\$ 4,810	\$ 5,488	\$ 5,056	\$ 5,096
Less: Revenues	349	356	357	361
Sales	4,461	5,132	4,699	4,735
Cost of goods sold	3,462	3,955	3,669	3,666
Gross margin	999	1,177	1,030	1,069
Profit	162	271	205	167
Profit per common share	\$.47	\$.79	\$.60	\$.49
Profit per common share --diluted	\$.47	\$.78	\$.59	\$.48

2.

Financial Statement Schedule:

- All schedules are omitted because they are not applicable or the required information is shown in the financial statements or the notes thereto incorporated by reference.

(b) There were eight reports (dated October 10, October 11, October 15, October 16 (2), November 8 (2), and December 19, 2002) filed on Form 8-K pursuant to Item 5 during the last quarter of 2002 and five additional reports filed on Form 8-K (dated January 23 (2), February 7, February 10 and February 18, 2003). No financial statements were filed as part of those reports.

(c) Exhibits:

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3.1

Restated Certificate of Incorporation (incorporated by reference from Exhibit 3(i) to the Form 10-Q filed for the quarter ended March 31, 1998).

3.2

Certificate of Designation, Preferences and Rights of the Terms of the Series A Junior Participating Preferred Stock (incorporated by reference from Exhibit 2 to Form 8-A filed December 11, 1996).

3.3

Bylaws, amended and restated as of February 10, 1999 (incorporated by reference from Exhibit 3.3 to the Form 10-K for the year ended December 31, 1998).

4

Third Amended and Restated Rights Agreement dated as of June 12, 2003, between Caterpillar Inc. and Mellon Investor Services LLC.

10.1

Caterpillar Inc. 1996 Stock Option and Long-Term Incentive Plan, amended and restated as of April 10, 2002 (incorporated by reference from Exhibit 10.1 to the Form 10-K for the year ended December 31, 2002). **

10.2

Caterpillar Inc. 1987 Stock Option Plan, as amended and restated and Long Term Incentive Supplement, amended and restated as of December 31, 2000 (incorporated by reference from Exhibit 10.2 to the Form 10-K for the year ended December 31, 2002). **

10.3

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Supplemental Pension Benefit Plan, as amended and restated (incorporated by reference from Exhibit 10.3 to the Form 10-K for the year ended December 31, 1999).

10.4

Supplemental Employees' Investment Plan, as amended and restated through December 1, 2002 (incorporated by reference from Exhibit 10.4 to the Form 10-K for the year ended December 31, 2002). **

10.5

Caterpillar Inc. Executive Incentive Compensation Plan, effective as of January 1, 2002 (incorporated by reference from Exhibit 10.5 to the Form 10-K for the year ended December 31, 2002).**

10.6

Directors' Deferred Compensation Plan, as amended and restated through April 12, 1999 (incorporated by reference from Exhibit 10.6 to the Form 10-K for the year ended December 31, 1999).**

10.7

Directors' Charitable Award Program (incorporated by reference from Exhibit 10(h) to the Form 10-K for the year ended December 31, 1993).**

10.8

Deferred Employees' Investment Plan, as amended and restated through December 1, 2002 (incorporated by reference from Exhibit 10.8 to the Form 10-K for the year ended December 31, 2002).**

11

Statement re: Computation of per Share Earnings (incorporated by reference from Exhibit 11 to the Form 10-K for the year ended December 31, 2002).

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12

Statement Setting Forth Computation of Ratios of Profit to Fixed Charges (incorporated by reference from Exhibit 12 to the Form 10-K for the year ended December 31, 2002).

13

Annual Report to Security Holders attached as an Appendix to the company's 2003 Annual Meeting Proxy Statement (incorporated by reference from Exhibit 13 to the Form 10-K for the year ended December 31, 2002).

21

Subsidiaries and Affiliates of the Registrant (incorporated by reference from Exhibit 21 to the Form 10-K for the year ended December 31, 2002).

23

Consent of Independent Accountants.

99.1

Certification of Glen A. Barton, Chairman and Chief Executive Officer of Caterpillar Inc. and F. Lynn McPheeters, Chief Financial Officer of Caterpillar Inc., as required pursuant to Section 203 of the Sarbanes-Oxley Act of 2002.

99.2

Certification of Glen A. Barton, Chairman and Chief Executive Officer of Caterpillar Inc. and F. Lynn McPheeters, Chief Financial Officer of Caterpillar Inc., as required pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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99.3

Form 11-K/A for Caterpillar Foreign Service Employees' Stock Purchase Plan (incorporated by reference from Exhibit 99.2 to the Form 10-K/A filed with the SEC on May 29, 2003 for the year ended December 31, 2002).

99.4

Form 11-K for Employees' Investment Plan (incorporated by reference from Exhibit 99.3 to the Form 10-K/A filed with the SEC on May 29, 2003 for the year ended December 31, 2002).

99.5

Form 11-K for Savings and Investment Plan (incorporated by reference from Exhibit 99.4 to the Form 10-K/A filed with the SEC on May 29, 2003 for the year ended December 31, 2002).

99.6

Form 11-K for Tax Deferred Savings Plan (incorporated by reference from Exhibit 99.5 to the Form 10-K/A filed with the SEC on May 29, 2003 for the year ended December 31, 2002).

** Compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 14(c) of this Form 10-K.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CATERPILLAR INC.

(Registrant)

July 15, 2003

By: /s/ James B. Buda
James B. Buda, *Secretary*

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the company and in the capacities and on the dates indicated.

July 15, 2003

/s/ Glen A. Barton
(Glen A. Barton)

Chairman of the Board, Director and Chief Executive Officer

July 15, 2003

/s/ Vito H. Baumgartner

Group President

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(Vito H. Baumgartner)

July 15, 2003	<u>/s/ Douglas R. Oberhelman</u> (Douglas R. Oberhelman)	Group President
July 15, 2003	<u>/s/ James W. Owens</u> (James W. Owens)	Group President
July 15, 2003	<u>/s/ Gerald L. Shaheen</u> (Gerald L. Shaheen)	Group President
July 15, 2003	<u>/s/ Richard L. Thompson</u> (Richard L. Thompson)	Group President
July 15, 2003	<u>/s/ F. Lynn McPheeters</u> (F. Lynn McPheeters)	Vice President and Chief Financial Officer
July 15, 2003	<u>/s/ David B. Burritt</u> (David B. Burritt)	Controller and Chief Accounting Officer

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July 15, 2003	<u>/s/ W. Frank Blount</u> (W. Frank Blount)	Director
July 15, 2003	<u>/s/ John R. Brazil</u> (John R. Brazil)	Director
July 15, 2003	<u>/s/ John T. Dillon</u> (John T. Dillon)	Director
July 15, 2003	<u>/s/ Eugene V. Fife</u> (Eugene V. Fife)	Director
July 15, 2003	<u>/s/ Gail D. Fosler</u> (Gail D. Fosler)	Director
July 15, 2003	<u>/s/ Juan Gallardo</u> (Juan Gallardo)	Director
July 15, 2003	<u>/s/ David R. Goode</u> (David R. Goode)	Director
July 15, 2003	<u>/s/ Peter A. Magowan</u>	Director

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(Peter A. Magowan)

July 15, 2003	<u>/s/ William A. Osborn</u> (William A. Osborn)	Director
July 15, 2003	<u>/s/ Gordon R. Parker</u> (Gordon R. Parker)	Director
July 15, 2003	<u>/s/ Charles D. Powell</u> (Lord Charles D. Powell)	Director
July 15, 2003	<u>/s/ Joshua I. Smith</u> (Joshua I. Smith)	Director