

CATERPILLAR INC
Form 11-K
June 24, 2008

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

(Mark
One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2007

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____.

Commission File No. 1-768

SOLAR TURBINES INCORPORATED
SAVINGS AND INVESTMENT PLAN
(Full title of the Plan)

CATERPILLAR INC.
(Name of issuer of the securities held pursuant to the Plan)

100 NE Adams Street, Peoria, Illinois 61629
(Address of principal executive offices)

REQUIRED INFORMATION

Item 1.

The audited statements of net assets available for Plan benefits as of the end of the latest two fiscal years of the Plan are attached hereto as Exhibit A.

Item 2.

The audited statements of changes in net assets available for Plan benefits for each of the latest two fiscal years of the Plan are attached hereto as Exhibit B.

Item 3.

The statements required by Items 1 and 2 have been prepared in accordance with the applicable financial reporting requirements of ERISA.

Item 4.

The Consent of Independent Registered Public Accounting Firm is attached hereto as Exhibit C.

SIGNATURES

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

SOLAR TURBINES INCORPORATED
SAVINGS AND INVESTMENT PLAN

CATERPILLAR INC. (Issuer)

June 24, 2008

By: /s/David B. Burritt
Name: David B. Burritt
Title: Vice President and Chief Financial Officer

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Solar Turbines Incorporated
Savings and Investment Plan

Financial Statements and Supplemental Schedule
December 31, 2007 and 2006

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Savings and Investment Plan
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Note: Other schedules required by 29 CFR 2520.103-10 of the Department of Labor’s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

Report of Independent Registered Public Accounting Firm

To the Participants, Plan Administrator, Investment
Plan Committee and Benefit Funds Committee of the
Solar Turbines Incorporated Savings and Investment Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Solar Turbines Incorporated Savings and Investment Plan (the “Plan”) at December 31, 2007 and 2006, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan’s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets held at end of year is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PricewaterhouseCoopers LLP

Peoria, Illinois
June 24, 2008

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Exhibit A

Solar Turbines Incorporated
Savings and Investment Plan
Statements of Net Assets Available for Benefits
December 31, 2007 and 2006

(in thousands of dollars)	2007	2006
Investments		
Interest in the Caterpillar Investment Trust	\$ 112,067	\$ 96,091
Participant loans receivable	3,788	3,533
Other investments – participant directed brokerage accounts	1,186	1,065
Total investments	117,041	100,689
Receivables		
Participant contributions receivable	1	86
Employer contributions receivable	–	19
Total receivables	1	105
Net assets available for benefits, at fair value	117,042	100,794
Adjustment from fair value to contract value for synthetic guaranteed investment contracts	166	(35)
Net assets available for benefits	\$ 117,208	\$ 100,759

The accompanying notes are an integral part of these financial statements.

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Solar Turbines Incorporated
Savings and Investment Plan
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2007 and 2006

(in thousands of dollars)	2007	2006
Investment income		
Plan interest in net investment income of Caterpillar Investment Trust	\$ 16,213	\$ 6,823
Interest on participant loans receivable	254	232
Net investment income from participant directed brokerage accounts	91	164
Net investment income	16,558	7,219
Contributions		
Participant	7,342	6,691
Employer	1,310	1,221
Total contributions	8,652	7,912
Deductions		
Withdrawals	(8,702)	(7,234)
Administrative expenses	(66)	(35)
Total deductions	(8,768)	(7,269)
Increase in net assets available for benefits	16,442	7,862
Transfers		
Transfers from other plans, net	7	—
Net increase in net assets available for benefits	16,449	7,862
Net assets available for benefits		
Beginning of year	100,759	92,897
End of year	\$ 117,208	\$ 100,759

The accompanying notes are an integral part of these financial statements.

The following description of the Solar Turbines Incorporated Savings and Investment Plan (the “Plan”) provides only general information. Participants should refer to the Plan agreement for a more complete description of the Plan's provisions.

General

The Plan is a contributory defined contribution plan established by Solar Turbines Incorporated (the “Company”), a 100 percent-owned subsidiary of Caterpillar Inc., to enable eligible employees of the Company and its subsidiaries (the “participating employers”) to accumulate funds for retirement. The Plan is subject to the provisions of the Employee Retirement Income Security Act, as amended (“ERISA”).

Participation

Hourly employees of the participating employers who meet certain age, service and citizenship or residency requirements are eligible to participate in the Plan. Participation commences upon an eligible employee filing an application with the Plan’s record keeper. Participating eligible employees (the “participants”) may elect to make after-tax contributions to the Plan and also defer a portion of their compensation until retirement through pre-tax contributions.