CATERPILLAR INC

Form 4 July 27, 2006

FORM 4

OMB APPROVAL OMB

UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

3235-0287 Number: January 31, Expires:

if no longer subject to Section 16.

Check this box

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF **SECURITIES**

2005 Estimated average burden hours per response... 0.5

Form 4 or Form 5 obligations may continue. See Instruction

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person * SMITH JOSHUA T

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to Issuer

(Last)

(City)

(First)

(Middle)

CATERPILLAR INC [CAT]

(Check all applicable)

3. Date of Earliest Transaction

(Month/Day/Year) 07/27/2006

_X__ Director 10% Owner Other (specify Officer (give title

8401 COLESVILLE RD., SUITE 604

(Street)

(State)

4. If Amendment, Date Original

6. Individual or Joint/Group Filing(Check Applicable Line)

Filed(Month/Day/Year)

(Zip)

X Form filed by One Reporting Person Form filed by More than One Reporting

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

below)

SILVER SPRING, MD 20910

		Table 1 1 von Derivative Securities required, Disposed of, or Deficiently Owned							
1.Title of	2. Transaction Date		3. 4. Securities Acquired (A)			5. Amount of	6.	7. Nature of	
Security	(Month/Day/Year)	Execution Date, if	Transaction Disposed of (D)			Securities	Ownership	Indirect	
(Instr. 3)		any	Code (Instr. 3, 4 and 5)			Beneficially	Form:	Beneficial	
		(Month/Day/Year)	(Instr. 8)				Owned	Direct (D)	Ownership
							Following	or Indirect	(Instr. 4)
					(4)		Reported	(I)	
					(A)		Transaction(s)	(Instr. 4)	
					or		(Instr. 3 and 4)	· ·	
			Code V	Amount	(D)	Price	, , , , , , , , , , , , , , , , , , , ,		
Common	07/27/2006		M	4,000	A	\$ 22.755	14,855	D	
Common	07/27/2006		M	8,000	A	\$ 26.03	22,855	D	
							,		
Common	07/27/2006		S	12,000	D	\$ 70.5424	10,855	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	Transaction Code S (Instr. 8) A (Instr. 8) (5. Number of Derivative Securities Acquired A) or Disposed of D) Instr. 3, 4, and 5)	Expiration D	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
				Code V ((A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares	
Employee Stock Option (1)	\$ 22.755	07/27/2006		M	4,000	(2)	04/11/2011	Common	4,000	
Employee Stock Option (1)	\$ 26.03	07/27/2005		M	8,000	(2)	04/09/2013	Common	8,000	

Reporting Owners

Reporting Owner Name / Address	Relationships				
1 8	Director	10% Owner	Officer	Other	
SMITH JOSHUA T 8401 COLESVILLE RD. SUITE 604 SILVER SPRING, MD 20910	X				

Signatures

Joshua I. Smith; L.J. Huxtable, POA

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) (Right to buy) with tandem tax withholding rights.
- (2) Exercisable in thirds 1/3 after 1 yr.; 1/3 after 2 yrs.; 1/3 after 3 yrs.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.

Reporting Owners 2