

	2010	2009	2008
Assets			
Current assets:			
Cash and short-term investments	\$ 1,796	\$ 2,434	\$ 1,368
Receivables - trade and other	4,247	2,806	4,699
Receivables - finance	4,149	4,151	4,366
Deferred and refundable income taxes	466	608	612
Prepaid expenses and other current assets	454	431	509
Inventories	4,794	3,180	4,391
Total current assets	15,905	13,609	15,943
Property, plant and equipment - net	6,270	6,193	6,262
Long-term receivables - trade and other	397	486	740
Long-term receivables - finance	5,632	6,140	7,132
Investments in unconsolidated affiliated companies	82	53	47
Noncurrent deferred and refundable income taxes	1,247	1,357	1,656
Intangible assets	403	233	256
Goodwill	1,307	1,135	1,131
Other assets	769	816	727
Total assets	\$ 32,010	\$ 30,019	\$ 33,891
Liabilities			
Current liabilities:			
Short-term borrowings:			
Machinery and Engines	\$ 102	\$ 217	\$ 816
Financial Products	1,926	1,825	2,789
Accounts payable	2,928	1,497	2,414
Accrued expenses	1,440	1,321	1,627
Accrued wages, salaries and employee benefits	835	399	621
Customer advances	916	609	949
Dividends payable	141	131	127
Other current liabilities	761	641	725
Long-term debt due within one year:	0	0	0
Machinery and Engines	248	151	228
Financial Products	1,715	2,700	2,518
Total current liabilities	11,010	9,488	12,813
Long-term debt due after one year:	0	0	0
Machinery and Engines	2,253	2,826	2,868
Financial Products	7,966	8,098	8,549
Liability for postemployment benefits	3,792	3,710	4,988
Other liabilities	1,327	1,248	1,317
Total liabilities	26,348	25,369	30,534
Commitments and contingencies (Notes 20 and 21)	0	0	0
Redeemable noncontrolling interest (Note 24)	231	239	262
Stockholders' equity	0	0	0
Common stock of \$1.00 par:	0	0	0
Authorized shares: 2,000,000,000 Issued shares: (2010, 2009 and 2008 - 814,894,624) at paid-in amount	1,944	1,720	1,529
Treasury stock: (2010 - 176,071,910 shares; 2009 - 190,171,905 shares and 2008 - 213,367,983 shares) at cost	(5,199)	(5,323)	(5,609)
Profit employed in the business	10,692	9,856	9,913
Accumulated other comprehensive income (loss)	(2,026)	(1,882)	(2,790)
Noncontrolling interests	20	42	52
Total stockholders' equity	5,432	4,412	3,095
Total liabilities, redeemable noncontrolling interest and stockholders' equity	\$ 32,010	\$ 30,019	\$ 33,891

	2010	2009	2008
Sales and revenues:			
Sales of Machinery and Engines	\$ 19,934	\$ 14,770	\$ 24,022
Revenues of Financial Products	1,361	1,428	1,640
Total sales and revenues	21,294	16,198	25,662
Operating costs:			
Cost of goods sold	15,184	11,943	19,208
Selling, general and administrative expenses	2,124	1,823	2,200
Research and development expenses	953	711	864
Interest expense of Financial Products	457	523	577
Other operating (income) expenses	596	911	591
Total operating costs	19,313	15,910	23,438
Operating profit	1,982	289	2,224
Interest expense excluding Financial Products	172	195	137
Other income (expense)	65	191	164
Consolidated profit before taxes	1,875	285	2,251
Provision (benefit) for income taxes	484	(135)	477
Profit of consolidated companies	1,391	420	1,774
Equity in profit (loss) of unconsolidated affiliated companies	(12)	(6)	19
Profit of consolidated and affiliated companies	1,379	414	1,793
Less: Profit (loss) attributable to noncontrolling interests	29	(34)	14
Profit ¹	\$ 1,350	\$ 448	\$ 1,779
Profit per common share	\$ 2.14	\$ 0.725	\$ 2.915
Profit per common share — diluted ²	\$ 2.075	\$ 0.715	\$ 2.83
Weighted-average common shares outstanding (millions)			
- Basic	315.75	307.6	305.25
- Diluted ²	325.2	313	313.95
Cash dividends declared per common share	\$ 0.87	\$ 0.84	\$ 0.81

	Common stock	Treasury stock	Profit employed in the business	Accumulated other comprehensive income (loss)	Noncontrolling interests	Total	Comprehensive income (loss)
Balance at January 1, 2008	\$ 1,372	\$ (4,726)	\$ 8,683	\$ (896)	\$ 57	\$ 4,490	
Profit of consolidated and affiliated companies	—	—	1,779	—	14	1,793	\$ 1,793
Foreign currency translation, net of tax of \$133	—	—	—	(244)	12	(233)	(233)
Pension and other postretirement benefits	—	—	—	—	—	—	—
Current year actuarial gain (loss), net of tax of \$1,854	—	—	—	(1,708)	(15)	(1,723)	(1,723)
Amortization of actuarial (gain) loss, net of tax of \$84	—	—	—	75	1	76	76
Current year prior service cost, net of tax of \$5	—	—	—	(5)	—	(5)	(5)
Amortization of transition (asset) obligation, net of tax of \$1	—	—	—	1	—	1	1
Derivative financial instruments	—	—	—	—	—	—	—
Gains (losses) deferred, net of tax of \$67	—	—	—	50	—	50	50
(Gains) losses reclassified to earnings, net of tax of \$14	—	—	—	(11)	1	(10)	(10)
Retained interests	—	—	—	—	—	—	—
Gains (losses) deferred, net of tax of \$13	—	—	—	(11)	—	(11)	(11)
(Gains) losses reclassified to earnings, net of tax of \$8	—	—	—	7	—	7	7
Available-for-sale securities	—	—	—	—	—	—	—
Gains (losses) deferred, net of tax of \$67	—	—	—	(63)	—	(63)	(63)
(Gains) losses reclassified to earnings, net of tax of \$15	—	—	—	14	—	14	14
Dividends declared	—	—	(491)	—	—	(491)	—
Distributions to noncontrolling interests	—	—	—	—	(5)	(5)	—
Change in ownership for noncontrolling interests	—	—	—	—	(13)	(13)	—
Common shares issued from treasury stock for stock-based compensation: 4,807,533	4	64	—	—	—	68	—
Stock-based compensation expense	97	—	—	—	—	97	—
Net excess tax benefits from stock-based compensation	28	—	—	—	—	28	—
Shares repurchased: 27,267,026 3	—	(947)	—	—	—	(947)	—
Stock repurchase derivative contracts	28	—	—	—	—	28	—
Cat Japan share redemption 4	—	—	(58)	—	1	(57)	—
Balance at December 31, 2008	\$ 1,529	\$ (5,609)	\$ 9,913	\$ (2,790)	\$ 52	\$ 3,095	\$ (104)
Profit of consolidated and affiliated companies	—	—	448	—	(34)	414	\$ 414
Foreign currency translation, net of tax of \$37	—	—	—	171	11	182	182
Pension and other postretirement benefits	—	—	—	—	—	—	—
Current year actuarial gain (loss), net of tax of \$401	—	—	—	462	1	463	463
Amortization of actuarial (gain) loss, net of tax of \$113	—	—	—	94	—	94	94
Current year prior service cost, net of tax of \$249	—	—	—	150	—	150	150
Amortization of prior service cost, net of tax of \$8	—	—	—	(1)	—	(1)	(1)
Amortization of transition (asset) obligation, net of tax of \$1	—	—	—	1	—	1	1
Derivative financial instruments	—	—	—	—	—	—	—
Gains (losses) deferred, net of tax of \$16	—	—	—	10	—	10	10
(Gains) losses reclassified to earnings, net of tax of \$36	—	—	—	(27)	(1)	(28)	(28)
Retained interests	—	—	—	—	—	—	—
Gains (losses) deferred, net of tax of \$9 5	—	—	—	(8)	—	(8)	(8)
(Gains) losses reclassified to earnings, net of tax of \$11	—	—	—	10	—	10	10
Available-for-sale securities	—	—	—	—	—	—	—
Gains (losses) deferred, net of tax of \$47	—	—	—	43	—	43	43
(Gains) losses reclassified to earnings, net of tax of \$5	—	—	—	4	—	4	4
Dividends declared	—	—	(519)	—	—	(519)	—
Distributions to noncontrolling interests	—	—	—	—	(5)	(5)	—
Change in ownership for noncontrolling interests	(2)	—	—	—	(8)	(9)	—
Common shares issued from treasury stock for stock-based compensation: 3,571,268	(7)	52	—	—	—	45	—
Common shares issued from treasury stock for benefit plans: 19,624,810 1	125	234	—	—	—	359	—
Stock-based compensation expense	66	—	—	—	—	66	—
Net excess tax benefits from stock-based compensation	9	—	—	—	—	9	—
Cat Japan share redemption 4	—	—	14	—	27	41	—
Balance at December 31, 2009	\$ 1,720	\$ (5,323)	\$ 9,856	\$ (1,882)	\$ 42	\$ 4,412	\$ 1,331
Adjustment to adopt consolidation of variable interest entities ²	—	—	(3)	2	—	(2)	—
Balance at January 1, 2010	\$ 1,720	\$ (5,323)	\$ 9,853	\$ (1,881)	\$ 42	\$ 4,410	
Profit of consolidated and affiliated companies	—	—	1,350	—	29	1,379	\$ 1,379
Foreign currency translation, net of tax of \$73	—	—	—	(26)	9	(17)	(17)
Pension and other postretirement benefits	—	—	—	—	—	—	—
Current year actuarial gain (loss), net of tax of \$214	—	—	—	(270)	(1)	(270)	(270)
Amortization of actuarial (gain) loss, net of tax of \$173	—	—	—	154	2	155	155
Current year prior service cost, net of tax of \$3	—	—	—	(4)	—	(4)	(4)
Amortization of prior service cost, net of tax of \$12	—	—	—	(9)	—	(9)	(9)
Amortization of transition (asset) obligation, net of tax of \$1	—	—	—	1	—	1	1
Derivative financial instruments	—	—	—	—	—	—	—
Gains (losses) deferred, net of tax of \$29	—	—	—	(25)	—	(25)	(25)
(Gains) losses reclassified to earnings, net of tax of \$18	—	—	—	18	—	18	18
Available-for-sale securities	—	—	—	—	—	—	—
Gains (losses) deferred, net of tax of \$25	—	—	—	19	—	19	19
(Gains) losses reclassified to earnings, net of tax of \$2	—	—	—	(2)	—	(2)	(2)
Dividends declared	—	—	(552)	—	—	(552)	—
Change in ownership for noncontrolling interests	(35)	—	—	—	(33)	(68)	—
Common shares issued from treasury stock for stock-based compensation: 12,612,514	37	111	—	—	—	148	—
Common shares issued from treasury stock for benefit plans: 1,487,481 1	34	14	—	—	—	47	—
Stock-based compensation expense	113	—	—	—	—	113	—
Net excess tax benefits from stock-based compensation	76	—	—	—	—	76	—
Cat Japan share redemption 4	—	—	41	—	(28)	14	—
Balance at December 31, 2010	\$ 1,944	\$ (5,199)	\$ 10,692	\$ (2,026)	\$ 20	\$ 5,432	\$ 1,244

	2010	2009	2008
Cash flow from operating activities:			
Profit of consolidated and affiliated companies	\$ 1,379	\$ 414	\$ 1,793
Adjustments for non-cash items:			
Depreciation and amortization	1,148	1,168	990
Other	235	69	178
Changes in assets and liabilities, net of acquisitions:			
Receivables - trade and other	(1,160)	2,007	(273)
Inventories	(1,334)	1,251	(417)
Accounts payable	1,285	(939)	(65)
Accrued expenses	59	(253)	330
Accrued wages, salaries and employee benefits	424	(267)	77
Customer advances	302	(323)	143
Other assets - net	179	118	(235)
Other liabilities - net	(12)	6	(186)
Net cash provided by (used for) operating activities	2,505	3,250	2,336
Cash flow from investing activities:			
Capital expenditures - excluding equipment leased to others	(788)	(752)	(1,160)
Expenditures for equipment leased to others	(506)	(484)	(783)
Proceeds from disposals of leased assets and property, plant and equipment	735	621	491
Additions to finance receivables	(4,249)	(3,554)	(7,016)
Collections of finance receivables	4,494	4,644	4,859
Proceeds from sale of finance receivables	8	50	475
Investments and acquisitions (net of cash acquired)	(563)	(10)	(59)
Proceeds from sale of available-for-sale securities	114	146	179
Investments in available-for-sale securities	(109)	(175)	(170)
Other - net	66	(64)	99
Net cash provided by (used for) investing activities	(798)	423	(3,086)
Cash flow from financing activities:			
Dividends paid	(542)	(515)	(477)
Distribution to noncontrolling interests	—	—	—
Common stock issued, including treasury shares reissued	148	45	68
Payment for stock repurchase derivative contracts	—	—	—
Treasury shares purchased	—	—	—
Excess tax benefit from stock-based compensation	77	11	28
Acquisitions of noncontrolling interests	(66)	(3)	#VALUE!
Proceeds from debt issued (original maturities greater than three months):			
- Machinery and Engines	108	229	837
- Financial Products	4,054	5,917	8,129
Payments on debt (original maturities greater than three months):			
- Machinery and Engines	(649)	(459)	(148)
- Financial Products	(5,582)	(5,885)	(7,072)
Short-term borrowings (original maturities three months or less) - net	146	(1,942)	1,037
Net cash provided by (used for) financing activities	(2,307)	(2,608)	1,478
Effect of exchange rate changes on cash	(38)	1	79
Increase (decrease) in cash and short-term investments	(638)	1,066	807
Cash and short-term investments at beginning of period	2,434	1,368	561
Cash and short-term investments at end of period	\$ 1,796	\$ 2,434	\$ 1,368