

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



FORM 8-K  
Current Report

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **August 24, 2006**

**CATERPILLAR INC.**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of incorporation)

**1-768**  
(Commission File Number)

**37-0602744**  
(IRS Employer Identification No.)

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

**61629**  
(Zip Code)

Registrant's telephone number, including area code: **(309) 675-1000**

Former name or former address, if changed since last report: **N/A**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 230.425)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01. Other Events

The following statement was released by Caterpillar Inc. on August 24, 2006.

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FOR IMMEDIATE RELEASE

August 24, 2006

**Caterpillar And Navistar International Announce Settlement of Various Lawsuits**  
*Other new agreements include long-term supply for engines, fuel systems and remanufacturing services*

PEORIA, Ill. – Caterpillar Inc. (NYSE: CAT) announced today settlement of various lawsuits with Navistar International Corporation (NYSE: NAV), one of the leading heavy-duty truck producers in the United States and the parent company of International Truck and Engine Corporation. Caterpillar and Navistar are building on their long-standing business relationship by signing a series of licensing and long-term supply agreements that are expected to increase business opportunities for both companies.

“Navistar is a very important customer to Caterpillar, and I’m pleased we’re able to settle our differences and move forward in a positive way,” said Caterpillar Chairman and Chief Executive Officer Jim Owens. “This agreement provides a solid foundation for a continued long-term business relationship that benefits us both.”

Navistar Chairman, President and Chief Executive Officer Daniel Ustian said, “This agreement sets in place the framework for further expansion of our long relationship with Caterpillar. I am extremely pleased that we have been able to reach agreement on issues that were a distraction to both companies and can concentrate on working together to continue to build a productive and prosperous relationship.”

Long-term supply agreements have been established for Caterpillar on-highway truck engines, fuel injectors and remanufacturing services. As part of the agreement, Caterpillar Remanufacturing will act as International’s lead global remanufacturing service provider. Under this new relationship, the parties will examine and explore opportunities to enhance the overall value of International’s remanufactured products and services.

“This opportunity is a natural extension to the remanufacturing program that we offer today for Cat branded truck engines,” said Steve Fisher, Caterpillar vice president with responsibility for remanufacturing. “We look forward to the opportunity to support International’s initiative to increase truck value by offering a world-class remanufactured products program.”

“We are pleased to forge an alliance with Caterpillar Remanufacturing,” said Phyllis Cochran, International vice president and general manager of the company’s parts operations. “We will leverage Caterpillar’s product development capabilities to accelerate introduction of reman products at lower cost and improved quality.”

