

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



FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2008

Commission File No. 0-13295

CATERPILLAR FINANCIAL SERVICES CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware
(State of incorporation)

37-1105865
(IRS Employer I.D. No.)

2120 West End Ave.
Nashville, Tennessee
(Address of principal executive offices)

37203-0001
(Zip Code)

Registrant's telephone number, including area code: (615) 341-1000

The Registrant is a wholly owned subsidiary of Caterpillar Inc. and meets the conditions set forth in General Instruction (H)(1)(a) and (b) of Form 10-Q, and is therefore filing this form with the reduced disclosure format.

Indicate by a check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer ☐ Accelerated Filer ☐ Non-Accelerated Filer ☒ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of October 30, 2008, one share of common stock of the Registrant was outstanding, which is owned by Caterpillar Inc.

PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

In addition to the accompanying unaudited consolidated financial statements for Caterpillar Financial Services Corporation (together with its subsidiaries, "Cat Financial," "the Company," "we" or "our"), we suggest that you read our 2007 Annual Report on Form 10-K. The Company files electronically with the Securities and Exchange Commission ("SEC") required reports on Form 8-K, Form 10-Q, Form 10-K and registration statements on Form S-3, when necessary. The public may read and copy any materials the Company has filed with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at (800) SEC-0330. The SEC maintains an Internet site (www.sec.gov) that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. Copies of our Annual Report on Form 10-K, quarterly reports on Form 10-Q and any amendments to these reports filed or furnished with the SEC are available free of charge through our Internet site (www.catfinancial.com) as soon as reasonably practicable after filing with the SEC. Copies may also be obtained free of charge by writing to: Legal Dept., Caterpillar Financial Services Corporation, 2120 West End Ave., Nashville, Tennessee 37203-0001. In addition, the public may obtain more detailed information about our parent company, Caterpillar Inc. (together with its subsidiaries, "Caterpillar" or "Cat") by visiting its Internet site (www.cat.com). None of the information contained at any time on either our Internet site or Caterpillar's Internet site is incorporated by reference into this document.

UNAUDITED

Caterpillar Financial Services Corporation
CONSOLIDATED STATEMENTS OF PROFIT
(Unaudited)
(Dollars in Millions)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues:				
Retail finance	\$ 422	\$ 400	\$ 1,242	\$ 1,135
Operating lease	237	221	704	635
Wholesale finance	73	97	269	320
Other	<u>42</u>	<u>40</u>	<u>123</u>	<u>128</u>
Total revenues	<u>774</u>	<u>758</u>	<u>2,338</u>	<u>2,218</u>
Expenses:				
Interest	292	289	855	838
Depreciation on equipment leased to others	186	172	547	493
General, operating and administrative	101	85	294	263
Provision for credit losses	34	21	112	59
Other	<u>5</u>	<u>4</u>	<u>15</u>	<u>9</u>
Total expenses	<u>618</u>	<u>571</u>	<u>1,823</u>	<u>1,662</u>
Profit before income taxes	156	187	515	556
Provision for income taxes	<u>38</u>	<u>54</u>	<u>143</u>	<u>175</u>
Profit	<u>\$ 118</u>	<u>\$ 133</u>	<u>\$ 372</u>	<u>\$ 381</u>

See Notes to Consolidated Financial Statements (unaudited).

UNAUDITED

Caterpillar Financial Services Corporation
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Dollars in Millions, except share data)

	September 30, 2008	December 31, 2007
Assets:		
Cash and cash equivalents	\$ 1,017	\$ 185
Finance receivables		
Retail notes receivable	7,379	5,887
Wholesale notes receivable	3,550	3,570
Notes receivable from Caterpillar	85	74
Finance leases and installment sale contracts – Retail	17,967	17,287
Finance leases and installment sale contracts – Wholesale	<u>674</u>	<u>649</u>
	29,655	27,467
Less: Unearned income	(1,911)	(2,022)
Less: Allowance for credit losses	<u>(390)</u>	<u>(353)</u>
Total net finance receivables	27,354	25,092
Equipment on operating leases, less accumulated depreciation	3,012	2,989
Deferred income taxes	44	69
Other assets	<u>1,308</u>	<u>1,094</u>
Total assets	<u><u>\$32,735</u></u>	<u><u>\$29,429</u></u>
Liabilities and stockholder's equity:		
Payable to dealers and others	\$ 319	\$ 310
Payable to Caterpillar – other	51	33
Accrued expenses	302	263
Income taxes payable	24	81
Payable to Caterpillar – borrowings	34	275
Short-term borrowings	6,489	6,184
Current maturities of long-term debt	5,840	4,947
Long-term debt	15,302	13,230
Deferred income taxes and other liabilities	<u>584</u>	<u>435</u>
Total liabilities	<u><u>28,945</u></u>	<u><u>25,758</u></u>
Commitments and contingent liabilities (Notes F and G)		
Common stock - \$1 par value		
Authorized: 2,000 shares; Issued and outstanding: one share (at paid-in amount)	745	745
Retained earnings	2,790	2,418
Accumulated other comprehensive income	<u>255</u>	<u>508</u>
Total stockholder's equity	<u><u>3,790</u></u>	<u><u>3,671</u></u>
Total liabilities and stockholder's equity	<u><u>\$32,735</u></u>	<u><u>\$29,429</u></u>

See Notes to Consolidated Financial Statements (unaudited).

UNAUDITED

Caterpillar Financial Services Corporation
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY
(Unaudited)
(Dollars in Millions)

	Nine Months Ended September 30,			
	<u>2008</u>		<u>2007</u>	
Common stock – one share (at paid-in amount):				
Balance at beginning of period	\$ 745		\$ 745	
Balance at end of period	<u>745</u>		<u>745</u>	
Retained earnings:				
Balance at beginning of period	2,418		2,177	
Adjustment to adopt FIN 48	-		(3)	
Profit	<u>372</u>	\$ 372	<u>381</u>	\$ 381
Balance at end of period	<u>2,790</u>		<u>2,555</u>	
Accumulated other comprehensive income:				
Foreign currency translation adjustment				
Balance at beginning of period, net of tax of:	517		295	
2008 - \$ -; 2007 - \$ -				
Aggregate adjustment for the period, net of tax of :	<u>(243)</u>	(243)	<u>174</u>	174
2008 - \$107; 2007 - \$ -				
Balance at end of period, net of tax of:	<u>274</u>		<u>469</u>	
2008 - \$107; 2007 - \$ -				
Interest rate derivative instruments				
Balance at beginning of period, net of tax of:	(11)		16	
2008 - \$8; 2007 - \$9				
Net losses deferred during the period, net of tax of:	(12)	(12)	(3)	(3)
2008 - \$1; 2007 - \$2				
Net losses (gains) reclassified to earnings during the period, net of tax of: 2008 - \$1; 2007 - \$5	<u>10</u>	10	<u>(10)</u>	(10)
Balance at end of period, net of tax of:	<u>(13)</u>		<u>3</u>	
2008 - \$8; 2007 - \$2				
Retained interests				
Balance at beginning of period, net of tax of:	2		5	
2008 - \$1; 2007 - \$3				
Change in value of retained interests, net of tax of:	<u>(8)</u>	<u>(8)</u>	<u>(2)</u>	<u>(2)</u>
2008 - \$4; 2007 - \$2				
Balance at end of period, net of tax of:	<u>(6)</u>		<u>3</u>	
2008 - \$3; 2007 - \$1				
Total accumulated other comprehensive income	<u>255</u>		<u>475</u>	
Comprehensive income		<u>\$119</u>		<u>\$540</u>
Total stockholder's equity at end of period	<u>\$3,790</u>		<u>\$3,775</u>	

See Notes to Consolidated Financial Statements (unaudited).

UNAUDITED

Caterpillar Financial Services Corporation **CONSOLIDATED STATEMENTS OF CASH FLOWS** (Unaudited) (Dollars in Millions)

	Nine Months Ended September 30,	
	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Profit	\$ 372	\$ 381
Adjustments for non-cash items:		
Depreciation and amortization	570	516
Amortization of receivables purchase discount	(193)	(242)
Provision for credit losses	112	59
Gain on sales of receivables and securities	(21)	(14)
Other, net	(85)	(49)
Changes in assets and liabilities:		
Receivables from others	(85)	(34)
Other receivables/payables with Caterpillar	63	(26)
Payable to dealers and others	6	47
Accrued expenses and other liabilities, net	121	51
Income taxes payable	(56)	(5)
Other assets, net	<u>(7)</u>	<u>4</u>
Net cash provided by operating activities	<u>797</u>	<u>688</u>
Cash flows from investing activities:		
Expenditures for equipment on operating leases and for non-leased equipment	(1,115)	(990)
Proceeds from disposals of equipment	727	556
Additions to finance receivables	(29,272)	(26,452)
Collections of finance receivables	24,430	25,020
Proceeds from sales of receivables	1,861	1,888
Net change in Notes receivable from Caterpillar	(10)	1
Other, net	<u>(29)</u>	<u>26</u>
Net cash (used in) provided by investing activities	<u>(3,408)</u>	<u>49</u>
Cash flows from financing activities:		
Payable to Caterpillar – borrowings and other	(239)	(13)
Proceeds from debt issued (original maturities greater than three months)	13,971	7,381
Payments on debt issued (original maturities greater than three months)	(10,713)	(7,751)
Short-term borrowings, net (original maturities three months or less)	427	(290)
Other	<u>-</u>	<u>5</u>
Net cash provided by (used in) financing activities	<u>3,446</u>	<u>(668)</u>
Effect of exchange rate changes on cash	<u>(3)</u>	<u>7</u>
Increase in cash and cash equivalents	832	76
Cash and cash equivalents at beginning of year	<u>185</u>	<u>136</u>
Cash and cash equivalents at end of period	<u>\$ 1,017</u>	<u>\$ 212</u>

See Notes to Consolidated Financial Statements (unaudited).

Notes to Consolidated Financial Statements*(Unaudited)***A. Basis of Presentation**

In the opinion of management, the accompanying financial statements include all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of (a) the consolidated profit for the three months and nine months ended September 30, 2008 and 2007, (b) the consolidated financial position as of September 30, 2008 and December 31, 2007, (c) the consolidated changes in stockholder's equity for the nine months ended September 30, 2008 and 2007 and (d) the consolidated cash flows for the nine months ended September 30, 2008 and 2007. The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America and pursuant to the rules and regulations of the SEC, requires management to make estimates and assumptions that affect the reported amounts. The most significant estimates are the allowance for credit losses and residual values for leased assets. Actual results may differ from these estimates. Certain amounts for prior periods have been reclassified to conform to the current period presentation.

Interim results are not necessarily indicative of results for a full year. The information included in this Form 10-Q should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the audited financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2007.

The December 31, 2007 financial position data included herein was derived from the audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2007, but does not include all disclosures required by accounting principles generally accepted in the United States of America.

B. New Accounting Pronouncements

FIN 48 – In July 2006, the Financial Accounting Standards Board (FASB) issued FIN 48 "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109" to create a single model to address accounting for uncertainty in tax positions. FIN 48 clarifies that a tax position must be more likely than not of being sustained before being recognized in the financial statements. As required, we adopted the provisions of FIN 48 as of January 1, 2007. The following table summarizes the effect of the initial adoption of FIN 48.

Initial adoption of FIN 48	January 1, 2007		January 1, 2007
	Prior to FIN 48 Adjustment	FIN 48 Adjustment	Post FIN 48 Adjustment
(Millions of dollars)			
Income taxes payable.....	\$ 98	\$ 15	\$ 113
Deferred income taxes and other liabilities.....	379	(12)	367
Retained earnings.....	2,177	(3)	2,174

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SFAS 157 – In September 2006, the FASB issued Statement of Financial Accounting Standards No. 157 (SFAS 157), "Fair Value Measurements." SFAS 157 provides a common definition of fair value and a framework for measuring assets and liabilities at fair values when a particular standard prescribes it. In addition, the Statement expands disclosures about fair value measurements. In February 2008, the FASB issued final Staff Positions that (1) deferred the effective date of this Statement for one year for certain nonfinancial assets and nonfinancial liabilities and (2) removed certain leasing transactions from the scope of the Statement. We applied this new accounting standard to all other fair value measurements effective January 1, 2008. The adoption of SFAS 157 did not have a material impact on our financial statements. See Note C for additional information.

FSP 157-2 – In February 2008, the FASB issued FASB Staff Position on Statement 157 "Effective Date of FASB Statement No. 157" (FSP 157-2). FSP 157-2 delays the effective date of SFAS 157 for nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed on a recurring basis, to fiscal years beginning after November 15, 2008. We do not have significant nonfinancial assets and liabilities that could be impacted by this deferral. The adoption of FSP 157-2 is not expected to have a significant impact on our financial statements.

SFAS 158 – In September 2006, the FASB issued Statement of Financial Accounting Standards No. 158 (SFAS 158), "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans – an amendment of FASB Statements No. 87, 88, 106 and 132(R)." SFAS 158 requires recognition of the overfunded or underfunded status of pension and other postretirement benefit plans on the balance sheet. Also, the measurement date – the date at which the benefit obligation and plan assets are measured – is required to be the company's fiscal year-end. We adopted the balance sheet recognition provisions at December 31, 2006, and adopted the year-end measurement date effective January 1, 2008 using the "one measurement" approach. Under the one measurement approach, net periodic benefit cost for the period between any early measurement date and the end of the fiscal year that the measurement provisions are applied are allocated proportionately between amounts to be recognized as an adjustment of retained earnings and net periodic benefit cost for the fiscal year. Previously, we used a November 30th measurement date for our U.S. pension and other postretirement benefit plans and September 30th for our non-U.S. plans. The adoption of SFAS 158 did not have a material impact to our Statements of Financial Position since Cat Financial is considered a participant in the Caterpillar retirement plan for which we are charged a share of plan expenses, but are not required to record assets or liabilities of the plan.

SFAS 159 – In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159 (SFAS 159), "The Fair Value Option for Financial Assets and Financial Liabilities – including an amendment of SFAS No. 115." SFAS 159 creates a fair value option under which an entity may irrevocably elect fair value as the initial and subsequent measurement attribute for certain financial assets and liabilities on a contract by contract basis, with changes in fair values recognized in earnings as these changes occur. We adopted this new accounting standard on January 1, 2008. We have not elected to measure any financial assets or financial liabilities at fair value which were not previously required to be measured at fair value. Therefore, the adoption of SFAS 159 did not have a material impact on our financial statements.

SFAS 141R & SFAS 160 – In December 2007, the FASB issued Statement of Financial Accounting Standards No. 141 (revised 2007) (SFAS 141R), "Business Combinations," and No. 160 (SFAS 160), "Noncontrolling Interests in Consolidated Financial Statements – an amendment of ARB No. 51." SFAS 141R requires the acquiring entity in a business combination to recognize the assets acquired and liabilities assumed. Further, SFAS 141R also changes the accounting for acquired in-process research and development assets, contingent consideration, partial acquisitions and transaction costs. Under SFAS 160, all entities are required to report noncontrolling (minority) interests in subsidiaries as equity in the consolidated financial statements. In addition, transactions between an entity and noncontrolling interests will be treated as equity transactions. SFAS 141R and SFAS 160 will become effective for fiscal years beginning after December 15, 2008. We will adopt these new accounting standards on January 1, 2009. We do not expect the adoption to have a material impact on our financial statements.

SFAS 161 – In March 2008, the FASB issued Statement of Financial Accounting Standards No. 161 (SFAS 161), "Disclosures about Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133." SFAS 161 expands disclosures for derivative instruments by requiring entities to disclose the fair value of derivative instruments and their gains or losses in tabular format. SFAS 161 also requires disclosure of information about credit risk-related contingent features in derivative agreements, counterparty credit risk, and strategies and objectives for using derivative instruments. SFAS 161 will become effective for fiscal years beginning after November 15, 2008. We will adopt this new accounting standard on January 1, 2009. We do not expect the adoption to have a material impact on our financial statements.

SFAS 162 – In May 2008, the FASB issued Statement of Financial Accounting Standards No. 162 (SFAS 162), "The Hierarchy of Generally Accepted Accounting Principles." SFAS 162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with U.S. GAAP. SFAS 162 will become effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, "The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles." This statement is not expected to result in a change in our current practices.

C. Fair Value Measurements

We adopted SFAS 157, "Fair Value Measurements" as of January 1, 2008. See Note B for additional information. SFAS 157 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants. SFAS 157 also specifies a fair value hierarchy based upon the observability of inputs used in valuation techniques. Observable inputs (highest level) reflect market data obtained from independent sources, while unobservable inputs (lowest level) reflect internally-developed market assumptions. In accordance with SFAS 157, fair value measurements are classified under the following hierarchy:

- **Level 1** – Quoted prices for identical instruments in active markets.
- **Level 2** – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs or significant value-drivers are observable in active markets.
- **Level 3** – Model-derived valuations in which one or more significant inputs or significant value-drivers are unobservable.

We make use of observable market based inputs to calculate fair value, in which case the measurements are classified within Level 2. If quoted or observable market prices are not available, fair value is based upon internally-developed models that use, where possible, current market-based market parameters such as interest rates, yield curves and currency rates. These measurements are classified within Level 3.

Fair value measurements are classified according to the lowest level input or value-driver that is significant to the valuation. A measurement may therefore be classified within Level 3 even though there may be significant inputs that are readily observable.

SFAS 157 requires the probability of counterparty default to be incorporated in fair value measurements. The impact of incorporating the probability of counterparty default in the fair value measurements resulted in a decrease to Other revenues in the Consolidated Statements of Profit of \$3 million and \$2 million for the three and nine months ended September 30, 2008, respectively.

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Determination of Fair Value

Derivative financial instruments

The fair value of interest rate swap derivatives is primarily based on third-party pricing service models. These models use discounted cash flows that utilize the appropriate market-based forward swap curves and zero-coupon interest rates. The fair value of foreign currency forward contracts is based on a valuation model that discounts cash flows resulting from the differential between the contract price and the market-based forward rate.

Securitized retained interests

The fair value of securitized retained interests is based upon a valuation model that calculates the present value of future expected cash flows using key assumptions for credit losses, prepayment rates and discount rates. These assumptions are based on our historical experience, market trends and anticipated performance relative to the particular assets securitized.

Guarantees

The fair value of guarantees is based upon the premium we would require to issue the same guarantee in a stand-alone arm's-length transaction with an unrelated party. If quoted or observable market prices are not available, fair value is based upon internally-developed models that utilize current market-based assumptions.

Assets and liabilities measured at fair value included in our Consolidated Statements of Financial Position as of September 30, 2008 are summarized below:

(Millions of dollars)	September 30, 2008			Total Assets/Liabilities, at Fair Value
	Level 1	Level 2	Level 3	
Assets				
Derivative financial instruments	\$ -	\$82	\$ -	\$ 82
Securitized retained interests	<u>-</u>	<u>-</u>	<u>68</u>	<u>68</u>
Total Assets	<u>\$ -</u>	<u>\$82</u>	<u>\$68</u>	<u>\$150</u>
Liabilities				
Guarantees	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 9</u>
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ 9</u>

Below is a roll-forward of assets and liabilities measured at fair value using Level 3 inputs for the nine months ended September 30, 2008. These instruments were valued using pricing models that, in management's judgment, reflect the assumptions a marketplace participant would use.

(Millions of dollars)	Securitized Retained	Guarantees
	Interests	
Balance as of December 31, 2007	<u>\$49</u>	<u>\$ 7</u>
Total gains or losses (realized/unrealized)		
Included in earnings	(7)	-
Included in other comprehensive income	(12)	-
Purchases, issuances and settlements	<u>38</u>	<u>2</u>
Balance as of September 30, 2008	<u>\$68</u>	<u>\$ 9</u>

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The amount of total net losses for the nine months ended September 30, 2008 included in earnings attributable to the change in unrealized gains and losses relating to assets still held at September 30, 2008 was \$6 million on securitized retained interests.

Gains or losses included in earnings are reported in Other revenues.

D. Segment Information

Our segment data is based on disclosure requirements of Statement of Financial Accounting Standards No. 131, which requires that financial information be reported on the basis that is used internally for measuring segment performance. Internally, we report information for operating segments based on management responsibility. Our five operating segments offer primarily the same types of services within each of the respective segments. The five operating segments are as follows:

- North America: We have offices in the United States and Canada that serve local dealers and customers.
- Europe: We have offices in Europe to serve European dealers and customers. This segment also includes our office in Russia, which serves dealers and customers in the Commonwealth of Independent States, and Dubai, which primarily serves dealers and customers in the Middle East.
- Diversified Services: Included is our Marine Services Division, which primarily finances marine vessels with Caterpillar engines for all countries; and our offices in Latin America that serve local dealers and customers.
- Asia-Pacific: We have offices in Australia, New Zealand, China, Japan and Southeast Asia that serve local dealers and customers, as well as mining customers worldwide. This segment also provides project financing in various countries.
- Cat Power Finance: This segment primarily provides debt financing for Caterpillar electrical power generation, gas compression and co-generation systems, as well as non-Caterpillar equipment that is powered by these systems, for all countries.

On January 1, 2008, \$394 million of Inter-segment assets was reclassified to the Asia-Pacific segment from the Diversified Services segment. In addition, assets in the amount of \$119 million were transferred to the Asia-Pacific and Diversified Services segments from the North America segment. These reclassifications were made in order to maintain alignment with management responsibility. Prior year data has been reclassified to conform to the new structure.

Debt and other expenses are allocated from the North America segment to other segments based on their respective portfolios. The related interest expense is calculated based on the amount of allocated debt and the rates associated with that debt. The provision for credit losses included in each segment's profit is based on each segment's share of the Company's allowance for credit losses. Inter-segment revenues result from lending activities between segments, and are based on the amount of the respective Inter-segment loans and the rates associated with those loans.

As noted above, the segment information is presented on a management reporting basis. Unlike financial reporting, there is no authoritative guidance for management reporting equivalent to generally accepted accounting principles.

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Supplemental segment data for the three months ended September 30,

(Millions of dollars)						
	<u>North America</u>	<u>Europe</u>	<u>Diversified Services</u>	<u>Asia-Pacific</u>	<u>Cat Power Finance</u>	<u>Total</u>
2008						
External revenue	\$ 385	\$ 145	\$ 101	\$ 127	\$ 16	\$ 774
Inter-segment revenue	24	-	-	-	-	24
Profit	42	32	22	21	1	118
2007						
External revenue	\$ 456	\$ 116	\$ 88	\$ 80	\$ 18	\$ 758
Inter-segment revenue	24	-	-	-	-	24
Profit	60	33	20	15	5	133

Supplemental segment data for the nine months ended September 30,

(Millions of dollars)						
	<u>North America</u>	<u>Europe</u>	<u>Diversified Services</u>	<u>Asia-Pacific</u>	<u>Cat Power Finance</u>	<u>Total</u>
2008						
External revenue	\$1,243	\$ 413	\$ 293	\$ 335	\$ 54	\$2,338
Inter-segment revenue	70	-	-	-	-	70
Profit	145	82	69	64	12	372
2007						
External revenue	\$1,346	\$ 317	\$ 250	\$ 242	\$ 63	\$2,218
Inter-segment revenue	57	-	-	-	-	57
Profit	183	70	58	43	27	381

(Millions of dollars)						
	<u>North America</u>	<u>Europe</u>	<u>Diversified Services</u>	<u>Asia-Pacific</u>	<u>Cat Power Finance</u>	<u>Total</u>
Assets as of September 30, 2008	\$20,486	\$6,287	\$4,918	\$4,909	\$1,095	\$37,695
Assets as of December 31, 2007	\$18,513	\$6,273	\$3,928	\$3,607	\$ 814	\$33,135

Reconciliation of assets:		
(Millions of dollars)	<u>September 30, 2008</u>	<u>December 31, 2007</u>
Assets from segments	\$37,695	\$33,135
Less: Investment in subsidiaries	(1,016)	(1,011)
Less: Inter-segment balances	(3,944)	(2,695)
Total	<u>\$32,735</u>	<u>\$29,429</u>

E. Derivative Instruments and Hedging Activities

Our earnings and cash flows are subject to fluctuations due to changes in foreign currency exchange rates and interest rates. Our Risk Management Policy ("Policy") allows for the use of derivative financial instruments to prudently manage foreign currency exchange rate and interest rate exposure. Our Policy specifies that derivatives are not to be used for speculative purposes. Derivatives that we use are primarily foreign currency forward and option contracts and interest rate swaps. Our derivative activities are subject to the management, direction and control of our senior financial officers. Risk management practices, including the use of financial derivative instruments, are presented to the Audit Committee of the Caterpillar Inc. Board of Directors at least annually.

Foreign Currency Exchange Rate Risk

In managing foreign currency risk, our objective is to minimize earnings volatility resulting from conversion and the remeasurement of net foreign currency balance sheet positions. Our Policy allows the use of foreign currency forward and option contracts to offset the risk of currency mismatch between our receivables and debt. Due to the long-term nature of our net investments in foreign subsidiaries, all such foreign currency forward and option contracts are undesignated. Accordingly, changes in the fair value of undesignated derivative instruments are reported in current earnings as a part of Other revenues.

Other revenues included gains of \$151 million and losses of \$42 million on the undesignated contracts for the three months ended September 30, 2008 and 2007, respectively, and gains of \$45 million and losses of \$52 million for the nine months ended September 30, 2008 and 2007, respectively. The gains and losses on undesignated contracts are designed to offset the balance sheet remeasurement gains or losses.

Interest Rate Risk

Interest rate movements create a degree of risk to our operations by affecting the amount of our interest payments and the value of our fixed-rate debt. Our practice is to use interest rate swap agreements to manage our exposure to interest rate changes and, in some cases, to lower the cost of borrowed funds.

We have a match-funding policy that addresses interest rate risk by aligning the interest rate profile (fixed or floating rate) of our debt portfolio with the interest rate profile of our receivables portfolio within predetermined ranges on an ongoing basis. In connection with that policy, we use interest rate derivative instruments to modify the debt structure to match assets within the receivables portfolio. This match funding reduces the volatility of margins between interest-bearing assets and interest-bearing liabilities, regardless of which direction interest rates move. Our Policy allows us to use fixed-to-floating (fair value hedges), floating-to-fixed and floating-to-floating interest rate swaps (cash flow hedges) to meet our match-funding objective. To support hedge accounting, we designate fixed-to-floating interest rate swaps as fair value hedges of the fair value of our fixed-rate debt at the inception of the swap contract. We designate most floating-to-fixed interest rate swaps as cash flow hedges of the variability of future cash flows at the inception of the swap contract.

Fair value hedges

We liquidated fixed-to-floating interest rate swaps during 2006, 2005 and 2004, which resulted in deferred net gains. These gains (\$4 million as of September 30, 2008) are being amortized to Interest expense ratably over the remaining life of the hedged debt.

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Gains/(losses) on fixed-to-floating interest rate swaps and the hedged debt included in current earnings were as follows:

(Millions of dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Gain/(loss) on designated interest rate derivatives – included in Other revenues	\$ 66	\$ 62	\$ (2)	\$ 31
Gain/(loss) on hedged debt – included in Other revenues	\$(55)	\$(64)	\$11	\$(33)
Amortization of the net gain on liquidated swaps – included in Interest expense	\$ -	\$ 1	\$ 1	\$ 2

Cash flow hedges

As of September 30, 2008, \$12 million of deferred net losses included in equity (Accumulated other comprehensive income), related to our floating-to-fixed interest rate swaps, is expected to be reclassified to Interest expense over the next twelve months.

F. Guarantees

We have guaranteed to repurchase loans of certain Caterpillar dealers from third-party lenders in the event of default. These guarantees arose in conjunction with our relationship with third-party dealers who sell Caterpillar equipment. These guarantees generally have one-year terms and are both secured and unsecured.

We provide loan guarantees to third-party lenders for financing associated with machinery purchased by customers. These guarantees have varying terms and are secured by the machinery. In addition, we participate in standby letters of credit issued to third parties on behalf of our customers. These standby letters of credit have varying terms and beneficiaries, and are secured by customer assets.

We have also provided a limited indemnity to a third-party bank, which was \$27 million as of September 30, 2008, resulting from the assignment of certain leases to that bank. The indemnity is for the possibility that the insurers of these leases would become insolvent. The indemnity expires December 15, 2012, and is unsecured.

No loss has been experienced or is anticipated under any of these guarantees. The recorded liability for these guarantees was \$9 million at September 30, 2008 and \$7 million at December 31, 2007, respectively. The maximum potential amount of future payments (undiscounted and without reduction for any amount that may possibly be recovered under recourse or collateralized provisions) we could be required to make under the guarantees and the limited indemnity are as follows:

(Millions of dollars)	September 30, <u>2008</u>	December 31, <u>2007</u>
Guarantees with Caterpillar dealers	\$491	\$250
Guarantees with Customers	122	46
Limited Indemnity	<u>27</u>	<u>30</u>
Total guarantees	<u>\$640</u>	<u>\$326</u>

G. Contingencies

We are party to various litigation matters and claims, and while the results cannot be predicted with certainty, management believes that the final outcome of such matters and claims will not have a material adverse effect on our consolidated financial position, profit or liquidity.

H. Sales and Servicing of Finance Receivables

We sell certain finance receivables relating to our retail installment sale contracts and finance leases as part of our asset-backed securitization program. In addition, we have sold interests in wholesale receivables to third-party commercial paper conduits. These transactions provide a source of liquidity and allow for better management of our balance sheet capacity. Included in our other managed assets are individual loans and leases that have been sold to third parties to mitigate the concentration of credit risk with certain customers. None of the receivables that are directly or indirectly sold to third parties in any of the foregoing transactions are available to pay our creditors.

Securitized Retail Installment Sale Contracts and Finance Leases

We periodically sell certain finance receivables relating to our retail installment sale contracts and finance leases to special purpose entities (SPEs) as part of our asset-backed securitization program. The SPEs, typically trusts, are considered to be qualifying special-purpose entities (QSPEs) and thus, in accordance with SFAS 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishment of Liabilities," (SFAS 140) are not consolidated. The QSPEs issue debt to pay for the finance receivables they acquire from Cat Financial. The primary source for repayment of the debt is the cash flows generated from the finance receivables owned by the QSPEs. The assets of the QSPEs are legally isolated and are not available to pay the creditors of Cat Financial or any other affiliate of Cat Financial. For bankruptcy analysis purposes, Cat Financial has sold the finance receivables to the QSPEs in a true sale and the QSPEs are separate legal entities. The investors and the securitization trusts have no recourse to Cat Financial's other assets for failure of debtors to pay when due.

We retain interests in the retail finance receivables that are sold through our asset-backed securitization program. Retained interests include subordinated certificates, an interest in future cash flows (excess) and a reserve account. Our retained interests are generally subordinate to the investors' interests and are included in Other assets in our Consolidated Statements of Financial Position. We estimate fair value based on the present value of future expected cash flows using key assumptions for credit losses, prepayment speeds and discount rates. These assumptions are based on our historical experience, market trends and anticipated performance relative to the particular assets securitized.

During the second quarter of 2008, we sold certain finance receivables relating to our retail installment sale contracts and finance leases to a SPE as part of our asset-backed securitization program. Net cash proceeds received were \$600 million and a net gain of \$12 million was recorded in Other revenues at the time of sale and was based on the estimated fair value of the assets sold and retained and liabilities incurred, net of transaction costs. Retained interests include subordinated certificates with an initial fair value of \$27 million, an interest in future cash flows (excess) with an initial fair value of \$8 million and a reserve account with an initial fair value of \$9 million. Significant assumptions used to estimate the fair value of the retained interests include a 7.2 percent discount rate, a weighted-average prepayment rate of 14.5 percent and expected credit losses of 1.55 percent.

We also sold certain finance receivables as part of our asset-backed securitization program in the third quarter of 2007. Net cash proceeds received were \$650 million and a net gain of \$4 million was recorded in Other revenues at the time of sale and was based on the estimated fair value of the assets sold and retained and liabilities incurred, net of transaction costs. Retained interests include an interest in future cash flows (excess) with an initial fair value of \$2 million and a reserve account with an initial fair value of \$9 million. Significant assumptions used to estimate the fair value of the retained interests include an 8.4 percent discount rate, a weighted-average prepayment rate of 14 percent and expected credit losses of 1.48 percent.

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During 2008, the assumptions used to determine the fair value of our retained interests in the 2006, 2007 and 2008 securitization transactions were revised. The most significant revision was an increase in the credit loss assumption due to the continued softening of the U.S. housing industry. This resulted in a \$6 million and \$13 million impairment charge to the retained interests for the three and nine months ended September 30, 2008, respectively. The impairment charges were recorded in Other revenues.

During the third quarter of 2008, we deposited \$19 million into a supplemental reserve account for the 2007 securitization transaction to maintain the credit ratings assigned to the transaction, as loss experiences have been higher than anticipated primarily due to the softening of the U.S. housing industry. This resulted in an increase in our retained interests.

The fair value of the retained interests in all securitizations of retail finance receivables outstanding totaled \$68 million and \$49 million at September 30, 2008 and December 31, 2007, respectively.

We retain servicing responsibilities for the retail finance receivables that are sold through our asset-backed securitization program and receive a fee of approximately one percent of the remaining value of the finance receivables. We generally do not record a servicing asset or liability since the servicing fee is considered fair market compensation.

Sale of Interests in Wholesale Receivables

We purchase North American Caterpillar Dealer trade receivables ("NACD Receivables") at a discount. The discount is an estimate of the amount of financing revenue that would be earned at a market rate on the NACD Receivables over their expected life. Cat Financial has sold interests in the NACD Receivables to third-party commercial paper conduits. In accordance with SFAS 140, the transfers to the conduits are accounted for as sales. The gain, included in Other revenues, is principally the difference between the unearned discount on the NACD Receivables sold to the third-party commercial paper conduits less related costs incurred over their remaining term. Expected credit losses are assumed to be zero because dealer receivables have historically had no losses and none are expected in the future. We receive an annual servicing fee of approximately 0.5 percent of the average outstanding principal balance of the interests in the NACD Receivables sold to the third-party commercial paper conduits. We generally do not record a servicing asset or liability since the servicing fee is considered fair market compensation.

As of September 30, 2008 and December 31, 2007, the outstanding principal balance of the wholesale receivables sold was \$240 million.

The NACD Receivables not sold to the third-party commercial paper conduits as of September 30, 2008 and December 31, 2007 of \$1.428 billion and \$1.233 billion, respectively, are included in Wholesale notes receivable in our Consolidated Statements of Financial Position. The discount on these NACD Receivables is amortized on an effective yield basis over the life of the NACD Receivables and recognized as Wholesale finance revenue. Because the receivables are short-term in nature, the carrying amount approximates the fair value.

The cash collections from the NACD Receivables are first applied to satisfy any obligations of Cat Financial to the third-party commercial paper conduits. The third-party commercial paper conduits have no recourse to our assets, other than the NACD Receivables held by Cat Financial.

In addition to the NACD Receivables, we purchase other trade receivables from Caterpillar entities at a discount. The discount is an estimate of the amount of financing revenue that would be earned at a market rate on these trade receivables over their expected life. The discount is amortized into revenue on an effective yield basis over the life of the receivables and recognized as Wholesale finance revenue. Amortized discounts for the NACD and other trade receivables were \$48 million and \$72 million for the three months ended September 30, 2008 and 2007, respectively, and \$193 million and \$242 million for the nine months ended September 30, 2008 and 2007, respectively. In the

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Consolidated Statements of Cash Flows, collection of the discount is included in investing activities as the receivables are collected.

Other Managed Assets

We also sell individual leases and finance receivables to third parties with limited or no recourse to us in order to reduce our concentration of credit risk related to certain customers. In accordance with SFAS 140, the transfers to the third parties are accounted for as sales. We maintain servicing for these third-party assets, which totaled \$449 million and \$441 million as of September 30, 2008 and December 31, 2007, respectively. Since we do not receive a servicing fee for these assets, a servicing liability is recorded. As of September 30, 2008, this liability is not significant.

I. Income Taxes

The effective tax rate of 24 percent for the three months ended September 30, 2008 decreased from 29 percent for the three months ended September 30, 2007. The effective tax rate of 28 percent for the nine months ended September 30, 2008 decreased from 31 percent for the nine months ended September 30, 2007. The decrease in the effective tax rates for both periods was primarily attributable to favorable changes in the geographic mix of pre-tax profits, partially offset by the absence of net tax benefits related to changes in tax laws of certain non-U.S. jurisdictions that occurred in 2007.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW: THIRD QUARTER 2008 VS. THIRD QUARTER 2007

We reported third-quarter revenues of \$774 million, an increase of \$16 million, or 2 percent, compared with the third quarter of 2007. Third-quarter profit after tax was \$118 million, a \$15 million, or 11 percent, decrease over the third quarter of 2007.

- Of the increase in revenues, \$106 million resulted from the impact of continued growth of earning assets (finance receivables and operating leases at constant interest rates). This increase was partially offset by an \$87 million decrease from the impact of lower interest rates on new and existing finance receivables and a \$3 million net decrease in various other net revenue items.
- On a pre-tax basis, profit was \$156 million, down \$31 million, or 17 percent, compared with the third quarter of 2007. The decrease was principally due to a \$38 million impact from decreased net yield on average earning assets, a \$16 million increase in general, operating and administrative expense, a higher provision expense of \$13 million and a \$4 million net decrease in various other net items, partially offset by a \$40 million favorable impact from higher average earning assets.
- Provision for income taxes decreased \$16 million, or 30 percent, compared with the third quarter of 2007. The decrease was primarily attributable to lower pre-tax profits and favorable changes in the geographic mix of pre-tax profits, partially offset by the absence of net tax benefits related to changes in tax laws of certain non-U.S. jurisdictions that occurred in 2007.
- New retail financing was \$4.38 billion, an increase of \$803 million, or 22 percent, from the third quarter of 2007. The increase was primarily attributable to our Asia-Pacific and Diversified Services operating segments.

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- Past dues over 30 days at September 30, 2008 were 3.64 percent compared to 2.52 percent at September 30, 2007. This increase began with the downturn in the U.S. housing market but has recently spread to Europe as global credit challenges continue. Write-offs net of recoveries were \$22 million for the third quarter of 2008 compared to \$15 million for the third quarter of 2007. This increase is primarily attributable to North America.
- Cat Financial's allowance for credit losses totaled \$390 million at the end of the third quarter of 2008. The third quarter 2008 allowance for credit losses is 1.41 percent of net finance receivables compared with 1.39 percent in the third quarter of 2007.

REVIEW OF CONSOLIDATED STATEMENTS OF PROFIT

THREE MONTHS ENDED SEPTEMBER 30, 2008 VS. THREE MONTHS ENDED SEPTEMBER 30, 2007

REVENUES

Retail and wholesale revenue for the third quarter of 2008 was \$495 million, a decrease of \$2 million from the same period last year. The decrease was principally due to a 110 basis point decrease in the yield on average finance receivables, partially offset by a 15 percent increase in the average portfolio balance outstanding. The annualized average yield on these assets was 7.06 percent for the third quarter of 2008 compared to 8.16 percent for the third quarter of 2007.

Operating lease revenue for the third quarter of 2008 was \$237 million, or \$16 million higher than the same period of 2007 due to portfolio growth.

Other revenue for the third quarter of 2008 was \$42 million, an increase of \$2 million from the same period in 2007, due to net increases in various items:

(Millions of dollars)	Three Months Ended	
	<u>September 30,</u>	
	<u>2008</u>	<u>2007</u>
Net gain/(loss) on undesignated foreign exchange contracts (including forward points)	\$151	\$(42)
Currency exchange gain/(loss)	(136)	44
Finance receivable and operating lease fees (including late charges)	19	14
Miscellaneous other revenue, net	4	2
Service fee income on sold receivables	3	3
Net gain on returned or repossessed equipment	3	4
Net gain from interest rate derivatives	2	2
Gain on sales of receivables	1	9
Partnership/dividend income	-	2
Income/(loss) related to retained interests in securitized retail receivables	(5)	2
Total other revenue	<u>\$42</u>	<u>\$40</u>

EXPENSES

Interest expense for the third quarter of 2008 was \$292 million, an increase of \$3 million from the same period last year. This increase was primarily due to the impact of a 14 percent increase in average borrowings to fund growth in finance receivables and operating leases, partially offset by a 55 basis point decrease in the average cost of borrowing from 4.93 percent for the third quarter 2007 to 4.38 percent for the third quarter 2008.

Depreciation expense on equipment leased to others was \$186 million, up \$14 million over the third quarter of 2007 due to portfolio growth.

General, operating and administrative expenses were \$101 million for the third quarter of 2008 compared to \$85 million for the same period in 2007. The increase resulted primarily from an increase in labor costs and other operating expenses. There were 1,699 full-time employees as of September 30, 2008, compared to 1,551 as of September 30, 2007.

The provision for credit losses was \$34 million for the third quarter of 2008, up \$13 million from the third quarter of 2007 primarily due to economic conditions in North America and retail finance receivable portfolio growth. The allowance for credit losses at September 30, 2008 was 1.41 percent of finance receivables (excluding Notes receivable from Caterpillar), net of unearned income, compared to 1.39 percent at September 30, 2007.

The effective tax rate for the third quarter of 2008 of 24 percent decreased from 29 percent for the third quarter of 2007. The decrease from 2007 is primarily attributable to favorable changes in the geographic mix of pre-tax profits, partially offset by the absence of net tax benefits related to changes in tax laws of certain non-U.S. jurisdictions that occurred in 2007.

PROFIT

As a result of the performance discussed above, Cat Financial had profit of \$118 million for the third quarter of 2008, down \$15 million, or 11 percent, from the third quarter of 2007.

NINE MONTHS ENDED SEPTEMBER 30, 2008 VS. NINE MONTHS ENDED SEPTEMBER 30, 2007

REVENUES

Retail and wholesale revenue for the first nine months of 2008 was \$1.511 billion, an increase of \$56 million from the same period last year. The increase was principally due to a 13 percent increase in the average portfolio balance outstanding, partially offset by a 65 basis point decrease in the yield on average finance receivables. Yield was positively impacted from an increase in earned discounts on certain NACD purchased wholesale receivables due primarily to increased prepayments on current receivables. Prepayment activities for the first nine months of 2008 increased wholesale revenues \$24 million, or increased yield 11 basis points, partially offset by a decrease in prepayment and past due collection activities on certain non-NACD purchased wholesale receivables of \$10 million, or decreased yield 6 basis points, respectively. The annualized average yield was 7.45 percent for the first nine months of 2008 compared to 8.10 percent for the first nine months of 2007.

Operating lease revenue for the first nine months of 2008 was \$704 million, or \$69 million higher than the same period of 2007 due to portfolio growth.

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Other revenue for the first nine months of 2008 was \$123 million, a decrease of \$5 million from the same period in 2007, due to net decreases in various items:

(Millions of dollars)	Nine Months Ended September 30,	
	2008	2007
Finance receivable and operating lease fees (including late charges)	\$52	\$48
Net gain/(loss) on undesignated foreign exchange contracts (including forward points)	45	(52)
Currency exchange gain/(loss)	(22)	66
Gain on sales of receivables and securities	21	14
Net gain on returned or repossessed equipment	15	19
Service fee income on sold receivables	10	9
Miscellaneous other revenue, net	7	8
Partnership/dividend income	3	5
Income/(loss) related to retained interests in securitized retail receivables	(7)	8
Net gain/(loss) from interest rate derivatives	<u>(1)</u>	<u>3</u>
Total other revenue	<u>\$123</u>	<u>\$128</u>

EXPENSES

Interest expense for the first nine months of 2008 was \$855 million, an increase of \$17 million from the same period last year. This increase was primarily due to the impact of a 13 percent increase in average borrowings to fund growth in finance receivables and operating leases, partially offset by a 45 basis point decrease in the average cost of borrowings from 4.89 percent for the first nine months of 2007 to 4.44 percent for the first nine months of 2008.

Depreciation expense on equipment leased to others was \$547 million, up \$54 million over the first nine months of 2007 due to portfolio growth.

General, operating and administrative expenses were \$294 million for the first nine months of 2008 compared to \$263 million for the same period in 2007. The increase resulted primarily from an increase in labor costs.

The provision for credit losses was \$112 million for the first nine months of 2008, up \$53 million from the first nine months of 2007 primarily due to retail finance receivable portfolio growth and economic conditions in North America. The allowance for credit losses at September 30, 2008 was 1.41 percent of finance receivables (excluding Notes receivable from Caterpillar), net of unearned income, compared to 1.39 percent at September 30, 2007.

The effective tax rate for the first nine months of 2008 of 28 percent decreased from 31 percent for the first nine months of 2007. The decrease from 2007 is primarily attributable to favorable changes in the geographic mix of pre-tax profits, partially offset by the absence of net tax benefits related to changes in tax laws of certain non-U.S. jurisdictions that occurred in 2007.

PROFIT

As a result of the performance discussed above, Cat Financial had profit of \$372 million for the first nine months of 2008, down \$9 million or 2 percent from the first nine months of 2007.

REVIEW OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**ASSETS**

Total assets were \$32.74 billion as of September 30, 2008, an increase of \$3.31 billion over December 31, 2007, principally due to an increase of \$2.2 billion in the retail finance receivables portfolio and to provide an interim cash position given current market conditions.

During the nine months ended September 30, 2008, we financed new retail business of \$12.451 billion, an increase of \$2.477 billion, or 25 percent, from the same period in 2007. This increase was related to increased new retail financing primarily in our Asia-Pacific, Diversified Services and Europe operating segments.

TOTAL OFF-BALANCE SHEET MANAGED ASSETS

We manage and service receivables and leases that have been transferred through securitization or sale. These transactions provide a source of liquidity and allow us to mitigate the concentration of credit risk with certain customers. These receivables/leases are not available to pay our creditors.

Off-balance sheet managed assets were as follows:

(Millions of dollars)	September 30, <u>2008</u>	December 31, <u>2007</u>
Securitized Retail Installment Sale Contracts and Finance Leases		
Installment sale contracts securitized	\$1,037	\$1,105
Finance leases securitized	42	54
Less: retained interests (included in Other assets)	<u>(68)</u>	<u>(49)</u>
Off-balance sheet securitized retail receivables	<u>1,011</u>	<u>1,110</u>
 Sales of Interests in Wholesale Receivables		
Wholesale receivables	240	240
 Other Managed Assets		
Retail finance leases	177	155
Retail installment sale contracts	108	122
Operating leases	130	128
Retail notes receivable	<u>34</u>	<u>36</u>
Other managed receivables/leases	<u>449</u>	<u>441</u>
 Total off-balance sheet managed assets	 <u>\$1,700</u>	 <u>\$1,791</u>

ALLOWANCE FOR CREDIT LOSSES

The following table shows activity related to the Allowance for credit losses:

(Millions of dollars)	Three Months Ended		Nine Months Ended	
	<u>September 30,</u>		<u>September 30,</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Balance at beginning of the period	\$391	\$335	\$353	\$319
Provision for credit losses	34	21	112	59
Receivables written off	(28)	(19)	(76)	(58)
Recoveries on receivables previously written off	6	4	15	17
Adjustment due to securitization of receivables	-	(10)	(7)	(10)
Foreign currency translation adjustment	<u>(13)</u>	<u>7</u>	<u>(7)</u>	<u>11</u>
Balance at end of the period	<u>\$390</u>	<u>\$338</u>	<u>\$390</u>	<u>\$338</u>

Bad debt write-offs net of recoveries were \$22 million for the third quarter of 2008 compared with \$15 million for the third quarter of 2007. Bad debt write-offs net of recoveries were \$61 million for the nine months ended 2008 compared with \$41 million for the nine months ended 2007. The increases were primarily attributable to an increase in retail finance receivable portfolio growth and economic conditions in North America. See Critical Accounting Policies – Allowance for Credit Losses for more information on the allowance for credit losses.

TOTAL PAST DUE FINANCE AND RENTS RECEIVABLE

Finance receivables (excluding Notes receivable from Caterpillar) plus rents receivable for operating leases (included in Other assets) that were past due over 30 days were 3.64 percent of the aggregate total of these receivables as of September 30, 2008, compared to 2.52 percent as of September 30, 2007. This increase began with the downturn in the U.S. housing market but has recently spread to Europe as global credit challenges continue.

CAPITAL RESOURCES AND LIQUIDITY

Capital resources and liquidity provide Cat Financial with the ability to meet its financial obligations on a timely basis. Maintaining and managing adequate capital and liquidity resources includes management of funding sources and their utilization based on current, future and contingent needs. We do not generate material funding through structured finance transactions.

Despite recent credit market conditions, we continued to have access to liquidity, although at increased credit spreads on new term debt issuance. We were able to issue commercial paper throughout the third quarter. U.S. commercial paper issuance experienced consistent demand and attractive pricing although with shorter than customary maturities as the quarter drew to a close. Throughout the quarter, demand and liquidity varied in non-U.S. markets. As the global liquidity situation evolves, we will continue to monitor and adjust our funding approach accordingly.

BORROWINGS

Borrowings consist primarily of medium-term notes, commercial paper, bank borrowings and variable denomination floating rate demand notes, the combination of which is used to manage interest rate risk and funding requirements. We also utilize additional funding sources including securitizations of retail installment contracts and finance leases, and wholesale receivable commercial paper conduits.

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Total borrowings outstanding as of September 30, 2008 were \$27.665 billion, an increase of \$3.029 billion over December 31, 2007, due to financing a higher amount of assets and to provide for an interim cash position given current market conditions. Outstanding borrowings were as follows:

(Millions of dollars)	September 30, 2008	December 31, 2007
Medium-term notes, net of unamortized discount	\$20,093	\$17,322
Commercial paper, net of unamortized discount	5,005	4,935
Bank borrowings – short-term	937	550
Bank borrowings – long-term	817	615
Variable denomination floating rate demand notes	547	699
Deposit obligation	232	232
Notes payable to Caterpillar	34	275
Loans from a company-owned partnership	-	8
Total outstanding borrowings	<u>\$27,665</u>	<u>\$24,636</u>

Medium-term notes

We regularly issue medium-term unsecured notes through securities dealers or underwriters in the U.S., Canada, Europe, Australia and Japan to both retail and institutional investors. These notes are offered in several currencies and with a variety of maturities. These notes are senior obligations of the Company.

Commercial paper

We issue unsecured commercial paper in the U.S., Europe and other international capital markets. These short-term promissory notes are issued on a discounted basis and are payable at maturity. The balance of outstanding commercial paper, net of unamortized discount, was \$5.005 billion as of September 30, 2008.

Revolving credit facilities

We have three global credit facilities with a syndicate of banks totaling \$6.85 billion available in the aggregate to both Caterpillar and Cat Financial to support commercial paper programs in the event the programs become unavailable to us. During the third quarter of 2008, based on management's allocation decision, which can be revised at any time, the portion of the credit facility allocated to Cat Financial was increased from \$5.55 billion to \$5.85 billion. The five-year facility of \$1.62 billion expires in September 2012. The five-year facility of \$2.98 billion expires in September 2011. The 364-day facility was increased from \$1.95 billion to \$2.25 billion and will expire in September 2009. As part of the 2008 global credit facilities renewal, the year-end and six-month moving average leverage covenants have been increased from 8.5:1 to 10:1. In the third quarter of 2008, Cat Financial entered into a new 364-day facility of \$300 million with a syndicate of banks, which expires in July 2009. The overall increase in the credit facilities was to support portfolio growth. At September 30, 2008, there were no borrowings under these lines, and we were in compliance with all debt covenants.

Our Australian subsidiary has an A\$50 million (USD equivalent \$40 million) credit facility with one bank to support its commercial paper program.

Bank borrowings

Credit lines with banks total \$2.617 billion and will be eligible for renewal at various future dates or have no specified expiration date. They are used by our subsidiaries for local funding requirements and are generally guaranteed by Cat Financial. As of September 30, 2008, we had \$1.480 billion outstanding against these credit lines compared to \$1.170 billion as of December 31, 2007, respectively.

Variable denomination floating rate demand notes

We also obtain funding from the sale of variable denomination floating rate demand notes, which may be redeemed at any time at the option of the holder without any material restriction. We do not hold reserves to fund the payment of the demand notes. The notes are offered on a continuous basis by prospectus only.

Deposit obligation

A deposit obligation of \$232 million has a corresponding security deposit, which is included in Other assets in the Consolidated Statements of Financial Position as of September 30, 2008, and December 31, 2007. This deposit obligation and corresponding security deposit relates to a financing arrangement, which provides us a return. This arrangement requires that we commit to a certain long-term obligation and provide a security deposit, which will fulfill this obligation when it becomes due.

Variable amount lending agreements with Caterpillar

Under these agreements, we may borrow up to \$2.4 billion from Caterpillar, and Caterpillar may borrow up to \$1.2 billion from us. The agreements are in effect for indefinite periods of time and may be changed or terminated by either party with 30 days notice. We had notes payable of \$34 million and notes receivable of \$85 million outstanding as of September 30, 2008, compared to notes payable of \$275 million and notes receivable of \$74 million as of December 31, 2007.

OFF-BALANCE SHEET ARRANGEMENTS

We lease all of our facilities. In addition, we have guarantees with third parties of \$640 million as of September 30, 2008.

CASH FLOWS

Operating cash flow was \$797 million for the first nine months September 30, 2008, compared with \$688 million for the same period a year ago. Net cash used in investing activities was \$3.408 billion for the nine months ended September 30, 2008, compared to a source of cash of \$49 million for the same period in 2007. The increased use of cash was primarily due to the growth in finance receivables. Net cash provided by financing activities was \$3.446 billion for the nine months ended September 30, 2008, compared to a use of cash of \$668 million for the nine months ended September 30, 2007, primarily due to increased funding requirements related to portfolio growth, as well as to provide an interim cash position given current market conditions.

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect reported amounts. The most significant estimates include those related to the residual values for leased assets and for our allowance for credit losses. Actual results may differ from these estimates.

Residual Value

The residual value, which is based upon the estimated wholesale market value of leased equipment at the time of the expiration of the lease, represents a careful analysis of historical wholesale market sales prices, projected forward on a level trend line without consideration for inflation or possible future pricing action. At the inception of the lease, residual values are derived from consideration of the following critical factors: market size and demand, any known significant market/product trends, total expected hours of usage, machine configuration, application, location, model changes, quantities and past re-marketing experience, third-party residual guarantees and contractual customer purchase options. Many of these factors are gathered in an application survey that is completed prior to quotation. The lease agreement also clearly defines applicable return conditions and remedies for non-compliance, to ensure that the leased

equipment will be in good operating condition upon return. Model changes and updates, as well as market strength and product acceptance, are monitored and residual adjustments are made to residual values in accordance with the significance of any such changes. Remarketing sales staff works closely with customers and dealers to manage the sale of lease returns and the recovery of residual exposure.

During the term of the leases, residual amounts are monitored. If estimated market values reflect a non-temporary impairment due to economic factors, obsolescence or other adverse circumstances, the residuals are adjusted to the lower estimated values by a charge to earnings. For equipment on operating leases, the charge is recognized through depreciation expense. For finance leases, it is recognized through a reduction of finance revenue.

Allowance for Credit Losses

Management's ongoing evaluation of the adequacy of the allowance for credit losses considers both impaired and unimpaired finance receivables and takes into consideration past loss experience, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of underlying collateral and current economic conditions. In estimating probable losses, we review accounts that are past due, non-performing, in bankruptcy or otherwise identified as at-risk for potential credit loss. Accounts are identified as at-risk for potential credit loss using information available about the customer, such as financial statements, news reports and published credit ratings as well as general information regarding industry trends and the general economic environment.

The allowance for credit losses attributable to specific accounts is based on the most probable source of repayment, which is normally the liquidation of collateral. In determining collateral value, we estimate the current fair market value of the collateral and factor in credit enhancements such as additional collateral and third-party guarantees. The allowance for credit losses attributable to the remaining accounts is a general allowance based upon the risk in the portfolio primarily using probabilities of default and an estimate of associated losses. In addition, qualitative factors not able to be fully captured in previous analysis including industry trends, macroeconomic factors and model imprecision are considered in the evaluation of the adequacy of the allowance for credit losses. These qualitative factors are subjective and require a degree of management judgment.

While management believes it has exercised prudent judgment and applied reasonable assumptions, which have resulted in an allowance presented in accordance with generally accepted accounting principles, there can be no assurance that in the future, changes in economic conditions or other factors might cause changes in the financial health of our customers, which could change the timing and level of payments received, and thus result in losses greater than the estimated losses or necessitate a change to our estimated losses.

SAFE HARBOR STATEMENT UNDER THE SECURITIES LITIGATION REFORM ACT OF 1995

Certain statements contained in this Quarterly Report on Form 10-Q are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and involve risks and uncertainties that could significantly impact results. The words "believes," "expects," "estimates," "anticipates," "will be," "should" and similar words or expressions identify forward-looking statements made on behalf of Cat Financial. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, there are risks and uncertainties that may cause actual results to differ materially from expectations. These risks and uncertainties include, but are not limited to, factors that affect international businesses, as well as matters specific to us and the markets we serve, including changes in economic conditions and ongoing significant challenges and disruptions in the global financial and credit markets; currency exchange or interest rates and market liquidity; political stability; market acceptance of the Company's products and services; the creditworthiness of customers; residual values of leased equipment and significant changes in the competitive environment; changes in law, regulations and tax rates; and other

general economic, business and financing conditions and factors described in more detail in our Form 10-K filed with the Securities and Exchange Commission on February 22, 2008. We do not undertake to update our forward-looking statements.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures

An evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer (CEO) and our Chief Financial Officer (CFO), of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this quarterly report. Based on this evaluation, our management, including the CEO and CFO, concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the nine months ended September 30, 2008, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION**ITEM 1. LEGAL PROCEEDINGS**

We are involved in unresolved legal actions that arise in the normal course of business. The majority of these unresolved actions involve claims to recover collateral, claims pursuant to customer bankruptcies and the pursuit of deficiency amounts. Although it is not possible to predict with certainty the outcome of our unresolved legal actions or the range of probable loss, we believe that these unresolved legal actions will neither individually nor in the aggregate have a material adverse effect on our consolidated financial position, liquidity or profit.

ITEM 1A. RISK FACTORS

See Part I. Item 1A. Risk Factors in our Annual Report on Form 10-K (filed with the Securities and Exchange Commission on February 22, 2008) for the year ended December 31, 2007 for a discussion of the risks and uncertainties that may affect our business. We are updating the risk factors to include the following:

Current market volatility and difficult market conditions have affected our industry.

In recent weeks, the credit markets have been very volatile with reduced levels of liquidity and higher credit spreads. Cat Financial has maintained access to medium-term note and commercial paper markets, but there can be no assurance that such markets will continue to be a reliable source of financing. If current levels of market disruption and volatility continue or worsen, we could face materially higher financing costs or we could seek to repay medium-term notes and commercial paper as it becomes due or to meet our other liquidity needs by drawing upon contractually committed lending agreements primarily provided by global banks and/or by seeking other funding sources. However, under extreme market conditions, there can be no assurance such agreements and other funding sources would be available or sufficient. Should current levels of market disruption and volatility continue or worsen, we may also face a number of other risks in connection with these events, including:

- Market developments may affect customer confidence levels and may cause declines in credit applications and adverse changes in payment patterns, causing increases in delinquencies and default rates, which could impact our charge-offs and provision for credit losses.
- The process we use to estimate losses inherent in our credit exposure requires a degree of management judgment related to numerous subjective qualitative factors, including forecasts of economic conditions and how these economic predictions might impair the ability of our borrowers to repay their loans, which may no longer be capable of accurate estimation which may, in turn, impact the reliability of the process.
- Our ability to engage in routine funding transactions or borrow from other financial institutions on favorable terms or at all could be adversely affected by further disruptions in the capital markets or other events, including actions by rating agencies and deteriorating investor expectations.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

- 3.1 Certificate of Incorporation of the Company, as amended (incorporated by reference from Exhibit 3.1 to the Company's Form 10 for the year ended December 31, 1984).
- 3.2 Bylaws of the Company, as amended (incorporated by reference from Exhibit 3.2 to the Company's Quarterly Report on Form 10-Q, for the quarter ended June 30, 2005).
- 4.1 Indenture, dated as of April 15, 1985, between the Company and Morgan Guaranty Trust Company of New York, as Trustee (incorporated by reference from Exhibit 4.1 to the Company's Registration Statement on Form S-3, Commission File No. 33-2246).
- 4.2 First Supplemental Indenture, dated as of May 22, 1986, amending the Indenture dated as of April 15, 1985, between the Company and Morgan Guaranty Trust Company of New York, as Trustee (incorporated by reference from Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q, for the quarter ended June 20, 1986).
- 4.3 Second Supplemental Indenture, dated as of March 15, 1987, amending the Indenture dated as of April 15, 1985, between the Company and Morgan Guaranty Trust Company of New York, as Trustee (incorporated by reference from Exhibit 4.3 to the Company's Current Report on Form 8-K, dated April 24, 1987).
- 4.4 Third Supplemental Indenture, dated as of October 2, 1989, amending the Indenture dated as of April 15, 1985, between the Company and Morgan Guaranty Trust Company of New York, as Trustee (incorporated by reference from Exhibit 4.3 to the Company's Current Report on Form 8-K, dated October 16, 1989).
- 4.5 Fourth Supplemental Indenture, dated as of October 1, 1990, amending the Indenture dated April 15, 1985, between the Company and Morgan Guaranty Trust Company of New York, as Trustee (incorporated by reference from Exhibit 4.3 to the Company's Current Report on Form 8-K, dated October 29, 1990).
- 4.6 Indenture, dated as of July 15, 1991, between the Company and Continental Bank, National Association, as Trustee (incorporated by reference from Exhibit 4.1 to the Company's Current Report on Form 8-K, dated July 25, 1991).
- 4.7 First Supplemental Indenture, dated as of October 1, 2005, amending the Indenture dated as of July 15, 1991, between the Company and U.S. Bank Trust National Association (as successor to the former Trustee)(incorporated by reference from Exhibit 4.3 to Amendment No. 5 to the Company's Registration Statement on Form S-3 filed October 20, 2005, Commission File No. 333-114075).
- 4.8 Support Agreement, dated as of December 21, 1984, between the Company and Caterpillar (incorporated by reference from Exhibit 10.2 to the Company's amended Form 10, for the year ended December 31, 1984).
- 4.9 First Amendment to the Support Agreement dated June 14, 1995, between the Company and Caterpillar (incorporated by reference from Exhibit 4 to the Company's Current Report on Form 8-K, dated June 14, 1995).
- 10.1 Tax Sharing Agreement, dated as of June 21, 1984, between the Company and Caterpillar (incorporated by reference from Exhibit 10.3 to the Company's amended Form 10, for the year ended December 31, 1984).
- 10.2 Five-Year Credit Agreement, dated as of September 21, 2006 (2006 Five-Year Credit Agreement), among the Company, Caterpillar, Caterpillar International Finance plc, Caterpillar Finance Corporation, certain other financial institutions named therein and Citibank, N.A., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Citibank International plc, ABN AMRO Bank N.V., Bank of America, N.A., Barclays Bank PLC, J.P. Morgan Securities, Inc., Société Générale and Citigroup Global Markets Inc. (incorporated by reference from Exhibit 99.1 to the Company's Current Report on Form 8-K, filed September 27, 2006, Commission File No. 0-11241).
- 10.3 Japan Local Currency Addendum to the 2006 Five-Year Credit Agreement among the Company, Caterpillar, Caterpillar Finance Corporation, the Japan Local Currency Banks named therein, Citibank, N.A. and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (incorporated by reference from Exhibit 99.2 to the Company's Current Report on Form 8-K, filed September 27, 2006).
- 10.4 Local Currency Addendum to the 2006 Five-Year Credit Agreement among the Company, Caterpillar International Finance p.l.c., the Local Currency Banks named therein, Citibank, N.A. and Citibank International plc (incorporated by reference from Exhibit 99.2 to the Company's Current Report on Form 8-K, filed September 27, 2006).
- 10.5 Amendment No. 1 to the 2006 Five-Year Credit Agreement among the Company, Caterpillar, Caterpillar Finance Corporation and Caterpillar International Finance p.l.c., the Banks, Japan Local Currency Banks and Local Currency Banks named therein, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Citibank International plc and Citibank, N.A.

- 10.6 Omnibus Amendment and Waiver Agreement (Amendment No. 2) to the 2006 Five-Year Credit Agreement among the Company, Caterpillar, Caterpillar Finance Corporation, Caterpillar International Finance p.l.c., the Banks and Local Currency Banks named therein, Citibank International plc and Citibank, N.A.
- 10.7 Amendment No. 3 to the 2006 Five-Year Credit Agreement among the Company, Caterpillar, Caterpillar Finance Corporation and Caterpillar International Finance Limited (f/k/a Caterpillar International Finance p.l.c.), the Banks, Japan Local Currency Banks and Local Currency Banks named therein, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Citibank International plc and Citibank, N.A. (incorporated by reference from Exhibit 99.4 to the Company's Current Report on Form 8-K, filed September 23, 2008).
- 10.8 Five-Year Credit Agreement, dated as of September 20, 2007 (2007 Five-Year Credit Agreement), among the Company, Caterpillar, Caterpillar Finance Corporation, certain financial institutions named therein, Citibank, N.A., The Bank of Tokyo-Mitsubishi UFJ Ltd., ABN AMRO Bank N.V., Bank of America, N.A., Barclays Bank PLC, J.P. Morgan Securities, Inc., Société Générale and Citigroup Global Markets Inc. (incorporated by reference from Exhibit 99.1 to the Company's Current Report on Form 8-K, filed September 26, 2007).
- 10.9 Japan Local Currency Addendum to the 2007 Five-Year Credit Agreement among the Company, Caterpillar Finance Corporation, the Japan Local Currency Banks named therein, Citibank, N.A. and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (incorporated by reference from Exhibit 99.2 to the Company's Current Report on Form 8-K, filed September 26, 2007).
- 10.10 Amendment No. 1 to the 2007 Five-Year Credit Agreement among the Company, Caterpillar and Caterpillar Finance Corporation, the Banks and Japan Local Currency Banks named therein, The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Citibank, N.A. (incorporated by reference from Exhibit 99.3 to the Company's Current Report on Form 8-K, filed September 23, 2008).
- 10.11 364-Day Credit Agreement dated September 18, 2008 (2008 364-Day Credit Agreement) among the Company, Caterpillar, Caterpillar Finance Corporation, the Banks named therein, Citibank, N.A., The Bank of Tokyo-Mitsubishi UFJ, Ltd., ABN AMRO Bank N.V., Bank of America, N.A., Barclays Bank PLC, J.P. Morgan Securities, Inc., Société Générale and Citigroup Global Markets Inc. (incorporated by reference from Exhibit 99.1 to the Company's Current Report on Form 8-K, filed September 23, 2008).
- 10.12 Japan Local Currency Addendum to the 2008 364-Day Credit Agreement among the Company, Caterpillar Finance Corporation, the Japan Local Currency Banks named therein, Citibank, N.A. and The Bank of Tokyo-Mitsubishi UFJ, Ltd. (incorporated by reference from Exhibit 99.2 to the Company's Current Report on Form 8-K, filed September 23, 2008).
- 10.13 364-Day Credit Agreement dated July 15, 2008, among the Company, the financial institutions named therein and Société Générale.
- 10.14 Amendment No. 1 to the 364-Day Credit Agreement dated July 15, 2008, among the Company, the financial institutions named therein and Société Générale.
- 12 Computation of Ratio of Profit to Fixed Charges
- 31.1 Certification of Kent M. Adams, President, Director and Chief Executive Officer of Caterpillar Financial Services Corporation, as required pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of James A. Duensing, Executive Vice President and Chief Financial Officer of Caterpillar Financial Services Corporation, as required pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32 Certifications of Kent M. Adams, President, Director and Chief Executive Officer of Caterpillar Financial Services Corporation; and James A. Duensing, Executive Vice President and Chief Financial Officer of Caterpillar Financial Services Corporation, as required pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

UNAUDITED

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Caterpillar Financial Services Corporation
(Registrant)

Date: October 31, 2008

By: /s/ Kent M. Adams
Kent M. Adams, President, Director, and Chief Executive Officer

Date: October 31, 2008

By: /s/ Steven R. Elsesser
Steven R. Elsesser, Controller

AMENDMENT NO. 1
to
CREDIT AGREEMENT (FIVE-YEAR FACILITY)

This AMENDMENT NO. 1 TO CREDIT AGREEMENT (FIVE-YEAR FACILITY) (this “Amendment”), dated as of September 20, 2007, is entered into by and among Caterpillar Inc. (“Caterpillar”), Caterpillar Financial Services Corporation (“CFSC”), Caterpillar Finance Corporation (“CFC”) and Caterpillar International Finance p.l.c. (“CIF”, and together with Caterpillar, CFSC and CFC, the “Borrowers”), the Banks, Japan Local Currency Banks and Local Currency Banks party hereto (collectively, the “Banks”), The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Japan Local Currency Agent (the “Japan Local Currency Agent”) and as Japan Local Currency Bank (the “Japan Local Currency Bank”) under the Credit Agreement (as defined below), Citibank International plc, as the Local Currency Agent under the Credit Agreement (as defined below) (the “Local Currency Agent”), and Citibank, N.A., as Agent (the “Administrative Agent” and together with the Japan Local Currency Agent and the Local Currency Agent, the “Agents”) under the Credit Agreement. Each capitalized term used herein and not defined herein shall have the meaning ascribed thereto in the Credit Agreement.

PRELIMINARY STATEMENTS

The Borrowers, the Banks and the Agents are parties to the Credit Agreement (Five-Year Facility), dated as of September 21, 2006 (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”). The Borrowers have requested that the Banks and the Agents amend the Credit Agreement as hereinafter set forth, and the Banks and the Agents have agreed to amend the Credit Agreement pursuant to the terms of this Amendment.

SECTION 1. Amendments to the Credit Agreement. Effective as of the date hereof, subject to the satisfaction of the condition precedent set forth in Section 3 below, the Credit Agreement is hereby amended as follows:

1.1 The Credit Agreement is amended to delete each reference therein to “BOTM” and to substitute “BTMU” in each case therefor.

1.2 Section 1.01 is amended by deleting the definition of “2005 Five-Year Credit Agreement” in its entirety.

1.3 The definition of “Eurocurrency Base Rate” set forth in Section 1.01 is amended and restated in its entirety as follows:

“Eurocurrency Base Rate” means, with respect to a Eurocurrency Rate Advance for the relevant Interest Period:

(a) for any Eurocurrency Rate Advance in any Agreed Currency other than euro: the applicable British Bankers’ Association Interest Settlement Rate for deposits in the Agreed Currency appearing on Reuters Screen LIBOR01 (or

other applicable Screen for such Agreed Currency) as of 11:00 a.m. (London time) two (2) Business Days prior to the first day of such Interest Period (or on the first day of such Interest Period, in the case of a Same Day Local Currency Advance or any Local Currency Advance made in Pounds Sterling), and having a maturity equal to such Interest Period; provided, that (i) if Reuters Screen LIBOR01 is not available to the Agent for any reason, the applicable Eurocurrency Base Rate for the relevant Interest Period shall instead be the applicable British Bankers' Association Interest Settlement Rate for deposits in the Agreed Currency as reported by any other generally recognized financial information service as of 11:00 a.m. (London time) two (2) Business Days prior to the first day of such Interest Period (or on the first day of such Interest Period, in the case of a Same Day Local Currency Advance or any Local Currency Advance made in Pounds Sterling), and having a maturity equal to such Interest Period, and (ii) if no such British Bankers' Association Interest Settlement Rate is available to the Agent, the applicable Eurocurrency Base Rate for the relevant Interest Period shall instead be the rate determined by the Agent as the arithmetic average (rounded upward, if necessary, to an integral multiple of 1/16 of 1%) of the rates per annum reported to the Agent by each Reference Bank as the rate at which such Reference Bank offers to place deposits in the Agreed Currency with leading banks in the London interbank market at approximately 11:00 a.m. (London time) two (2) Business Days prior to the first day of such Interest Period (or on the first day of such Interest Period, in the case of a Same Day Local Currency Advance or any Local Currency Advance made in Pounds Sterling), in the approximate amount of such Reference Bank's relevant Eurocurrency Rate Advance and having a maturity equal to such Interest Period. If either Reference Bank fails to provide such quotation to the Agent, then the Agent shall determine the Eurocurrency Base Rate on the basis of the quotations from the remaining Reference Bank.

(b) for any Eurocurrency Rate Advance in euro: the interest rate per annum equal to the rate determined by the Agent or the Local Currency Agent, as applicable, to be the rate at which deposits in euro appear on Reuters Screen EURIBOR RATES/EURIBOR RATES ACT/360 as of 11:00 a.m. (Brussels time), on the date that is two (2) TARGET Settlement Days preceding the first day of such Interest Period (or on the first day of such Interest Period, in the case of a Same Day Local Currency Advance); provided, that if such rate does not appear on Reuters Screen EURIBOR RATES/EURIBOR RATES ACT/360, then an interest rate per annum equal to the arithmetic average (rounded upwards to the nearest .01%) determined by the Agent or the Local Currency Agent, as applicable, of the rates per annum reported to the Agent or the Local Currency Agent by each Reference Bank as the rate at which deposits in euro are offered by such Reference Bank at approximately 11:00 a.m. (Brussels time), on the day that is two (2) TARGET Settlement Days preceding the first day of such Interest Period (or on the first day of such Interest Period, in the case of a Same Day Local Currency Advance) to other leading banks in the euro-zone interbank market. For purposes of this Agreement, "TARGET Settlement Day" means any Business

Day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open.

Any Eurocurrency Base Rate determined on the basis of the rate displayed on a Reuters Screen in accordance with the foregoing provisions of this subparagraph shall be subject to corrections, if any, made in such rate and displayed by the Reuters Service within one hour of the time when such rate is first displayed by such service.

1.4 Section 1.01 is amended by adding the following definition thereto in alphabetical order:

“2007 Five-Year Credit Agreement” means that certain Credit Agreement (Five-Year Facility), dated as of September 20, 2007, among Caterpillar, CFSC and CFC, as Borrowers thereunder, certain financial institutions party thereto, BTMU, as Japan Local Currency Agent thereunder, and Citibank, as agent for such financial institutions, as the same may be amended, restated, supplemented or otherwise modified from time to time.

1.5 The definition of “364-Day Credit Agreement” set forth in Section 1.01 is amended and restated in its entirety as follows:

“364-Day Credit Agreement” means that certain Credit Agreement (364-Day Facility) dated as of September 20, 2007, among Caterpillar, CFSC, CFC, certain financial institutions party thereto, BTMU, as the Japan Local Currency Agent thereunder, and Citibank, as agent for such financial institutions, as the same may be amended, restated, supplemented or otherwise modified from time to time.

1.6 The definition of “TIBO Rate” set forth in Section 1.01 is amended to delete each reference therein to “Telerate Page 23070” and to substitute “Reuters Screen 17097” in each case therefor.

1.7 The last sentence of Section 2.02(b) is amended and restated in its entirety as follows:

A certificate describing in reasonable detail the amount of such losses, costs and expenses, submitted to such Borrower and the Agent by such Bank, shall create a rebuttable presumption of such losses, costs or expenses.

1.8 The third sentence of Section 2.05(b) is amended to insert the parenthetical “(such acceptance not to be unreasonably withheld)” immediately after the phrase “acceptable to the Agent” appearing therein.

1.9 The first sentence of Section 2.05(c) is amended to delete the reference in clause (i) of the proviso thereof to “consent” and to substitute “acceptance” therefor.

1.10 The first sentence of Section 2.09(b) is amended to insert the parenthetical “(without premium or penalty other than any payment required pursuant to Section 8.04(b))” immediately after the phrase “shall on such date prepay” appearing therein.

1.11 The first sentence of Section 2.10(a) is amended to delete the phrase “upon demand by such Bank” appearing therein and to substitute “upon written demand by such Bank” therefor.

1.12 The second sentence of Section 2.10(a) is amended and restated in its entirety as follows:

A certificate describing in reasonable detail the amount of such increased cost, submitted to the Borrowers and the Agent by such Bank, shall create a rebuttable presumption of such increased cost.

1.13 The first sentence of Section 2.10(b) is amended to delete the phrase “upon demand by such Bank” appearing therein and to substitute “upon written demand by such Bank” therefor.

1.14 Section 5.01(c) is amended to insert the word “reasonable” immediately prior to the reference to “judgment” appearing in the proviso thereof.

1.15 Section 5.01(f)(vi) is amended to delete the reference therein to “after the request” and to substitute “after the written request” therefor.

1.16 Section 5.01(f)(x) is amended to insert the phrase “in writing with an indication of the reason for such request” immediately prior to the end thereof.

1.17 Section 5.01(f) is further amended to insert the following paragraph at the end thereof:

Financial statements and other documents required to be furnished pursuant to Section 5.01(f)(i) or (ii) (to the extent any such financial statements or other documents are included in reports or other materials otherwise filed with the Securities and Exchange Commission) may be delivered electronically and if so delivered, shall be deemed to have been furnished on the date on which (i) the applicable Borrower posts such financial statements or other documents, or provides a link thereto, on such Borrower’s website on the Internet, or (ii) such financial statements or other documents are posted on behalf of the applicable Borrower on an Internet or intranet website, if any, to which each Bank and the Agent have access (whether a commercial, third-party website or whether sponsored by the Agent or the Securities and Exchange Commission’s website located at <http://www.sec.gov/edgar/searchedgar/webusers.htm>); provided that the applicable Borrower shall notify the Agent of the posting of any such financial statements and other documents and provide to the Agent electronic versions thereof.

1.18 Section 5.04(a)(i) is amended to delete the following parenthetical appearing therein: “(except as provided in subsection (ii) below)”.

1.19 Section 6.01(c) is amended and restated in its entirety as follows:

(c) Such Borrower shall fail to perform or observe (i) any covenant or agreement made by it contained in subsection (a) or (f)(iv) of Section 5.01 or in Section 5.02 or (ii) any other term, covenant or agreement contained in this Agreement on its part to be performed or observed if the failure to perform or observe such other term, covenant or agreement shall remain unremedied for 30 days after written notice thereof shall have been received by such Borrower; provided, that should CFSC or any of its Subsidiaries fail to observe any such term, covenant or agreement referred to in subsections (i) or (ii) above, such failure shall not be attributable to Caterpillar; or

1.20 Section 6.01(d)(i) is amended to delete the reference therein to “2005 Five-Year Credit Agreement” and to substitute “2007 Five-Year Credit Agreement” therefor.

1.21 Section 6.01(d)(ii) is amended to delete the reference therein to “2005 Five-Year Credit Agreement” and to substitute “2007 Five-Year Credit Agreement” therefor.

1.22 Section 6.01(d)(iv) is amended to delete the reference therein to “2005 Five-Year Credit Agreement” and to substitute “2007 Five-Year Credit Agreement” therefor.

1.23 Section 6.01(e) is amended and restated in its entirety as follows:

(e) Such Borrower or any of its Subsidiaries (other than CFSC and its Subsidiaries in the case of Caterpillar) shall generally not pay its debts as such debts become due, or an officer or other authorized representative of such Borrower or Subsidiary shall admit in writing such Borrower’s or Subsidiary’s inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by such Borrower or any of its Subsidiaries (other than CFSC and its Subsidiaries in the case of Caterpillar) seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property; or any such proceeding shall be instituted against such Borrower or any of its Subsidiaries (other than CFSC and its Subsidiaries in the case of Caterpillar) and either an order for relief against such Borrower or Subsidiary is entered in such proceeding or such proceeding is not dismissed within forty-five (45) days; or such Borrower or any of its Subsidiaries (other than CFSC and its Subsidiaries

in the case of Caterpillar) shall take any corporate action to authorize any of the actions set forth above in this subsection (e); or

1.24 The last sentence of Section 8.02(d) is amended and restated in its entirety as follows:

IN NO EVENT SHALL THE AGENT OR ANY OF ITS AFFILIATES OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ADVISORS OR REPRESENTATIVES (COLLECTIVELY, "AGENT PARTIES") HAVE ANY LIABILITY TO THE BORROWERS, ANY BANK OR ANY OTHER PERSON FOR DAMAGES OF ANY KIND, INCLUDING, WITHOUT LIMITATION, DIRECT OR INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES OR EXPENSES (WHETHER IN TORT, CONTRACT OR OTHERWISE) ARISING OUT OF THE BORROWERS' OR THE AGENT'S TRANSMISSION OF COMMUNICATIONS THROUGH THE INTERNET, EXCEPT TO THE EXTENT THE LIABILITY OF ANY AGENT PARTY RESULTED FROM SUCH AGENT PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

1.25 The first sentence of Section 8.04(a) is amended to delete the phrase "Caterpillar agrees to pay on demand all costs and expenses" appearing therein and to substitute "Caterpillar agrees to pay on written demand all reasonable costs and expenses" therefor.

1.26 The first sentence of Section 8.04(b) is amended to delete the phrase "any amounts as such Bank shall determine" and to substitute "any amounts as such Bank shall reasonably determine" therefor.

1.27 The third sentence of Section 8.04(b) is amended and restated in its entirety as follows:

A certificate describing in reasonable detail the amount of such losses, costs and expenses, and specifying therein the Type of loan in reference to which such Bank shall have made its calculations thereof (the "Reference Investment"), submitted to such Borrower and the Agent by such Bank, shall create a rebuttable presumption of the rate applicable to the Reference Investment identified therein

1.28 Clause (y) of the last sentence of Section 8.04(c) is amended and restated in its entirety as follows: "(y) that result from the violation by such indemnified Person of any law, regulation, ordinance, or judicial or governmental agency order".

1.29 Section 8.07(a)(ii) is amended to insert the word "written" immediately prior to the first occurrence of the word "consent" appearing therein.

1.30 Article VIII is further amended to insert the following new Section 8.15 at the end thereof:

SECTION 8.15. Confidentiality. Each of the Agent, the Japan Local Currency Agent, the Local Currency Agent, each Bank, each Japan Local Currency Bank and each Local Currency Bank agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its affiliates and to its and its affiliates' respective managers, administrators, trustees, partners, directors, officers, employees, agents, advisors and other representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder, under the Japan Local Currency Addendum, under the Local Currency Addendum or under any other document related to or executed in connection herewith or therewith or any action or proceeding relating to this Agreement, the Japan Local Currency Addendum, the Local Currency Addendum or any other document related to or executed in connection herewith or therewith or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective party (or its managers, administrators, trustees, partners, directors, officers, employees, agents, advisors and other representatives) to any swap or derivative or similar transaction under which payments are to be made by reference to the Borrowers and their respective obligations, this Agreement or payments hereunder, (iii) any rating agency, or (iv) the CUSIP Service Bureau or any similar organization, (g) with the consent of the Borrowers or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Agent, the Japan Local Currency Agent, the Local Currency Agent, any Bank, any Japan Local Currency Bank or any Local Currency Bank or any of their respective affiliates on a nonconfidential basis from a source other than the Borrowers.

For purposes of this Section, "Information" means all information received from the Borrowers or any of their respective Subsidiaries relating to the Borrowers or any of their respective Subsidiaries or any of their respective businesses, other than any such information that is available to the Agent, the Japan Local Currency Agent, the Local Currency Bank, any Bank, any Japan Local Currency Bank and any Local Currency Bank on a nonconfidential basis prior to disclosure by the Borrowers or any of their respective Subsidiaries, provided that, in the case of information received from the Borrowers or any of their respective Subsidiaries after the date hereof, such information is clearly

identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 2. Reaffirmation of CFSC Guaranty. CFSC hereby reaffirms all of its obligations under Article IX of the Credit Agreement and acknowledges and agrees that such obligations remain in full force and effect and are hereby ratified, reaffirmed and confirmed.

SECTION 3. Condition Precedent. This Amendment shall become effective and be deemed effective as of the date hereof (or if such items are not received until a later date, on such later date) upon the Administrative Agent's receipt of duly executed originals of this Amendment from each Borrower, the Agents and the Banks.

SECTION 4. Covenants, Representations and Warranties of the Borrowers.

4.1 Upon the effectiveness of this Amendment, each Borrower hereby reaffirms all covenants, representations and warranties made by it in the Credit Agreement, as amended hereby, and agrees that all such covenants, representations and warranties shall be deemed to have been re-made as of the effective date of this Amendment.

4.2 Each Borrower hereby represents and warrants that (a) this Amendment constitutes a legal, valid and binding obligation of such Borrower, enforceable against such Borrower in accordance with its terms, except as enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditor's rights generally and by the effect of general principles of equity and (b) upon the effectiveness of this Amendment, no Event of Default shall exist with respect to such Borrower and no event shall exist which, with the giving of notice, the lapse of time or both, would constitute an Event of Default with respect to such Borrower.

SECTION 5. Reference to and Effect on the Credit Agreement.

5.1 Upon the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import shall mean and be a reference to the Credit Agreement, as amended hereby, and each reference to the Credit Agreement in any other document, instrument or agreement executed and/or delivered in connection with the Credit Agreement shall mean and be a reference to the Credit Agreement as amended hereby.

5.2 Except as specifically amended above, the Credit Agreement, the Notes and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

5.3 The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any party under the Credit Agreement, the Notes or any other document, instrument or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein, except as specifically set forth herein.

SECTION 6. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

SECTION 7. **Governing Law.** This Amendment shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 8. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

The remainder of this page is intentionally blank.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the date first above written.

CATERPILLAR INC.

By: /s/ Kevin E. Colgan
Name: Kevin E. Colgan
Title: Treasurer

**CATERPILLAR FINANCIAL
SERVICES CORPORATION**

By: /s/ David A. Kacynski
Name: David A. Kacynski
Title: Treasurer

**CATERPILLAR INTERNATIONAL
FINANCE p.l.c.**

By: /s/ James A. Duensing
Name: James A. Duensing
Title: Appointee

**CATERPILLAR FINANCE
CORPORATION**

By: /s/ James A. Duensing
Name: James A. Duensing
Title: Director

CITIBANK, N.A., as Administrative Agent

By: /s/ Kevin Ege
Name: Kevin Ege
Title: Vice President

CITIBANK INTERNATIONAL plc, as Local Currency Agent

By: /s/ Paul Gibbs
Name: Paul Gibbs
Title: Director

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., as Japan Local Currency Agent

By: /s/ Muneya Taniguchi
Name: Muneya Taniguchi
Title: Chief Manager

CITIBANK, N.A., as a Bank and as a Local Currency Bank

By: /s/ Kevin Ege
Name: Kevin Ege
Title: Vice President

JPMORGAN CHASE BANK, N.A., as a Bank and as a Local Currency Bank

By: /s/ Randolph Cates
Name: Randolph Cates
Title: Executive Director

BANK OF AMERICA, N.A., as a Bank

By: /s/ Jeffrey A. Armitage
Name: Jeffrey A. Armitage
Title: Senior Vice President

**AMRO BANK N.V., as a Bank and as a
Local Currency Bank**

By: /s/ Brendan Korb
Name: Brendan Korb
Title: Director

By: /s/ Michele Costello
Name: Michele Costello
Title: Director

**BARCLAYS BANK PLC, as a Bank
and as a Local Currency Bank**

By: /s/ Nicholas Bell
Name: Nicholas Bell
Title: Director

**SOCIÉTÉ GÉNÉRALE, as a Bank and
as a Local Currency Bank**

By: /s/ Kimberly A. Metzger
Name: Kimberly A. Metzger
Title: Director

**WESTLB AG, NEW YORK BRANCH,
as a Bank and as a Local Currency
Bank**

By: /s/ Peter Badura
Name: Peter Badura
Title: Managing Director

By: /s/ Brendan McGlynn
Name: Brendan McGlynn
Title: Manager

**ROYAL BANK OF CANADA, as a
Bank**

By: /s/ Meredith Majesty
Name: Meredith Majesty
Title: Authorized Signatory

**ROYAL BANK OF CANADA, acting
through its London Branch, as a Local
Currency Bank**

By: /s/ Michael Atherton
Name: Michael Atherton
Title: Managing Director

**TORONTO DOMINION (TEXAS)
LLC, as a Bank**

By: /s/ Masood Fikree
Name: Masood Fikree
Title: Authorized Signatory

**STANDARD CHARTERED BANK, as
a Bank**

By: /s/ Karen Bershtein
Name: Karen Bershtein
Title: Associate Director

By: /s/ Andrew Y. Ng
Name: Andrew Y. Ng
Title: Director
Standard Chartered Bank NY

**AUSTRALIA AND NEW ZEALAND
BANKING GROUP LIMITED, as a
Bank**

By: /s/ Damodar Menon
Name: Damodar Menon
Title: Director

**THE BANK OF TOKYO-
MITSUBISHI UFJ, LTD., as a Bank**

By: /s/ Masakazu Sato
Name: Masakazu Sato
Title: Deputy General Manager

**THE BANK OF TOKYO-
MITSUBISHI UFJ, LTD., as a Bank
and as a Japan Currency Bank**

By: /s/ Muneya Taniguchi
Name: Muneya Taniguchi
Title: Chief Manager

**LLOYDS TSB BANK plc, as a Bank
and as a Local Currency Bank**

By: /s/ Mario Del Duca
Name: Mario Del Duca
Title: Associate Director
Corporate Banking USA
D029

By: /s/ Diana Singh
Name: Diana Singh
Title: Executive Officer
Corporate Banking USA
S365

**COMMERZBANK AG, NEW YORK
AND GRAND CAYMAN BRANCHES,
as a Bank and as a Local Currency
Bank**

By: /s/ Albert Morrow
Name: Albert Morrow
Title: Assistant Vice President

By: /s/ Hajo Neugartner
Name: Hajo Neugartner
Title: Vice President

**WILLIAM STREET COMMITMENT
CORPORATION (Recourse only to
assets of William Street Commitment
Corporation), as a Bank**

By: /s/ Mark Walton
Name: Mark Walton
Title: Assistant Vice President

**MERRILL LYNCH BANK USA, as a
Bank**

By: /s/ Louis Alder
Name: Louis Alder
Title: Director

ING CAPITAL LLC, as a Bank

By: /s/ John Kippax
Name: John Kippax
Title: Managing Director

MELLON BANK, N.A., as a Bank

By: /s/ Daniel J. Lenckos
Name: Daniel J. Lenckos
Title: First Vice President

**U.S. BANK NATIONAL
ASSOCIATION, as a Bank**

By: /s/ James N. DeVries
Name: James N. DeVries
Title: Senior Vice President

**BANCA NAZIONALE DEL LAVORO
S.p.A., NEW YORK BRANCH, as a
Bank**

By: /s/ Donna La Spma
Name: Donna La Spma
Title: Relationship Manager

By: /s/ Tullio Lanari
Name: Tullio Lanari
Title: General Manager

**KBC BANK N.V., as a Bank and as a
Local Currency Bank**

By: /s/ Olivier Smekens
Name: Olivier Smekens
Title: Assistant Vice President

By: /s/ Sandra T. Johnson
Name: Sandra T. Johnson
Title: First Vice President

**THE NORTHERN TRUST
COMPANY, as a Bank**

By: /s/ Courtney L. O'Connor
Name: Courtney L. O'Connor
Title: 2nd Vice President

OMNIBUS AMENDMENT AND WAIVER AGREEMENT

This OMNIBUS AMENDMENT AND WAIVER AGREEMENT (this “Amendment”), dated as of March 10, 2008, is entered into by and among Caterpillar Inc. (“Caterpillar”), Caterpillar Financial Services Corporation (“CFSC”), Caterpillar Finance Corporation (“CFC”), Caterpillar International Finance p.l.c. (“CIF”, and together with Caterpillar, CFSC and CFC, the “Borrowers”), the Banks and Local Currency Banks party hereto (collectively, the “Banks”), Citibank International plc, as the Local Currency Agent (the “Local Currency Agent”) and Citibank, N.A., as Agent (the “Administrative Agent”) under the Credit Agreement (as defined below), with respect to (a) the Credit Agreement and (b) the Local Currency Addendum (as defined below). Each capitalized term used herein and not defined herein shall have the meaning ascribed thereto in the Credit Agreement.

PRELIMINARY STATEMENTS

A. The Borrowers, the Banks, the Administrative Agent, The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Japan Local Currency Agent and as Japan Local Currency Bank, and the Local Currency Agent are parties to the Credit Agreement (Five-Year Facility), dated as of September 21, 2006 (as amended on September 20, 2007, the “Credit Agreement”). The Borrowers have requested that the Banks and the Administrative Agent amend the Credit Agreement as hereinafter set forth, and the Banks and the Administrative Agent have agreed to amend the Credit Agreement pursuant to the terms of this Amendment.

B. CFSC, CIF, the Local Currency Banks, the Local Currency Agent and the Administrative Agent are parties to the Local Currency Addendum, dated as of September 21, 2006 (the “Addendum”), to the Credit Agreement. CFSC and CIF have requested that the Local Currency Banks, the Local Currency Agent and the Administrative Agent amend the Addendum as hereinafter set forth, and the Local Currency Banks, the Local Currency Agent and the Administrative Agent have agreed to amend the Addendum pursuant to the terms of this Amendment.

C. CIF, being, as of the date of this Amendment, a public limited company, plans to re-register as a private company under section 14(6) of the Irish Companies (Amendment) Act 1983 with the name “Caterpillar International Finance Limited” (the “CIF Re-Registration”). Section 14(6) of the Companies (Amendment) Act 1983 provides that the:

re-registration of a public limited company as a private company pursuant to this Act shall not affect any rights or obligations of the company or render defective any legal proceedings by or against the company, and any legal proceedings which might have been continued or commenced against it in its former status may be continued or commenced against it in its new status.

Therefore, the proposed re-registration of CIF as a private company does not affect CIF’s obligations under the Credit Agreement and the Addendum. For the avoidance of doubt, the Borrowers, the Banks, the Local Currency Agent and the Administrative Agent have agreed to

enter into this Amendment to memorialize the proposed re-registration of CIF as a private company and its confirmation that its obligations under the Credit Agreement and Addendum are not affected thereby.

D. Subsequent to the CIF Re-Registration, CIF proposes to transfer substantially all of its assets (consisting primarily of loans to affiliates of CFSC) to a wholly-owned subsidiary of CIF, Caterpillar International Finance Luxembourg S.ar.l ("CIF Lux"), in return for the issue of certain preferred equity certificates of CIF Lux (the "CIF Asset Transfer"). The Borrowers have requested that the Banks agree to irrevocably waive any Event of Default or unmatured Event of Default that may arise under Section 6.01(c) of the Credit Agreement as a result of the CIF Asset Transfer, and the Banks have agreed to grant such irrevocable waiver pursuant to the terms hereof.

SECTION 1. CIF Confirmation.

CIF confirms that it will, upon the CIF Re-Registration taking effect, remain (a) liable for all of its obligations under the Credit Agreement and the Addendum, and (b) a "Borrower" under the Credit Agreement, the Addendum, and the Notes, and all references in the Credit Agreement, the Addendum and the Notes to "Caterpillar International Finance p.l.c." or "CIF" shall, for the avoidance of doubt, be references to Caterpillar International Finance Limited. CIF hereby represents and warrants that the representations and warranties by or relating to CIF set forth in Article IV of the Credit Agreement, as amended by this Amendment, are true and correct on and as of the date hereof and will be true and correct upon the CIF Re-Registration.

SECTION 2. Amendments to the Addendum. Subject to the satisfaction of the condition precedent set forth in Section 6 below:

Section 4.03(a) of the Addendum is hereby amended and restated in its entirety as follows:

(a) if to CIF, prior to March 25, 2008, at Caterpillar International Finance p.l.c. (after the CIF Re-Registration, Caterpillar International Finance Limited), 1 North Wall Quay, Dublin 1 Ireland, Attention: Vincent Donlon, Director (Facsimile No. 353-1-670-0546) and from and after March 25, 2008, at 2120 West End Avenue, Nashville, Tennessee 37203, Attention: David A. Kacynski, Director (Facsimile No. 1 615 341-8596), with a copy to CFSC at its address and telecopy number referenced in Section 8.02 of the Credit Agreement;

SECTION 3. Limited Waiver. Effective as of the date hereof, subject to the satisfaction of the condition precedent set forth in Section 6 below, the Banks hereby irrevocably waive any Event of Default or unmatured Event of Default that would otherwise result under Section 6.01(c) of the Credit Agreement solely as a result of the CIF Asset Transfer. This irrevocable waiver shall not be deemed to constitute a waiver of any other Event of Default or unmatured Event of Default, any future breach of the Credit Agreement, or any future breach of the other agreements, documents and instruments delivered in connection with the Credit

Agreement. The agreement to the terms hereof by any of the Banks, the Administrative Agent or the Local Currency Agent shall not establish a custom or course of dealing among the Administrative Agent, the Local Currency Agent, any Bank or any Borrower.

SECTION 4. Further Assurances. CIF and each of the other Borrowers shall execute such other documents or instruments as may be reasonably requested by the Administrative Agent, the Local Currency Agent or any of the Banks in connection with this Amendment, the CIF Asset Transfer and the CIF Re-Registration. Without limiting the generality of the foregoing, the Borrowers agree that within ten (10) Business Days after the CIF Re-Registration, CIF will deliver to the Administrative Agent an opinion from Irish counsel for CIF, substantially in the form attached hereto as Exhibit A, that the CIF Re-Registration has become effective under Irish law.

SECTION 5. Reaffirmation of CFSC Guaranty. CFSC hereby reaffirms all of its obligations under Article IX of the Credit Agreement and acknowledges and agrees that such obligations remain in full force and effect and are hereby ratified, reaffirmed and confirmed.

SECTION 6. Conditions Precedent. This Amendment shall be deemed effective as of the date hereof upon the Administrative Agent having received duly executed copies of this Amendment from each Borrower, the Majority Banks and the Majority Local Currency Banks, provided that this Amendment shall cease to be effective if the CIF Re-Registration has not occurred by April 30, 2008. The Administrative Agent shall notify the Borrowers within two (2) Business Days after the date that the Administrative Agent receives the requisite duly executed copies of this Amendment from the Majority Banks and the Majority Local Currency Banks.

SECTION 7. Covenants, Representations and Warranties of the Borrowers.

7.1 Upon the effectiveness of this Amendment, each Borrower hereby reaffirms all covenants, representations and warranties made by it in the Credit Agreement, as amended hereby and giving effect to that certain Waiver to Credit Agreement (Five Year Facility), dated as of November 26, 2007, among the Borrowers, the Banks, the Administrative Agent, The Bank of Tokyo-Mitsubishi UFJ, Ltd., as Japan Local Currency Agent and as Japan Local Currency Bank, and the Local Currency Agent (the “**Waiver**”), and agrees that all such covenants, representations and warranties shall be deemed to have been re-made as of the effective date of this Amendment.

7.2 Each Borrower hereby represents and warrants that (a) this Amendment constitutes a legal, valid and binding obligation of such Borrower, enforceable against such Borrower in accordance with its terms, except as enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditor’s rights generally and by the effect of general principles of equity and (b) upon the effectiveness of this Amendment, no Event of Default shall exist with respect to such Borrower and no event shall exist which, with the giving of notice, the lapse of time or both, would constitute an Event of Default with respect to such Borrower except, in both cases, for those Events of Default, either matured or unmatured, as described in the Waiver.

SECTION 8. Reference to and Effect on the Credit Agreement.

8.1 Upon the effectiveness of this Amendment, each reference in (a) the Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein” or words of like import shall mean and be a reference to the Credit Agreement, as amended hereby, and each reference to the Credit Agreement in any other document, instrument or agreement executed and/or delivered in connection with the Credit Agreement shall mean and be a reference to the Credit Agreement as amended hereby and (b) the Addendum to “this Addendum”, “hereunder”, “hereof”, “herein” or words of like import shall mean and be a reference to the Addendum, as amended hereby, and each reference to the Addendum in any other document, instrument or agreement executed and/or delivered in connection with the Addendum shall mean and be a reference to the Addendum as amended hereby

8.2 Except as specifically amended or waived above, the Credit Agreement, the Addendum, the Notes and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

8.3 The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any party under the Credit Agreement, the Addendum, the Notes or any other document, instrument or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein, except as specifically set forth herein.

SECTION 9. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. Delivery of a signature page by facsimile transmission shall be as effective as manual delivery thereof.

SECTION 10. Governing Law. **This Amendment shall be governed by and construed in accordance with the laws of the State of New York.**

SECTION 11. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

The remainder of this page is intentionally blank.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective representatives thereunto duly authorized as of the date first above written.

CATERPILLAR INC.

By: /s/ Kevin E. Colgan
Name: Kevin E. Colgan
Title: Treasurer

**CATERPILLAR FINANCIAL
SERVICES CORPORATION**

By: /s/ David A. Kacynski
Name: David A. Kacynski
Title: Treasurer

**CATERPILLAR INTERNATIONAL
FINANCE p.l.c.**

By: /s/ David A. Kacynski
Name: David A. Kacynski
Title: Director

**CATERPILLAR FINANCE
CORPORATION**

By: /s/ David A. Kacynski
Name: David A. Kacynski
Title: Director

CITIBANK, N.A., as Agent

By: /s/ Kevin Ege
Name: Kevin Ege
Title: Vice President

**CITIBANK, N.A., as a Bank and as a
Local Currency Bank**

By: /s/ Kevin Ege
Name: Kevin Ege
Title: Vice President

**CITIBANK INTERNATIONAL plc, as
Local Currency Agent**

By: /s/ Alasdair Watson
Name: Alasdair Watson
Title: Senior Specialist

JPMORGAN CHASE BANK, N.A.

By: /s/ Randolph Cates
Name: Randolph Cates
Title: Executive Director

BANK OF AMERICA, N.A.

By: /s/ Jeff Armitage
Name: Jeff Armitage
Title: Senior Vice President

**ABN AMRO Bank N.V., as a Bank and
as Local Currency Bank**

By: /s/ Jean Tremblay
Name: Jean Tremblay
Title: Managing Director

By: /s/ Brendan Korb
Name: Brendan Korb
Title: Director

**BARCLAYS BANK PLC, as a Bank
and as a Local Currency Bank**

By: /s/ Nicholas Bell
Name: Nicholas Bell
Title: Director

**SOCIETE GENERALE, as a Bank and
as a Local Currency Bank**

By: /s/ Kimberly A. Metzger
Name: Kimberly A. Metzger
Title: Director

**ROYAL BANK OF CANADA, as a
Bank**

By: /s/ Meredith Majesty
Name: Meredith Majesty
Title: Authorized Signatory

**ROYAL BANK OF CANADA, acting
through its London Branch, as a Local
Currency Bank**

By: /s/ Michael Atherton
Name: Michael Atherton
Title: Managing Director

**WestLB AG, New York Branch, as a
Bank and as a Local Currency Bank**

By: /s/ Peter Badura
Name: Peter Badura
Title: Managing Director

By: /s/ Salvatore Battinelli
Name: Salvatore Battinelli
Title: Managing Director

**TORONTO DOMINION (TEXAS)
LLC, as a Bank**

By: /s/ Debbi L. Brito
Name: Debbi L. Brito
Title: Authorized Signatory

STANDARD CHARTERED BANK

By: /s/ Karen Bershtein

Name: Karen Bershtein
Title: Associate Director

By: /s/ Robert K. Reddington

Name: Robert K. Reddington
Title: AVP/Credit Documentation
Credit Risk Control
Standard Chartered Bank N.V.

**Australia and New Zealand Banking
Group Limited, as a Bank**

By: /s/ John W. Wade

Name: John W. Wade
Title: Director

**THE BANK OF TOKYO-
MITSUBISHI UFJ LTD., as a Bank**

By: /s/ Christine Howatt

Name: Christine Howatt
Title: Authorized Signatory

LLOYDS TSB BANK PLC, as a Bank

By: /s/ Windsor R. Davies

Name: Windsor R. Davies
Title: Managing Director
Corporate Banking USA
D061

By: /s/ Deborah Carlson

Name: Deborah Carlson
Title: Director
Corporate Banking USA
C103

**MERRILL LYNCH BANK USA, as a
Bank and as a Local Currency Bank**

By: /s/ Derek Befus
Name: Derek Befus
Title: Vice President

**COMMERZBANK AG NEW YORK
AND GRAND CAYMAN BRANCHES,
as a Bank and as a Local Currency
Bank**

By: /s/ Al Morrow
Name: Al Morrow
Title: Assistant Vice President

By: /s/ John Marlatt
Name: John Marlatt
Title: Senior Vice President

**ING Bank N.V. Dublin Branch, as a
Bank and as a Local Currency Bank**

By: /s/ Emma Condon
Name: Emma Condon
Title: Vice President

By: /s/ Sean Hassett
Name: Sean Hassett
Title: Director

**U.S. Bank National Association, as a
Bank**

By: /s/ James N. DeVries
Name: James N. DeVries
Title: Senior Vice President

Mellon Bank, N.A., as a Bank

By: /s/ Daniel J. Lenckos

Name: Daniel J. Lenckos

Title: First Vice President

EXHIBIT 10.13

CREDIT AGREEMENT
(364-Day Facility)

Dated as of July 15, 2008

Among

CATERPILLAR FINANCIAL SERVICES CORPORATION,
as Borrower

THE FINANCIAL INSTITUTIONS NAMED HEREIN
as Banks

and

SOCIETE GENERALE,
as Agent

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EXHIBITS

Exhibit A	Form of Note
Exhibit B-1	Notice of Borrowing
Exhibit B-2	Notice of Bank Addition
Exhibit C-1	Form of Assignment and Acceptance
Exhibit C-2	Form of Assumption and Acceptance
Exhibit D	Form of Opinion of Counsel for CFSC
Exhibit E	Form of Opinion of Special New York Counsel to the Agent
Exhibit F	Form of Compliance Certificate

CREDIT AGREEMENT
(364-Day Facility)

Dated as of July 15, 2008

Caterpillar Financial Services Corporation, a Delaware corporation (“CFSC” or the “Borrower”), the financial institutions listed on the signature pages hereof and those financial institutions that become “Added Banks” pursuant to Section 2.05(c), in each case together with their respective successors and assigns (the “Banks”), and Société Générale (“SG”), as agent (the “Agent”) for the Banks hereunder, agree as follows:

ARTICLE I
DEFINITIONS AND ACCOUNTING TERMS

SECTION 1.01. Certain Defined Terms. As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

“Accumulated Other Comprehensive Income” means for CFSC on any date of determination the aggregate amount, as such amount appears in CFSC’s financial statements, compiled in accordance with generally accepted accounting principles, of (x) CFSC’s translation adjustments related to its foreign currency transactions and (y) adjustments to the market value of CFSC’s derivative instruments, as such amounts are required to appear in CFSC’s financial statements pursuant to FASB 133.

“Added Bank” means any Bank which becomes a Bank hereunder, or whose Commitment is increased (to the extent of such increase), pursuant to an Assumption and Acceptance as provided in Section 2.05(c).

“Advance” means an advance by a Bank to the Borrower as part of a Borrowing and refers to a Base Rate Advance or a Eurodollar Advance, each of which shall be a “Type” of Advance.

“Adjusted LIBOR Rate” means, with respect to any Eurodollar Advance for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16 of 1%) equal to (a) the LIBO Rate (the rate appearing on Reuters Screen LIBOR01 Page at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period, as the rate for dollar deposits with a maturity comparable to such Interest Period) for such Interest Period multiplied by (b) the Statutory Reserve Rate (a fraction, the numerator of which is the number one and the denominator of which is the number one minus the Statutory Reserve Rate Percentage (expressed as a decimal)); provided, that if Reuters Screen LIBOR01 is not available to the Agent for any reason, the applicable Adjusted LIBOR Rate for the relevant Interest Period shall instead be the applicable British Bankers’ Association Interest Settlement Rate as reported by any other generally recognized financial information service as of 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, and having a maturity equal to such Interest Period.

“Agreement” means this Credit Agreement (364-Day Facility) as it may from time to time be further amended, restated, supplemented or otherwise modified from time to time.

“Applicable Eurodollar Margin” has the meaning specified in Section 2.07(b).

“Assignment and Acceptance” means an assignment and acceptance entered into by an assigning Bank and an assignee, and accepted by the Agent, in accordance with Section 8.07 and in substantially the form of Exhibit C-1 hereto.

“Assumption and Acceptance” means an assumption and acceptance executed by an Added Bank and the Borrower, and accepted by the Agent, in accordance with Section 2.05(c) and in substantially the form of Exhibit C-2 hereto.

“Available Commitment” means, as to any Bank at any time, such Bank’s Commitment at such time minus the aggregate amount of such Bank’s outstanding Advances.

“Bank” has the meaning specified in the introductory paragraph hereof. To the extent applicable, any reference to a Bank or the Banks includes a reference to its affiliate, branch or agency.

“Bank Addition” has the meaning specified in Section 2.05(c).

“Base Rate” means, for any Interest Period or any other period, a fluctuating interest rate per annum as shall be in effect from time to time which rate per annum shall at all times be equal to the higher of:

- (a) the rate of interest announced publicly by SG in New York, New York, from time to time, as SG’s base rate; and
- (b) 1/2 of one percent above the Federal Funds Rate as in effect from time to time.

“Base Rate Advance” means an Advance which bears interest as provided in Section 2.07(a).

“Board of Directors” means either the board of directors of the Borrower or any duly authorized committee of that board.

“Borrower” has the meaning set forth in the preamble to this Agreement.

“Borrowing” means a borrowing consisting of simultaneous Advances of the same Type made to the Borrower by each of the Banks pursuant to Section 2.01.

“Business Day” means a day of the year (i) on which banks are not required or authorized to close in New York City or Chicago, Illinois, and (ii) if the applicable Business Day relates to any Eurodollar Advance, on which dealings are carried on in the London interbank market

“Caterpillar” means Caterpillar, Inc., a Delaware corporation.

“CFSC Consolidated Debt” means, as at any date, the aggregate Debt of CFSC and its Subsidiaries at such date excluding all obligations of CFSC (up to a maximum amount equal to 5% of CFSC’s total assets at such date) pursuant to guaranties of dealers’ obligations to the Dealer Capital Access Trust.

“CFSC Purchase Claims” means the outstanding liens on or claims against or in respect of CFSC’s accounts receivable arising out of the sale or securitization by CFSC of its accounts receivable.

“Change of Control” means that Caterpillar shall cease to own free and clear of all liens, claims, security interests or other encumbrances, 100% of the outstanding shares of voting stock of CFSC on a fully diluted basis.

“Citibank Facilities” means each of (i) that certain Credit Agreement (Five Year Facility), dated as of September 21, 2006, among the Borrower, Caterpillar, Caterpillar Finance Corporation and Caterpillar International Finance Limited, as Borrowers thereunder, certain financial institutions party thereto, Citibank N.A. (“Citibank”), as agent for such financial institutions, The Bank of Tokyo Mitsubishi UFJ, Ltd. (“BTMU”), as Japan Local Currency Agent, and Citibank International plc, as Local Currency Agent, (ii) that certain Credit Agreement (364-Day Facility), dated as of September 20, 2007, among the Borrower, Caterpillar and Caterpillar Finance Corporation as Borrowers thereunder, the financial institutions party thereto, Citibank, as agent for such financial institutions, and BTMU, as Japan Local Currency Agent and (iii) that certain Credit Agreement (Five-Year Facility), dated as of September 20, 2007, among the Borrower, Caterpillar and Caterpillar Finance Corporation as Borrowers thereunder, certain financial institutions party thereto, Citibank, as agent for such financial institutions, and BTMU, as Japan Local Currency Agent, in each case, as the same may be amended, restated, supplemented, replaced or otherwise modified from time to time.

“Closing Date” means July 15, 2008.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, and any successor statute.

“Commitment” means, for each Bank, the obligation of such Bank to make Advances in an aggregate amount not to exceed the amount set forth opposite such Bank’s name under the “Commitment” heading on its signature page hereto, or on the signature page of the Assignment and Acceptance or Assumption and Acceptance by which it became a Bank hereunder, as such amount may be increased or reduced pursuant to the terms of this Agreement.

“Commitment Fee” has the meaning specified in Section 2.04.

“Commitment Fee Rate” means 0.20% per annum.

“Consolidated Net Tangible Assets” means as of any particular time, for the Borrower, the aggregate amount of assets after deducting therefrom (a) all current liabilities, (b)

any current liability which has been reclassified as a long-term liability because such liability by its terms is extendable or renewable at the option of the obligor thereon to a time more than 12 months after the time as of which the amount thereof is being computed, and (c) all goodwill, excess of cost over assets acquired, patents, copyrights, trademarks, trade names, unamortized debt discount and expense and other like intangibles, all as shown in the most recent consolidated financial statements of the Borrower and its Subsidiaries prepared in accordance with generally accepted accounting principles.

“Consolidated Net Worth” means as at any date, (i) for Caterpillar, the stockholders’ equity (including preferred stock) of Caterpillar at such date, and (ii) for CFSC, the stockholders’ equity (including preferred stock but excluding Accumulated Other Comprehensive Income) of CFSC on such date.

“Credit Rating” means, at any time, the credit rating on the Borrower’s long-term senior unsecured debt then most recently publicly announced by either Moody’s or S&P, and “Credit Ratings” means such credit ratings from both Moody’s and S&P.

“Debt” means (i) indebtedness for borrowed money, (ii) obligations evidenced by bonds, debentures, notes or other similar instruments, (iii) obligations to pay the deferred purchase price of property or services, (iv) obligations as lessee under leases which shall have been or should be, in accordance with generally accepted accounting principles, recorded as capital leases, (v) obligations under direct or indirect guaranties in respect of, and obligations (contingent or otherwise) to purchase or otherwise acquire, or otherwise to assure a creditor against loss in respect of, indebtedness or obligations of others of the kinds referred to in clauses (i) through (iv) above, and (vi) liabilities in respect of unfunded vested benefits under Plans covered by Title IV of ERISA; provided, however, for purposes of Section 5.03(a) only, clause (vi) above shall include only those liabilities of the Borrower and all ERISA Affiliates for the Borrower’s then current fiscal year (and, if such liabilities are still outstanding, for prior fiscal years) to (a) all single employer plans (as defined in Section 4001(a)(15) of ERISA) to meet the minimum funding standard requirements of Section 412(a) of the Code (without regard to any waiver under Section 412(d) of the Code) and (b) all multiemployer plans (as defined in Section 4001(a)(3) of ERISA) for all required contributions and payments.

“Defaulting Bank” has the meaning specified in Section 2.02(c).

“Dollars” and the sign “\$” each means lawful money of the United States of America.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor statute.

“ERISA Affiliate” means each trade or business (whether or not incorporated) which together with the Borrower or a Subsidiary of the Borrower would be deemed to be a single employer” within the meaning of Section 4001 of ERISA.

“ERISA Termination Event” means (i) a “Reportable Event” described in Section 4043 of ERISA and the regulations issued thereunder (other than a “Reportable Event” not

subject to the provision for 30-day notice to the PBGC under such regulations), or (ii) the withdrawal of the Borrower or any of its ERISA Affiliates from a “single employer” Plan during a plan year in which it was a “substantial employer”, both of such terms as defined in Section 4001(a) of ERISA, or (iii) the filing of a notice of intent to terminate a Plan or the treatment of a Plan amendment as a termination under Section 4041 of ERISA, or (iv) the institution of proceedings to terminate a Plan by the PBGC or (v) any other event or condition which might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan or (vi) the partial or complete withdrawal of the Borrower or any ERISA Affiliate of the Borrower from a “multiemployer plan” as defined in Section 4001(a) of ERISA.

“Eurocurrency Liabilities” has the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

“Eurodollar Advance” means an Advance which bears interest as provided in Section 2.07(b).

“Events of Default” has the meaning specified in Section 6.01.

“Facility Termination Date” means the earlier to occur of (i) the Scheduled Termination Date and (ii) the date of termination in whole of the Commitments pursuant to Section 2.05(a) or 6.01.

“Federal Funds Rate” means, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by the Agent from three Federal funds brokers of recognized standing selected by it.

“Interest Expense” has the meaning specified in Section 5.03(b).

“Interest Period” means for each Advance comprising part of the same Borrowing, the period commencing on the date of such Advance, and ending on the last day of the period selected by the Borrower pursuant to the provisions below. The duration of each such Interest Period shall be (a) in the case of a Base Rate Advance, 30 days and (b) in the case of a Eurodollar Advance, 1, 2, 3 or 6 months, in each case as the Borrower may, in the Notice of Borrowing requesting such Advance, select; provided, however, that:

(i) the duration of any Interest Period which would otherwise end after the Facility Termination Date shall end on the Facility Termination Date;

(ii) Interest Periods commencing on the same date for Advances comprising part of the same Borrowing shall be of the same duration; and

(iii) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to occur on the next succeeding Business Day, provided, in the case of any Interest Period for a Eurodollar Advance, that if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day.

“Lending Office” means, with respect to any Bank, the office of such Bank specified as such on its respective signature page hereto, or such other office of such Bank as such Bank may from time to time specify to the Borrower and the Agent.

“Leverage Ratio” has the meaning specified in Section 5.03(a).

“Majority Banks” means (i) at any time that there are fewer than three Banks, Banks holding 100% of the Commitments, or if the Commitments have been terminated, Banks holding 100% of the then aggregate unpaid principal amount of the Advances, (ii) at any time that there are three Banks, two Banks holding more than 66 2/3% of the Commitments, or if the Commitments have been terminated, two Banks holding more than 66 2/3% of the then aggregate unpaid principal amount of the Advances, and (iii) at any time that there are four or more Banks, Banks holding more than 50% of the Commitments, or if the Commitments have been terminated, Banks holding more than 50% of the then aggregate unpaid principal amount of the Advances.

“Moody’s” means Moody’s Investors Service, Inc. or any successor thereto, and if Moody’s ceases to issue ratings of the type described herein with respect to Persons generally, then the Borrower and the Agent, with the consent of the Majority Banks, shall agree upon a mutually acceptable replacement debt rating agency and shall further agree, upon determination of such replacement agency, to determine appropriate equivalent ratings levels to replace those contained herein.

“Note” has the meaning specified in Section 2.02(f).

“Notice of Borrowing” has the meaning specified in Section 2.02(a).

“Payment Office” means the principal office of SG in New York City, located on the date hereof at 1221 Avenue of the Americas, New York, New York 10020, or such other office of the Agent as shall be from time to time selected by it by written notice to the Borrower and the Banks.

“PBGC” means the Pension Benefit Guaranty Corporation, or any successor thereto.

“Person” means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or other entity, or a government or any political subdivision or agency thereof.

“Plan” means any multiemployer plan or single employer plan, as defined in Section 4001 and subject to Title IV of ERISA, which is maintained, or at any time during the five calendar years preceding the date of this Agreement was maintained, for employees of the Borrower or a Subsidiary of the Borrower or an ERISA Affiliate.

“Royal Bank” means Royal Bank of Canada.

“Register” has the meaning specified in Section 8.07(c).

“Scheduled Termination Date” means July 14, 2009.

“SG” has the meaning set forth in the preamble to this Agreement.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., or any successor thereto, and if S&P ceases to issue ratings of the type described herein with respect to Persons generally, then the Borrower and the Agent, with the consent of the Majority Banks, shall agree upon a mutually acceptable replacement debt rating agency and shall further agree, upon determination of such replacement agency, to determine appropriate equivalent ratings levels to replace those contained herein.

“Statutory Reserve Rate Percentage” means for any date that percentage (expressed as a decimal) which is in effect on such date, as prescribed by the Board of Governors of the Federal Reserve System for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for a member bank of the Federal Reserve System in New York City with deposits exceeding five billion dollars in respect of Eurocurrency Liabilities having a term equal to the applicable Interest Period (or in respect of any other category of liabilities which includes deposits by reference to which the interest rate on Eurodollar Advances is determined or any category of extensions of credit or other assets which includes loans by a non-United States office of any bank to United States residents).

“Subsidiary” means (i) with respect to the Borrower, a corporation more than 50% of the outstanding voting stock of which is owned, directly or indirectly, by the Borrower or by one or more other Subsidiaries, or by the Borrower and one or more other Subsidiaries and (ii) with respect to Caterpillar, a corporation more than 50% of the outstanding voting stock of which is owned, directly or indirectly, by Caterpillar or by one or more other Subsidiaries, or by Caterpillar and one or more other Subsidiaries. For the purposes of this definition, “voting stock” means stock which ordinarily has voting power for the election of directors, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency.

“Support Agreement” means that certain Support Agreement dated as of December 21, 1984, amended June 14, 1995, between Caterpillar and CFSC, as the same may be amended or modified in accordance with the terms of Section 5.02(c) and in effect from time to time.

“Total Commitment” means, at any time, the sum of all of the Banks’ Commitments at such time.

“Type”, when used in reference to any Advance, has the meaning specified in the definition of “Advance”.

“USA Patriot Act” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Pub. L. No. 107-56, 115 Stat. 272 (2001), as amended.

SECTION 1.02. Computation of Time Periods. In this Agreement in the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each means “to but excluding”.

SECTION 1.03. Accounting Terms. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles in the United States consistent with those applied in the preparation of the financial statements referred to in Section 4.01(e) and all references contained herein to generally accepted accounting principles shall mean United States generally accepted accounting principles.

ARTICLE II AMOUNTS AND TERMS OF THE ADVANCES

SECTION 2.01. The Advances. Each Bank severally agrees, on the terms and conditions hereinafter set forth, to make Advances in Dollars to the Borrower from time to time on any Business Day during the period from the Closing Date until the Facility Termination Date in a amount not to exceed such Bank’s Available Commitment at such time; provided, however, that at no time shall the amount of (i) the outstanding Advances exceed the Total Commitment or (ii) any Bank’s Advances exceed such Bank’s Commitment. Each Borrowing shall be in an aggregate amount not less than \$5,000,000 or an integral multiple of \$1,000,000 in excess thereof and shall consist of Advances of the same Type made on the same day by the Banks ratably according to their respective Available Commitments. Within the limits of each Bank’s Commitment, the Borrower may from time to time borrow, repay pursuant to Section 2.06 or prepay pursuant to Section 2.09, and reborrow under this Section 2.01.

SECTION 2.02. Making the Advances.

(a) Each Borrowing shall be made on notice, given not later than 11:00 A.M. (New York City time) on the date of the proposed Borrowing (in the case of a Borrowing comprised of Base Rate Advances), or not later than 11:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Borrowing (in the case of a Borrowing comprised of Eurodollar Advances), by the Borrower to the Agent, which shall give to each Bank prompt notice thereof by facsimile. Each such notice of a Borrowing (a “Notice of Borrowing”) shall be by facsimile, confirmed immediately in writing, in substantially the form of Exhibit B-1 hereto, specifying therein the requested (i) date of such Borrowing, (ii) Type of Advances comprising such Borrowing, (iii) aggregate amount of such Borrowing, (iv) Interest Period for the Advances and (v) account to which the proceeds of such Borrowing shall be made

available. In the case of each proposed Borrowing, the Agent shall promptly notify each Bank of such Bank's ratable share of such Borrowing based upon the Available Commitments of the Banks, and in the case of a proposed Borrowing comprised of Eurodollar Advances, the Agent shall promptly notify each Bank of the applicable interest rate under Section 2.07(b). Each Bank shall, before 1:00 p.m. (New York City time) on the date of such Borrowing, make available to the Agent at the Payment Office, in same day funds, such Bank's ratable portion of such Borrowing. After the Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III, the Agent will promptly make such same day funds available to the account specified by the Borrower in the Notice of Borrowing.

(b) Each Notice of a Borrowing shall be irrevocable and binding on the Borrower. In the case of any Borrowing which the related Notice of Borrowing specifies is to be comprised of Eurodollar Advances, the Borrower shall indemnify each Bank against any loss, cost or expense incurred by such Bank as a direct result of the failure of the Borrower, for any reason other than a default by such Bank, to borrow the requested Advances on the date specified in the Notice of Borrowing. Such indemnification shall include, without limitation, any loss, cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Bank to fund the Advance to be made by such Bank as part of such Borrowing; provided, however, that any indemnification for such losses, costs and expenses shall be limited to an amount equal to (i) the principal amount of the Advance to be made by such Bank times (ii) the number of days in the requested Interest Period, divided by 360 times (iii) the interest differential between the interest rate based on the Adjusted LIBOR Rate which would have applied to such Advance and the rate of interest which would apply if the Borrower had requested on the date of the requested Borrowing a Borrowing comprised of Advances of the same Type for a period equal to the requested Interest Period. A certificate describing in reasonable detail the amount of such losses, costs and expenses, submitted to the Borrower and the Agent by such Bank, shall create a rebuttable presumption of such losses, costs or expenses.

(c) Unless the Agent shall have received notice from a Bank prior to the time of any Borrowing that such Bank will not make available to the Agent such Bank's ratable portion of such Borrowing, the Agent may assume that such Bank has made such portion available to the Agent on the date of such Borrowing in accordance with subsection (a) of this Section 2.02 and the Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Bank shall not have so made such ratable portion available to the Agent, such Bank (the "Defaulting Bank") and the Borrower severally agree to repay to the Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Agent, at (i) in the case of the Borrower, the interest rate applicable at the time to Advances comprising such Borrowing and (ii) in the case of such Defaulting Bank, the Federal Funds Rate. If such Defaulting Bank shall repay to the Agent such corresponding amount, together with interest thereon as required in the immediately preceding sentence, such amount so repaid shall constitute such Bank's Advance as part of such Borrowing for purposes of this Agreement and such Bank shall be entitled to all rights in respect of such Advance, including the right to receive interest from the date funds in connection therewith shall have been made available to the Borrower. If the Borrower shall repay to the Agent such corresponding amount, such repayment shall not relieve the Defaulting

Bank from its obligation to make its ratable portion of such Borrowing available to the Borrower. Nothing contained herein shall impair the right of the Borrower to the performance by any Bank of such Bank's obligations hereunder. In the event that any Bank shall at any time fail to make its ratable portion of any Borrowing available to the Agent for disbursement to the Borrower, the Agent shall make inquiry of such Defaulting Bank as to the circumstances giving rise to such failure and shall promptly advise the Borrower of the response, if any, the Agent shall have received in connection with such inquiry; provided that no failure or delay on the part of the Agent to make such inquiry shall relieve the Borrower or the Defaulting Bank of its obligation to repay any amount made available by the Agent to the Borrower in anticipation of receiving such Defaulting Bank's portion of such Borrowing.

(d) The failure of any Bank to make the Advance to be made by it as part of any Borrowing shall not relieve any other Bank of its obligation, if any, hereunder to make its Advance on the date of such Borrowing, but no Bank shall be responsible for the failure of any other Bank to make the Advance to be made by such other Bank on the date of any Borrowing. Nothing contained herein shall impair the rights and remedies of the Borrower requesting any Borrowing against any Bank under applicable law as a result of such Bank's failure to make the Advance to be made by it as part of such Borrowing.

(e) Any Bank may make, carry or transfer Advances at, to or for the account of, any of its branch offices or the office of an affiliate at the Bank; provided, however, no affiliate of any Bank shall be deemed a party to this Agreement or shall have any rights, liability or obligation under this Agreement unless such Bank and such affiliate shall have executed and delivered, and the Agent shall have accepted, an Assignment and Acceptance in accordance with Section 8.07, and then such affiliate shall have rights and obligations hereunder only to the extent contemplated therein.

(f) Each Bank shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Bank resulting from each Advance made by such Bank from time to time, including the amounts of principal and interest payable and paid to such Bank from time to time hereunder. The Agent shall also maintain accounts in which it will record (a) the amount of each Advance made hereunder, the Type thereof and the Interest Period with respect thereto, (b) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Bank hereunder and (c) the amount of any sum received by the Agent hereunder from the Borrower and each Bank's share thereof. Entries recorded pursuant to the foregoing shall be *prima facie* evidence of the existence and amounts of the Borrower's obligations; *provided, however*, that the failure of the Agent or any Bank to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay its obligations hereunder in accordance with their terms. Any Bank may request that its Advances be evidenced by a promissory note in substantially the form of Exhibit A (a "Note"). In such event, the Borrower shall prepare, execute and deliver to such Bank such Note payable to the order of such Bank. Thereafter, the Advances evidenced by such Note and interest thereon shall at all times (prior to any assignment pursuant to Section 8.07) be represented by one or more Notes payable to the order of the payee named therein, except to the extent that any such Bank subsequently returns any such Note for cancellation and requests that such Advances once again be evidenced as described above.

SECTION 2.03. [Reserved.]

SECTION 2.04. Fees.

(a) On the Closing Date the Borrower shall pay to each of SG and Royal Bank an upfront fee in the amount equal to the product of (i) 0.05% and (ii) each of SG's and Royal Bank's respective Commitments.

(b) The Borrower shall pay to the Agent, for the account of each Bank, a fee (each a "Commitment Fee" and collectively, the "Commitment Fees") calculated on a daily basis by multiplying the Commitment Fee Rate for each Bank by the excess of such Bank's Commitment as in effect on such day over the outstanding Advances from such Bank on such day. The Commitment Fee shall be payable quarterly in arrears, commencing on October 1, 2008, for the period commencing on the Closing Date and ending on September 30, 2008, inclusive, on the first Business Day of each calendar quarter thereafter for the period of the immediately preceding calendar quarter, and on the Facility Termination Date for the period since the last payment of Commitment Fees.

SECTION 2.05. Reduction of the Commitments; Bank Additions. (a) The Borrower shall have the right, upon at least three (3) Business Days' notice to the Agent, to terminate in whole or reduce ratably in part the unused portions of the respective Commitments of the Banks; provided that the aggregate amount of Commitments shall not be reduced to an amount which is less than the sum of the aggregate principal amount of the Advances then outstanding, and provided, further, that each partial reduction shall be in the aggregate amount of \$5,000,000 or an integral multiple thereof.

(b) [Reserved]

(c) In the event that the amount of Total Commitments on the Closing Date is less than \$500,000,000, the Borrower shall have the right, upon at least five (5) Business Days' notice to the Agent, to add one or more bank or banks as new Banks hereunder, or to increase the Commitment of any existing Bank with such existing Bank's consent, pursuant to the terms hereof (any such addition of a new Bank or increase in the Commitment of an existing Bank upon the request of the Borrower pursuant to this Section 2.05(c) being referred to as a "Bank Addition"); provided that (i) such proposed Bank, in the case of a bank not already a Bank hereunder, is acceptable to the Agent (the acceptance of the Agent not to be unreasonably withheld) and (ii) after giving effect to the proposed Bank Addition, the Total Commitment would not exceed \$500,000,000. Each notice of a proposed Bank Addition (a "Notice of Bank Addition") shall be by facsimile, confirmed immediately in writing, in substantially the form of Exhibit B-2 hereto, specifying therein (i) the name and address of the proposed Added Bank, (ii) the date on which the Borrower wishes such Bank Addition to become effective and (iii) the amount of the Commitment such Added Bank would have hereunder after giving effect to such Bank Addition. If the conditions set forth in the proviso contained in the first sentence of this Section 2.05(c) have been satisfied, the Agent shall forward to such Added Bank and the Borrower for execution by such Added Bank and the Borrower an Assumption and Acceptance. The Added Bank shall, upon such execution, return the executed Assumption and Acceptance to the Agent, for the Agent's acceptance thereof.

Upon such execution, delivery and acceptance, from and after the effective date specified in each Assumption and Acceptance, the Added Bank shall, in addition to the rights and obligations hereunder held by it immediately prior to such effective date (if any), have the rights and obligations hereunder that have been assumed by it pursuant to such Assumption and Acceptance and, in the case of a bank not previously a Bank hereunder, shall become a Bank hereunder.

By executing and delivering an Assumption and Acceptance, each Added Bank confirms to and agrees with each party hereto as follows: (i) neither the Agent nor any Bank makes any representation or warranty, nor assumes any responsibility with respect to, any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; and (ii) neither the Agent nor any Bank makes any representation or warranty, nor assumes any responsibility with respect to, the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto.

The Agent shall maintain at its address referred to in Section 8.02 a copy of each Assumption and Acceptance delivered to and accepted by it. Such copies shall be available for inspection by the Borrower or any Bank at any reasonable time and from time to time upon reasonable prior notice.

Upon its receipt of an Assumption and Acceptance executed by an Added Bank and the Borrower the Agent shall, if such Assumption and Acceptance has been completed and is in substantially the form of Exhibit C-2 hereto, (i) accept such Assumption and Acceptance, and (ii) give prompt notice thereof to the Borrower. Within five (5) Business Days after receipt of such notice, if requested by an Added Bank, the Borrower, at its own expense, shall execute and deliver to the Agent a new Note or Notes to the order of such Added Bank. Such new Note or Notes shall be dated the effective date of such Assumption and Acceptance and shall otherwise be in substantially the form of Exhibit A hereto.

(d) If there are any Advances outstanding on the effective date of any Assumption and Acceptance, the Added Bank shall purchase from the other Banks such participations in such Advances as shall be necessary to cause such Added Bank to share ratably (based on the proportion that such Added Bank's Commitment bears to the Total Commitment after giving effect to the Bank Addition) in each such Advance. To purchase such participations, the Added Bank shall before 12:00 noon (New York City time) on the effective date of its Assumption and Acceptance, make available for the account of its Lending Office to the Agent at its address referred to in Section 8.02, in same day funds, such Added Bank's ratable portion (based on the proportion that such Added Bank's Commitment (or the increase in such Added Bank's Commitment, in the case of an Added Bank which is an existing Bank hereunder) bears to the Total Commitment after giving effect to the Bank Addition) of each Borrowing then outstanding, together with an amount equal to such ratable portion of the interest which has accrued to such date and remains unpaid on such Borrowing. After the Agent's receipt of such funds, the Agent will promptly make such same day funds available to the account of each Bank in an amount to such Bank's ratable portion of such payment by the Added Bank.

SECTION 2.06. Repayment of Advances. The Borrower shall repay the principal amount (or the portion thereof remaining after giving effect to any earlier partial prepayments thereof) of each Advance made to the Borrower by each Bank on the last day of the Interest Period for such Advance.

SECTION 2.07. Interest on Advances. The Borrower shall pay interest on the unpaid principal amount of each Advance made to the Borrower by each Bank from the date of such Advance until such principal amount shall be paid in full, at the following rates per annum:

(a) Base Rate Advances. If such Advance is a Base Rate Advance, a rate per annum equal at all times during the Interest Period for such Advance to the Base Rate in effect from time to time payable on the last day of such Interest Period (or, with respect to any portion thereof that shall be prepaid pursuant to Section 2.09 or otherwise in accordance with the terms of this Agreement, on the date of such prepayment).

(b) Eurodollar Advances. If such Advance is a Eurodollar Advance, a rate per annum equal at all times during the Interest Period for such Advance to the sum of the Adjusted LIBOR Rate for such Interest Period plus the Applicable Eurodollar Margin, payable on the last day of such Interest Period (or, with respect to any portion thereof that shall be prepaid pursuant to Section 2.09 or otherwise in accordance with the terms of this Agreement, on the date of such prepayment) and, if such Interest Period has a duration of more than three months, on the day which occurs during such Interest Period three months from the first day of such Interest Period. “Applicable Eurodollar Margin” means, in respect of any Eurodollar Advance, a rate per annum equal to 0.75%; provided, however, that during any Interest Period when the aggregate outstanding amount of Advances for any Bank exceeds 50% of the amount of such Bank’s Commitment, the “Applicable Eurodollar Margin” for such Bank shall be a rate per annum equal to 0.85%.

(c) Post-Default Interest. Upon the occurrence, and during the continuance, of any Event of Default, the unpaid principal amount of each Advance shall bear interest at a rate per annum equal at all times to 2% per annum above the rate per annum otherwise required to be paid on such Advance in accordance with subsection (a) or (b) above; provided that any amount of principal which is not paid when due (whether at stated maturity, by acceleration or otherwise) shall bear interest, from the date on which such amount is due until such amount is paid in full, payable on demand, at a rate per annum equal at all times to the greater of (x) 2% per annum above the Base Rate in effect from time to time and (y) 2% per annum above the rate per annum required to be paid on such Advance immediately prior to the date on which such amount became due.

SECTION 2.08. Interest Rate Determination. The Agent shall give prompt notice to the Borrower and the Banks of the applicable interest rate determined by the Agent for purposes of Section 2.07(a) or (b).

SECTION 2.09. Prepayments of Advances. The Borrower may, upon at least two (2) Business Days’ notice to the Agent stating (i) the proposed date and aggregate principal amount of the prepayment and (ii) the Advances (which shall be part of the same Borrowing) to which such prepayment is to be applied, and if such notice is given the Borrower shall, prepay

the outstanding principal amounts of the Advances comprising part of the same Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the principal amount prepaid; provided, however, that (x) each partial prepayment shall be in an aggregate principal amount of not less than \$5,000,000 and in an integral multiple of \$1,000,000 in excess thereof and (y) in the case of any such prepayment of a Eurodollar Advance, the Borrower shall be obligated to reimburse the applicable Banks in respect thereof pursuant to Section 8.04(b).

SECTION 2.10. Increased Costs; Capital Adequacy; Illegality. (a) If, due to either (i) the introduction of or any change in or in the interpretation of any law or regulation or (ii) the compliance with any guideline or request from any central bank or other governmental authority (whether or not having the force of law), there shall be any increase in the cost to any Bank of agreeing to make or making, funding or maintaining Eurodollar Advances, then the Borrower shall from time to time, upon written demand by such Bank (with a copy of such demand to the Agent), pay to the Agent for the account of such Bank additional amounts sufficient to compensate such Bank for such increased cost. A certificate describing in reasonable detail the amount of such increased cost, submitted to the Borrower and the Agent by such Bank, shall create a rebuttable presumption of such increased cost.

(b) If any Bank determines that compliance with any law or regulation or any guideline or request from any central bank or other governmental authority (whether or not having the force of law) affects or would affect the amount of capital required or expected to be maintained by such Bank or by any Person controlling such Bank and that the amount of such capital is increased by or based upon the existence of such Bank's Advances or commitment to lend hereunder, then, upon written demand by such Bank (with a copy of such demand to the Agent), the Borrower shall immediately pay to the Agent for the account of such Bank, from time to time as specified by such Bank, additional amounts sufficient to compensate such Bank (or, if applicable, such Person controlling such Bank) in the light of such circumstances, to the extent that such Bank reasonably determines such increase in capital to be allocable to the existence of such Bank's commitment to lend hereunder. A certificate describing in reasonable detail such amounts submitted to the Borrower by such Bank shall be conclusive and binding for all purposes, absent manifest error.

(c) If any Bank shall notify the Agent that the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or that any central bank or other governmental authority asserts that it is unlawful, for such Bank or its Eurodollar Lending Office to perform its obligations hereunder to make Eurodollar Advances or to fund or maintain Eurodollar Advances hereunder, (i) Eurodollar Advances of such Bank to the Borrower then outstanding shall begin bearing interest at the Base Rate for the Interest Period selected by the Borrower in accordance with the procedures of Section 2.02(a), notwithstanding any prior election by the Borrower to the contrary, either (x) one Business Day after such notice, or (y) if such Bank may lawfully continue to maintain and fund such Advances at the applicable Adjusted LIBOR Rate to a later day during such Interest Period, on such later day (in which case the Borrower shall in addition reimburse such Bank for any resulting losses as provided in Section 8.04(b)) and (ii) the obligation of such Bank to make Eurodollar Advances shall be suspended until such Bank shall notify the Agent that the circumstances causing such suspension no longer

exist, and until such notification has been given, such Bank shall fund its Advance made in connection with each Borrowing comprised of Eurodollar Advances as a Base Rate Advance.

(d) If the Majority Banks shall, at least one Business Day before the date of any requested Borrowing, notify the Agent that the Adjusted LIBOR Rate for Eurodollar Advances comprising such Borrowing will not adequately reflect the cost to such Majority Banks of making or funding their respective Eurodollar Advances for such Borrowing, the Agent shall so notify the Borrower, and the right of the requesting Borrower to select the Adjusted LIBOR Rate for such Borrowing, and the right of the Borrower to select the Adjusted LIBOR Rate for any subsequent Borrowing, shall be suspended until the Agent shall notify the Borrower and the Banks that the circumstances causing such suspension no longer exist, and each Advance comprising such Borrowing shall be a Base Rate Advance.

(e) In the event that a Bank (an “Affected Bank”) demands payment from the Borrower at any time pursuant to subsection (a) or (b) of this Section 2.10, then from such time and for so long thereafter as such Bank remains an Affected Bank, the Borrower may either (1) terminate such Affected Bank’s Commitment hereunder or (2) replace such Affected Bank with another bank or banks acceptable to the Agent (the consent of the Agent not to be unreasonably withheld); provided that (i) no Event of Default has occurred and is continuing at such time, (ii) in the case of (2), the Affected Bank and the replacement bank(s) execute and deliver to the Agent an Assignment and Acceptance and such other documents, agreements and instruments as the Agent may reasonably require in order to effectuate the assumption by such replacement bank(s) of the Affected Bank’s obligations hereunder and (iii) the Affected Bank has been paid all amounts due to it hereunder. In no event shall the replacement of an Affected Bank impair or otherwise affect the obligation of the Borrower to make the payments demanded by such Affected Bank pursuant to this Section 2.10 and, if applicable, Section 8.04(b).

SECTION 2.11. Payments and Computations.

(a) The Borrower shall make each payment hereunder and under the Notes, without set-off, deduction, or counterclaim, not later than 11:00 A.M. (New York City time) on the day when due to the Agent in same day funds by deposit of such funds to the Agent’s account maintained at the Payment Office in New York City. The Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest or fees ratably (other than amounts payable pursuant to Section 2.02(c), 2.05(d), 2.10, 2.12 or 8.04) to the applicable Banks for the account of their respective Lending Offices, and like funds relating to the payment of any other amount payable to any Bank to such Bank for the account of its Lending Office, in each case to be applied in accordance with the terms of this Agreement.

(b) All computations of interest based on the Base Rate determined pursuant to clause (a) of the definition thereof shall be made by the Agent on the basis of a year of 365 or 366 days, as the case may be; and all computations of interest based on the Adjusted LIBOR Rate or the Federal Funds Rate, and all computations of the Commitment Fees shall be made by the Agent on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period for which such interest or Commitment Fees are payable. Each determination by the Agent of an interest rate hereunder shall be conclusive and binding for all purposes, absent manifest error.

(c) Whenever any payment hereunder or under the Notes shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or Commitment Fees, as the case may be; provided, however, if such extension would cause payment of interest on or principal of Eurodollar Advances to be made in the next following calendar month, such payment shall be made on the next preceding Business Day and such contraction of time shall in such case reduce the days included in the computation of payment of interest.

(d) Unless the Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Banks hereunder that the Borrower will not make such payment in full, the Agent may assume that the Borrower has made such payment in full to the Agent on such date and the Agent may, in reliance upon such assumption, cause to be distributed to each Bank on such due date an amount equal to the amount then due such Bank. If and to the extent that the Borrower shall not have so made such payment in full to the Agent, each Bank shall repay to the Agent forthwith on demand such amount distributed to such Bank together with interest thereon, for each day from the date such amount is distributed to such Bank until the date such Bank repays such amount to the Agent, at the Federal Funds Rate.

SECTION 2.12. Taxes. (a) Any and all payments by the Borrower hereunder or under each of the Notes shall be made, in accordance with Section 2.11, free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, excluding, in the case of each Bank and the Agent, taxes imposed on its income, and franchise taxes imposed on it, by the jurisdiction under the laws of which such Bank or the Agent (as the case may be) is organized or any political subdivision thereof and, in the case of each Bank, taxes imposed on its income, and franchise taxes imposed on it, by the jurisdiction of such Bank's Lending Office or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "Taxes"). If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder or under any Note to any Bank or the Agent, (i) the sum payable by the Borrower shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.12) such Bank or the Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(b) In addition, the Borrower agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or under the Notes or from the execution, delivery or registration of, or otherwise with respect to, this Agreement or the Notes (hereinafter referred to as "Other Taxes").

(c) The Borrower will indemnify each Bank and the Agent for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.12) paid by such Bank or the Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom

or with respect thereto. This indemnification shall be made within 30 days from the date such Bank or the Agent (as the case may be) makes written demand therefor.

(d) Within 30 days after the date of any payment of Taxes, the Borrower will furnish to the Agent, at its address referred to in Section 8.02, a copy of a receipt evidencing payment thereof; provided, however, that such copy shall be furnished solely for the purpose of enabling the Agent to verify the payment of such Taxes by the Borrower as required above. If no Taxes are payable in respect of any payment hereunder or under the Notes, the Borrower will furnish to the Agent, at such address, a certificate from each appropriate taxing authority, or an opinion of counsel acceptable to the Agent, in either case stating that such payment is exempt from or not subject to Taxes; provided, however, that if any Bank or the Agent, as a recipient of payments called for hereunder, shall be exempt from or entitled to a reduced rate of any Taxes, particularly those imposed by way of withholding, whether by virtue of the provisions of a relevant treaty or otherwise, it shall be incumbent upon such Bank or the Agent to (a) so inform the Borrower, (b) furnish to the Borrower whatever certification or other documentation may be required by law or regulation to establish such exemption or reduced rate, and (c) cooperate with the Borrower in any and all other respects to the extent necessary to establish such exemption or eligibility for reduced rate.

(e) Any Bank whose Advances have resulted in the imposition of Taxes shall use its best efforts (consistent with its internal policy and legal and regulatory restrictions) to take such steps as would eliminate or reduce the amount of such Taxes; provided that no such steps shall be required to be taken if, in the reasonable judgment of such Bank, such steps would be disadvantageous to such Bank.

(f) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this Section 2.12 shall survive the payment in full of principal and interest hereunder and under the Notes.

SECTION 2.13. Sharing of Payments, Etc. If any Bank shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Advances made by it (other than pursuant to Sections 2.02(c), 2.05(d), 2.10, 2.12 or 8.04) in excess of its ratable share of payments on account of the Advances obtained by all the Banks, such Bank shall forthwith notify the Agent thereof and purchase from the other Banks such participations in the Advances made by them as shall be necessary to cause such purchasing Bank to share the excess payment ratably with each of them; provided, however, that if all or any portion of such excess payment is thereafter recovered from such purchasing Bank, such purchase from each Bank shall be rescinded and such Bank shall repay to the purchasing Bank the purchase price to the extent of such recovery together with an amount equal to such Bank's ratable share (according to the proportion of (i) the amount of such Bank's required repayment to (ii) the total amount so recovered from the purchasing Bank) of any interest or other amount paid or payable by the purchasing Bank in respect of the total amount so recovered. The Borrower agrees that any Bank so purchasing a participation from another Bank pursuant to this Section 2.13 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Bank were the direct creditor of the Borrower in the amount of such participation.

SECTION 2.14. Tax Forms. Each Bank that is not a United States person (as such term is defined in Section 7701(a)(30) of the Code) shall submit to the Borrower and the Agent, on or before the Closing Date (or in the case of any Person becoming a Bank hereunder pursuant to Section 2.05(c) or Section 8.07, on or before the date of acceptance by the Agent of the applicable Assumption and Acceptance or Assignment and Acceptance), duly completed and signed copies of either Form W-8BEN (relating to such Bank and entitling it to a complete exemption from withholding on all amounts to be received by such Bank at any Lending Office designated by such Bank, including fees, under this Agreement) or Form W-8ECI (relating to all amounts to be received by such Bank at any Lending Office designated by such Bank, including fees, under this Agreement) of the United States Internal Revenue Service and Form W-8BEN (relating to the foreign status exemption from United States federal income tax backup withholding), or, in any such case, such successor forms as shall be adopted from time to time by the relevant United States taxing authorities. Thereafter and from time to time, each such Bank shall, to the extent it may lawfully do so, submit to the Borrower and the Agent such additional duly completed and signed copies of one or the other of such forms (or such successor forms as shall be adopted from time to time by the relevant United States taxing authorities) as may be (i) requested by the Borrower or the Agent from such Bank and (ii) required under then-current United States law or regulations to determine the United States withholding taxes on payment in respect of all amounts to be received by such Bank at any Lending Office designated by such Bank, including fees, under this Agreement. Upon the request of the Borrower or the Agent, each Bank that is a United States person (as such term is defined in Section 7701(a)(30) of the Code) shall submit to the Borrower and the Agent a certificate to the effect that it is such a United States person. If any Bank determines that it is unable to submit to the Borrower and the Agent any form or certificate that such Bank is obligated to submit pursuant to this Section 2.14, or that such Bank is required to withdraw or cancel any such form or certificate previously submitted, such Bank shall promptly notify the Borrower and the Agent of such fact.

ARTICLE III CONDITIONS OF LENDING

SECTION 3.01. Conditions Precedent to Initial Advances. The obligation of each Bank to make its initial Advance on or after the Closing Date is subject to the condition precedent that the Agent shall have received the following on or before the Closing Date, each dated the Closing Date, in form and substance satisfactory to the Agent and in sufficient copies for each Bank:

- (a) A fully executed copy of this Agreement.
- (b) Certified copy of the resolutions of the Board of Directors of the Borrower evidencing corporate authority to execute and deliver this Agreement, the Notes and the other documents to be delivered hereunder, and of all documents evidencing other necessary corporate action and governmental approvals, if any, with respect to this Agreement, the Notes and the other documents to be delivered hereunder.
- (c) A certificate of the Secretary or an Assistant Secretary of the Borrower certifying the names and true signatures of the officers of the Borrower authorized to sign this Agreement and the Notes and the other documents to be delivered hereunder.

(d) A favorable opinion of counsel for the Borrower, given upon its express instructions, substantially in the form of Exhibit D hereto.

(e) A favorable opinion of Sidley Austin LLP, counsel for the Agent, given upon the Agent's express instructions, substantially in the form of Exhibit E hereto.

In addition, the obligation of each Bank requesting Notes to make its initial Advance is subject to the further condition precedent that the Agent shall have received, on or before the day of the initial Borrowing, the Notes dated the Closing Date and payable to the order of such Bank.

SECTION 3.02. Conditions Precedent to Each Borrowing. The obligation of each Bank to make an Advance on the occasion of each Borrowing (including the initial Borrowing) shall be subject to the further conditions precedent that on the date of such Borrowing:

(a) the following statements shall be true (and each of the giving of the applicable Notice of Borrowing and the acceptance by the Borrower of the proceeds of such Borrowing shall constitute a representation and warranty by the Borrower that on the date of such Borrowing such statements are true):

(i) The representations and warranties contained in Section 4.01 (excluding those contained in the second sentence of subsection (e) and in subsection (f) thereof) are correct on and as of the date of such Borrowing, before and after giving effect to such Borrowing and to the application of the proceeds therefrom, as though made on and as of such date, and

(ii) No event has occurred and is continuing, or would result from such Borrowing or from the application of the proceeds therefrom, which constitutes an Event of Default; and

(b) the Agent shall have received such other approvals, opinions or documents as any Bank through the Agent may reasonably request.

SECTION 3.03. Conditions Precedent to Certain Borrowings. The obligation of each Bank to make that portion of an Advance on the occasion of any Borrowing which would increase the aggregate outstanding amount of Advances owing to such Bank over the aggregate amount of such Advances outstanding immediately prior to the making of such Advance shall be subject to the further conditions precedent that on the date of such Borrowing the following statements shall be true (and each of the giving of the applicable Notice of Borrowing and the acceptance by the Borrower of the proceeds of such Borrowing shall constitute a representation and warranty by the Borrower that on the date of such Borrowing such statements are true): (i) the representations and warranties contained in subsection (f) of Section 4.01 are correct on and as of the date of such Borrowing, before and after giving effect to such Borrowing and to the application of the proceeds therefrom, as though made on and as of such date, and (ii) no event has occurred and is continuing, or would result from such Borrowing or from the application of

the proceeds therefrom, which would constitute an Event of Default with respect to the Borrower but for the requirement that notice be given or time elapse or both.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Borrower. The Borrower represents and warrants as of the Closing Date and on each date specified in Article III, as follows:

(a) Organization; Qualification. The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and is duly qualified to transact business and is in good standing as a foreign corporation in every jurisdiction in which failure to qualify may materially adversely affect (i) the financial condition or operations of the Borrower and its consolidated Subsidiaries taken as a whole or (ii) the ability of the Borrower to perform its obligations under this Agreement and its Notes.

(b) Authority; No Conflict. The execution, delivery and performance by the Borrower of this Agreement and its Notes are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) the Borrower's charter or by-laws or (ii) any law or any contractual restriction binding on or affecting the Borrower.

(c) Governmental Consents. No authorization or approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Borrower of this Agreement or its Notes.

(d) Execution; Enforceability. This Agreement has been duly executed and delivered by a duly authorized officer of the Borrower. Upon execution of this Agreement by the Agent and when the Agent shall have been notified by each Bank that such Bank has executed this Agreement, this Agreement will be, and the Borrower's Notes when executed and delivered hereunder will be, legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms, except as enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally and by the effect of general principles of equity.

(e) Accuracy of Information; Material Adverse Change. The balance sheets of the Borrower and its Subsidiaries as at December 31, 2007, and March 31, 2008, and the related statements of income and retained earnings of the Borrower and its Subsidiaries for the fiscal year and three month period, respectively, then ended, copies of which have been furnished to each Bank, fairly present the financial condition of the Borrower and its Subsidiaries as at such dates and the results of the operations of the Borrower and its Subsidiaries for such periods, all in accordance with generally accepted accounting principles consistently applied. Since December 31, 2007, there has been no material adverse change in such condition or operations.

(f) Litigation; Loss Contingencies. There is no pending or threatened action or proceeding affecting the Borrower or any of its Subsidiaries before any court, governmental agency or arbitrator which is reasonably likely to materially adversely affect the financial condition or operations of the Borrower and its consolidated Subsidiaries taken as a whole or which purports to affect the legality, validity or enforceability of this Agreement or any Note or which may materially adversely affect the ability of the Borrower to perform its obligations under this Agreement and its Notes.

(g) Margin Stock. The Borrower is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System), and no proceeds of any Advance will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock.

(h) ERISA. Each Plan of the Borrower is in substantial compliance with ERISA, the Code and regulations thereunder. No Plan has an accumulated or waived funding deficiency within the meaning of Section 412 of the Code. Neither the Borrower nor any ERISA Affiliate nor any fiduciary of any Plan which is not a Multiemployer Plan (as defined in Section 4001(a)(3) of ERISA) (i) has engaged in a nonexempt prohibited transaction described in Sections 406 of ERISA or 4975 of the Code or (ii) has taken or failed to take any action which would constitute or result in an ERISA Termination Event. Neither the Borrower nor any ERISA Affiliate has (i) failed to make a required contribution or payment to a Multiemployer Plan or (ii) made a complete or partial withdrawal under Sections 4203 or 4205 of ERISA from a Multiemployer Plan. Neither the Borrower nor any ERISA Affiliate has failed to make a required installment or any other required payment under Section 412 of the Code on or before the due date for such installment or other payment. Neither the Borrower nor any ERISA Affiliate has incurred any liability to the PBGC which remains outstanding other than the payment of premiums, and there are no premium payments which have become due which are unpaid.

(i) Taxes; Assessments. The Borrower has paid or discharged, or caused to be paid or discharged, before the same shall have become delinquent, all taxes, assessments and governmental charges levied or imposed upon the Borrower or any Subsidiary of the Borrower or upon the income, profits or property of the Borrower or any Subsidiary of the Borrower, other than such taxes, assessments and governmental charges the amount, applicability or validity of which is being contested in good faith by appropriate proceedings and for which adequate reserves have been established.

(j) Not an Investment Company. Neither the Borrower nor any of its Subsidiaries is an “investment company” or a company “controlled” by an “investment company”, within the meaning of the Investment Company Act of 1940, as amended.

ARTICLE V COVENANTS OF THE BORROWER

SECTION 5.01. Affirmative Covenants. So long as any Advance shall remain unpaid or any Bank shall have any Commitment hereunder, the Borrower will, unless the Majority Banks shall otherwise consent in writing:

(a) Corporate Existence, Etc. Subject to Section 5.02(b), do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence, rights (charter and statutory) and franchises; provided, however, that the Borrower shall not be required to preserve any such right or franchise if its board of directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Borrower and that the loss thereof is not disadvantageous in any material respect to the Banks.

(b) Compliance with Laws, Etc. Comply, and cause each of its Subsidiaries to comply, in all material respects with all applicable laws, rules, regulations and orders, noncompliance with which may materially adversely affect (i) the financial condition or operations of the Borrower and its consolidated Subsidiaries taken as a whole or (ii) the ability of the Borrower to perform its obligations under this Agreement and its Notes.

(c) Maintenance of Properties. Cause all properties used or useful in the conduct of its business or the business of any of its Subsidiaries to be maintained and kept in good condition, repair and working order and supplied with all necessary equipment and will cause to be made all necessary repairs, renewals, replacements, betterments and improvements thereof, all as in the judgment of the Borrower may be necessary so that the business carried on in connection therewith may be properly and advantageously conducted at all times; provided, however, that nothing in this Section shall prevent the Borrower from discontinuing the operation or maintenance of any of such properties if such discontinuance is, in the reasonable judgment of the Borrower, desirable in the conduct of its business or the business of any Subsidiary of the Borrower and not disadvantageous in any material respect to the Banks.

(d) Payment of Taxes and Other Claims. Pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (1) all taxes, assessments and governmental charges levied or imposed upon the Borrower or any of its Subsidiaries or upon the income, profits or property of the Borrower or any of its Subsidiaries, and (2) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon the property of the Borrower or any of its Subsidiaries; provided, however, that the Borrower shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings.

(e) Use of Proceeds. Use all proceeds of Advances solely for general corporate purposes, including, but not limited to, repaying or prepaying Advances in accordance with the terms of this Agreement.

(f) Reporting Requirements. Furnish to the Banks:

(i) as soon as available and in any event within forty-five (45) days after the end of each of the first three quarters of each fiscal year of the Borrower, a consolidated balance sheet of the Borrower and its Subsidiaries as of the end of such

quarter, and a consolidated statement of income and retained earnings of the Borrower and its Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter;

(ii) as soon as available and in any event within ninety (90) days after the end of each fiscal year of the Borrower, a copy of the annual report for such year for the Borrower and its Subsidiaries, containing consolidated financial statements of the Borrower and its Subsidiaries for such year, certified (A) in a manner acceptable to the Majority Banks by PricewaterhouseCoopers L.L.P. or other independent public accountants acceptable to the Majority Banks and (B) as may be required under the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and all rules and regulations enacted under or in connection therewith;

(iii) together with each delivery of any financial statements pursuant to clauses (i) and (ii) above, a Compliance Certificate in substantially the form of Exhibit F hereto, as applicable, demonstrating in reasonable detail compliance as at the end of the applicable accounting periods with the covenants contained in Section 5.03.

(iv) as soon as possible and in any event within five (5) days after the occurrence of each Event of Default and each event which, with the giving of notice or lapse of time, or both, would constitute an Event of Default, continuing on the date of such statement, a statement of the chief financial officer of the Borrower setting forth details of such Event of Default or event and the action which the Borrower has taken and proposes to take with respect thereto;

(v) promptly after the sending or filing thereof, copies of all reports which the Borrower sends to any of its security holders, and copies of all reports and registration statements (without exhibits) which the Borrower or any of its Subsidiaries (without duplication) files with the Securities and Exchange Commission or any national securities exchange, in each case without duplication of materials furnished to the Banks pursuant to clauses (i) or (ii) of this subsection (f);

(vi) promptly after the written request of the Agent or any Bank, copies of all reports and notices which the Borrower or any Subsidiary of the Borrower files under ERISA with the Internal Revenue Service or the PBGC or the U.S. Department of Labor or which the Borrower or any Subsidiary of the Borrower receives from any such Person;

(vii) promptly after (A) the occurrence thereof, notice of the institution of or any material adverse development in any action, suit or proceeding or any governmental investigation or any arbitration, before any court or arbitrator or any governmental or administrative body, agency or official, against the Borrower or any of its material property, or (B) actual knowledge thereof, notice of the threat of any such action, suit, proceeding, investigation or arbitration, in each case which the Borrower reasonably believes is likely to be resolved against the Borrower and, if so resolved against the Borrower, is reasonably anticipated by the Borrower to materially adversely affect (x) the financial condition of the Borrower and its consolidated

Subsidiaries taken as a whole or (y) the ability of the Borrower to perform its obligations under this Agreement and its Notes (without duplication of notices furnished to the Banks pursuant to clause (v) of this subsection (f));

(viii) promptly after (A) the occurrence thereof, notice that (1) an ERISA Termination Event or a “prohibited transaction,” as such term is defined in Section 4975 of the Code, with respect to any Plan of the Borrower has occurred, which such notice shall specify the nature thereof and the Borrower’s proposed response thereto, (2) the Borrower or an ERISA Affiliate has failed to make a required installment or any other required payment under Section 412 of the Code and (3) the plan administrator of any Plan has applied under Section 412(d) of the Code for a waiver of the minimum funding standards of Section 412(a) of the Code, together with copies of such waiver application, and (B) actual knowledge thereof, copies of any notice of the PBGC’s intention to terminate or to have a trustee appointed to administer any Plan;

(ix) (A) on the Closing Date, the then Credit Ratings for the Borrower from S&P and Moody’s and (B) within two (2) Business Days after the Borrower receives notice from S&P or Moody’s of a change in the Borrower’s Credit Ratings, the Borrower’s revised Credit Ratings (or, if applicable, notice that a Credit Rating will no longer be received from such rating service); and

(x) such other information respecting the condition or operations, financial or otherwise, of the Borrower or any of its Subsidiaries as any Bank through the Agent may from time to time reasonably request in writing with an indication of the reason for such request.

Financial statements and other documents required to be furnished pursuant to Section 5.01(f)(i) or (ii) (to the extent any such financial statements or other documents are included in reports or other materials otherwise filed with the Securities and Exchange Commission) may be delivered electronically and if so delivered, shall be deemed to have been furnished on the date on which (i) the Borrower posts such financial statements or other documents, or provides a link thereto, on the Borrower’s website on the Internet, or (ii) such financial statements or other documents are posted on behalf of the Borrower on an Internet or intranet website, if any, to which each Bank and the Agent have access (whether a commercial, third-party website or whether sponsored by the Agent or the Securities and Exchange Commission’s website located at <http://www.sec.gov/edgar/searchedgar/webusers.htm>).

SECTION 5.02. Negative Covenants. So long as any Advance shall remain unpaid or any Bank shall have any Commitment hereunder, the Borrower will not, without the written consent of the Majority Banks:

(a) Liens, Etc. Create or suffer to exist, or permit any of its Subsidiaries to create or suffer to exist, any lien, security interest or other charge or encumbrance of any kind, (excluding CFSC Purchase Claims, to the extent that such CFSC Purchase Claims could be deemed to constitute liens or security interests), upon or with respect to any of its properties, whether now owned or hereafter acquired, or assign, or permit any of its Subsidiaries to assign, any right to receive income (excluding any assignment of accounts receivable arising out of or in

connection with the sale or securitization by CFSC or any Subsidiary of its accounts receivable giving rise to CFSC Purchase Claims), in each case to secure or provide for the payment of any Debt of any Person, if the aggregate amount of the Debt so secured (or for which payment has been provided) would at any time exceed an amount equal to 10% of Consolidated Net Tangible Assets of the Borrower.

(b) Mergers, Etc. (i) Merge or consolidate with or into any Person, or permit any of its Subsidiaries to do so, or (ii) convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to any Person, or (iii) together with one or more of its consolidated Subsidiaries, convey, transfer, lease or otherwise dispose of (whether in one transaction or in a series of transactions) all or substantially all of the assets of the Borrower and its consolidated Subsidiaries (whether now owned or hereafter acquired) to any Person; except that any Subsidiary of the Borrower may merge or consolidate with or into, or transfer assets to, or acquire assets of, the Borrower or any other Subsidiary of the Borrower and except that any Subsidiary of the Borrower may merge into or transfer assets to the Borrower and the Borrower may merge with, and any Subsidiary of the Borrower may merge or consolidate with or into, any other Person, provided in each case that, immediately after giving effect to such proposed transaction, no Event of Default or event which, with the giving of notice or lapse of time, or both, would constitute an Event of Default, would exist and in the case of any such merger to which the Borrower is a party, the Borrower is the surviving corporation.

(c) Support Agreement. Terminate, or make any amendment or modification to, the Support Agreement which, in the determination of the Agent, adversely affects the Banks' interests pursuant to this Agreement, without giving the Agent and the Banks at least thirty (30) days prior written notice and obtaining the written consent of the Majority Banks.

SECTION 5.03. Financial Covenants. So long as any Advance shall remain unpaid or any Bank shall have any Commitment hereunder, the Borrower will, unless the Majority Banks shall otherwise consent in writing:

(a) Ratio of CFSC Consolidated Debt to Consolidated Net Worth.

(i) Maintain at all times a ratio (the "Leverage Ratio") of CFSC Consolidated Debt to CFSC's Consolidated Net Worth of not greater than 8.50 to 1. For purposes of this subsection (i), the Leverage Ratio at any time shall be equal to the average of the Leverage Ratios as determined on the last day of each of the six preceding calendar months.

(ii) Maintain a Leverage Ratio of not greater than 8.50 to 1 on each December 31, commencing December 31, 2008. For purposes of this subsection (ii), the Leverage Ratio shall be the ratio of CFSC Consolidated Debt to CFSC's Consolidated Net Worth on the date for which computed.

(b) Interest Coverage Ratio. Maintain a ratio of (i) earnings of the Borrower before income taxes and "Interest Expense" (as defined below) to (ii) Interest Expense, in each case calculated for the fiscal quarter then most recently ended for the Borrower and its

Subsidiaries on a consolidated basis in accordance with generally accepted accounting principles, of not less than 1.15 to 1 for each fiscal quarter. “Interest Expense” means, for any period of determination, all interest (without duplication), whether paid in cash or accrued as a liability, on Debt of the Borrower and its Subsidiaries determined on a consolidated basis for such period (including imputed interest on any capital lease of the Borrower or its Subsidiaries) in accordance with generally accepted accounting principles.

ARTICLE VI EVENTS OF DEFAULT

SECTION 6.01. Events of Default. If any of the following events (“Events of Default”) shall occur and be continuing with respect to the Borrower:

(a) The Borrower shall fail to pay (i) any principal of any of the Advances when the same becomes due and payable, or (ii) any interest on any of the Advances, or any Commitment Fee, other fee or other amount payable by it hereunder by the later of (A) five (5) Business Days after such item has become due and (B) two (2) Business Days after receipt of written notice from the Agent that such item has become due; or

(b) Any representation or warranty made by the Borrower herein or by the Borrower (or any of its officers) in connection with this Agreement shall prove to have been incorrect in any material respect when made or deemed made; or

(c) The Borrower shall fail to perform or observe (i) any covenant or agreement made by it contained in subsection (a) or (f)(iv) of Section 5.01 or in Section 5.02 or (ii) any other term, covenant or agreement contained in this Agreement on its part to be performed or observed if the failure to perform or observe such other term, covenant or agreement shall remain unremedied for 30 days after written notice thereof shall have been received by the Borrower; or

(d) Any of the following shall occur:

(i) the Borrower or any Subsidiary of the Borrower shall fail to pay any principal of, premium or interest on, or other amount owing in respect of any of its Debt which is outstanding in a principal amount of at least \$35,000,000 in the aggregate, but excluding Debt consisting of the Borrower’s obligations hereunder when due, (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise), and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Debt, or

(ii) the Borrower or any Subsidiary of the Borrower shall fail to observe or perform any term, covenant or condition on its part to be observed or performed under any agreement or instrument relating to any such Debt which is outstanding in a principal amount of at least \$35,000,000 in the aggregate (but excluding Debt consisting of the Borrower’s obligations hereunder), when required to be observed or performed, and such failure shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such failure is to accelerate,

or permit the acceleration of, the maturity of such Debt or such Debt has been accelerated and such acceleration has not been rescinded, or

(iii) any amount of Debt in excess of \$35,000,000 in the aggregate shall be required to be prepaid, defeased, purchased or otherwise acquired by the Borrower or any Subsidiary of the Borrower, other than by a regularly scheduled required prepayment, prior to the stated maturity thereof, or

(iv) any “Event of Default” shall occur with respect to the Borrower or Caterpillar under any of the Citibank Facilities, or

(e) (i) the Borrower or any of its Subsidiaries shall generally not pay its debts as such debts become due, or an officer or other authorized representative of the Borrower or such Subsidiary shall admit in writing the Borrower’s or such Subsidiary’s inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by the Borrower or any of its Subsidiaries seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property; or any such proceeding shall be instituted against the Borrower or any of its Subsidiaries and either an order for relief against the Borrower or such Subsidiary is entered in such proceeding or such proceeding is not dismissed within forty-five (45) days; or the Borrower or any of its Subsidiaries shall take any corporate action to authorize any of the actions set forth above in this subsection (e)(i); or

(ii) Caterpillar or any of its Subsidiaries shall generally not pay its debts as such debts become due, or an officer or other authorized representative of Caterpillar or such Subsidiary shall admit in writing Caterpillar’s or such Subsidiary’s inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by Caterpillar or any of its Subsidiaries seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property; or any such proceeding shall be instituted against Caterpillar or any of its Subsidiaries and either an order for relief against Caterpillar or such Subsidiary is entered in such proceeding or such proceeding is not dismissed within forty-five (45) days; or Caterpillar or any of its Subsidiaries shall take any corporate action to authorize any of the actions set forth above in this subsection (e)(ii);

provided, however, that the filing of one or more of the proceedings and/or the occurrence of one or more of the other events described in this Section 6.01(e) with respect to Elektrociepłownia Starachowice Sp. z o.o., Przedsiębiorstwo Energetyki Ciepłej “Bugaj” Sp. z o.o., Necoles Investments, B.V. or Caterpillar Power Ventures Europe, B.V. shall not constitute an Event of Default; or

(f) Any judgment or order for the payment of money in excess of \$25,000,000 shall be rendered against the Borrower or any of its Subsidiaries and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect;

(g) (i) A Plan of the Borrower shall fail to maintain the minimum funding standard required by Section 412 of the Code for any plan year or a waiver of such standard is sought or granted under Section 412(d), or (ii) an ERISA Termination Event shall have occurred with respect to the Borrower or the Borrower or an ERISA Affiliate has incurred or is likely to incur a liability to or on account of a Plan under Section 4062, 4063, 4064, 4201 or 4204 of ERISA, or (iii) the Borrower or an ERISA Affiliate shall engage in any prohibited transaction described in Sections 406 of ERISA or 4975 of the Code for which a statutory or class exemption is not available or a private exemption has not been previously obtained from the Department of Labor, or (iv) the Borrower or an ERISA Affiliate shall fail to pay any required installment or any other payment required under Section 412 of the Code on or before the due date for such installment or other payment, or (v) the Borrower or an ERISA Affiliate shall fail to make any contribution or payment to any Multiemployer Plan (as defined in Section 4001(a)(3) of ERISA) which the Borrower or any ERISA Affiliate may be required to make under any agreement relating to such Multiemployer Plan or any law pertaining thereto, and there shall result from any such event or events either a liability or a material risk of incurring a liability to the PBGC or a Plan, which will have a material adverse effect upon the business, financial condition or results of operations of the Borrower and its Subsidiaries, taken as a whole;

(h) A Change of Control shall occur; or

(i) The Support Agreement shall for any reason fail to be in full force and effect, or any action shall be taken by the Borrower to discontinue or to assert the invalidity or unenforceability of the Support Agreement, or CFSC shall fail to comply with any of the terms or provisions of the Support Agreement; or

(j) Caterpillar shall fail at any time to have a Consolidated Net Worth equal to or greater than 75% of its Consolidated Net Worth as of the prior year-end, and such failure shall remain unremedied for 30 days after written notice thereof shall have been given by any Bank or the Agent to the Borrower;

then, and in any such event, the Agent (x) shall at the request, or may with the consent, of the Majority Banks, by notice to the Borrower, declare the obligation of each Bank to make Advances to the Borrower to be terminated, whereupon the same shall forthwith terminate, and (y) shall at the request, or may with the consent, of the Majority Banks, by notice to the Borrower, declare the Advances to the Borrower, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon such Advances, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; provided, however, upon the occurrence of any Event of Default with respect to the Borrower described in Section 6.01(e)(i), (A) the obligation of each Bank to make

Advances to the Borrower shall automatically be terminated and (B) the Advances to the Borrower, all such interest and all such amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

ARTICLE VII THE AGENT

SECTION 7.01. Authorization and Action. Each Bank hereby appoints and authorizes the Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Agent by the terms hereof, together with such powers as are reasonably incidental thereto. As to any matters not expressly provided for by this Agreement (including, without limitation, enforcement or collection of the Advances or any other amounts due hereunder), the Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Majority Banks (or in the case of actions that require the consent of all of the Banks hereunder, all of the Banks), and such instructions shall be binding upon all Banks; provided, however, that the Agent shall not be required to take any action which exposes the Agent to personal liability or which is contrary to this Agreement or applicable law. The Agent agrees to give to each Bank prompt notice of each notice given to it by the Borrower pursuant to the terms of this Agreement.

SECTION 7.02. Agent's Reliance, Etc. Neither the Agent nor any of its respective directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with this Agreement, except for its or their own gross negligence or willful misconduct. Without limitation of the generality of the foregoing, the Agent: (i) may treat the Bank that made any Advance as the holder thereof until the Agent receives and accepts an Assignment and Acceptance providing for the assignment thereof, in accordance with Section 8.07, or receives other written notice of the assignment or transfer thereof signed by such payee and in form satisfactory to the Agent; (ii) may consult with legal counsel (including counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (iii) makes no warranty or representation to any Bank and shall not be responsible to any Bank for any statements, warranties or representations made in or in connection with this Agreement; (iv) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement (other than delivery to the Agent of the items required by Section 3.01) on the part of the Borrower or to inspect the property (including the books and records) of the Borrower; (v) shall not be responsible to any Bank for the due execution (other than its due execution and delivery), legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto or thereto; and (vi) shall incur no liability under or in respect of this Agreement by acting upon any notice, consent, certificate or other instrument or writing (which may be by facsimile or electronic communication) reasonably believed by it to be genuine and signed or sent by the proper party or parties.

SECTION 7.03. SG and Affiliates. With respect to its Commitment, the Advances made by it and any Notes issued to it, SG shall have the same rights and powers under this Agreement as any other Bank and may exercise the same as though it were not the Agent; and the term “Bank” or “Banks” shall, unless otherwise expressly indicated, include SG in its individual capacity. SG and its affiliates may accept deposits from, lend money to, act as trustee under indentures of, and generally engage in any kind of business with, the Borrower, any of its subsidiaries and any Person who may do business with or own securities of the Borrower or any such subsidiary, all as if SG were not the Agent and without any duty to account therefor to the Banks.

SECTION 7.04. Bank Credit Decision. Each Bank acknowledges that it has, independently and without reliance upon the Agent or any other Bank and based on the financial statements referred to in Section 4.01 and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Bank also acknowledges that it will, independently and without reliance upon the Agent or any other Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement.

SECTION 7.05. Indemnification. The Banks agree to indemnify the Agent (to the extent not reimbursed by the Borrower), ratably according to the respective principal amounts of the Advances then held by each of them (or if no Advances are at the time outstanding, ratably according to the respective amounts of their Commitments), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of this Agreement or any action taken or omitted by the Agent under this Agreement; provided that no Bank shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Agent’s gross negligence or willful misconduct. Without limitation of the foregoing, each Bank agrees to reimburse the Agent promptly upon demand for its ratable share (determined as specified in the first sentence of this Section 7.05) of any out-of-pocket expenses (including reasonable counsel fees) incurred by the Agent in connection with the preparation, execution, delivery, administration, modification, amendment or enforcement (whether through negotiation, legal proceedings or otherwise) of, or legal advice in respect of rights or responsibilities under, this Agreement, to the extent that the Agent is not reimbursed for such expenses by the Borrower.

SECTION 7.06. Successor Agent. The Agent may resign at any time by giving written notice thereof to the Banks and the Borrower and may be removed at any time with or without cause by the Majority Banks. Upon any such resignation or removal, the Majority Banks shall have the right to appoint a successor Agent. If no successor Agent shall have been so appointed by the Majority Banks, and shall have accepted such appointment, within 30 days after the retiring Agent’s giving of notice of resignation or the Majority Banks’ removal of the retiring Agent, then the retiring Agent may, on behalf of the Banks, appoint a successor Agent, which shall be a commercial bank organized or licensed under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least \$500,000,000. Provided that no Event of Default or event which, with the giving of notice or

lapse of time, or both, would constitute an Event of Default has occurred and is continuing, any successor Agent appointed by the Majority Banks or by the retiring Agent shall have received the prior approval of the Borrower (which approval shall not be unreasonably withheld). Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Agent's resignation or removal hereunder as Agent, the provisions of this Article VII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Agent under this Agreement.

ARTICLE VIII MISCELLANEOUS

SECTION 8.01. Amendments, Etc. No amendment or waiver of any provision of this Agreement or the Notes, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Borrower and the Majority Banks, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided, however, that no amendment, waiver or consent shall, unless in writing and signed by all the Banks, do any of the following: (a) waive any of the conditions specified in Section 3.01, 3.02, or 3.03 (if and to the extent that the Borrowing which is the subject of such waiver would involve an increase in the aggregate outstanding amount of Advances over the aggregate amount of Advances outstanding immediately prior to such Borrowing), (b) increase the Commitments of the Banks (other than pursuant to Section 2.05(c)) or subject the Banks to any additional obligations, (c) reduce or forgive the principal of, or interest on, the Advances or any fees or other amounts payable hereunder, (d) postpone any date fixed for any payment of principal of, or interest on, the Advances or any fees or other amounts payable hereunder, (e) change the definition of "Majority Banks" or the percentage of the Commitments or of the aggregate unpaid principal amount of the Advances, or the number of Banks, which shall be required for the Banks, or any of them, to take any action hereunder, or (f) amend this Section 8.01; and provided further that no amendment, waiver or consent shall, unless in writing and signed by the Agent in addition to the Borrower and the Banks required above to take such action, affect the rights or duties of the Agent under this Agreement or any Note.

SECTION 8.02. Notices, Etc. (a) Except as otherwise provided herein, all notices and other communications provided for hereunder shall be in writing (including facsimile or electronic communication) and mailed, faxed or delivered, if to Borrower, at 2120 West End Avenue, Nashville, Tennessee 37203-0001, facsimile No. (615) 341-8596, Attention: Treasurer; if to any Bank, at its Lending Office; and if to the Agent, at its address at 480 Washington Blvd., 20th Floor, Jersey City, New Jersey 07310, facsimile No. (201) 839-8118, Attention: Carmen Espinal, Deal Administrator; with a copy to 480 Washington Blvd., 20th Floor, Jersey City, New Jersey 07310, facsimile No. (201) 839-8118, Attention: Nadira Tiwari, Portfolio Administrator; with a copy to 190 South LaSalle Street, Suite 3850, Chicago, Illinois 60603, facsimile No. (312) 894-6201, Attention: Eric Siebert; or, as to each party, at such other address as shall be designated by such party in a written notice to the other parties. All such notices and communications shall be deemed to have been given three (3) Business Days after deposit in the United States mail (registered or certified, with postage prepaid and properly addressed), upon

receipt of a facsimile confirmation or when delivered in person or by courier service, except that notices and communications to the Agent pursuant to Article II or VII shall not be effective until received by the Agent.

(b) The Borrower hereby agrees that it will provide to the Agent (unless otherwise agreed to by the Agent) all information, documents and other materials that it is obligated to furnish to the Agent or the Banks, as applicable, pursuant to this Agreement, including, without limitation, all notices, requests, financial statements, financial and other reports, certificates and other information materials, but excluding any such communication that (i) relates to a request for an extension of credit (including any election of an interest rate or Interest Period relating thereto), (ii) relates to the payment of any principal or other amount due under this Agreement prior to the scheduled date therefor, (iii) provides notice of any Event of Default or (iv) is required to be delivered to satisfy any condition precedent to the effectiveness of this Agreement and/or any Borrowing or other extension of credit hereunder (all such non-excluded communications being referred to herein collectively as “Communications”), by transmitting the Communications in an electronic/soft medium in a format acceptable to the Agent to eric.siebert@sgcib.com with a copy to carmen.espinal@sgcib.com. In addition, the Borrower agrees to continue to provide the Communications to the Agent in the manner otherwise specified in this Agreement but only to the extent requested by the Agent.

(c) The Agent agrees that the receipt of the Communications by the Agent at its e-mail address set forth above shall constitute effective delivery of the Communications to the Agent for purposes of Section 8.02. Each Bank agrees that the receipt of the Communications by such Bank at its e-mail address (as provided in the next sentence) shall constitute effective delivery of the Communications to such Bank for purposes of Section 8.02. Each Bank agrees to notify the Agent in writing (including by electronic communication) from time to time of such Bank’s e-mail address(es) to which the foregoing notice may be sent by electronic transmission and (ii) that the foregoing notice may be sent to such e-mail address(es); provided that (x) notices and other communications sent to an e-mail address shall be deemed received upon the sender’s receipt of an acknowledgement from the intended recipient (such as by the “return receipt requested” function, as available, return e-mail or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and (y) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause (x) of notification that such notice or communication is available and identifying the website address therefor.

SECTION 8.03. No Waiver; Remedies. No failure on the part of any party hereto to exercise, and no delay in exercising, any right hereunder or under any Note shall operate as a waiver thereof; nor shall any single or partial exercise of any such right preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

SECTION 8.04. Costs, Expenses and Taxes. (a) The Borrower agrees to pay on written demand all reasonable costs and expenses of the Agent in connection with the preparation, execution, delivery, administration, modification and amendment of this Agreement,

the Notes and the other documents to be delivered hereunder, including, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Agent with respect thereto and with respect to advising the Agent as to their rights and responsibilities under this Agreement. The Borrower agrees to pay all costs and expenses, if any (including, without limitation, reasonable counsel fees and expenses of the Banks), in connection with the enforcement (whether through negotiations, legal proceedings or otherwise) of this Agreement, the Notes and the other documents to be delivered hereunder. .

(b) If any payment of principal of any Eurodollar Advance is made other than on the last day of the Interest Period for such Advance, as a result of a payment pursuant to Section 2.09 or acceleration of the maturity of the Advances pursuant to Section 6.01 or for any other reason, or if the Banks receive payments from an Added Bank in connection with the purchase of a participation in Eurodollar Advances by such Added Bank pursuant to Section 2.05(d), the Borrower shall, upon demand by any Bank (with a copy of such demand to the Agent), pay to the Agent for the account of such Bank any amounts as such Bank shall reasonably determine in good faith to be required to compensate such Bank for any additional losses, costs or expenses which it may reasonably incur as a result of such payment. Such indemnification shall include, without limitation, any loss, cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Bank to fund or maintain such Advance; provided, however, that any indemnification for such losses, costs and expenses shall be limited to an amount equal to (i) the principal amount of the Advance paid by the Borrower or the amount of the participation purchased by such Added Bank, as the case may be, times (ii) the number of days remaining in the Interest Period applicable to such Advance, divided by 360, times (iii) the interest differential between the interest rate applicable to such Advance and the rate of interest which would apply on an Advance to the Borrower of the same Type requested on the date of such payment by the Borrower for an Interest Period which most nearly approximates the remaining term of the Interest Period applicable to the Advance paid by the Borrower. A certificate describing in reasonable detail the amount of such losses, costs and expenses, and specifying therein the Type of loan in reference to which such Bank shall have made its calculations thereof (the “Reference Investment”), submitted to the Borrower and the Agent by such Bank, shall create a rebuttable presumption of the rate applicable to the Reference Investment identified therein. In making any determination under this Section 8.04(b), each Bank shall use reasonable efforts to minimize the amount payable by the Borrower hereunder to such Bank, provided that such action does not result in any additional cost, loss or expense for such Bank and is not otherwise disadvantageous to such Bank.

(c) The Borrower agrees to indemnify and hold harmless each of the Agent, each Bank, and each of their directors, officers and employees from and against any and all claims, damages, liabilities and expenses (including, without limitation, reasonable fees and disbursements of outside counsel and reasonable allocated costs and expenses of in-house counsel) which may be incurred by or asserted against the Agent, such Bank, or any such director, officer or employee in connection with or arising out of any investigation, litigation, or proceeding (i) related to any transaction or proposed transaction (whether or not consummated) in which any proceeds of any Borrowing are applied or proposed to be applied, directly or indirectly, by the Borrower, whether or not the Agent, such Bank, or any such director, officer or employee is a party to such transactions or (ii) related to the Borrower’s entering into this

Agreement, or to any actions or omissions of the Borrower, any of its Subsidiaries or affiliates or any of its or their respective officers, directors or employees in connection therewith. The Borrower shall not be required to indemnify any such indemnified Person from or against any portion of such claims, damages, liabilities or expenses (x) arising out of the gross negligence or willful misconduct of such indemnified Person or (y) that result from the violation by such indemnified Person of any law, regulation, ordinance, or judicial or governmental agency order.

SECTION 8.05. Right of Set-off. Upon (i) the occurrence and during the continuance of any Event of Default and (ii) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Agent to declare the Advances to the Borrower due and payable pursuant to the provisions of Section 6.01, each Bank is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Bank to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement, and any Note held by such Bank, irrespective of whether or not such Bank shall have made any demand under this Agreement or such Note and although such obligations may be unmatured. Each Bank agrees to immediately notify the Borrower by facsimile after any such set-off and application made by such Bank, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Bank under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) which such Bank may have.

SECTION 8.06. Binding Effect. This Agreement shall be deemed to have become effective as of July 15, 2008 when it shall have been executed by the Borrower and the Agent and when the Agent shall have been notified by each Bank that such Bank has executed it, and thereafter this Agreement shall be binding upon and inure to the benefit of the Borrower, the Agent and each Bank and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of all the Banks.

SECTION 8.07. Assignments and Participations.

(a) (i) Each Bank may, upon not less than two (2) Business Days prior notice to the Agent, assign to one or more of such Bank's affiliates or to one or more other Banks (or to any affiliate of such Bank) all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment, the Advances owing to it and any Note or Notes held by it); provided, however, that (A) each such assignment shall be of a constant, and not a varying, percentage of all of the assigning Bank's rights and obligations under this Agreement, and shall be in an amount not less than the lesser of (x) \$5,000,000 and (y) the remaining amount of the assigning Bank's Commitment (calculated as at the date of such assignment) or outstanding Advances (if such Bank's Commitment has been terminated) and (B) the parties to each such assignment shall execute and deliver to the Agent, for its acceptance (but not consent), an Assignment and Acceptance, together with any Note or Notes subject to such assignment and a processing and recordation fee of \$3,500.

(ii) In addition, each Bank may, with the written consent of each of the Agent and the Borrower (which consent shall not be unreasonably withheld or delayed), assign to one or more banks (other than Banks and their affiliates, assignments to which shall be governed by Section 8.07(a)(i) above) or other entities all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment, the Advances owing to it and the Note or Notes, if any, held by it); provided, that (A) each such assignment shall be of a constant, and not a varying, percentage of all of the assigning Bank's rights and obligations under this Agreement, and shall be in an amount not less than the lesser of (x) \$5,000,000 and (y) the remaining amount of the assigning Bank's Commitment (calculated as at the date of such assignment) or outstanding Advances (if such Bank's Commitment has been terminated) and (B) the parties to each such assignment shall execute and deliver to the Agent, for its acceptance (but not consent), an Assignment and Acceptance, together with any Note or Notes subject to such assignment and a processing and recordation fee of \$3,500.

(iii) Upon such execution, delivery and acceptance of any such Assignment and Acceptance, from and after the effective date specified in such Assignment and Acceptance, (x) the assignee thereunder shall, in addition to the rights and obligations hereunder held by it immediately prior to such effective date (if any), have the rights and obligations hereunder that have been assigned to it pursuant to such Assignment and Acceptance and (y) the Bank assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Bank's rights and obligations under this Agreement, such Bank shall cease to be a party hereto and thereto).

(b) By executing and delivering an Assignment and Acceptance, the Bank assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Bank makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; and (ii) such assigning Bank makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto.

(c) The Agent, acting solely for this purpose as an agent of the Borrower, shall maintain at its address referred to in Section 8.02 a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Banks, and the Commitments of, and principal amounts of the Advances owing to, each Bank pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be *prima facie* evidence of such matters, and the Borrower, the Agent and the Banks may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Bank hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower or any Bank at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of an Assignment and Acceptance executed by an assigning Bank and an assignee, together with the Notes, if any, subject to such assignment, the Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit C-1 hereto, (i) accept such Assignment and Acceptance, and (ii) give prompt notice thereof to the Borrower. Within five (5) Business Days after its receipt of such notice, the Borrower, at its own expense, shall execute and deliver to the Agent in exchange for any surrendered Note a new Note, if requested, to the order of such assignee and, if the assigning Bank has retained a Commitment hereunder and requested a new Note, a new Note to the order of the assigning Bank. Such new Note or Notes, if requested, shall be dated the effective date of such Assignment and Acceptance and shall otherwise be in substantially the form of Exhibit A hereto.

(e) Each Bank may sell participations to one or more banks or other entities in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment, the Advances owing to it and the Notes, if any, held by it); provided, however, that (i) such Bank's obligations under this Agreement (including, without limitation, its Commitment to the Borrower hereunder) shall remain unchanged, (ii) such Bank shall remain solely responsible to the Borrower, the other Banks and the Agent for the performance of such obligations, (iii) such Bank shall remain the holder of any such Notes for all purposes of this Agreement, and (iv) the Borrower, the Agent and the other Banks shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement.

(f) Notwithstanding any other provision set forth in this Agreement, any Bank at any time may assign, as collateral or otherwise, any of its rights (including, without limitation, rights to payments of principal of and/or interest on the Advances) under this Agreement to any Federal Reserve Bank without notice to or consent of the Borrower or the Agent.

SECTION 8.08. Governing Law; Submission to Jurisdiction; Service of Process.

(a) This Agreement and the Notes shall be governed by, and construed in accordance with, the laws of the State of New York.

(b) Each of the Agent, each Bank and the Borrower hereby (i) irrevocably submits to the jurisdiction of any New York State or United States federal court sitting in New York City (and any appellate court hearing appeals from any such court) in any action or proceeding arising out of or relating to this Agreement and hereby irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or in such federal court; (ii) irrevocably waives, to the fullest extent that it may effectively do so, the defense of an inconvenient forum to the maintenance of any such action or proceeding; and (iii) agrees that a final judgment in any such action or proceeding may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. The Borrower irrevocably consents to the service of process of any of the aforesaid courts in any such action or proceeding by the mailing or delivery of a copy of such process to the Borrower at its address specified in Section 8.02.

(c) Nothing in this Section 8.08 shall affect the right of the Borrower, the Agent or any Bank to serve legal process in any other manner permitted by law or affect the right of the Borrower, the Agent or any Bank to bring any action or proceeding against any other party hereto or any property of any other party hereto in the courts of any other jurisdictions.

SECTION 8.09. [Reserved].

SECTION 8.10. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 8.11. Waiver of Jury Trial. THE BORROWER, THE AGENT AND EACH BANK IRREVOCABLY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, AMONG ANY OF THE PARTIES HERETO ARISING OUT OF OR RELATED TO THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT OR ANY NOTE. ANY PARTY HERETO MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RESPECTIVE RIGHTS TO TRIAL BY JURY.

SECTION 8.12. USA Patriot Act Notification. The following notification is provided to the Borrower pursuant to Section 326 of the USA Patriot Act:

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT. To help the government of the United States of America fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each Person that opens an account, including any deposit account, treasury management account, loan, other extension of credit, or other financial services product. Accordingly, when the Borrower opens an account, the Agent and the Banks will ask for the Borrower's name, tax identification number (if applicable), business address, and other information that will allow the Agent and the Banks to identify the Borrower. The Agent and the Banks may also ask to see the Borrower's legal organizational documents or other identifying documents.

SECTION 8.13. Confidentiality. Each of the Agent and each Bank agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its affiliates and to its and its affiliates' respective managers, administrators, trustees, partners, directors, officers, employees, agents, advisors and other representatives (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent requested by any regulatory authority purporting to have jurisdiction over it (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other document related to or executed in connection herewith

or therewith or any action or proceeding relating to this Agreement or any other document related to or executed in connection herewith or the enforcement of rights hereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (i) any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under this Agreement or (ii) any actual or prospective party (or its managers, administrators, trustees, partners, directors, officers, employees, agents, advisors and other representatives) to any swap or derivative or similar transaction under which payments are to be made by reference to the Borrower and its respective obligations, this Agreement or payments hereunder, (iii) any rating agency, or (iv) the CUSIP Service Bureau or any similar organization, (g) with the consent of the Borrower or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Agent, any Bank or any of their respective affiliates on a nonconfidential basis from a source other than the Borrower.

For purposes of this Section, “Information” means all information received from the Borrower or any of its respective Subsidiaries relating to the Borrower or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Agent and any Bank on a nonconfidential basis prior to disclosure by the Borrower or any of its Subsidiaries, provided that, in the case of information received from the Borrower or any of its Subsidiaries after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

The remainder of this page is intentionally blank.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers or representatives thereunto duly authorized, as of the date first above written.

CATERPILLAR FINANCIAL
SERVICES CORPORATION

By: /s/ David A. Kacynski
Name: David A. Kacynski
Title: Treasurer

SOCIETE GENERALE, as Agent

By: /s/ Eric E.O. Siebert, Jr.

Name: Eric E.O. Siebert, Jr.

Title: Managing Director

Banks

COMMITMENT

\$200,000,000

SOCIÉTÉ GÉNÉRALE

By: /s/ Eric E.O. Siebert, Jr.
Name: Eric E.O. Siebert, Jr.
Title: Managing Director

Lending Office:

SOCIETE GENERALE
480 Washington Blvd., 20th Floor
Jersey City, New Jersey 07310
Attention: Carmen Espinal, Deal Administrator
Phone: (201) 839-8451
Fax: (201) 839-8118

COMMITMENT

\$100,000,000

ROYAL BANK OF CANADA

By: /s/ Meredith Majesty

Name: Meredith Majesty

Title: Authorized Signatory

Lending Office:

ROYAL BANK OF CANADA

One Liberty Plaza, 4th Floor

New York, New York 10006

Attention: Manager, Loan Administration

Phone: (212) 428-6322

Fax: (212) 428-2372

TOTAL COMMITMENT

\$300,000,000

EXHIBIT A
FORM OF NOTE

Dated: _____, 200_

FOR VALUE RECEIVED, the undersigned (the "Borrower"), HEREBY
PROMISES TO PAY to the order of

_____ (the "Bank") the principal amount of each Advance (as defined below) made by the Bank to the Borrower pursuant to the Credit Agreement (as defined below) on the last day of the Interest Period (as defined in the Credit Agreement) occurring on or prior to the Scheduled Termination Date (as defined in the Credit Agreement) for such Advance.

The Borrower promises to pay interest on the unpaid principal amount of each Advance from the date of such Advance until such principal amount is paid in full, at such interest rates, and payable at such times, as are specified in the Credit Agreement.

Both principal and interest are payable to the office of the Agent specified pursuant to the Credit Agreement, in same day funds. Each Advance made by the Bank to the Borrower and the maturity thereof, and all payments made on account of principal thereof, shall be recorded by the Bank and, prior to any transfer hereof, endorsed on the grid attached hereto which is part of this Promissory Note.

This Promissory Note is one of the Notes referred to in, and is entitled to the benefits of, the Credit Agreement (364-Day Facility) dated as of July 15, 2008, as the same may be amended, restated, supplemented or otherwise modified from time to time (the "Credit Agreement") among the Borrower, the Bank and certain other banks parties thereto, and Société Générale, as Agent for the Bank and such other banks. The Credit Agreement, among other things, (i) provides for the making of advances (the "Advances") by the Bank to the Borrower from time to time in an aggregate amount not to exceed at any time outstanding such Bank's Commitment (as defined in the Credit Agreement) at such time, the indebtedness of the Borrower resulting from each such Advance to the Borrower being evidenced by this Promissory Note, and (ii) contains provisions for acceleration of the maturity hereof upon the happening of certain stated events and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified.

The Borrower hereby waives presentment, demand, protest and notice of any kind. No failure to exercise, and no delay in exercising, any rights hereunder on the part of the holder hereof shall operate as a waiver of such rights.

This Promissory Note shall be governed by, and construed in accordance with, the laws of the State of New York, United States.

CATERPILLAR FINANCIAL SERVICES
CORPORATION

By _____
Title:

ADVANCES, MATURITIES, AND PAYMENTS OF PRINCIPAL

<u>Date</u>	<u>Type of Advance</u>	<u>Amount of Advance</u>	<u>Maturity of Advance</u>	<u>Amount of Principal Paid or Prepaid</u>	<u>Unpaid Principal Balance</u>	<u>Notation Made By</u>
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EXHIBIT B-1

NOTICE OF BORROWING

SOCIETE GENERALE, as Agent
for the Banks parties
to the Credit Agreement
referred to below
480 Washington Blvd. 20th Floor
Jersey City, NJ 07310
Attention: Carmen Espinal, Deal Administrator

SOCIETE GENERALE
190 South LaSalle Street, Suite 3850
Chicago, Illinois 60603
Attention: Eric Siebert

Ladies and Gentlemen:

The undersigned, Caterpillar Financial Services Corporation, refers to the Credit Agreement (364-Day Facility) dated as of July 15, 2008, as the same may be amended, restated, supplemented or otherwise modified from time to time (the "Credit Agreement," the terms defined therein being used herein as therein defined), among the undersigned, certain Banks parties thereto, and Société Générale, as Agent for said Banks, and hereby gives you notice, irrevocably, pursuant to Section 2.02 of the Credit Agreement that the undersigned hereby requests a Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing (the "Proposed Borrowing") as required by Section 2.02(a) of the Credit Agreement:

- (i) The Business Day of the Proposed Borrowing is _____, 200_.
- (ii) The Type of Advances comprising the Proposed Borrowing is [Base Rate Advances] [Eurodollar Advances].
- (iii) The aggregate amount of the Proposed Borrowing is \$_____.
- (iv) The Interest Period for each Advance made as part of the Proposed Borrowing is [30 days] [_____ month[s]].
- (v) The proceeds of the Proposed Borrowing should be remitted in same day funds to [Account Number, Bank Name, Account Name, _____].

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

- (A) the representations and warranties contained in Section 4.01 [(excluding those contained in the second sentence of subsection (e) and in

subsection (f) thereof)]¹ [(excluding those contained in the second sentence of subsection (e) thereof)]² are correct, before and after giving effect to the Proposed Borrowing and to the application of the proceeds therefrom, as though made on and as of such date; and

(B) no event has occurred and is continuing, or would result from such Proposed Borrowing or from the application of the proceeds therefrom, which constitutes an Event of Default or would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

Very truly yours,

CATERPILLAR FINANCIAL SERVICES
CORPORATION

By _____
Title:

¹ To be included in Notices of Borrowing pursuant to Section 3.02, unless Section 3.03 shall apply.

² To be included in Notices of Borrowing pursuant to Section 3.03.

EXHIBIT B-2
NOTICE OF BANK ADDITION

SOCIETE GENERALE, as Agent
for the Banks parties
to the Credit Agreement
referred to below
480 Washington Blvd. 20th Floor
Jersey City, NJ 07310
Attention: Carmen Espinal, Deal Administrator

SOCIETE GENERALE
190 South LaSalle Street, Suite 3850
Chicago, Illinois 60603
Attention: Eric Siebert
Ladies and Gentlemen:

The undersigned, Caterpillar Financial Services Corporation (the “Borrower”), refer to the Credit Agreement (364-Day Facility) dated as of July 15, 2008, as the same may be amended, restated, supplemented or otherwise modified from time to time (the “Credit Agreement,” the terms defined therein being used herein as therein defined), among the Borrower, certain Banks parties thereto and Société Générale, as Agent for said Banks, and hereby give you notice, pursuant to Section 2.05(c) of the Credit Agreement that the Borrower request a Bank Addition, and in that connection set forth below the information relating to such proposed Bank Addition (the “Proposed Bank Addition”) as required by Section 2.05(c) of the Credit Agreement:

- (i) The Business Day of the Proposed Bank Addition is _____, 200_.
- (ii) The name and address of the proposed Added Bank are as follows:

(iii) The amount of the Commitment of the proposed Added Bank, after giving effect to the Proposed Bank Addition, would be \$_____.

Very truly yours,

CATERPILLAR FINANCIAL SERVICES
CORPORATION

By: _____
Title:

EXHIBIT C-1

ASSIGNMENT AND ACCEPTANCE

Dated _____, 200__

Reference is made to the Credit Agreement (364-Day Facility) dated as of July 15, 2008, as the same may be amended, restated, supplemented or otherwise modified from time to time (the "Credit Agreement") among Caterpillar Financial Services Corporation (the "Borrower"), the Banks (as defined in the Credit Agreement), and Société Générale, as Agent for the Banks (the "Agent"). Unless otherwise defined herein, terms defined in the Credit Agreement are used herein with the same meaning.

_____ (the "Assignor") and _____ (the "Assignee") agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, the percentage interest specified on Schedule 1 hereto in and to all of the Assignor's rights and obligations under the Credit Agreement as of the date hereof (after giving effect to any other assignments thereof made prior to the date hereof, whether or not such assignments have become effective, but without giving effect to any other assignments thereof also made on the date hereof), including, without limitation, such percentage interest in (i) the Assignor's Commitment, which on the date hereof (after giving effect to any other assignments thereof made prior to the date hereof, whether or not such assignments have become effective, but without giving effect to any other assignments thereof also made on the date hereof) are in the dollar amounts specified as the Assignor's Commitment on Schedule 1 hereto; (ii) the aggregate outstanding principal amount of Advances owing to the Assignor by the Borrower, which on the date hereof (after giving effect to any other assignments thereof made prior to the date hereof, whether or not such assignments have become effective, but without giving effect to any other assignments thereof also made on the date hereof) is in the dollar amount specified as the aggregate outstanding principal amount of Advances owing to the Assignor from the Borrower on Schedule 1 hereto; and (iii) the Notes, if any, held by the Assignor.

2. The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto; (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under the Credit Agreement or any other instrument or document furnished pursuant thereto; and (iv) attaches the Notes, if any, referred to in paragraph 1 above and requests that the Agent exchange each such Note from the Borrower for a new Note executed by the Borrower

payable to the order of the Assignee or new Notes executed by the Borrower payable to the order of the Assignee and the Assignor, as applicable.

3. Following the execution of this Assignment and Acceptance by the Assignor and the Assignee, it will be delivered to the Agent for acceptance by the Agent. The effective date of this Assignment and Acceptance shall be the date of acceptance thereof by the Agent, unless a later date therefor is specified on Schedule 1 hereto (the "Effective Date").

4. Upon such acceptance by the Agent, as of the Effective Date, (i) the Assignee shall, in addition to the rights and obligations under the Credit Agreement held by it immediately prior to the Effective Date, have the rights and obligations under the Credit Agreement that have been assigned to it pursuant to this Assignment and Acceptance and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

5. Upon such acceptance by the Agent, from and after the Effective Date, the Agent shall make all payments under the Credit Agreement and the Notes, if any, in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest, and Commitment Fees with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Credit Agreement and the Notes, if any, for periods prior to the Effective Date directly between themselves.

6. This Assignment and Acceptance shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective officers thereunto duly authorized, as of the date first above written, such execution being made on Schedule 1 hereto.

Schedule 1
to
Assignment and Acceptance
Dated _____, 200_

Section 1.

Percentage Interest: _____ %
Assignor's Commitment: \$ _____

Aggregate Outstanding Principal
Amount of Advances owing to the
Assignor: \$ _____

Section 2.

Notes, if any, payable to the order
of the Assignee
Dated: _____, 200_

Notes, if any, payable to the order
of the Assignor
Dated: _____, 200_

Section 3.

Effective Date ³: _____, 200_

Section 4.

Lending Office _____

³ This date should be no earlier than the date of acceptance by the Agent.

[NAME OF ASSIGNOR]

By:_____

Title:

[NAME OF ASSIGNEE]

By:_____

Title:

Accepted this _____ day

of _____, 200_

SOCIETE GENERALE, as Agent

By: _____
Title:

Agreed to this ____ day
of _____, 200_ ⁴

SOCIETE GENERALE, as Agent

By: _____
Title:

CATERPILLAR FINANCIAL SERVICES CORPORATION

By: _____
Title:

⁴ To be included when consent of the Agent and the Borrower is required pursuant to Section 8.07(a)(ii).

EXHIBIT C-2

ASSUMPTION AND ACCEPTANCE

Dated _____, 200__

Reference is made to the Credit Agreement (364-Day Facility) dated as of July 15, 2008, as the same may be amended, restated, supplemented or otherwise modified from time to time (the "Credit Agreement") among Caterpillar Financial Services Corporation (the "Borrower"), the Banks (as defined in the Credit Agreement), and Société Générale, as Agent for the Banks (the "Agent"). Unless otherwise defined herein, terms defined in the Credit Agreement are used herein with the same meaning.

The Borrower and _____ (the "Added Bank") agree as follows:

1. The Borrower has requested the Added Bank to [become a Bank under the Credit Agreement and to accept and make a Commitment under the Credit Agreement in the amounts set forth on Schedule 1 hereto]⁵ [increase its Commitment under the Credit Agreement to the amounts set forth on Schedule 1 hereto]⁶ and the Added Bank has agreed to so [become a Bank and accept and make a Commitment under the Credit Agreement in such amounts]⁷ [increase its Commitment under the Credit Agreement to such amounts].⁸ The Added Bank agrees, upon the Effective Date of this Assumption and Acceptance, to purchase a participation in any Advances which are outstanding on the Effective Date in the amount determined pursuant to Section 2.05(d) of the Credit Agreement.

2. The Added Bank hereby acknowledges and agrees that neither the Agent nor any Bank (i) has made any representation or warranty, nor assumed any responsibility, with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto; or (ii) has made any representation or warranty, nor assumed any responsibility, with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under the Credit Agreement or any other instrument or document furnished pursuant thereto.

3. Following the execution of this Assumption and Acceptance by the Added Bank and the Borrower, it will be delivered to the Agent for acceptance by the Agent. The

⁵ To be used if the Added Bank is not already a Bank under the Credit Agreement.

⁶ To be used if the Added Bank is already a Bank under the Credit Agreement.

⁷ To be used if the Added Bank is not already a Bank under the Credit Agreement.

⁸ To be used if the Added Bank is already a Bank under the Credit Agreement.

effective date of this Assumption and Acceptance shall be the date of acceptance thereof by the Agent, unless a later date therefor is specified on Schedule 1 hereto (the "Effective Date").

4. Upon such acceptance by the Agent, as of the Effective Date, (i) the Added Bank shall, in addition to the rights and obligations under the Credit Agreement held by it immediately prior to the Effective Date, if any, have the rights and obligations under the Credit Agreement that have been assumed by it pursuant to this Assumption and Acceptance.

5. Upon such acceptance by the Agent, from and after the Effective Date, the Agent shall make all payments under the Credit Agreement and the Notes, if any, in respect of the Commitment assumed hereby (including, without limitation, all payments of principal, interest and Commitment Fees with respect thereto) to the Added Bank.

6. This Assumption and Acceptance shall be governed by, and construed in accordance with, the laws of the State of New York.

IN WITNESS WHEREOF, the Added Bank and the Borrower have caused this Assumption and Acceptance to be executed by their respective officers thereunto duly authorized, as of the date first above written, such execution being made on Schedule 1 hereto.

Schedule 1
to
Assumption and Acceptance
Dated _____, 200_

Section 1.

Added Bank's Commitment after
giving effect to this Assumption
and Acceptance:

\$_____

Section 2.

Effective Date ⁹:

_____, 200_

Section 3.

Lending Office

CATERPILLAR FINANCIAL
SERVICES CORPORATION

By: _____
Title:

⁹ This date should be no earlier than the date of acceptance by the Agent.

[NAME OF ADDED BANK]

By: _____
Title:

Accepted this _____ day
of _____, 200_

SOCIETE GENERALE

By: _____
Title:

EXHIBIT D

FORM OF OPINION OF COUNSEL FOR CFSC

[Closing Date]

To each of the Banks parties
to the Credit Agreement
(364-Day Facility) dated as of
July 15, 2008, among
Caterpillar Financial Services Corporation,
said Banks, and Société Générale, as Agent,

Re: Caterpillar Financial Services Corporation

Ladies and Gentlemen:

I am [General Counsel/General Attorney] of Caterpillar Financial Services Corporation, a Delaware corporation (the “Borrower”), and give this opinion pursuant to Section 3.01(d) of the Credit Agreement (364-Day Facility) dated as of July 15, 2008 (the “Credit Agreement”), among the Borrower, the Banks parties thereto, and Société Générale, as Agent for said Banks. Terms defined in the Credit Agreement are used herein as therein defined.

I have examined the Credit Agreement; the documents furnished by the Borrower pursuant to Article III of the Credit Agreement; the Certificate of Incorporation of the Borrower and all amendments thereto (the “Charter”); and the bylaws of the Borrower and all amendments thereto (the “Bylaws”). In addition, I have examined the originals, or copies certified to my satisfaction, of such other corporate records of the Borrower, certificates of public officials, and agreements, instruments and other documents, and have conducted such other investigations of fact and law, as I have deemed necessary or advisable for purposes of this opinion.

In rendering my opinion, I have assumed the due authorization, execution and delivery of each document referred to herein by all parties to such document other than the Borrower.

Based upon the foregoing, and subject to the comments and qualifications set forth below, it is my opinion that:

1. The Borrower is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware and is duly qualified to transact business and is in good standing as a foreign corporation in every jurisdiction in which failure to qualify may materially adversely affect (i) the financial condition or operations of the Borrower and its consolidated Subsidiaries taken as a whole or (ii) the ability of the Borrower to perform its obligations under the Credit Agreement and its Notes.

2. The execution, delivery and performance by the Borrower of the Credit Agreement and the Notes to be executed by it are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene, or constitute a default under (i) the Charter or the Bylaws or (ii) any law, rule or regulation applicable to the Borrower or (iii) any material agreement, judgment, injunction, order, decree or other material instrument binding upon the Borrower.

3. No authorization, approval or other action by, and no notice to or filing with, any governmental authority or regulatory body is required for the due execution, delivery and performance by the Borrower of the Credit Agreement and the Notes to be executed by it.

4. The Credit Agreement and its Notes have been duly executed and delivered by a duly authorized officer of the Borrower. Assuming that the Agent and each Bank party to the Credit Agreement as of the date hereof have duly executed and delivered the Credit Agreement and that each such Bank has notified the Agent that such Bank has executed the Credit Agreement, the Credit Agreement is, the Notes executed and delivered by the Borrower on or prior to the date hereof are, and any other Notes when executed and delivered by the Borrower pursuant to the terms of the Credit Agreement will be, the legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms, except as enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally and by the effect of general principles of equity.

5. There is no pending or, to the best of my knowledge, threatened action or proceeding affecting the Borrower or any of its Subsidiaries before any court, governmental agency or arbitrator, which purports to affect the legality, validity or enforceability of the Credit Agreement or any Note or which is reasonably likely to materially adversely affect (i) the financial condition or operations of the Borrower and its consolidated Subsidiaries taken as a whole or (ii) the ability of the Borrower to perform its obligations under the Credit Agreement and the Notes to be executed by it.

I express no opinion as to (i) Sections 2.13 and 8.05 of the Credit Agreement, insofar as they provide that any Bank purchasing a participation from another Bank pursuant thereto to may exercise set-off or similar rights with respect to such participation or that any affiliate of a Bank may exercise set-off or similar rights with respect to such Bank's claims under the Credit Agreement or the Notes or (ii) Section 2.12(c), 7.05 or 8.04(c), to the extent that any such section may be construed as requiring indemnification with respect to a claim, damage, liability or expense incurred as a result of any violation of law by a Bank, the Agent.

I am qualified to practice law in the State of [_____] and do not purport to be an expert on, or to express any opinion concerning, any laws other than the law of the State of [_____] , the General Corporation Law of the State of Delaware and the federal law of the United States. Insofar as the opinions expressed in paragraphs 2, 3 and 4 above relate to matters which are governed by the laws of the State of New York, I have assumed for purposes of rendering such opinions that the applicable laws of the State of New York are substantially identical to the laws of the State of [_____].

This opinion is limited to the matters expressly set forth herein, and no opinion is implied or may be inferred beyond the matters expressly set forth herein. The opinions expressed herein are being delivered to you as of the date hereof in connection with the transactions described hereinabove and are solely for your benefit in connection with the transactions described hereinabove and may not be relied on in any manner or for any purpose by any other Person, nor any copies published, communicated or otherwise made available in whole or in part to any other Person without my specific prior written consent, except that you may furnish copies thereof (i) to any of your permitted successors and assigns in respect of the Credit Agreement and the Notes, (ii) to your independent auditors and attorneys, (iii) upon the request of any state or federal authority or official having regulatory jurisdiction over you, and (iv) pursuant to order or legal process of any court or governmental agency.

Very truly yours,

EXHIBIT E

OPINION OF SPECIAL NEW YORK COUNSEL
TO THE AGENT

[Closing Date]

To the Banks listed on Exhibit A
hereto and to Société Générale,
as Agent

Re: Caterpillar Financial Services Corporation (the “Borrower”)

Ladies and Gentlemen:

We have acted as special New York counsel to Société Générale (“SG”), individually and as Agent, in connection with the preparation, execution and delivery of the Credit Agreement (364-Day Facility) dated as of July 15, 2008 (“Credit Agreement”), among the Borrower, the Banks party thereto, and SG, as Agent for the Banks. Terms defined in the Credit Agreement are used herein as therein defined.

In that connection, we have examined the following documents:

- (1) Counterparts of the Credit Agreement, executed by each of the parties thereto.
- (2) The opinion of [____], internal counsel for Borrower, dated as of the date hereof.

In our examination of the documents referred to above, we have assumed the authenticity of all such documents submitted to us as originals, the genuineness of all signatures, the due authority of the parties executing such documents, and the conformity to the originals of all such documents submitted to us as copies. We have also assumed that each of the Banks and the Agent have duly executed and delivered the Credit Agreement with all necessary power and authority (corporate and otherwise).

To the extent that our opinion expressed below involves conclusions as to the matters set forth in the opinions of counsel referred to in item (2) above, we have assumed without independent investigation the correctness of the matters set forth therein.

Based upon the foregoing examination of documents and assumptions, and subject to the qualifications contained herein, and upon such other investigation as we have deemed necessary, we are of the opinion that the Credit Agreement is, and the Notes executed by the Borrower and delivered on or prior to the date hereof are, the legal, valid and binding obligations of the Borrower, enforceable against the Borrower in accordance with their respective terms.

Our opinion above is subject to the following qualifications:

(a) Our opinion above is subject to the effect of general principles of equity (regardless of whether considered in a proceeding in equity or at law), including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing. In applying such principles, a court, among other things, might not allow a creditor to accelerate maturity of a debt upon the occurrence of a default deemed immaterial or might decline to order a debtor to perform covenants. Such principles applied by a court include a requirement that a creditor act with reasonableness and in good faith.

(b) Our opinion above is also subject (i) to the effect of any applicable bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or similar law affecting creditors' rights generally and (ii) to the effect of any federal or state law, rule or regulation (including any federal or state securities law, rule or regulation) or public policy, to the extent that such law, rule, regulation or public policy limits rights to indemnification.

(c) Our opinion above is limited to the law of the State of New York and the federal law of the United States, and we do not express any opinion herein concerning any other law. Without limiting the generality of the foregoing, we express no opinion as to (i) the effect of the law of any jurisdiction, other than the State of New York, wherein any Bank may be located or wherein enforcement of the Credit Agreement or the Notes may be sought which limits the rates of interest legally chargeable or collectible, or (ii) whether any of the Banks is "doing business" in the State of New York.

(d) We express no opinion as to the effect of the compliance or noncompliance of the Agent or any of the Banks with any state or federal laws or regulations applicable to any such party because of such party's legal or regulatory status, the nature of such party's business or the authority of any party to conduct business in any jurisdiction.

(e) We express no opinion as to (i) Sections 2.13 or 8.05 of the Credit Agreement insofar as they provide that any Bank purchasing a participation from another Bank pursuant thereto may exercise set-off or similar rights with respect to such participation or that any affiliate of a Bank may exercise set-off or similar rights with respect to such Bank's claims under the Credit Agreement or the Notes; (ii) Sections 2.12(c) or 8.04(c) of the Credit Agreement to the extent that any such section or provision may be construed as requiring indemnification with respect to a claim, damage, liability or expense incurred as a result of any violation of law by a Bank or the Agent; (iii) the first sentence of Section 8.08(b) of the Credit Agreement, insofar as any such provision relates to the subject matter jurisdiction of the United States District Court to adjudicate any controversy related to the Credit Agreement; or (iv) Section 8.11 or the last sentence of Section 8.08(b) of the Credit Agreement.

This opinion is limited to the matters expressly set forth herein, and no opinion is implied or may be inferred beyond the matters expressly set forth herein. The opinion expressed

herein is being delivered to you as of the date hereof in connection with the transactions described hereinabove and is solely for your benefit in connection with the transactions described hereinabove and may not be relied on in any manner for any other purpose and may not be relied on for any purpose by any other person, nor any copies published, communicated or otherwise made available in whole or in part to any other person or entity without our specific prior written consent, except that you may furnish copies thereof (i) to any of your permitted successors and assigns in respect of the Credit Agreement and the Notes, (ii) to your independent auditors and attorneys, (iii) upon the request of any state or federal authority or official having regulatory jurisdiction over you, and (iv) pursuant to order or legal process of any court or governmental agency. The opinion expressed herein is based solely on factual matters in existence as of the date hereof and laws and regulations in effect on the date hereof, and we assume no obligation to revise or supplement this opinion letter to reflect any matters which may hereafter come to our attention, or should such factual matters change or should such laws or regulations be changed by legislative or regulatory action, judicial decision or otherwise.

Very truly yours,

EXHIBIT A
to the Opinion
of Sidley Austin LLP

Banks

SOCIETE GENERALE
ROYAL BANK OF CANADA

EXHIBIT F

COMPLIANCE CERTIFICATE CATERPILLAR FINANCIAL SERVICES CORPORATION

To: The Banks which are parties to the
Credit Agreement described below

This Compliance Certificate is furnished pursuant to that certain Credit Agreement (364-Day Facility) dated as of July 15, 2008, as the same may be amended, restated, supplemented or otherwise modified from time to time (the "Agreement") among Caterpillar Financial Services Corporation (the "Borrower"), the Banks party thereto, and Société Générale, as agent for the Banks. Capitalized terms used and not otherwise defined herein shall have the meanings attributed to such terms in the Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1. I am the duly elected _____ of Caterpillar Financial Services Corporation (the "Borrower").

2. I have reviewed the terms of the Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Borrower and its Subsidiaries during the accounting period covered by the attached financial statements.

3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or event which constitutes an Event of Default with respect to the Borrower during or at the end of the accounting period covered by the attached financial statements or as of the date hereof.

4. As required pursuant to Section 5.03(a) of the Agreement, the Borrower's Leverage Ratio as of the end of the accounting period covered by the attached financial statements, is not greater than 8.5 to 1, as shown below.

(a)	CFSC Consolidated Debt	\$ _____
(b)	CFSC's Consolidated Net Worth	\$ _____
(i)	Stockholders' equity	\$ _____
(ii)	Accumulated Other Comprehensive Income	\$ _____
(c)	Leverage Ratio (a÷b)	\$ _____

5. As required pursuant to Section 5.03(b) of the Agreement, the ratio of (1) the Borrower's net earnings before provision for income taxes and Interest Expense to (2) Interest Expense, computed as of the end of the accounting period covered by the attached financial statements, is not less than 1.15 to 1, as shown below.

- | | | |
|----|--|----------|
| a. | Net earnings before
income taxes and Interest
Expense | \$ _____ |
| b. | Interest Expense | \$ _____ |
| c. | Ratio of net earnings
before income taxes and
Interest Expense to
Interest Expenses (a÷b) | \$ _____ |

The foregoing certifications and the financial statements delivered with this Certificate in support hereof, are made and delivered this _____ day of _____, 200_.

CATERPILLAR FINANCIAL SERVICES
CORPORATION

By: _____

Name:

Title:

AMENDMENT NO. 1
to
CREDIT AGREEMENT (364-DAY FACILITY)

This AMENDMENT NO. 1 TO CREDIT AGREEMENT (364-DAY FACILITY) (this “Amendment”), dated as of September 29, 2008, is entered into by and among, Caterpillar Financial Services Corporation (the “Borrower”), the Banks party hereto (the “Banks”), and Société Générale (“SG”), as agent (the “Agent”) under the Credit Agreement defined below. Each capitalized term used herein and not defined herein shall have the meaning ascribed thereto in the Credit Agreement.

PRELIMINARY STATEMENTS

The Borrower, the Banks and the Agent are parties to the Credit Agreement (364-Day Facility), dated as of July 15, 2008 (as the same may be further amended, restated, supplemented or otherwise modified from time to time, the “Credit Agreement”). The Borrower has requested that the Banks and the Agent amend the Credit Agreement as hereinafter set forth, and the Banks and the Agent have agreed to amend the Credit Agreement pursuant to the terms of this Amendment.

SECTION 1. Amendments to the Credit Agreement. Effective as of the date hereof, subject to the satisfaction of the condition precedent set forth in Section 2 below, the Credit Agreement is hereby amended as follows:

1.1 The definition of “CFSC Purchase Claims” set forth in Section 1.01 is amended and restated in its entirety as follows:

““CFSC Purchase Claims” means the outstanding liens on or claims against or in respect of any of the accounts receivable of CFSC or any of its Subsidiaries arising out of the sale or securitization by CFSC or any such Subsidiaries of such accounts receivable.”

1.2 The definition of “Citibank Facilities” set forth in Section 1.01 is amended by amending and restated in its entirety clause (ii) thereof as follows:

“that certain Credit Agreement (364-Day Facility) dated as of September 18, 2008, among the Borrower, Caterpillar and Caterpillar Finance Corporation, as Borrowers thereunder, the financial institutions party thereto, Citibank, as agent for such financial institutions, and BTMU, as Japan Local Currency Agent and”

1.3 Section 5.03(a) is amended and restated in its entirety as follows:

(a) Ratio of CFSC Consolidated Debt to Consolidated Net Worth.

(i) Maintain at all times a ratio (the “Leverage Ratio”) of CFSC Consolidated Debt to CFSC’s Consolidated Net Worth of not greater than 10.0 to 1. For purposes of this subsection (i), the Leverage Ratio at any time shall be equal to the average of the Leverage Ratios as determined on the last day of each of the six preceding calendar months.

(ii) Maintain a Leverage Ratio of not greater than 10.0 to 1 on each December 31, commencing December 31, 2008. For purposes of this subsection (ii), the Leverage Ratio shall be the ratio of CFSC Consolidated Debt to CFSC’s Consolidated Net Worth on the date for which computed.

SECTION 2. Condition Precedent. This Amendment shall become effective and be deemed effective as of the date hereof upon the Agent’s receipt of duly executed originals of this Amendment from the Borrower, the Agent and the Banks.

SECTION 3. Covenants, Representations and Warranties of the Borrower.

3.1 Upon the effectiveness of this Amendment, the Borrower hereby reaffirms all covenants, representations and warranties made by it in the Credit Agreement, as amended hereby, and agrees that all such covenants, representations and warranties shall be deemed to have been re-made as of the effective date of this Amendment.

3.2 The Borrower hereby represents and warrants that (a) this Amendment constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditor’s rights generally and by the effect of general principles of equity and (b) upon the effectiveness of this Amendment, no Event of Default shall exist with respect to the Borrower and no event shall exist which, with the giving of notice, the lapse of time or both, would constitute an Event of Default with respect to the Borrower.

SECTION 4. Reference to and Effect on the Credit Agreement.

4.1 Upon the effectiveness of this Amendment, each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein” or words of like import shall mean and be a reference to the Credit Agreement, as amended hereby, and each reference to the Credit Agreement in any other document, instrument or agreement executed and/or delivered in connection with the Credit Agreement shall mean and be a reference to the Credit Agreement as amended hereby.

4.2 Except as specifically amended above, the Credit Agreement, the Notes and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.

4.3 The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any party under the Credit Agreement, the Notes or any other document, instrument or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein, except as specifically set forth herein.

SECTION 5. Execution in Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

SECTION 6. **Governing Law.** This Amendment shall be governed by and construed in accordance with the laws of the State of New York.

SECTION 7. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

The remainder of this page is intentionally blank.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the date first above written.

CATERPILLAR FINANCIAL
SERVICES CORPORATION

By: /s/ David A. Kacynski
Name: David A. Kacynski
Title: Treasurer

SOCIETE GENERALE, as Agent

By: /s/ Eric E.O. Siebert, Jr.
Name: Eric E.O. Siebert, Jr.
Title: Managing Director

SOCIETE GENERALE, as a Bank

By: /s/ Eric E.O. Siebert, Jr.

Name: Eric E.O. Siebert, Jr.

Title: Managing Director

ROYAL BANK OF CANADA, as a Bank

By: /s/ Meredith Majesty

Name: Meredith Majesty

Title: Authorized Signatory

CATERPILLAR FINANCIAL SERVICES CORPORATION**COMPUTATION OF RATIO OF PROFIT TO FIXED CHARGES**

(Unaudited)

(Dollars in Millions)

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>September 30,</u>	<u>September 30,</u>	<u>September 30,</u>	<u>September 30,</u>
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Profit	\$118	\$133	\$ 372	\$ 381
Add:				
Provision for income taxes	38	54	143	175
Deduct:				
Partnership income	<u>-</u>	<u>(2)</u>	<u>(3)</u>	<u>(5)</u>
Profit before income taxes and partnership income	<u>\$156</u>	<u>\$185</u>	<u>\$ 512</u>	<u>\$ 551</u>
Fixed charges:				
Interest expense	\$292	\$289	\$ 855	\$ 838
Rentals at computed interest*	<u>1</u>	<u>1</u>	<u>4</u>	<u>4</u>
Total fixed charges	<u>\$293</u>	<u>\$290</u>	<u>\$ 859</u>	<u>\$ 842</u>
Profit before income taxes plus fixed charges	<u>\$449</u>	<u>\$475</u>	<u>\$1,371</u>	<u>\$1,393</u>
Ratio of profit before income taxes plus fixed charges to fixed charges	<u>1.53</u>	<u>1.64</u>	<u>1.60</u>	<u>1.65</u>

*Those portions of rent expense that are representative of interest cost.

SECTION 302 CERTIFICATIONS

I, Kent M. Adams, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Caterpillar Financial Services Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 31, 2008

By: /s/ Kent M. Adams

Kent M. Adams, President, Director and
Chief Executive Officer

SECTION 302 CERTIFICATIONS

I, James A. Duensing, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Caterpillar Financial Services Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the periods covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's Board of Directors (or persons performing the equivalent function):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 31, 2008

By: /s/ James A. Duensing

James A. Duensing, Executive Vice President and
Chief Financial Officer

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the quarterly report of Caterpillar Financial Services Corporation (the "Company") on Form 10-Q for the period ending September 30, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of our knowledge:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: October 31, 2008

/s/ Kent M. Adams
Kent M. Adams
President, Director,
and Chief Executive Officer

Date: October 31, 2008

/s/ James A. Duensing
James A. Duensing
Executive Vice President and Chief
Financial Officer

A signed original of this written statement required by Section 906 has been provided by the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.