

CUMMINS INC  
Form 8-K  
July 26, 2011

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

**FORM 8-K**

**CURRENT REPORT**

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

**Date of Report:** July 26, 2011

**CUMMINS INC.**

(Exact name of registrant as specified in its charter)

**Indiana**

(State or other Jurisdiction of  
Incorporation)

**1-4949**

(Commission File Number)

**35-0257090**

(I.R.S. Employer Identification  
No.)

**500 Jackson Street**

**P. O. Box 3005**

**Columbus, IN 47202-3005**

**(Principal Executive Office) (Zip Code)**

Registrant's telephone number, including area code: **(812) 377-5000**

Edgar Filing: CUMMINS INC - Form 8-K

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

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

**Item 2.02. Results of Operations and Financial Condition.**

On July 26, 2011, Cummins Inc. issued a press release regarding its release of second quarter results.

**Item 7.01. Regulation FD Disclosure**

The following information is furnished pursuant to Item 2.02, "Results of Operations and Financial Condition" and Item 7.01, "Regulation FD Disclosure."

On July 26, 2011, Cummins Inc. ( Cummins, the Company, the registrant, we, our, or, us ) issued the attached release reporting its financial results for the second quarter of 2011. A copy of Cummins' press release is attached hereto as Exhibit 99 and hereby incorporated by reference.

**Item 9.01. Financial Statements and Exhibits.**

(d) The following exhibit is furnished herewith:

99-Press Release dated July 26, 2011

**SIGNATURE**

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 hereunto duly authorized.

Date: July 26, 2011

CUMMINS INC.  
**/s/ Marsha L. Hunt**

---

Marsha L. Hunt  
Vice President - Corporate Controller  
(Principal Accounting Officer)

---

**CUMMINS INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(Unaudited) (a)

In millions, except per share amounts	Three months ended		
	June 26, 2011	March 27, 2011	June 27, 2010
<b>NET SALES</b>	\$ 4,641	\$ 3,860	\$ 3,208
Cost of sales	3,438	2,903	2,455
<b>GROSS MARGIN</b>	<b>1,203</b>	957	753
<b>OPERATING EXPENSES AND INCOME</b>			
Selling, general and administrative expenses	463	389	354
Research, development and engineering expenses	157	129	96
Equity, royalty and interest income from investees (Note 1)	117	96	97
Gain on sale of business (Note 2)	68	-	-
Other operating (expense) income, net	-	(6)	(4)
<b>OPERATING INCOME</b>	<b>768</b>	529	396
Interest income	10	6	5
Interest expense	13	10	9
Other income (expense), net	(3)	(3)	-
<b>INCOME BEFORE INCOME TAXES</b>	<b>762</b>	522	392
Income tax expense (Note 3)	225	157	122
<b>CONSOLIDATED NET INCOME</b>	<b>537</b>	365	270
Less: Net income attributable to noncontrolling interests	32	22	24
<b>NET INCOME ATTRIBUTABLE TO CUMMINS INC.</b>	<b>\$ 505</b>	\$ 343	\$ 246
<b>EARNINGS PER COMMON SHARE ATTRIBUTABLE</b>			
<b>TO CUMMINS INC.</b>			
Basic	\$ 2.61	\$ 1.75	\$ 1.25
Diluted	\$ 2.60	\$ 1.75	\$ 1.25

**WEIGHTED AVERAGE SHARES  
OUTSTANDING**

Basic	<b>193.8</b>	195.5	196.9
Diluted	<b>194.4</b>	196.1	197.3

**CASH DIVIDENDS DECLARED PER COMMON  
SHARE**

<b>\$ 0.2625</b>	\$ 0.2625	\$ 0.175
------------------	-----------	----------

(a) Prepared on an unaudited basis in accordance with accounting principles generally accepted in the United States of America (GAAP).

---

**CUMMINS INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
(Unaudited) (a)

<b>In millions, except per share amounts</b>	<b>Six months ended</b>	
	<b>June 26, 2011</b>	<b>June 27, 2010</b>
<b>NET SALES</b>	\$ <b>8,501</b>	\$ 5,686
Cost of sales	<b>6,341</b>	4,332
<b>GROSS MARGIN</b>	<b>2,160</b>	1,354
<b>OPERATING EXPENSES AND INCOME</b>		
Selling, general and administrative expenses	<b>852</b>	689
Research, development and engineering expenses	<b>286</b>	188
Equity, royalty and interest income from investees (Note 1)	<b>213</b>	173
Gain on sale of business (Note 2)	<b>68</b>	-
Other operating (expense) income, net	<b>(6)</b>	(8)
<b>OPERATING INCOME</b>	<b>1,297</b>	642
Interest income	<b>16</b>	8
Interest expense	<b>23</b>	18
Other income (expense), net	<b>(6)</b>	17
<b>INCOME BEFORE INCOME TAXES</b>	<b>1,284</b>	649
Income tax expense (Note 3)	<b>382</b>	209
<b>CONSOLIDATED NET INCOME</b>	<b>902</b>	440
Less: Net income attributable to noncontrolling interests	<b>54</b>	45
<b>NET INCOME ATTRIBUTABLE TO CUMMINS INC.</b>	\$ <b>848</b>	\$ 395
<b>EARNINGS PER COMMON SHARE ATTRIBUTABLE TO CUMMINS INC.</b>		
Basic	\$ <b>4.36</b>	\$ 2.00
Diluted	\$ <b>4.34</b>	\$ 2.00
<b>WEIGHTED AVERAGE SHARES OUTSTANDING</b>		
Basic	<b>194.6</b>	197.6

Diluted		<b>195.2</b>		197.9
<b>CASH DIVIDENDS DECLARED PER COMMON SHARE</b>	<b>\$</b>	<b>0.525</b>	<b>\$</b>	0.35

(a) Prepared on an unaudited basis in accordance with accounting principles generally accepted in the United States of America (GAAP).

---



**CUMMINS INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited) (a)

<b>In millions, except par value</b>	<b>June 26, 2011</b>	<b>December 31, 2010</b>
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 1,111	\$ 1,023
Marketable securities	363	339
Total cash, cash equivalents and marketable securities	1,474	1,362
Accounts and notes receivable, net	2,780	2,243
Inventories	2,275	1,977
Deferred income taxes	305	314
Prepaid expenses and other current assets	303	393
Total current assets	7,137	6,289
Long-term assets		
Property, plant and equipment	5,103	4,927
Accumulated depreciation	(2,986)	(2,886)
Property, plant and equipment, net	2,117	2,041
Investments and advances related to equity method investees	761	734
Goodwill	348	367
Other intangible assets, net	216	222
Deferred income taxes	115	203
Other assets	619	546
Total assets	\$ 11,313	\$ 10,402
<b>LIABILITIES</b>		
Current liabilities		
Loans payable	\$ 59	\$ 82
Accounts payable (principally trade)	1,686	1,362
Current portion of accrued product warranty	429	421
Accrued compensation, benefits and retirement costs	419	468
Deferred revenue	202	182
Taxes payable (including taxes on income)	255	202
Other accrued expenses	663	543
Total current liabilities	3,713	3,260
Long-term liabilities		
Long-term debt	702	709
Pensions	110	195

Edgar Filing: CUMMINS INC - Form 8-K

Postretirement benefits other than pensions	<b>432</b>	439
Other liabilities and deferred revenue	<b>839</b>	803
Total liabilities	<b>5,796</b>	5,406

**EQUITY**

Cummins Inc. shareholders' equity		
Common stock, \$2.50 par value, 500 shares authorized, 222.1 and 221.8 shares issued	<b>1,968</b>	1,934
Retained earnings	<b>5,191</b>	4,445
Treasury stock, at cost, 27.4 and 24.0 shares	<b>(1,333)</b>	(964)
Common stock held by employee benefits trust, at cost, 1.9 and 2.1 shares	<b>(23)</b>	(25)
Accumulated other comprehensive loss		
Defined benefit postretirement plans	<b>(613)</b>	(646)
Other	<b>(32)</b>	(74)
Total accumulated other comprehensive loss	<b>(645)</b>	(720)
Total Cummins Inc. shareholders' equity	<b>5,158</b>	4,670
Noncontrolling interests	<b>359</b>	326
Total equity	<b>5,517</b>	4,996
Total liabilities and equity	<b>\$ 11,313</b>	\$ 10,402

(a) Prepared on an unaudited basis in accordance with accounting principles generally accepted in the United States of America (GAAP).

**CUMMINS INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited) (a)

<b>In millions</b>	<b>Six months ended</b>	
	<b>June 26, 2011</b>	<b>June 27, 2010</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Consolidated net income	\$ 902	\$ 440
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation and amortization	159	161
Gain on sale of business (Note 2)	(68)	-
Gain on fair value adjustment for consolidated investee	-	(12)
Deferred income taxes	87	43
Equity in income of investees, net of dividends	2	(49)
Pension contributions in excess of expense	(47)	(116)
Excess tax benefits on stock based awards	(4)	(7)
Other post-retirement benefits payments in excess of expense	(10)	(7)
Stock-based compensation expense	18	11
Translation and hedging activities	(6)	3
Changes in current assets and liabilities, net of acquisitions and divestitures:		
Accounts and notes receivable	(513)	(57)
Inventories	(290)	(301)
Other current assets	11	1
Accounts payable	307	239
Accrued expenses	169	(14)
Changes in other liabilities and deferred revenue	58	66
Other, net	(31)	26
Net cash provided by operating activities	744	427
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(215)	(91)
Investments in internal use software	(22)	(22)
Proceeds from disposals of property, plant and equipment	5	42
Investments in and advances to equity investees	(20)	(1)

Edgar Filing: CUMMINS INC - Form 8-K

Proceeds from sale of business, net of cash sold (Note 2)	<b>111</b>	-
Acquisition of businesses, net of cash acquired	-	(71)
Investments in marketable securities acquisitions	<b>(361)</b>	(358)
Investments in marketable securities liquidations	<b>343</b>	278
Cash flows from derivatives not designated as hedges	<b>6</b>	(18)
Other, net	<b>2</b>	(2)
Net cash used in investing activities	<b>(151)</b>	(243)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	<b>60</b>	85
Payments on borrowings and capital lease obligations	<b>(94)</b>	(37)
Net borrowings under short-term credit agreements	<b>11</b>	(1)
Distributions to noncontrolling interests	<b>(26)</b>	(4)
Dividend payments on common stock	<b>(102)</b>	(70)
Repurchases of common stock	<b>(373)</b>	(162)
Excess tax benefits on stock-based awards	<b>4</b>	7
Other, net	<b>7</b>	9
Net cash used in financing activities	<b>(513)</b>	(173)
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		
Net increase (decrease) in cash and cash equivalents	<b>88</b>	(6)
Cash and cash equivalents at beginning of year	<b>1,023</b>	930
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>\$ 1,111</b>	<b>\$ 924</b>

(a) Prepared on an unaudited basis in accordance with accounting principles generally accepted in the United States of America (GAAP).

## CUMMINS INC. AND SUBSIDIARIES

## SEGMENT INFORMATION

(Unaudited)

	Engine	Power Generation	Components	Distribution	Non-segment Items <sup>(1)</sup>	Total
<b>In millions</b>						
<b>Three months ended</b>						
<b>June 26, 2011</b>						
External sales	\$ 2,476	\$ 649	\$ 741	\$ 775	\$ -	\$ 4,641
Intersegment sales	424	260	291	10	(985)	-
Total sales	2,900	909	1,032	785	(985)	4,641
Depreciation and amortization <sup>(2)</sup>	44	11	18	5	-	78
Research, development and engineering expenses	102	12	43	-	-	157
Equity, royalty and interest income from investees	49	13	9	46	-	117
Interest income	6	3	1	-	-	10
Segment EBIT	377	105	120	106	67	775
<b>Three months ended</b>						
<b>March 27, 2011</b>						
External sales	\$ 2,006	\$ 557	\$ 660	\$ 637	\$ -	\$ 3,860
Intersegment sales	385	238	264	5	(892)	-
Total sales	2,391	795	924	642	(892)	3,860
Depreciation and amortization <sup>(2)</sup>	45	10	18	6	-	79
Research, development and engineering expenses	80	11	37	1	-	129
Equity, royalty and interest income from investees	42	8	8	38	-	96
Interest income	3	1	1	1	-	6
Segment EBIT	290	89	105	89	(41)	532

**Three months ended  
June 27, 2010**

External sales	\$ 1,595	\$ 518	\$ 522	\$ 573	\$ -	\$ 3,208
Intersegment sales	304	190	207	3	(704)	-
Total sales	1,899	708	729	576	(704)	3,208
Depreciation and amortization <sup>(2)</sup>	42	11	21	7	-	81
Research, development and engineering expenses	62	8	26	-	-	96
Equity, royalty and interest income from investees	52	9	6	30	-	97
Interest income	2	1	1	1	-	5
Segment EBIT	197	76	75	69	(16)	401

**Six months ended June  
26, 2011**

External sales	<b>\$ 4,482</b>	<b>\$ 1,206</b>	<b>\$ 1,401</b>	<b>\$ 1,412</b>	<b>\$ -</b>	<b>\$ 8,501</b>
Intersegment sales	<b>809</b>	<b>498</b>	<b>555</b>	<b>15</b>	<b>(1,877)</b>	<b>-</b>
Total sales	<b>5,291</b>	<b>1,704</b>	<b>1,956</b>	<b>1,427</b>	<b>(1,877)</b>	<b>8,501</b>
Depreciation and amortization <sup>(2)</sup>	<b>89</b>	<b>21</b>	<b>36</b>	<b>11</b>	<b>-</b>	<b>157</b>
Research, development and engineering expenses	<b>182</b>	<b>23</b>	<b>80</b>	<b>1</b>	<b>-</b>	<b>286</b>
Equity, royalty and interest income from investees	<b>91</b>	<b>21</b>	<b>17</b>	<b>84</b>	<b>-</b>	<b>213</b>
Interest income	<b>9</b>	<b>4</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>16</b>
Segment EBIT	<b>667</b>	<b>194</b>	<b>225</b>	<b>195</b>	<b>26</b>	<b>1,307</b>

**Six months ended June  
27, 2010**

External sales	\$ 2,768	\$ 896	\$ 975	\$ 1,047	\$ -	\$ 5,686
Intersegment sales	554	329	384	5	(1,272)	-
Total sales	3,322	1,225	1,359	1,052	(1,272)	5,686
Depreciation and amortization <sup>(2)</sup>	83	21	41	14	-	159
Research, development and engineering expenses	122	15	51	-	-	188
Equity, royalty and interest income from investees	87	15	11	60	-	173
Interest income	4	2	1	1	-	8
Segment EBIT	330	110	132	141	(46)	667

(1) Includes intersegment sales and profit in inventory eliminations and unallocated corporate expenses. The three and six months ended June 26, 2011, include a \$68 million gain related to the sale of our exhaust business from the Components segment. The gain has been excluded from segment results as it was not considered by management in its evaluation of operating results for the three and six months ended June 26, 2011. There were no other significant unallocated corporate expenses for the three and six months ended June 26, 2011 and June 27, 2010.

Depreciation and amortization as shown on a segment basis excludes the amortization of debt discount that is (2) included in the *Condensed Consolidated Statements of Income* as Interest expense.

---

**CUMMINS INC. AND SUBSIDIARIES****RECONCILIATION OF SEGMENT INFORMATION****(Unaudited)**

A reconciliation of our segment information to the corresponding amounts in the *Condensed Consolidated Statements of Income* is shown in the table below:

<b>In millions</b>	<b>Three months ended</b>		<b>June 27, 2010</b>	<b>Six months ended</b>	
	<b>June 26, 2011</b>	<b>March 27, 2011</b>		<b>June 26, 2011</b>	<b>June 27, 2010</b>
Segment EBIT	\$ 775	\$ 532	\$ 401	\$ 1,307	\$ 667
Less:					
Interest expense	13	10	9	23	18
Income before income taxes	\$ 762	\$ 522	\$ 392	\$ 1,284	\$ 649

---



**CUMMINS INC. AND SUBSIDIARIES****SELECTED FOOTNOTE DATA****(Unaudited)****NOTE 1. EQUITY, ROYALTY AND INTEREST INCOME FROM INVESTEEES**

Equity, royalty and interest income from investees included in our *Condensed Consolidated Statements of Income* for the interim reporting periods was as follows:

In millions	Three months ended		Six months ended		
	June 26, 2011	March 27, 2011	June 27, 2010	June 26, 2011	June 27, 2010
<b>Distribution Entities</b>					
North American distributors	\$ 35	\$	\$ 23	\$ 65	\$ 46
Komatsu Cummins Chile, Ltda	6		3	10	6
All other distributors	1		1	2	2
<b>Manufacturing Entities</b>					
Dongfeng Cummins Engine Company, Ltd.	26		34	49	52
Chongqing Cummins Engine Company, Ltd.	19		13	31	23
Shanghai Fleetguard Filter Co., Ltd.	4		4	8	6
Tata Cummins, Ltd.	3		3	7	7
Cummins Westport, Inc.	3		2	4	5
Valvoline Cummins, Ltd.	2		3	4	5
Komatsu manufacturing alliances	(1)		3	1	5
Bejing Foton Cummins Engine Co., Ltd.	(1)		(4)	(3)	(6)
All other manufacturers	6		4	12	7
Cummins share of net income	103		89	190	158
Royalty and interest income	14		8	23	15
	\$ 117	\$	\$ 97	\$ 213	\$ 173

Equity, royalty and interest income from investees

## NOTE 2. SALE OF EXHAUST BUSINESS

In January 2011, we reached an agreement to sell certain assets and liabilities of our exhaust business which manufactures exhaust products and select components for emission systems for a variety of applications. The transaction closed in the second quarter of 2011. This business was historically included in our Components segment. The sales price was \$123 million. We recognized a pre-tax gain on the sale of \$68 million, which included an allocation of goodwill of \$19 million. The transaction has a working capital adjustment mechanism that will be determined in the third quarter. We do not expect a significant change to the measurement of the gain. The gain has been excluded from segment results as it was not considered by management in its evaluation of operating results for the three and six months ended June 26, 2011.

Sales for this business were \$171 million, \$126 million and \$169 million in 2010, 2009 and 2008, respectively. Income before income taxes for this business was approximately \$22 million, \$11 million and \$19 million in 2010, 2009 and 2008, respectively.

We will enter into supply and other agreements with the operations that will represent ongoing involvement and as such, the results of these operations will not be presented as discontinued operations.

## NOTE 3. INCOME TAXES

Our effective tax rate for the year is expected to approximate 29.5 percent, absent any discrete period activity. Our tax rate is generally less than the 35 percent U.S. income tax rate primarily due to lower tax rates on foreign income and research tax credits. The tax rates for the three and six month periods ended June 26, 2011, were 29.5 percent and 29.8 percent. The tax rate for the three and six month periods ended June 26, 2011, includes a discrete tax charge of \$4 million related to the enactment of state law changes in Indiana.

Our effective tax rates for the comparable prior year periods were 31.1 percent and 32.2 percent, respectively. The tax rate for the six month period includes a discrete tax charge of \$7 million (one percent) related to the enactment of the Patient Protection and Affordable Care Act. The lower rate in 2011 compared to 2010 is a result of the geographic mix of earnings.

**CUMMINS INC. AND SUBSIDIARIES****FINANCIAL MEASURES THAT SUPPLEMENT GAAP****(Unaudited)**

Earnings before interest, taxes and noncontrolling interests

We define EBIT as earnings or loss before interest expense, income tax expense and noncontrolling interests in income of consolidated subsidiaries (EBIT). We use EBIT to assess and measure the performance of our operating segments and also as a component in measuring our variable compensation programs. Below is a reconciliation of EBIT, a non-GAAP financial measure, to Net income attributable to Cummins Inc., for each of the applicable periods:

<b>In millions</b>	<b>Three months ended</b>		<b>June 27,</b>	<b>Six months ended</b>	
	<b>June 26,</b>	<b>March 27,</b>	<b>2010</b>	<b>June 26,</b>	<b>June 27,</b>
	<b>2011</b>	<b>2011</b>		<b>2011</b>	<b>2010</b>
Earnings before interest expense, income taxes					
and gain on sale of business	\$ 707	\$ 532	\$ 401	\$ 1,239	\$ 667
<i>Earnings before interest expense, income taxes and</i>					
<i>gain on divestiture as a percentage of net sales</i>	<i>15.2%</i>	<i>13.8%</i>	<i>12.5%</i>	<i>14.6%</i>	<i>11.7%</i>
Add:					
Gain on sale of business	68	-	-	68	-
Earnings before interest expense and income taxes	775	532	401	1,307	667
<i>EBIT as a percentage of net sales</i>	<i>16.7%</i>	<i>13.8%</i>	<i>12.5%</i>	<i>15.4%</i>	<i>11.7%</i>

Edgar Filing: CUMMINS INC - Form 8-K

Less:					
	Interest expense	13	10	9	23
	Income tax expense	225	157	122	382
	Consolidated net income	537	365	270	902

Less:					
	Net income attributable to noncontrolling interests	32	22	24	54
	Net income attributable to Cummins Inc.	\$ 505	\$ 343	\$ 246	\$ 848

<i>Net income attributable to Cummins Inc. as a</i>					
	<i>percentage of net sales</i>	<i>10.9%</i>	<i>8.9%</i>	<i>7.7%</i>	<i>10.0%</i>

**Net income and diluted earnings per share (EPS) attributable to Cummins Inc. excluding gain on sale of business**

We believe this is a useful measure of our operating performance for the periods presented as it illustrates our underlying operating performance and trends without regard to the gain related to the sale of our exhaust business. This measure is not in accordance with, or an alternative for, accounting principles generally accepted in the United States of America and may not be consistent with measures used by other companies. It should be considered supplemental data. The following table reconciles net income attributable to Cummins Inc. excluding gain on sale of business to Net income attributable to Cummins Inc. for the three and six months ended June 26, 2011.

<b>In millions</b>	<b>Three months ended</b>		<b>Six months ended</b>	
	<b>June 26, 2011</b>		<b>June 26, 2011</b>	
	<b>Net Income</b>	<b>Diluted EPS</b>	<b>Net Income</b>	<b>Diluted EPS</b>
Net income attributable to Cummins Inc. excluding the gain on sale of business	\$ 468	\$ 2.41	\$ 811	\$ 4.15
Add:				
Gain on sale of business(1)	37	0.19	37	0.19
Net income attributable to Cummins Inc.	\$ 505	\$ 2.60	\$ 848	\$ 4.34

(1)The gain has been excluded from operating results as it was not considered by management in its evaluation of performance for the three and six months ended June 26, 2011.

**CUMMINS INC. AND SUBSIDIARIES****BUSINESS UNIT SALES DATA****(Unaudited)**

Engine segment net sales by market

<b>2011</b>						
<b>In millions</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>YTD</b>	
Heavy-duty truck	\$ 485	\$ 693	\$ -	\$ -	\$ 1,178	
Medium-duty truck and bus	474	608	-	-	1,082	
Light-duty auto and RV	296	310	-	-	606	
Industrial	855	988	-	-	1,843	
Stationary power	281	301	-	-	582	
Total sales	\$ 2,391	\$ 2,900	\$ -	\$ -	\$ 5,291	

<b>2010</b>						
<b>In millions</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>YTD</b>	
Heavy-duty truck	\$ 252	\$ 340	\$ 395	\$ 516	\$ 1,503	
Medium-duty bus and truck	217	352	430	436	1,435	
Light-duty auto and RV	207	296	239	280	1,022	
Industrial	577	656	700	956	2,889	
Stationary power	170	255	305	309	1,039	
Total sales	\$ 1,423	\$ 1,899	\$ 2,069	\$ 2,497	\$ 7,888	

Unit shipments by engine classification (including unit shipments to Power Generation)

<b>2011</b>					
<b>Units</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>YTD</b>
Midrange	109,400	131,300	-	-	240,700
Heavy-duty	20,000	29,900	-	-	49,900

Edgar Filing: CUMMINS INC - Form 8-K

High-horsepower	4,900	<b>5,700</b>	-	-	10,600
Total units	134,300	<b>166,900</b>	-	-	301,200

<b>2010</b>						
<b>Units</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>YTD</b>	
Mid-range	69,100	90,500	93,500	115,800	368,900	
Heavy-duty	8,700	14,500	15,200	22,800	61,200	
High horsepower	3,400	4,800	4,900	5,400	18,500	
Total units	81,200	109,800	113,600	144,000	448,600	

Power generation segment sales by business

<b>2011</b>						
<b>In millions</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>YTD</b>	
Commercial products	\$ 505	\$ <b>568</b>	\$ -	\$ -	\$ 1,073	
Generator technologies	153	<b>190</b>	-	-	343	
Commercial projects	55	<b>58</b>	-	-	113	
Consumer	50	<b>53</b>	-	-	103	
Power electronics	32	<b>40</b>	-	-	72	
Total sales	\$ 795	\$ <b>909</b>	\$ -	\$ -	\$ 1,704	

<b>2010</b>						
<b>In millions</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>YTD</b>	
Commercial products	\$ 307	\$ 436	\$ 519	\$ 569	\$ 1,831	
Generator technologies	107	135	140	167	549	
Commercial projects	33	57	49	83	222	
Consumer	43	49	49	45	186	
Power electronics	27	31	34	39	131	
Total sales	\$ 517	\$ 708	\$ 791	\$ 903	\$ 2,919	

---

**CUMMINS INC. AND SUBSIDIARIES****BUSINESS UNIT SALES DATA****(Unaudited)**

Component segment sales by business

<b>2011</b>						
<b>In millions</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>YTD</b>	
Turbo technologies	\$ 297	\$ 314	\$ -	\$ -	\$ 611	
Emission solutions	273	319	-	-	592	
Filtration	255	287	-	-	542	
Fuel systems	99	120	-	-	219	
Elimination	-	(8)	-	-	(8)	
Total sales	\$ 924	\$ 1,032	\$ -	\$ -	\$ 1,956	

<b>2010</b>						
<b>In millions</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>YTD</b>	
Turbo technologies	\$ 200	\$ 226	\$ 239	\$ 283	\$ 948	
Emission solutions	137	170	192	251	750	
Filtration	228	250	248	285	1,011	
Fuel systems	65	83	90	99	337	
Total sales	\$ 630	\$ 729	\$ 769	\$ 918	\$ 3,046	

Distribution segment sales by product

<b>2011</b>					
<b>In millions</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>YTD</b>
Parts and filtration	\$ 235	\$ 271	\$ -	\$ -	\$ 506
Power generation	145	195	-	-	340
Engines	140	186	-	-	326

Edgar Filing: CUMMINS INC - Form 8-K

Service		122	<b>133</b>	-	-	255
Total sales	\$	642	\$ <b>785</b>	\$ -	\$ -	\$ 1,427

**2010**

<b>In millions</b>		<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>YTD</b>
Parts and filtration	\$	193	\$ 221	\$ 220	\$ 248	\$ 882
Power generation		99	135	125	157	516
Engines		83	109	112	162	466
Service		101	111	116	132	460
Total sales	\$	476	\$ 576	\$ 573	\$ 699	\$ 2,324

---

=