

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: April 17, 2003

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**

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Item 7. Financial Statements and Exhibits

(c) Exhibits.

99 Press release dated April 17, 2003.

Item 12. Results of Operations and Financial Condition

On Thursday, April 17, 2003, Cummins Inc. issued a press release concerning its financial results for the first quarter of 2003.

SIGNATURE

Pursuant to the requirements of the Securities Exchange act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 17, 2003

Cummins Inc.

By: /s/ Susan K. Carter

Susan K. Carter
Vice President - Corporate Controller
(Principal Accounting Officer)

Business Editors/Automotive Writers

COLUMBUS, Ind.--(BUSINESS WIRE)--April 17, 2003--Cummins Inc. (NYSE:CUM) today reported a loss for the first quarter 2003 of \$34 million, or \$0.86 per share, on sales of \$1.39 billion. This compares to a loss of \$26 million, or \$0.68 per share, on sales of \$1.33 billion for the first quarter of 2002. Excluding the cumulative effect of a change in accounting principle in the first quarter of 2002, the loss was \$29 million, or \$0.75 per share.

"These financial results reflect the continued downturn in many of our markets that began in the second half of 2000. However, I remain confident that we are providing the products that are right for our customers and that position us well in the marketplace," said Tim Solso, Chairman and Chief Executive Officer. "As we gain production efficiencies with our new products and as the markets recover, we will see our financial returns improve."

The Company normally experiences seasonal weakness in the first quarter, with March being the strongest month. As a result of global uncertainty, normal gains in March were not realized. However, the Company expects to see increased earnings throughout the remainder of the year.

A breakdown of results by business units, as well as a number of operational successes in the quarter, are detailed below.

Engine Business

Total Sales for the Engine Business in the first quarter were \$816 million, a 5 percent increase from sales of \$776 million a year ago. Revenues in automotive markets were 13 percent higher than the first quarter last year, primarily due to increases in light-duty automotive sales. Overall revenue from industrial markets was down 10 percent year-over-year, with softness across most segments.

The Engine Business is experiencing a very successful launch of the Company's new emissions-compliant products. This complete line of new heavy-duty engines is performing well for our customers and end users. More than 8,000 engines have been shipped and order rates continue to improve. The Cummins turbo diesel engine for the award-winning Dodge Ram pickup is also performing well and continues to have strong acceptance in the marketplace. Engine shipments to DaimlerChrysler for the Dodge Ram were up 12,000 units, an increase of 60 percent from the first quarter of last year, resulting from the launch of Chrysler's new model pickup.

Power Generation

Sales in the Power Generation Business for the first quarter were \$267 million, down 6 percent from the first quarter of 2002.

In North America, revenues were down 9 percent compared to a year ago, with continued weak demand in the commercial generator set business. This decrease was partially offset by a 4 percent increase in recreational vehicle and marine business revenue compared to the first quarter of 2002. Outside North America, revenues decreased 4 percent in total, with decreases in Latin America and parts of Asia partially offset by increases in India and Australia.

Filtration and Other

Revenues for the Filtration and Other segment were \$254 million for the quarter, an 11 percent increase compared to the first quarter of 2002. This reflects higher Filtration Business sales, with some improvement in demand as well as increased market penetration.

The Filtration Business has continued to make progress in securing long-term supply agreements with major Original Equipment Manufacturers to achieve future growth. The Fleetguard Emission Solutions division is also providing profitable growth as it positions itself as the leader in the growing segment of aftertreatment technology.

International Distributor

Sales for the International Distributor Business were \$136 million in the quarter, an increase of 10 percent compared to sales of \$124 million dollars last year, with modest improvement across most regions. The International Distributor Business delivered strong results, despite a seasonally weak quarter.

The Filtration and International Distributor Business Units continue to generate increasing profits and solid growth in revenue. These businesses are more stable, less cyclical and less capital intensive than our other businesses.

Guidance

In light of the current market conditions and first-quarter performance, guidance is being lowered for the year to \$1.20 to \$1.40 per share. Cummins expects second quarter results to be a profit in the range of \$.10 to \$.20 cents per share. Cash flow guidance for 2003 remains at around \$70 million dollars aided by lower capital spending and working capital. The Company expects to generate sufficient cash to fund the dividend and provide modest debt reduction in 2003.

"We remain confident that we have taken the right actions to position us for success going forward. We will continue to tightly manage spending and take additional actions where needed," said Solso. "From the depressed market conditions we are operating in today, the long term outlook remains very promising. We believe the worst is behind us, and we continue to be positioned for the upturn as a result of the two and a half years of relentless cost reduction."

Accounts Payable Adjustment

On April 14th, the Company also announced that it will restate prior period financial statements. The restatement relates to the previously announced need for an accounts payable adjustment primarily associated with the implementation of a new enterprise resource planning system in one of its plants. This restatement will require a re-audit of the 2000 and 2001 financial statements by the Company's new auditors, PricewaterhouseCoopers, LLP (PwC) since Arthur Andersen, LLP was Cummins auditors for those periods and is no longer providing auditing services.

Cummins will file its 2002 Form 10-K as soon as practicable following the finalization of the re-audit. The Company also intends to release unaudited financial statements for 2002. The 2000 and 2001 financial statements, as previously reported, are subject to change as a result of the re-audit.

Cummins Inc., a global power leader, is a corporation of complementary business units that design, manufacture, distribute and service engines and related technologies, including fuel systems, controls, air handling, filtration, emission solutions and electrical power generation systems. Headquartered in Columbus, Indiana, (USA) Cummins serves its customers through more than 500 company-owned and independent distributor locations in 131 countries and territories. With 23,700 employees worldwide, Cummins reported sales of \$5.9 billion in 2002. Press releases by fax can be requested by calling News On Demand (toll free) at 888-329-2305. The Cummins home page can be found at www.cummins.com.

Information provided in this release that is not purely historical is considered to be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the Company's expectations, hopes, beliefs and intentions on strategies regarding the future. It is important to note that the Company's actual future results could differ materially from those projected in such forward-looking statements because of a number of factors, including, but not limited to, general economic, business and financing conditions, labor relations, governmental action, competitor pricing activity, expense volatility and other risks detailed from time to time in Cummins Securities and Exchange Commission filings.

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CUMMINS INC.
(Millions, except per share amounts)
Unaudited

For The First Quarter Ended	Mar. 30, 2003	Mar. 31, 2002
Net sales	\$1,387	\$1,333
Before cumulative effect of change in accounting principle		
Earnings (loss) before interest and income taxes	-	(15)
Net earnings (loss)	-	(29)
Basic earnings (loss) per share	-	\$(.75)
Diluted earnings (loss) per share	-	(.75)
As reported		
Earnings (loss) before interest and income taxes	(14)	(15)
Net earnings (loss)	(34)	(26)
Basic earnings (loss) per share	\$(.86)	\$(.68)
Diluted earnings (loss) per share	(.86)	(.68)
Weighted-average number of shares for EPS		

Basic	38.9	38.5
Diluted	38.9	38.5

Cummins Inc.
Consolidated Statement of Earnings
Unaudited

Millions, except per share amounts	First Quarter 2003	2002	Fourth Quarter 2002
Net sales	\$1,387	\$1,333	\$1,414
Cost of goods sold	1,173	1,107	1,191
Gross margin	214	226	223
Selling and administrative expenses	195	186	173
Research and engineering expenses	46	56	39
Joint ventures and alliances (income) expense	(7)	-	(6)
Restructuring, asset impairment and other charges	-	-	(13)
Interest expense	20	14	17
Loss on early retirement of debt	-	-	8
Other (income) expense, net	(6)	(1)	3
Earnings (loss) before income taxes, minority interest, dividends on preferred securities of subsidiary trust and cumulative effect of change in accounting principle	(34)	(29)	2
Provision (benefit) for income taxes	(10)	(9)	(54)
Minority interest	4	3	5
Dividends on preferred securities of subsidiary trust	6	6	5
Net earnings (loss) before cumulative effect of change in accounting principle.	(34)	(29)	46
Cumulative effect of change in accounting principle, net of \$1 tax	-	3	-
Net earnings (loss)	\$ (34)	\$ (26)	\$46
Earnings Per Share			
Basic			
Net earnings (loss) before cumulative effect of change in accounting principle	\$ (.86)	\$ (.75)	\$ 1.19
Cumulative effect of change in accounting principle, net of tax	-	.07	-
Net earnings (loss)	(.86)	(.68)	\$1.19
Diluted			
Net earnings (loss) before cumulative effect of change in accounting principle	\$ (.86)	\$ (.75)	\$ 1.10
Cumulative effect of change in accounting principle, net of tax	-	.07	-
Net earnings (loss)	(.86)	(.68)	1.10
Average number of shares:			
Basic EPS	38.9	38.5	38.9
Diluted EPS	38.9	38.5	45.2
Cash dividends declared per share	\$.30	\$.30	\$.30

Cummins Inc.
Consolidated Statement of Financial Position
Unaudited

Millions	Mar. 30, 2003	Dec. 31, 2002
Assets		
Current assets		
Cash and cash equivalents	\$66	\$217
Marketable securities	73	74
Receivables, net of allowance of \$13 and \$13	863	813
Inventories	699	642
Other current assets	261	236
	1,962	1,982
Property, plant and equipment		

Land and buildings	577	579
Machinery, equipment and fixtures	2,257	2,299
Construction in process	58	69
	2,892	2,947
Less accumulated depreciation	1,623	1,642
	1,269	1,305
Investments in and advances to joint ventures and alliances	278	265
Goodwill, net of amortization of \$51 and \$51	344	344
Other intangible assets	92	95
Deferred income taxes	640	640
Other noncurrent assets	202	202
Total assets	\$4,787	\$4,833
Liabilities and shareholders' investment		
Current liabilities		
Loans payable	\$24	\$19
Current maturities of long-term debt	4	119
Accounts payable	520	425
Accrued product coverage and marketing expenses	226	232
Other current liabilities	463	525
	1,237	1,320
Long-term debt	1,067	999
Other liabilities	1,296	1,285
Minority interest	95	91
Cummins obligated mandatorily redeemable convertible preferred securities of subsidiary trust holding solely convertible subordinated debentures of Cummins	291	291
Shareholders' investment		
Common stock, \$2.50 par value, 48.5 and 48.6 shares issued	121	121
Additional contributed capital	1,113	1,115
Retained earnings	530	576
Accumulated other comprehensive income	(530)	(528)
Common stock in treasury, at cost, 7.0 and 7.0 million shares	(280)	(280)
Common stock held in trust for employee benefit plans 2.6 and 2.6 million shares	(124)	(128)
Unearned compensation (ESOP)	(29)	(29)
	801	847
Total liabilities and shareholders' investment	\$ 4,787	\$ 4,833

Cummins Inc.
Consolidated Statement of Cash Flows
Unaudited

Millions	First Quarter Ended	
	Mar. 30, 2003	Mar. 31, 2002
Cash flows from operating activities		
Net earnings (loss)	\$ (34)	\$ (26)
Adjustments to reconcile net earnings (loss) to net cash from operating activities:		
Cumulative effect of change in accounting principle	-	(3)
Depreciation and amortization	55	54
Restructuring and other non-recurring actions	-	(7)
Equity in (income) losses of joint ventures and alliances	(6)	7
Minority interest	4	2
Translation and hedging activities	(2)	5
Changes in assets and liabilities:		
Receivables	(50)	(105)
Proceeds (repayments) from sale of receivables	-	35
Inventories	(58)	(31)
Accounts payable and accrued expenses	15	25
Total adjustments	(42)	(18)
Net cash used in operating activities	(76)	(44)

Cash flows provided by (used in) investing activities		
Property, plant and equipment:		
Capital expenditures	(16)	(18)
Proceeds from disposals	3	2
Investments in and advances to joint ventures and alliances	(6)	(7)
Purchases of marketable securities	(29)	(22)
Proceeds from sale of marketable securities	28	19
Net cash used in investing activities	(20)	(26)
Net cash used in operating and investing activities	(96)	(70)
Cash flows provided by (used in) financing activities		
Proceeds from borrowings	1	-
Payments on borrowings	(117)	(1)
Net borrowings under short term credit agreements	75	81
Dividend payments on common stock	(12)	(12)
Other	(3)	(1)
Net cash provided by financing activities	(56)	67
Effect of exchange rate changes on cash and cash equivalents	1	(1)
Net change in cash and cash equivalents	(151)	(4)
Cash and cash equivalents at the beginning of the year	217	52
Cash and cash equivalents at the end of the quarter	\$ 66	\$ 48

Cummins Inc.
Segment Information
Unaudited

Millions	Engine	Power Generation	Filtration And Other
First Quarter Ended March 30, 2003			
Net sales	\$816	\$267	\$254
Earnings (loss) before interest and income taxes	(23)	(17)	20
Net assets	813	476	659
First Quarter Ended March 31, 2002			
Net sales	\$776	\$283	\$228
Earnings (loss) before interest and income taxes	(19)	(15)	18
Net assets	882	424	643

Millions	International Distributor	Eliminations	Total
First Quarter Ended March 30, 2003			
Net sales	\$136	\$(86)	\$1,387
Earnings (loss) before interest and income taxes	6	-	(14)
Net assets	180	-	2,128
First Quarter Ended March 31, 2002			
Net sales	\$124	\$(78)	\$1,333
Earnings (loss) before interest and income taxes	1	-	(15)
Net assets	169	-	2,118

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Product Revenues as Percent of Total Sales

% of Consolidated Sales	Q1	Q2	Q3	Q4	YTD
2003:					
Engines	45				45
Non-Engine Products	55				55
2002:					
Engines	44	46	51	41	46
Non-Engine Products	56	54	49	59	54

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Sales

\$Millions	Q1	Q2	Q3	Q4	YTD
2003:					
Engine Business					
Heavy-Duty Truck	236				236
Medium Duty Truck+Bus	122				122
Light Duty Auto+RV	222				222
Industrial	236				236
Total Engine Business	816				816
Power Generation	267				267
Int'l. Distributors	136				136
Filtration / Other	254				254
Eliminations	(86)				(86)
TOTAL	1,387				1,387
2002:					
Engine Business					
Heavy-Duty Truck	219	265	378	207	1,069
Medium Duty Truck+Bus	138	157	191	113	599
Light Duty Auto+RV	157	179	236	209	781
Industrial	262	249	228	247	986
Total Engine Business	776	850	1,033	776	3,435
Power Generation	283	304	315	324	1,226
Int'l. Distributors	124	145	152	153	574
Filtration / Other	228	243	236	244	951
Eliminations	(78)	(84)	(88)	(83)	(333)
TOTAL	1,333	1,458	1,648	1,414	5,853

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Engine Shipments

Units	Q1	Q2	Q3	Q4	YTD
2003:					
Midrange	66,200				66,200
Heavy-duty	10,700				10,700

High Horsepower	1,900	1,900
TOTAL	78,800	78,800

2002:

Midrange	60,500	67,000	71,800	65,800	265,100
Heavy-duty	11,200	14,700	22,700	9,300	57,900
High Horsepower	2,100	2,100	2,200	2,500	8,900
TOTAL	73,800	83,800	96,700	77,600	331,900

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