

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 30, 2009

**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**

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))

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

**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 April 30, 2009, Cummins Inc. ("Cummins," "the Company," "the registrant," "we," "our," or "us") issued the attached press release reporting its financial results for the first quarter of 2009. 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 April 30, 2009

**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: April 30, 2009

CUMMINS INC.

/s/ **Marsha L. Hunt**

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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		
	March 29, 2009	December 31, 2008	March 30, 2008
<b>NET SALES</b>	\$ 2,439	\$ 3,288	\$ 3,474
Cost of sales	1,994	2,754	2,767
<b>GROSS MARGIN</b>	445	534	707
<b>OPERATING EXPENSES AND INCOME</b>			
Selling, general and administrative expenses	300	341	351
Research, development and engineering expenses	85	102	103
Equity, royalty and interest income from investees	33	51	67
Restructuring charges (Note 1)	66	37	—
Other operating income (expense), net	2	(3)	(1)
<b>OPERATING INCOME</b>	29	102	319
Interest income	2	4	6
Interest expense	7	9	11
Other (expense) income, net	(3)	(50)	(10)
<b>INCOME BEFORE INCOME TAXES</b>	21	47	304
Income tax expense (benefit)	7	(12)	102
<b>NET INCOME</b>	14	59	202
Less: net income attributable to noncontrolling interests	7	16	12
<b>NET INCOME ATTRIBUTABLE TO CUMMINS INC.</b>	\$ 7	\$ 43	\$ 190
<b>EARNINGS PER COMMON SHARE ATTRIBUTABLE TO CUMMINS INC.</b>			
Basic	\$ 0.04	\$ 0.22	\$ 0.97
Diluted	\$ 0.04	\$ 0.22	\$ 0.97
<b>WEIGHTED AVERAGE SHARES OUTSTANDING</b>			
Basic	196.8	194.7	195.1
Diluted	197.0	196.6	196.4
<b>CASH DIVIDENDS DECLARED PER SHARE</b>	\$ 0.175	\$ 0.175	\$ 0.125

(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)

In millions (except par value)	March 29, 2009	December 31, 2008
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 353	\$ 426
Marketable securities	65	77
Accounts and notes receivable, net	1,729	1,782
Inventories	1,738	1,783
Deferred income taxes	353	347
Prepaid expenses and other current assets	196	298
Total current assets	4,434	4,713
Long-term assets		
Property, plant and equipment	4,574	4,539
Accumulated depreciation	(2,741)	(2,698)
Property, plant and equipment, net	1,833	1,841
Investments and advances related to equity method investees	526	588
Goodwill and other intangible assets, net	607	585
Deferred income taxes	507	491
Other assets	271	301
Total assets	\$ 8,178	\$ 8,519
<b>LIABILITIES</b>		
Current liabilities		
Current portion of long-term debt and loans payable	\$ 76	\$ 69
Accounts payable (principally trade)	912	1,009
Current portion of accrued product warranty	382	434
Accrued compensation, benefits and retirement costs	251	364
Other accrued expenses	660	763
Total current liabilities	2,281	2,639
Long-term liabilities		
Long-term debt	651	629
Pensions	590	574
Postretirement benefits other than pensions	448	452
Other liabilities and deferred revenue	781	745
Total liabilities	4,751	5,039

**EQUITY**

Cummins Inc. shareholders' equity		
Common stock, \$2.50 par value, 500 shares authorized, 222.1 and 221.7 shares issued	1,790	1,793
Retained earnings	3,260	3,288
Treasury stock, at cost, 20.3 and 20.4 shares	(714)	(715)
Common stock held by employee benefits trust, at cost, 4.8 and 5.1 shares	(58)	(61)
Unearned compensation	(3)	(5)
Accumulated other comprehensive loss		
Defined benefit postretirement plans	(801)	(798)
Other	(251)	(268)
Total accumulated other comprehensive loss	(1,052)	(1,066)
Total Cummins Inc. shareholders' equity	3,223	3,234
Noncontrolling interests	204	246
Total equity	3,427	3,480
Total liabilities and equity	<u>\$ 8,178</u>	<u>\$ 8,519</u>

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

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

In millions	Three months ended	
	March 29, 2009	March 30, 2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 14	\$ 202
Adjustments to reconcile net income to net cash provided by operating activities:		
Restructuring charges, net	48	—
Depreciation and amortization	76	75
Deferred income taxes	(21)	(7)
Equity in income of investees, net of dividends	52	(39)
Pension expense, net of pension contributions	15	1
Other post-retirement benefits expense, net of cash payments	(8)	(6)
Stock-based compensation expense	6	8
Excess tax (benefits) deficiencies on stock-based awards	3	(10)
Translation and hedging activities	19	6
Changes in current assets and liabilities, net of acquisitions and dispositions:		
Accounts and notes receivable	49	(193)
Inventories	44	(165)
Other current assets	9	(5)
Accounts payable	(103)	164
Accrued expenses	(173)	(23)
Changes in long-term liabilities	36	25
Other, net	10	4
Net cash provided by operating activities	<u>76</u>	<u>37</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(64)	(90)
Investments in internal use software	(11)	(14)
Proceeds from disposals of property, plant and equipment	6	1
Investments in and advances (to) from equity investees	5	(20)
Acquisition of businesses, net of cash acquired	(2)	(29)
Investments in marketable securities—acquisitions	(69)	(60)
Investments in marketable securities—liquidations	78	69
Cash flows from derivatives not designated as hedges	(33)	(12)
Other, net	—	3
Net cash used in investing activities	<u>(90)</u>	<u>(152)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	7	42
Payments on borrowings and capital lease obligations	(19)	(47)
Net borrowings under short-term credit agreements	4	14
Distributions to noncontrolling interests	(9)	(6)
Dividend payments on common stock	(35)	(25)
Repurchases of common stock	—	(11)
Excess tax benefits (deficiencies) on stock-based awards	(3)	10
Other, net	2	1
Net cash used in financing activities	<u>(53)</u>	<u>(22)</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		
	(6)	6
Net decrease in cash and cash equivalents	(73)	(131)
Cash and cash equivalents at beginning of year	426	577
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>\$ 353</u>	<u>\$ 446</u>

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

In millions	Power				Non-segment items (1)	Total
	Engine	Generation	Components	Distribution		
<b>Three months ended March 29, 2009</b>						
External sales	\$1,205	\$ 477	\$ 346	\$ 411	\$ —	\$ 2,439
Intersegment sales	287	180	184	2	(653)	—
Total sales	1,492	657	530	413	(653)	2,439
Depreciation and amortization(2)	41	11	18	5	—	75
Research, development and engineering expense	58	8	19	—	—	85
Equity, royalty and interest (loss) income from investees	(3)	5	1	30	—	33
Restructuring charges	—	—	—	—	66	66
Interest income	1	1	—	—	—	2
Segment EBIT	(16)	69	1	58	(84)	28
<b>Three months ended December 31, 2008</b>						
External sales	\$1,590	\$ 675	\$ 468	\$ 555	\$ —	\$ 3,288
Intersegment sales	346	212	208	2	(768)	—
Total sales	1,936	887	676	557	(768)	3,288
Depreciation and amortization(2)	47	10	16	8	—	81
Research, development and engineering expense	71	10	21	—	—	102
Equity, royalty and interest income from investees	8	6	4	33	—	51
Restructuring charges	—	—	—	—	37	37
Interest income	3	—	—	1	—	4
Segment EBIT	(40)	75	(6)	64	(37)	56
<b>Three months ended March 30, 2008</b>						
External sales	\$1,885	\$ 581	\$ 567	\$ 441	\$ —	\$ 3,474
Intersegment sales	324	206	253	4	(787)	—
Total sales	2,209	787	820	445	(787)	3,474
Depreciation and amortization(2)	44	11	15	4	—	74
Research, development and engineering expense	70	10	23	—	—	103
Equity, royalty and interest income from investees	33	5	4	25	—	67
Interest income	3	1	1	1	—	6
Segment EBIT	194	78	37	49	(43)	315

(1) Includes intersegment sales and profit in inventory eliminations and unallocated corporate expenses. For the three months ended March 29, 2009, unallocated corporate expenses include restructuring charges of \$66 million and a \$6 million gain related to flood damage insurance recoveries. For the three months ended December 31, 2008, unallocated corporate expenses include restructuring charges of \$37 million and a \$36 million decrease in cash surrender value in corporate owned life insurance. There were no significant unallocated corporate expenses for the three months ended March 30, 2008.

(2) Depreciation and amortization as shown on a segment basis excludes the amortization of debt discount that is 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:

In millions	Three months ended		
	March 29, 2009	December 31, 2008	March 30, 2008
Segment EBIT	\$ 28	\$ 56	\$ 315
Less:			
Interest expense	7	9	11
Income before income taxes	\$ 21	\$ 47	\$ 304

#### FINANCIAL MEASURES THAT SUPPLEMENT GAAP (Unaudited)

##### Earnings before interest, taxes and noncontrolling interests (EBIT)

We define EBIT as earnings or loss before interest expense, income tax expense and noncontrolling interests. 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 consolidated net income attributable to Cummins Inc., for each of the applicable periods:

In millions	Three Months Ended		
	March 29, 2009	December 31, 2008	March 30, 2008
Earnings before interest and income taxes	\$ 28	\$ 56	\$ 315
<i>EBIT as a percentage of net sales</i>	<i>1.1%</i>	<i>1.7%</i>	<i>9.1%</i>
Less:			
Interest expense	7	9	11
Income tax expense (benefit)	7	(12)	102
Net income	14	59	202

Less:			
Income attributable to noncontrolling interests	7	16	12
Net income attributable to Cummins Inc.	<u>\$ 7</u>	<u>\$ 43</u>	<u>\$ 190</u>
<i>Net income attributable to Cummins Inc. as a percentage of net sales</i>	<i>0.3%</i>	<i>1.3%</i>	<i>5.5%</i>

We believe EBIT is a useful measure of our operating performance for the periods presented as it illustrates our operating performance without regard to financing methods, capital structure or income taxes. 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.

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**CUMMINS INC. AND SUBSIDIARIES  
SUPPLEMENTAL INFORMATION**

In 2009, the Power Generation segment reorganized and its reporting structure to include the following businesses: Commercial Products, Alternators, Commercial Projects, Power Electronics and Consumer. Sales by quarter for our Power Generation segment by business for the years 2008 and 2007 were as follows:

2008		Three months ended				Year ended
In millions	March 30, 2008	June 29, 2008	September 28, 2008	December 31, 2008	December 31, 2008	
Commercial Products	\$ 444	\$ 555	\$ 559	\$ 558	\$ 2,116	
Alternator	156	178	174	178	686	
Commercial Projects	86	111	63	68	328	
Power Electronics	27	31	35	39	132	
Consumer	74	63	57	44	238	
Total sales	<u>\$ 787</u>	<u>\$ 938</u>	<u>\$ 888</u>	<u>\$ 887</u>	<u>\$ 3,500</u>	
2007		Three months ended				Year ended
In millions	April 1, 2007	July 1, 2007	September 30, 2007	December 31, 2007	December 31, 2007	
Commercial Products	\$ 383	\$ 448	\$ 449	\$ 481	\$ 1,761	
Alternator	132	156	163	172	623	
Commercial Projects	45	44	49	81	219	
Power Electronics	26	26	28	28	108	
Consumer	89	95	87	78	349	
Total sales	<u>\$ 675</u>	<u>\$ 769</u>	<u>\$ 776</u>	<u>\$ 840</u>	<u>\$ 3,060</u>	



## Contact:

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## For Immediate Release

April 30, 2009

### **Cummins reports lower revenues and profits due to continued global recession**

#### **-- Company reduces full-year sales and profit guidance to reflect challenging economic environment --**

COLUMBUS, IN -- Cummins Inc. (NYSE: CMI) today reported lower sales and profit in the first quarter 2009 as the global recession affected demand for the Company's products around the world.

Sales for the quarter were \$2.44 billion, down 30 percent from \$3.47 billion during the same period in 2008. Earnings Before Interest and Taxes of \$28 million, or 1.1 percent of sales, fell 91 percent from \$315 million, or 9.1 percent of sales, in the first quarter 2008. Net income attributable to Cummins Inc. was \$7 million, or \$0.04 a share, a 96 percent decrease from \$190 million (\$0.97 a share) a year ago.

The first quarter results include a \$66 million charge to cover the costs associated with job reduction actions taken in the quarter. Cummins announced plans to reduce its workforce by more than 4,100 employees and contract workers during the quarter in response to lower demand for its products. Excluding the restructuring charge, net income attributable to Cummins Inc. was \$51 million, or \$0.26 a share, and EBIT was \$94 million, or 3.9 percent of sales.

All four of the Company's business segments experienced sales decreases compared to the first quarter 2008, with the largest declines coming from the Engine and Components segments.

Based on the first quarter results and Company forecasts for the remainder of the year, Cummins today revised its sales and earnings guidance downward for 2009. The Company now expects 2009 sales to be slightly more than 30 percent lower than 2008 and anticipates EBIT of 5 percent of sales for the year, excluding the restructuring charge.

"The first quarter was, as we expected, extremely challenging and we do not see the economy or our markets improving for the remainder of 2009," said Cummins Chairman and Chief Executive Officer Tim Solso. "We have taken significant actions to lower our costs and improve our productivity in response to the global recession, which has affected virtually every market in which we operate around the world.

"We are confident that those actions, which will continue as necessary, will allow us to earn a reasonable profit in 2009, generate positive cash flow and enable us to continue to invest in the products and technologies vital to our future success."

In addition to reducing its workforce worldwide, the Company has made significant reductions in discretionary spending and has further prioritized capital expenditures to focus on the most critical projects, especially those associated with the launch of new emission compliant products in 2010. Capital spending in the first quarter was \$64 million, compared to \$90 million in the same period a year ago and \$213 million in the fourth quarter 2008.

"Cash management is a top priority for the Company this year," said Pat Ward, Chief Financial Officer. "We remain well positioned with a strong balance sheet, low debt and significant liquidity. Despite the challenging economic conditions, the Company did not need to use any of the \$1.1 billion credit facility that was put in place last summer."

At the end of the first quarter, Cummins had \$353 million in available cash and cash equivalents and a total available liquidity of \$1.8 billion.

## First quarter details

### **Engine Segment**

Sales of \$1.49 billion were 32 percent lower than \$2.21 billion in the first quarter 2008. Segment EBIT fell to a loss of \$16 million, compared to a profit of \$194 million during the same period a year ago.

Nearly every market experienced declines compared to the first quarter 2008, with worldwide heavy-duty truck engine shipments down 30

percent; shipments to Chrysler down 45 percent; global medium-duty truck engine shipments down 42 percent and construction industry shipments down 69 percent.

The engine segment's joint ventures reported a \$3 million loss in the quarter, compared to a \$33 million profit the same period in 2008. Selling, Administrative and Research and Development (SAR) expenses fell in absolute dollars, but increased as a percentage of sales from a year ago.

### **Power Generation**

Sales of \$657 million decreased 17 percent from \$787 million in the first quarter 2008. Segment EBIT was \$69 million (10.5 percent of sales) compared to \$78 million (9.9 percent of sales) during the same period a year ago. Lower SAR expenses, both in absolute dollars and as a percentage of sales, helped improved profitability within the segment.

Sales of Commercial generator products fell 6 percent from a year ago, while the segment's Consumer business continued to report extremely weak demand with sales down 59 percent from the first quarter 2008. Sales gains in Africa (34 percent) were more than offset by large drops in North America (25 percent), Latin America (29 percent), India (40 percent) and Western Europe (18 percent).

### **Components**

Sales of \$530 million declined 35 percent from \$820 million in the first quarter 2008. Segment EBIT of \$1 million (0.2 percent of sales) fell from \$37 million (4.5 percent of sales) the same period a year ago.

Revenues fell across all businesses in the segment and in all major geographic markets, as a result of volume declines associated with the global recession. Most of the revenue declines were the result of lower OEM and aftermarket sales in North America and Europe.

Filtration business sales decreased 33 percent; turbocharger sales fell 42 percent; fuel systems sales declined 38 percent and exhaust aftertreatment sales decreased 24 percent. SAR expenses fell in total dollars, but increased as a percentage of sales compared to the first quarter 2008.

### **Distribution**

Sales of \$413 million decreased 7 percent from \$445 million during the first quarter 2008, largely as a result of negative currency effects in Europe, Australia and India. Segment EBIT of \$58 million (14.0 percent of sales) increased 18 percent from \$49 million (11.0 percent of sales) a year ago.

Improved joint venture profits and lower SAR expenses, both in absolute dollars and as a percentage of sales, strengthened the segment EBIT margin while negative currency effects in the gross margin neutralized pricing gains.

### **Presentation of Non-GAAP Financial Information**

EBIT is a non-GAAP measure used in this release. Each is defined and reconciled to what management believes to be the most comparable GAAP measure in a schedule attached to this release. Cummins presents this information as it believes it is useful to understanding the Company's operating performance, and because EBIT is a measure used internally to assess the performance of the operating units.

**Webcast information** Cummins management will host a teleconference to discuss these results today at 10 a.m. EDT. This teleconference will be webcast and available on the Investor Relations section of the Cummins website at [www.cummins.com](http://www.cummins.com). Participants wishing to view the visuals available with the audio are encouraged to sign-in a few minutes prior to the start of the teleconference.

### **About Cummins**

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 customers in approximately 190 countries and territories through a network of more than 500 company-owned and independent distributor locations and approximately 5,200 dealer locations. Cummins reported net income of \$755 million on sales of \$14.3 billion in 2008. Press releases can be found on the Web at [www.cummins.com](http://www.cummins.com).

### **Forward-looking disclosure statement**

Information provided in this release that is not purely historical are 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.

