

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, 2013

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))

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

On April 30, 2013, Cummins Inc. ("Cummins," "the Company," "the registrant," "we," "our," or, "us") issued a press release announcing its first quarter 2013 results.

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

(d) The following exhibit is furnished pursuant to Item 2.02 herewith:

99-Press Release dated April 30, 2013

**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, 2013

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		
	March 31, 2013	December 31, 2012	April 1, 2012
<b>NET SALES</b>	\$ 3,922	\$ 4,292	\$ 4,472
Cost of sales	2,965	3,234	3,274
<b>GROSS MARGIN</b>	<b>957</b>	1,058	1,198
<b>OPERATING EXPENSES AND INCOME</b>			

Selling, general and administrative expenses	444	482	475
Research, development and engineering expenses	182	174	181
Equity, royalty and interest income from investees (Note 1)	82	82	104
Other operating income (expense), net	1	(19)	2
<b>OPERATING INCOME</b>	<b>414</b>	<b>465</b>	<b>648</b>
Interest income	5	5	8
Interest expense	6	7	8
Other income (expense), net	18	10	2
<b>INCOME BEFORE INCOME TAXES</b>	<b>431</b>	<b>473</b>	<b>650</b>
Income tax expense (Note 2)	119	75	175
<b>CONSOLIDATED NET INCOME</b>	<b>312</b>	<b>398</b>	<b>475</b>
Less: Net income attributable to noncontrolling interests	30	29	20
<b>NET INCOME ATTRIBUTABLE TO CUMMINS INC.</b>	<b>\$ 282</b>	<b>\$ 369</b>	<b>\$ 455</b>
<b>EARNINGS PER COMMON SHARE ATTRIBUTABLE TO CUMMINS INC.</b>			
Basic	\$ 1.50	\$ 1.96	\$ 2.39
Diluted	\$ 1.49	\$ 1.95	\$ 2.38
<b>WEIGHTED AVERAGE SHARES OUTSTANDING</b>			
Basic	188.4	188.4	190.4
Diluted	188.8	188.8	190.8
<b>CASH DIVIDENDS DECLARED PER COMMON SHARE</b>	<b>\$ 0.50</b>	<b>\$ 0.50</b>	<b>\$ 0.40</b>

(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 BALANCE SHEETS**  
(Unaudited) (a)

In millions, except par value	March 31, 2013	December 31, 2012
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 1,483	\$ 1,369
Marketable securities	196	247
Total cash, cash equivalents and marketable securities	1,679	1,616
Accounts and notes receivable, net	2,496	2,475
Inventories	2,387	2,221
Prepaid expenses and other current assets	658	855
Total current assets	7,220	7,167
Long-term assets		
Property, plant and equipment	5,942	5,876
Accumulated depreciation	(3,173)	(3,152)
Property, plant and equipment, net	2,769	2,724
Investments and advances related to equity method investees	944	897
Goodwill	444	445
Other intangible assets, net	366	369
Other assets	1,013	946
Total assets	\$ 12,756	\$ 12,548
<b>LIABILITIES</b>		
Current liabilities		
Loans payable	\$ 13	\$ 16
Accounts payable (principally trade)	1,554	1,339
Current maturities of long-term debt	54	61
Current portion of accrued product warranty	396	386
Accrued compensation, benefits and retirement costs	280	400
Deferred revenue	230	215
Taxes payable (including taxes on income)	203	173
Other accrued expenses	527	546
Total current liabilities	3,257	3,136
Long-term liabilities		
Long-term debt	736	698
Postretirement benefits other than pensions	422	432
Other liabilities and deferred revenue	1,296	1,308
Total liabilities	5,711	5,574
<b>EQUITY</b>		
Cummins Inc. shareholders' equity		
Common stock, \$2.50 par value, 500 shares authorized, 222.2 and 222.4 shares issued	2,064	2,058
Retained earnings	7,530	7,343
Treasury stock, at cost, 32.5 and 32.6 shares	(1,827)	(1,830)
Common stock held by employee benefits trust, at cost, 1.4 and 1.5 shares	(17)	(18)
Accumulated other comprehensive loss		
Defined benefit postretirement plans	(775)	(794)
Other	(320)	(156)
Total accumulated other comprehensive loss	(1,095)	(950)

Total Cummins Inc. shareholders' equity	6,655	6,603
Noncontrolling interests	390	371
Total equity	7,045	6,974
Total liabilities and equity	<u>\$ 12,756</u>	<u>\$ 12,548</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 31, 2013	April 1, 2012
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Consolidated net income	\$ 312	\$ 475
Adjustments to reconcile consolidated net income to net cash provided by operating activities		
Depreciation and amortization	98	85
Gain on fair value adjustment for consolidated investee	(7)	-
Deferred income taxes	5	(27)
Equity in income of investees, net of dividends	(36)	(59)
Pension contributions in excess of expense	(54)	(27)
Other post-retirement benefits payments in excess of expense	(8)	(4)
Stock-based compensation expense	7	7
Excess tax benefits on stock-based awards	(7)	(11)
Translation and hedging activities	(5)	10
Changes in current assets and liabilities, net of acquisitions		
Accounts and notes receivable	(29)	(135)
Inventories	(177)	(209)
Other current assets	158	(28)
Accounts payable	204	148
Accrued expenses	(142)	(196)
Changes in other liabilities and deferred revenue	47	29
Other, net	62	(37)
Net cash provided by operating activities	<u>428</u>	<u>21</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital expenditures	(114)	(126)
Investments in internal use software	(12)	(16)
Investments in and advances to equity investees	(24)	(5)
Acquisition of businesses, net of cash acquired	(17)	(5)
Investments in marketable securities—acquisitions	(133)	(146)
Investments in marketable securities—liquidations	187	184
Cash flows from derivatives not designated as hedges	(30)	11
Other, net	-	1
Net cash used in investing activities	<u>(143)</u>	<u>(102)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from borrowings	-	12
Payments on borrowings and capital lease obligations	(27)	(38)
Net borrowings (payments) under short-term credit agreements	15	-
Distributions to noncontrolling interests	(19)	(22)
Dividend payments on common stock	(95)	(77)
Repurchases of common stock	-	(8)
Excess tax benefits on stock-based awards	7	11
Other, net	16	9
Net cash used in financing activities	<u>(103)</u>	<u>(113)</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<u>(68)</u>	<u>27</u>
Net increase (decrease) in cash and cash equivalents	114	(167)
Cash and cash equivalents at beginning of year	1,369	1,484
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u>\$ 1,483</u>	<u>\$ 1,317</u>

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

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

In millions	Engine		Power Generation		Distribution		Non-segment Items <sup>(1)</sup>		Total
<b>Three months ended March 31, 2013</b>									
External sales	\$ 1,885	\$ 722	\$ 539	\$ 776	\$ -	\$ -	\$ 3,922		
Intersegment sales	418	296	207	2	(923)	-	-		
Total sales	<u>2,303</u>	<u>1,018</u>	<u>746</u>	<u>778</u>	<u>(923)</u>	<u>-</u>	<u>3,922</u>		
Depreciation and amortization <sup>(2)</sup>	52	24	12	10	-	-	98		
Research, development and engineering expenses	105	57	18	2	-	-	182		
Equity, royalty and interest income from investees	23	7	7	45	-	-	82		
Interest income	2	1	2	-	-	-	5		
Segment EBIT	195	119	51	95 <sup>(3)</sup>	(23)	-	437		
Segment EBIT as a percentage of total sales	8.5%	11.7%	6.8%	12.2%	-	-	11.1%		

**Three months ended December 31, 2012**

External sales	\$ 2,177	\$ 662	\$ 549	\$ 904	\$ -	\$ 4,292
Intersegment sales	329	277	216	3	(825)	-
Total sales	<u>2,506</u>	<u>939</u>	<u>765</u>	<u>907</u>	<u>(825)</u>	<u>4,292</u>
Depreciation and amortization <sup>(2)</sup>	50	23	13	11	-	97
Research, development and engineering expenses	92	60	20	2	-	174
Equity, royalty and interest income from investees	27	6	8	41	-	82
Interest income	2	-	2	1	-	5
Segment EBIT	252	78	42	84	24	480
Add back restructuring and other charges	20	6	12	14	-	52
Segment EBIT excluding restructuring and other charges	<u>272</u>	<u>84</u>	<u>54</u>	<u>98</u>	<u>24</u>	<u>532</u>
Segment EBIT as a percentage of total sales	10.1%	8.3%	5.5%	9.3%		11.2%
Segment EBIT excluding restructuring and other charges as a percentage of total sales	10.9%	8.9%	7.1%	10.8%		12.4%

**Three months ended April 1, 2012**

External sales	\$ 2,412	\$ 774	\$ 516	\$ 770	\$ -	\$ 4,472
Intersegment sales	447	325	264	5	(1,041)	-
Total sales	<u>2,859</u>	<u>1,099</u>	<u>780</u>	<u>775</u>	<u>(1,041)</u>	<u>4,472</u>
Depreciation and amortization <sup>(2)</sup>	47	19	11	7	-	84
Research, development and engineering expenses	111	51	18	1	-	181
Equity, royalty and interest income from investees	38	8	10	48	-	104
Interest income	4	1	2	1	-	8
Segment EBIT	381	143	76	94	(36)	658
Segment EBIT as a percentage of total sales	13.3%	13.0%	9.7%	12.1%		14.7%

<sup>(1)</sup>Includes intersegment sales and profit in inventory eliminations and unallocated corporate expenses. There were no significant unallocated corporate expenses for the three month periods ended March 31, 2013 and April 1, 2012. For the three months ended December 31, 2012, unallocated corporate expenses included a \$20 million reserve (\$12 million after-tax) related to legal matters. There were no other significant unallocated corporate expenses.

<sup>(2)</sup>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."

<sup>(3)</sup>Distribution segment EBIT includes a \$7 million gain on the fair value adjustment resulting from the acquisition of a controlling interest in Cummins Northwest.

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 31, 2013	December 31, 2012	April 1, 2012
Segment EBIT excluding restructuring and other charges	\$ 437	\$ 532	\$ 658
Add: Restructuring and other charges	-	(52)	-
Segment EBIT	<u>437</u>	<u>480</u>	<u>658</u>
Less: Interest expense	6	7	8
Income before income taxes	<u>\$ 431</u>	<u>\$ 473</u>	<u>\$ 650</u>

**CUMMINS INC. AND SUBSIDIARIES  
SEGMENT FOOTNOTE DATA  
(Unaudited)**

**NOTE 1. EQUITY, ROYALTY AND INTEREST INCOME FROM INVESTEES**

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		
	March 31, 2013	December 31, 2012	April 1, 2012
<b>Distribution Entities</b>			
North American distributors	\$ 35	\$ 32	\$ 40
Komatsu Cummins Chile, Ltda.	5	6	5
All other distributors	-	1	1
<b>Manufacturing Entities</b>			
Chongqing Cummins Engine Company, Ltd.	12	12	18
Dongfeng Cummins Engine Company, Ltd.	12	10	16
Shanghai Fleetguard Filter Co., Ltd.	3	3	3
Valvoline Cummins, Ltd.	3	2	2
Tata Cummins, Ltd.	1	4	4
Beijing Foton Cummins Engine Co., Ltd.	1	2	(2)
Cummins Westport, Inc.	-	3	5
Komatsu manufacturing alliances	(1)	(2)	(1)
All other manufacturers	<u>2</u>	<u>2</u>	<u>1</u>
Cummins share of net income	73	75	92
Royalty and interest income	9	7	12
Equity, royalty and interest income from investees	<u>\$ 82</u>	<u>\$ 82</u>	<u>\$ 104</u>

**NOTE 2. INCOME TAXES**

Our effective tax rate for the year is expected to approximate 29.5 percent, excluding any one-time items that may arise. Our tax rate is generally less than the 35 percent U.S. statutory income tax rate primarily due to lower tax rates on foreign income and research tax credits. The tax rate for the three month period ended March 31, 2013, was 27.6 percent. This tax rate includes a discrete tax benefit of \$28 million attributable to the 2012 research credit as well as a discrete tax expense of \$17 million, which primarily relates to the write-off of a deferred tax asset deemed unrecoverable. On January 2, 2013, the American Taxpayer Relief Act of 2012 was signed into law and reinstated the

research tax credit. The expiration of this credit resulted in a higher income tax provision of \$28 million in 2012. As tax law changes are accounted for in the period of enactment, we recognized the discrete tax benefit in the first quarter of 2013.

Our effective tax rate for the three months ended April 1, 2012, was 26.9 percent. The increase in the 2013 effective tax rate compared to 2012 is due primarily to an unfavorable change in the pre-tax mix of income taxed in higher rate jurisdictions, partially offset by \$11 million of net discrete tax benefits.

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

**Net income and diluted earnings per share (EPS) attributable to Cummins Inc. excluding special items**

We believe this is a useful measure of our operating performance for the period presented as it illustrates our operating performance without regard to special items including the one-time income tax items and restructuring charges. 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. to net income attributable to Cummins Inc. excluding special items for the quarters ended March 31, 2013, December 31, 2012 and April 1, 2012.

In millions	Three months ended					
	March 31, 2013		December 31, 2012		April 1, 2012	
	Net Income	Diluted EPS	Net Income	Diluted EPS	Net Income	Diluted EPS
Net income attributable to Cummins Inc.	\$ 282	\$ 1.49	\$ 369	\$ 1.95	\$ 455	\$ 2.38
Add						
Restructuring and other charges	-	-	35	0.19	-	-
Less						
One-time tax benefits <sup>(1)</sup>	11	0.05	39	0.21	-	-
Net income attributable to Cummins Inc. excluding special items	<u>\$ 271</u>	<u>\$ 1.44</u>	<u>\$ 365</u>	<u>\$ 1.93</u>	<u>\$ 455</u>	<u>\$ 2.38</u>

(1) The one-time tax items for the three months ended March 31, 2013, included a discrete tax benefit of \$28 million attributable to the 2012 research credit as well as a discrete tax expense of \$17 million, which relates to the write-off of a deferred tax asset deemed unrecoverable. The one-time tax benefits for the three months ended December 31, 2012, related primarily to benefits resulting from transactions entered into and elections made with respect to our U.K. operations.

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

**Earnings before interest expense, income taxes, noncontrolling interests and restructuring and other charges**

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 and EBIT excluding restructuring and other charges, non-GAAP financial measures, to "Net income attributable to Cummins Inc.," for each of the applicable periods:

In millions	Three months ended		
	March 31, 2013	December 31, 2012	April 1, 2012
Earnings before interest expense, income taxes and special items	\$ 437	\$ 532	\$ 658
<i>Earnings before interest expense, income taxes and special items as a percentage of net sales</i>	<i>11.1%</i>	<i>12.4%</i>	<i>14.7%</i>
Less			
Restructuring and other charges	-	52	-
Earnings before interest expense and income taxes	\$ 437	\$ 480	\$ 658
<i>EBIT as a percentage of net sales</i>	<i>11.1%</i>	<i>11.2%</i>	<i>14.7%</i>
Less			
Interest expense	6	7	8
Income tax expense	119	75	175
Consolidated net income	<u>312</u>	<u>398</u>	<u>475</u>
Less			
Net income attributable to noncontrolling interests	30	29	20
Net income attributable to Cummins Inc.	<u>\$ 282</u>	<u>\$ 369</u>	<u>\$ 455</u>
<i>Net income attributable to Cummins Inc. as a percentage of net sales</i>	<i>7.2%</i>	<i>8.6%</i>	<i>10.2%</i>

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

Engine segment net sales by market

In millions	2013				
	Q1	Q2	Q3	Q4	YTD
Heavy-duty truck	\$ 654	\$ -	\$ -	\$ -	\$ 654
Medium-duty truck and bus	448	-	-	-	448

Light-duty automotive and RV	260	-	-	-	260
Industrial	714	-	-	-	714
Stationary power	227	-	-	-	227
Total sales	<u>\$ 2,303</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,303</u>

**2012**

In millions	Q1	Q2	Q3	Q4	YTD
Heavy-duty truck	\$ 892	\$ 807	\$ 656	\$ 609	\$ 2,964
Medium-duty truck and bus	526	512	478	575	2,091
Light-duty automotive and RV	286	297	353	343	1,279
Industrial	861	859	766	747	3,233
Stationary power	294	366	274	232	1,166
Total sales	<u>\$ 2,859</u>	<u>\$ 2,841</u>	<u>\$ 2,527</u>	<u>\$ 2,506</u>	<u>\$ 10,733</u>

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

**2013**

Units	Q1	Q2	Q3	Q4	YTD
Midrange	94,600	-	-	-	94,600
Heavy-duty	24,900	-	-	-	24,900
High-horsepower	4,200	-	-	-	4,200
Total units	<u>123,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,700</u>

**2012**

Units	Q1	Q2	Q3	Q4	YTD
Midrange	109,000	110,000	113,000	108,500	440,500
Heavy-duty	36,000	33,000	26,000	24,100	119,100
High-horsepower	5,500	5,800	4,600	3,900	19,800
Total units	<u>150,500</u>	<u>148,800</u>	<u>143,600</u>	<u>136,500</u>	<u>579,400</u>

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

Component segment sales by business

**2013**

In millions	Q1	Q2	Q3	Q4	YTD
Emission solutions	\$ 400	\$ -	\$ -	\$ -	\$ 400
Turbo technologies	266	-	-	-	266
Filtration	255	-	-	-	255
Fuel systems	97	-	-	-	97
Total sales	<u>\$ 1,018</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,018</u>

**2012**

In millions	Q1	Q2	Q3	Q4	YTD
Emission solutions	\$ 404	\$ 349	\$ 325	\$ 337	\$ 1,415
Turbo technologies	298	297	257	254	1,106
Filtration	270	266	260	252	1,048
Fuel systems	127	124	96	96	443
Total sales	<u>\$ 1,099</u>	<u>\$ 1,036</u>	<u>\$ 938</u>	<u>\$ 939</u>	<u>\$ 4,012</u>

Power generation segment sales by business

**2013**

In millions	Q1	Q2	Q3	Q4	YTD
Power products	\$ 409	\$ -	\$ -	\$ -	\$ 409
Power systems	179	-	-	-	179
Generator technologies	126	-	-	-	126
Power solutions	32	-	-	-	32
Total sales	<u>\$ 746</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 746</u>

**2012**

In millions	Q1	Q2	Q3	Q4	YTD
Power products	\$ 375	\$ 459	\$ 425	\$ 395	\$ 1,654
Power systems	188	217	174	178	757
Generator technologies	141	160	138	127	566
Power solutions	76	73	77	65	291
Total sales	<u>\$ 780</u>	<u>\$ 909</u>	<u>\$ 814</u>	<u>\$ 765</u>	<u>\$ 3,268</u>

Distribution segment sales by business

**2013**

In millions	Q1	Q2	Q3	Q4	YTD
Parts and filtration	\$ 322	\$ -	\$ -	\$ -	\$ 322
Power generation	163	-	-	-	163
Engines	152	-	-	-	152
Service	141	-	-	-	141
Total sales	<u>\$ 778</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 778</u>

**2012**

In millions	Q1	Q2	Q3	Q4	YTD
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Parts and filtration	\$ 288	\$ 302	\$ 326	\$ 319	\$ 1,235
Power generation	186	201	178	242	807
Engines	166	147	157	195	665
Service	135	144	140	151	570
Total sales	<u>\$ 775</u>	<u>\$ 794</u>	<u>\$ 801</u>	<u>\$ 907</u>	<u>\$ 3,277</u>

## News Release



Contact:

Carole Casto  
Executive Director – Corporate Communications  
(317) 610-2480

**April 30, 2013**

**For Immediate Release**

**Cummins reports results for the first quarter of 2013, maintains full year guidance for revenues and EBIT**

- **First quarter revenues of \$3.9 billion and EBIT 11.1 percent of sales**
- **Continues to expect full year revenues to be flat to down 5 percent**
- **Maintains full year EBIT guidance to be in the range 13 to 14 percent of sales**

COLUMBUS, IN – Cummins Inc. (NYSE: CMI) today reported results for the first quarter of 2013.

First quarter revenues of \$3.9 billion decreased 12 percent from the first quarter of 2012. Revenues in North America declined by 15 percent and international revenues declined by 10 percent as the Company experienced weaker demand in most major geographies and end markets.

Earnings before interest and taxes (EBIT) were \$437 million or 11.1 percent of sales, compared to \$658 million or 14.7 percent of sales a year ago.

Net income attributable to Cummins in the first quarter was \$282 million (\$1.49 per diluted share), compared to \$455 million (\$2.38 per diluted share) in the first quarter of 2012.

The most significant decline in demand occurred within the Engine Business, with total unit volumes down 18 percent year-over-year. Shipments of high horsepower engines declined by 24 percent due to weakness in mining, oil and gas and power generation markets.

“As anticipated, we experienced weak demand in the first quarter in many of our major markets,” said Chairman and CEO Tom Linebarger. “While uncertainty remains in a number of markets, we expect that the first quarter will mark the low point of the year for Company revenues. We expect moderately improving order trends in on-highway and construction markets in North America to be the most significant drivers of improvement in revenues going forward. We continue to make investments in our distribution system and in new products as we remain focused on future profitable growth.”

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Based on the current forecast, the Company expects full year revenues to be flat to down 5% and EBIT to be in the range of 13 to 14 percent of sales.

Recent highlights include:

- Cummins was named to the Ethisphere Institute’s list of the World’s Most Ethical Companies for a sixth consecutive year.
- Moody’s Investors Service agency announced that it has raised the unsecured rating of Cummins to A3.
- *FORTUNE* magazine named Cummins one of America’s Most Admired Companies.
- Cummins announced that the next-generation QSB4.5 engine will meet Tier 4 Final near-zero emissions standards with increased horsepower and a higher peak torque.
- Cummins Westport announced that it has received certification for its ISX12 G (natural gas) engine from the U.S. Environmental Protection Agency.
- Cummins launched the QSM12, a 12L heavy-duty engine for off-highway applications that meets US Tier 4 Final and EU



stage IV near-zero emissions regulations.

- Industrial manufacturer Eaton and Cummins unveiled a new powertrain package for the North American heavy-duty truck market that is expected to deliver a fuel economy improvement of three to six percent.
- The first L9.3 engine rolled off the production line at Guangxi Cummins Engine Company Limited in Liuzhou, southern China, a joint venture between Cummins and LiuGong Machinery.

## **First quarter detail (all comparisons to same period in 2012)**

### **Engine Segment**

- Sales – \$2.3 billion, down 19 percent
  - Segment EBIT – \$195 million, or 8.5 percent of sales, compared to \$381 million or 13.3 percent of sales
  - Lower demand in North American heavy duty truck, oil and gas, and bus markets and global mining were the most significant drivers of the lower revenues
  - Demand increased modestly in North America, Latin America and Korea for engines for agricultural applications
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### **Components**

- Sales - \$1.0 billion, a decrease of 7 percent
- Segment EBIT - \$119 million, or 11.7 percent of sales, compared to \$143 million or 13.0 percent of sales
- Lower revenues primarily related to lower on-highway demand in North America

### **Power Generation**

- Sales – \$746 million, down 4 percent
- Segment EBIT – \$51 million, or 6.8 percent of sales, compared to \$76 million or 9.7 percent of sales
- Lower demand in Europe, Brazil and China offsetting stronger revenues in North America, India and Africa

### **Distribution**

- Sales – \$778 million, down 11% excluding acquisitions
- Segment EBIT – \$95 million, or 12.2 percent of sales, compared to \$94 million or 12.1 percent of sales
- Reduction in revenues due to weaker demand in the construction market in Europe, the oil and gas market in North America and a reduction in orders for power generation in Asia Pacific and the Middle East

### **About Cummins**

Cummins Inc., a global power leader, is a corporation of complementary business units that design, manufacture, distribute and service diesel and natural gas engines and related technologies, including fuel systems, controls, air handling, filtration, emission solutions and electrical power generation systems. Headquartered in Columbus, Indiana, (USA) Cummins currently employs approximately 46,000 people worldwide and serves customers in approximately 190 countries and territories through a network of approximately 600 company-owned and independent distributor locations and approximately 6,500 dealer locations. Cummins earned \$1.65 billion on sales of \$17.3 billion in 2012. Press releases can be found on the Web at [www.cummins.com](http://www.cummins.com). Follow Cummins on Twitter at @Cummins and on YouTube at CumminsInc.

### **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 our forecasts, guidance, preliminary results, expectations, hopes, beliefs and intentions on strategies regarding the future. These forward looking statements include, without limitation, statements relating to our plans and expectations for our revenues for the full year of 2013. Our 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: the adoption and implementation of global emission standards; the price and availability of energy; the pace of infrastructure development; increasing global competition among our customers; general economic, business and financing conditions; governmental action; changes in our customers' business strategies; competitor pricing activity; expense volatility; labor relations; and other risks detailed from time to time in our Securities and Exchange Commission filings, including particularly in the Risk Factors section of our 2011 Annual Report on Form 10-K. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are made only as of the date of this press release and we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. More detailed information about factors that may affect our performance may be found in our filings with the Securities and Exchange Commission, which are available at <http://www.sec.gov> or at

**Presentation of Non-GAAP Financial Information**

*EBIT is a non-GAAP measure used in this release, and 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. EST. 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.*

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