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

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

CUMMINS INC.

For the Quarter Ended March 25, 2001   Commission File Number 1-4949

Indiana	35-0257090
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

500 Jackson Street, Box 3005, Columbus, Indiana	47202-3005
(Address of Principal Executive Offices)	(Zip Code)

812-377-5000
(Registrant's Telephone Number)

Cummins Engine Company, Inc.
(Former Name)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the proceeding 12 months and (2) has been subject to such filing requirements for the past 90 days:

Yes [x]
No [ ]

Indicate the number of shares outstanding of each of the issuer's classes of common stock as of the latest practicable date:

As of March 25, 2001, the number of shares outstanding of the registrant's only class of common stock was 41.2 million.

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CUMMINS INC.
CONSOLIDATED STATEMENT OF EARNINGS
Unaudited

Millions, except per share amounts	First Quarter Ended 3/25/2001	3/26/2000
Net sales	$1,349	$1,648
Cost of goods sold	1,117	1,313
Gross profit	232	335
Selling & administrative expenses	183	194
Research & engineering expenses	53	59
Income from joint ventures and alliances	(2)	(1)
Interest expense	23	19
Other expense, net	4	2
Earnings (loss) before income taxes	(29)	62
(Benefit) provision for income taxes	(7)	17
Minority interest	4	3
Net earnings (loss)	$ (26)	$ 42
Basic earnings (loss) per share	$ (.68)	$ 1.09
Diluted earnings (loss) per share	(.68)	1.09
Cash dividends declared per share	.30	.30

CUMMINS INC.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Unaudited

Millions, except per share amounts	3/25/2001	12/31/2000
Assets		
Current assets:		
Cash and cash equivalents	$ 94	$ 62
Receivables, net of allowance of $8	773	724
Inventories	759	770
Other current assets	280	274
	1,906	1,830
Investments and other assets	357	338
Property, plant & equipment less accumulated depreciation of $1,634 and $1,598	1,600	1,598
Goodwill, net of amortization of $43 and $42	351	354
Other intangibles, deferred taxes & deferred charges	381	380
Total assets	$4,595	$4,500
Liabilities and shareholders' investment		
Current liabilities:		
Loans payable	$ 25	$ 156
Current maturities of long-term debt	9	8
Accounts payable	439	388
Other current liabilities	682	671
	1,155	1,223
Long-term debt	1,255	1,032

Other liabilities	835	837
Minority interest	78	72
Shareholders' investment:		
Common stock, $2.50 par value, 48.5 and 48.6 shares issued	121	122
Additional contributed capital	1,132	1,137
Retained earnings	680	718
Accumulated other comprehensive income	(192)	(167)
Common stock in treasury, at cost, 7.3 & 7.2 shares	(291)	(290)
Common stock held in trust for employee benefit plans, 3.1 shares	(148)	(151)
Unearned compensation (ESOP)	(30)	(33)
	1,272	1,336
Total liabilities & shareholders' investment	$4,595	$4,500

CUMMINS INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
Unaudited

Millions	First Quarter Ended 3/25/2001	3/26/2000
Cash flows from operating activities:		
Net earnings (loss)	$ (26)	$ 42
Adjustments to reconcile net earnings (loss) to net cash from operating activities:		
Depreciation and amortization	59	57
Restructuring actions	(12)	(2)
Accounts receivable	(47)	(141)
Decrease in sale of receivables program	(26)	-
Inventories	(3)	(42)
Accounts payable and accrued expenses	93	100
Income taxes payable	(10)	(5)
Equity in losses of joint ventures and alliances	2	2
Other	13	(2)
Total adjustments	69	(33)
Net cash provided by operating activities	43	9
Cash flows from investing activities:		
Property, plant and equipment:		
Additions	(62)	(31)
Disposals	1	7
Investments in joint ventures and alliances	(23)	(18)
Acquisition and disposition of businesses	-	(35)
Other	1	-
Net cash used in investing activities	(83)	(77)
Net cash flows used in operating and investing activities	(40)	(68)
Cash flows from financing activities:		
Proceeds from borrowings	-	138
Payments on borrowings	(4)	(4)
Net borrowings (payments) under short-term credit agreements	96	(46)
Repurchases of common stock	-	(16)
Dividend payments	(12)	(12)
Other	(8)	2
Net cash provided from financing activities	72	62
Net change in cash and cash equivalents	32	(6)
Cash & cash equivalents at the beginning of the year	62	74
Cash & cash equivalents at the end of the quarter	$ 94	$ 68

CUMMINS INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Unaudited

Note 1. Accounting Policies: The Consolidated Financial Statements for the interim periods ended March 25, 2001 and March 26, 2000 have been prepared in accordance with the accounting policies described in the Company's Annual Report to Shareholders and Form 10-K. Management believes the statements include all adjustments of a normal recurring nature necessary to present fairly the results of operations for the interim periods. Inventory values at interim reporting dates are based upon estimates of the annual adjustments for taking physical inventory and for the change in cost of LIFO inventories.

Note 2. Income Taxes: Income tax expense is reported during the interim reporting periods on the basis of the estimated annual effective tax rate for the taxable jurisdictions in which the Company operates.

Note 3. Earnings per Share: Basic earnings per share of common stock are computed by dividing net earnings by the weighted-average number of common shares outstanding during the period. Diluted earnings per share are computed by dividing net earnings by the weighted-average number of shares, assuming the exercise of stock options when their effect is dilutive. Shares of stock held by the employee benefits trust are not included in outstanding shares for EPS until distributed from the trust.

Millions, except per share amounts	Net Earnings (Loss)	Weighted Average Shares	Per-Share Amount
2001			
Basic	$(26)	38.2	$.(68)
Options	-	-	
Diluted	$(26)	38.2	$.(68)
2000			
Basic	$ 42	38.2	$1.09
Options	-	.1	
Diluted	$ 42	38.3	$1.09

Note 4. Comprehensive Income: Comprehensive income, which includes net income and all other nonowner changes in equity during a period, is as follows:

Millions	First Quarter Ended March 25, 2001	First Quarter Ended March 26, 2000
Net income (loss)	$(26)	$ 42
Unrealized loss on securities	-	(1)
Translation loss	(25)	(14)
Comprehensive income	$(51)	$ 27

Note 5. Segment Information: Operating segment information is as follows:

Millions	Engine	Power Generation	Filtration And Other	Total
Quarter Ended March 25, 2001				
Net sales	$ 768	$309	$272	$1,349
Earnings (loss) before interest and income taxes	(34)	8	20	(6)
Net assets	1,069	486	915	2,470
Quarter Ended March 26, 2000				

Net sales	$1,045	$329	$274	$1,648
Earnings before interest and income taxes	28	23	30	81
Net assets	1,108	565	854	2,527

Reconciliation to Consolidated Financial Statements:

Millions	First Quarter Ended 3/25/2001	3/26/2000
Earnings (loss) before interest and income taxes for reportable segments	$ (6)	$ 81
Interest expense	23	19
Income tax expense	(7)	17
Minority interest	4	3
Net earnings (loss)	$ (26)	$ 42
Net assets for reportable segments	$2,470	$2,527
Sold accounts receivable included in segment net assets	(193)	-
Liabilities deducted in arriving at net assets	1,876	2,049
Deferred tax assets not allocated to segments	423	320
Debt-related costs not allocated to segments	19	19
Total assets	$4,595	$4,915

Note 6. Restructuring, Asset Impairment and Other Special Charges: In the fourth quarter of 2000, the Company recorded charges of $160 million reflecting restructuring actions, asset impairments and other activities largely focused in the Engine Business. The actions included $42 million to reduce the worldwide workforce by 600 salaried employees and 830 hourly employees, $72 million for impairment of equipment and other assets, $30 million for impairment of software developed for internal use where the software programs were cancelled prior to implementation and $16 million associated with exit costs to close or consolidate a number of smaller business operations.

The Company is continuing the restructuring plan implemented in the fourth quarter of 2000. As of March 25, 2001, approximately $84 million has been charged against the restructuring provisions.

Activity in the major components of these charges is as follows:

$ Millions	Original Provision	Charges 2000	2001	Balance March 25, 2001
Workforce reductions	$ 42	$ (5)	$ (6)	$31
Impairment of software	30	(30)	-	-
Impairment of equipment and other assets	72	(38)	-	34
Exit costs	16	-	(5)	11
	$160	$(73)	$(11)	$76

The Company is concluding the restructuring plan implemented in the third quarter of 1998. As of March 25, 2001, the remaining balance associated with the 1998 restructuring plan is $12 million. The remaining actions to be completed consist primarily of the payment of severance commitments to terminated employees in 2001 and the remaining payment to the Environmental Protection Agency of $8 million in July 2001.

Note 7. Derivative Instruments: Effective with first quarter of 2001, the Company adopted SFAS No. 133 on accounting for derivative instruments and hedging activities. No transition adjustment was recorded as a result of the adoption, and the statement did not have a material effect on the Company's results of operations.

During the first quarter of 2001, the Company terminated interest rate swaps resulting in proceeds of $9 million. These proceeds are amortized across the remaining maturities of the associated debt instruments.

CUMMINS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS, CASH FLOW AND FINANCIAL CONDITION

Overview

Net sales were $1.35 billion in the first quarter of 2001, a decrease of 18 percent from the first quarter of 2000. The loss before interest and taxes in the first quarter of 2001 was $6 million or (0.4) percent of sales compared to earnings of $81 million or 4.9 percent of sales in the first quarter of 2000. The net loss in the first quarter was $26 million or $(0.68) per share compared to net earnings $42 million or $1.09 per share in the first quarter of 2000.

Results of Operations

Net Sales:

Revenues from sales of engines, which were 47 percent of the Company's net sales in the first quarter of 2001, were 30 percent lower than the first quarter of 2000. Revenues from non-engine products, which were 53 percent of net sales in the first quarter of 2001, were 4 percent lower than the first quarter of 2000. The economic downturn in North America had a significant impact on the major markets served by the midrange and heavy-duty engines.

	First Quarter	
Unit Shipments	2001	2000
Midrange Engines	58,300	78,900
Heavy-duty Engines	14,600	27,400
High-horsepower Engines	2,800	2,500
	75,700	108,800

All three of the Company's business segments had lower sales in the first quarter of 2001 than in the year-ago quarter. The Company's sales for each of its key businesses during the comparative first quarters were:

	First Quarter	
$ Millions	2001	2000
Engine Business	$ 768	$1,045
Power Generation Business	309	329
Filtration Business and Other	272	274
	$1,349	$1,648

In the first quarter of 2001, engine business revenues of $768 million decreased 27 percent as compared to the first quarter of 2000, primarily due to declines in the North American automotive markets.

Sales of $501 million in the first quarter of 2001 for automotive markets were 35 percent lower than the first quarter of 2000. Heavy-duty truck revenues as a whole were down 43 percent compared to the first quarter of 2000, with engine unit shipments in North America down 60 percent while unit shipments to the rest of the world were down 21 percent.

Medium-duty truck and bus revenues decreased 4 percent from the first quarter of 2000. Medium-duty truck engine shipments were down 30 percent in North America, partially offset by a 6 percent increase in international markets. Bus engine shipments were up 3 percent in North America and up 87 percent in international markets, with significant growth in India and China.

Revenues of the light-duty automotive and recreational vehicle business were 43 percent lower than the first quarter of 2000. In the first quarter of 2001, Cummins shipped 15,400 engines to DaimlerChrysler, 49 percent lower than in the first quarter of 2000. Shipments for the recreational vehicle markets were down 29 percent, reflecting weakness in the U.S. economy.

Sales to mining and rail markets were 29 percent higher than in the first quarter of 2000. Revenues in the mining segment were up 33 percent from the first quarter of 2000 and reflect a continued growth in demand for the new 60-liter engine launched in 2000. First quarter sales to the rail sector doubled from the first quarter of 2000, primarily as a result of strong sales in Europe.

Sales to the construction, marine and agriculture markets were 8 percent lower than in the first quarter of 2000. Worldwide sales in the construction equipment market were down 12 percent from the first quarter of 2000 with unit shipments of engines in North America down 33 percent. This decline was partially offset by a 4 percent increase in construction engine shipments to international markets. Revenues in the marine markets were essentially unchanged, reflecting continued strength globally in commercial and recreational applications. Sales in the agricultural equipment market were virtually flat and remain at depressed levels.

In the first quarter of 2001, sales for the Company's power generation business of $309 million decreased 6 percent compared to the first quarter of 2000. Alternator revenues were down 14 percent from a year ago and mobile/recreational vehicle revenues were down 14 percent. Sales of engines to other genset original equipment manufacturers were down 16 percent. Genset revenues were up modestly from a year ago as the change in genset mix to higher kW units offset volume declines.

Filtration business and other sales of $272 million in the first quarter of 2001 were essentially unchanged compared to the first quarter of 2000. Within the filtration business, sales decreased 5 percent compared to the first quarter of 2000 due to reductions in demand from North American on-highway and off-highway original equipment manufacturers. First quarter sales at company-owned distributors were up 11 percent, resulting from sales at international distributors acquired since first quarter 2000 plus higher sales in Germany and Australia. Sales at the Holset turbocharger business also increased from a year ago.

In total, international markets represented 46 percent of the Company's revenues in the first quarter of 2001. International sales in total were down 8 percent from the first quarter of 2000. Virtually the entire decline in international sales from a year ago was from heavy-duty truck demand in Canada. All other international markets remain relatively stable compared to a year ago. Sales to Europe and the CIS, representing 16 percent of the Company's sales in the first quarter of 2001, were 3 percent lower than the prior year's quarter. Business in Mexico, Brazil and Latin America represented 7 percent of sales in the first quarter of 2001, with revenues 4 percent above the year-ago levels. Asia and Australian markets, in total, represented 15 percent of sales in the first quarter of 2001, increasing 3 percent from the prior year's quarter. Sales to Canada, representing 6 percent of sales in the first quarter of 2001, were 45 percent lower than the first quarter of 2000.

Gross Margin:

The Company's gross margin percentage was 17.2 percent in the first quarter of 2001, compared to 20.3 percent in the prior year's quarter. The decreased margin in 2001 was due to unabsorbed manufacturing costs due to the lower volumes, unfavorable product mix, and the impact of exchange rates from currencies in which the Company had significant sales (the Pound Sterling, the Australian dollar and the Euro) while costs were largely associated with the U.S. dollar.

Operating Expenses:

Selling and administrative expenses as a percent of sales were 13.6 percent in the first quarter of 2001 compared to 11.8 percent in the first quarter of 2000, while expenses in absolute dollars decreased $11 million. Research and engineering expenses were 3.9 percent of sales in the first quarter of 2001 compared to 3.6 percent in the first quarter of 2000.

The Company is continuing the restructuring plans implemented in the third quarter of 1998 and the fourth quarter of 2000. During the first quarter of 2001, $11 million was charged against the 2000 restructuring liabilities. The Company expects to complete the 2000 actions in 2001 and 2002 with the majority of the activity in 2001. The Company does not currently anticipate any material changes in the original charges recorded for these actions.

The Company had income from joint ventures and alliances of $2 million in the first quarter of 2001, compared to income of $1 million in the first quarter of 2000.

Other:

Interest expense was $23 million in the first quarter of 2001, compared to $19 million in the first quarter of 2000. Other expense increased $2 million from the first quarter of 2000, as a one-time gain from the first quarter of 2000 was not repeated in the first quarter of 2001.

Provision for Income Taxes:

The Company's income tax provision in the first quarter of 2001 was a benefit of $7 million, reflecting an estimated effective tax rate of 25 percent for the year.

Cash Flow and Financial Condition

Key elements of cash flows were:

$ Millions	First Quarter 2001	First Quarter 2000
Net cash provided by operating activities	$ 43	$ 9
Net cash used in investing activities	(83)	(77)
Net cash provided by financing activities	72	62
Net change in cash and cash equivalents	$ 32	$ (6)

In the first quarter of 2001, net cash provided by operating activities was $43 million. The Company's losses were offset by the non-cash effect of depreciation and amortization. Increases in accounts payable and accrued expenses offset increases in accounts receivable, inventory and other increases in working capital. Net cash used in investing activities included $62 million of planned capital expenditures and $23 million related to investments and advances in joint ventures and alliances. Net cash provided by financing activities in the first quarter of 2001 included net borrowings of $96 million primarily to fund the capital spending, partially offset by cash used to pay dividends.

FORWARD-LOOKING STATEMENTS

When used herein, the terms "expect, plan, anticipate, believe" or similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements.

The Company has included certain forward-looking statements in this Management's Discussion and Analysis of Results of Operations, Cash Flow and Financial Condition and in the Company's press releases, teleconferences and other external communications. These statements are based on current expectations, estimates and projections about the industries in which the Company operates, management's beliefs and various assumptions made by management which are difficult to predict. Among the factors that could affect the outcome of the statements are general industry and market conditions and growth rates. Therefore, actual outcomes and their impact on the Company may differ materially from what is expressed or forecasted. The Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

PART II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders:

The Company held its annual meeting of security holders on April 3, 2001 at which security holders elected 10 directors of the Company for the ensuing year; amended the Company's Restated Articles of Incorporation to change the corporate name to "Cummins Inc."; approved the addition of a financial performance measure under the Company's senior executive bonus and performance plans; and ratified the appointment of Arthur Andersen LLP as auditors for the year 2001.

Results of the voting in connection with each of the items were as follows:

Voting on Directors

	For	Withheld
R. Darnall	34,767,308	1,512,864
J. M. Deutch	33,991,209	2,288,963
W. Y. Elisha	34,706,524	1,573,648
H. H. Gray	34,594,032	1,686,140
J. A. Johnson	34,648,135	1,632,037
W. I. Miller	34,188,363	2,091,809
W. D. Ruckelshaus	34,599,663	1,680,509
T. M. Solso	34,330,672	1,949,500
F. A. Thomas	34,473,178	1,806,994
J. L. Wilson	34,783,004	1,497,168

Changing the Company's corporate name to "Cummins Inc."

For	Against	Abstain
34,636,356	1,449,189	194,627

Approving the additional financial performance measure under the senior executive bonus and performance plans

For	Against	Abstain
31,897,067	3,662,667	720,438

Ratifying Appointment of Auditors

For	Against	Abstain
34,554,752	1,440,616	284,804

With regard to the election of directors, votes were cast in favor of or withheld from each nominee; votes that were withheld were excluded entirely from the vote and had no effect. Abstentions on the other votes were counted as present for purposes of determining the existence of a quorum. Under the rules of the New York Stock Exchange, brokers who held shares in street names had the authority to vote on certain items when they did not receive instructions from beneficial owners. Brokers who did not receive instructions were entitled to vote on the election of directors. Under applicable Indiana law, a broker non-vote had no effect on the outcome of the election of directors.

Item 5. Other Information:

On April 3, 2001, security holders of the Company voted in favor of a proposal to change the name of the Company to "Cummins Inc." Accordingly, Articles of Amendment of the Company's Restated Articles of Incorporation, changing the Company's corporate name, were filed with the Indiana Secretary of State effective April 5, 2001.

Item 6. Exhibits and Reports on Form 8-K:

(a) See the Index to Exhibits on page 15 for a list of exhibits filed herewith.

(b) The Company was not required to file a Form 8-K during the first quarter of 2001.

Signatures

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

CUMMINS INC.

By: /s/Robert C. Crane   April 26, 2001

Robert C. Crane
Vice President - Corporate Controller
(Chief Accounting Officer)

CUMMINS INC.

INDEX TO EXHIBITS

3(i) Restated Articles of Incorporation of Cummins Engine Company, Inc., as amended (filed herewith and incorporated by reference to Quarterly Report on Form 10-Q for the quarter ended April 3, 1994, by reference to Quarterly Report on Form 10-Q for the quarter ended October 1, 1989 and by reference to Form 8-K dated July 26, 1990).

Exhibit 3(i)

CUMMINS INC., AND SUBSIDIARIES

EXHIBIT 3(i)

ARTICLES OF AMENDMENT OF THE ARTICLES OF INCORPORATION

The text of Article I of the Restated Articles of Incorporation is amended to read as follows:

"The name of the Corporation is Cummins Inc."