

CUMMINS INC
Form 10-Q
October 27, 2011
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**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**

For the Quarterly Period Ended September 25, 2011

Commission File Number 1-4949

CUMMINS INC.

(Exact name of registrant as specified in its charter)

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Indiana
(State of Incorporation)

35-0257090
(IRS Employer Identification No.)

500 Jackson Street
Box 3005
Columbus, Indiana 47202-3005
(Address of principal executive offices)

Telephone (812) 377-5000

(Registrant's telephone number, including area code)

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 preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of September 25, 2011, there were 192,851,583 shares of common stock outstanding with a par value of \$2.50 per share.

Website Access to Company's Reports

Cummins maintains an internet website at www.cummins.com. Investors can obtain copies of our filings from this website free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to the Securities and Exchange Commission.

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CUMMINS INC. AND SUBSIDIARIES

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In millions, except per share amounts	Three months ended		Nine months ended	
	September 25, 2011	September 26, 2010	September 25, 2011	September 26, 2010
NET SALES (a)	\$ 4,626	\$ 3,401	\$ 13,127	\$ 9,087
Cost of sales	3,438	2,571	9,779	6,903
GROSS MARGIN	1,188	830	3,348	2,184
OPERATING EXPENSES AND INCOME				
Selling, general and administrative expenses	489	375	1,341	1,064
Research, development and engineering expenses	164	103	450	291
Equity, royalty and interest income from investees (Note 5)	102	88	315	261
Gain on sale of business (Note 4)			68	
Other operating (expense) income, net	2	(5)	(4)	(13)
OPERATING INCOME	639	435	1,936	1,077
Interest income	9	6	25	14
Interest expense	11	11	34	29
Other income (expense), net	(8)	8	(14)	25
INCOME BEFORE INCOME TAXES	629	438	1,913	1,087
Income tax expense (Note 7)	157	129	539	338
CONSOLIDATED NET INCOME	472	309	1,374	749
Less: Net income attributable to noncontrolling interests	20	26	74	71
NET INCOME ATTRIBUTABLE TO CUMMINS INC.	\$ 452	\$ 283	\$ 1,300	\$ 678
EARNINGS PER COMMON SHARE ATTRIBUTABLE TO CUMMINS INC.				
Basic	\$ 2.35	\$ 1.45	\$ 6.71	\$ 3.44
Diluted	\$ 2.35	\$ 1.44	\$ 6.69	\$ 3.43
WEIGHTED AVERAGE SHARES OUTSTANDING				
Basic	192.1	195.8	193.8	197.0
Dilutive effect of stock compensation awards	0.6	0.5		