CUMMINS INC
Form 8-K
October 25, 2011
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: October 25, 2011

CUMMINS INC.
(Exact name of registrant as specified in its charter)

Indiana	**1-4949**	**35-0257090**
(State or other Jurisdiction of Incorporation)	(Commission File Number)	(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 October 25, 2011, Cummins Inc. issued a press release regarding its release of third quarter results.

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 October 25, 2011, Cummins Inc. (Cummins, the Company, the registrant, we, our, or, us) issued the attac release reporting its financial results for the third quarter of 2011. 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 October 25, 2011

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: October 25, 2011

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)

	Three months ended		
In millions, except per share amounts	**September 25, 2011**	**June 26, 2011**	**September 26, 2010**
NET SALES	**$ 4,626**	$ 4,641	$ 3,401
Cost of sales	**3,438**	3,438	2,571
GROSS MARGIN	**1,188**	1,203	830
OPERATING EXPENSES AND INCOME			
Selling, general and administrative expenses	**489**	463	375
Research, development and engineering expenses	**164**	157	103
Equity, royalty and interest income from investees (Note 1)	**102**	117	88
Gain on sale of business (Note 2)	**-**	68	-
Other operating (expense) income, net	**2**	-	(5)
OPERATING INCOME	**639**	768	435
Interest income	**9**	10	6
Interest expense	**11**	13	11
Other income (expense), net	**(8)**	(3)	8
INCOME BEFORE INCOME TAXES	**629**	762	438
Income tax expense (Note 3)	**157**	225	129
CONSOLIDATED NET INCOME	**472**	537	309
Less: Net income attributable to noncontrolling interests	**20**	32	26
NET INCOME ATTRIBUTABLE TO CUMMINS INC.	**$ 452**	$ 505	$ 283
EARNINGS PER COMMON SHARE ATTRIBUTABLE TO CUMMINS INC.			
Basic	**$ 2.35**	$ 2.61	$ 1.45
Diluted	**$ 2.35**	$ 2.60	$ 1.44

WEIGHTED AVERAGE SHARES OUTSTANDING			
Basic	**192.1**	193.8	195.8
Diluted	**192.7**	194.4	196.3
CASH DIVIDENDS DECLARED PER COMMON SHARE	**$ 0.40**	$ 0.2625	$ 0.2625

(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 STATEMENTS OF INCOME
(Unaudited) (a)

	Nine months ended			
In millions, except per share amounts		**September 25, 2011**		**September 26, 2010**
NET SALES	**$**	**13,127**	$	9,087
Cost of sales		**9,779**		6,903
GROSS MARGIN		**3,348**		2,184
OPERATING EXPENSES AND INCOME				
Selling, general and administrative expenses		**1,341**		1,064
Research, development and engineering expenses		**450**		291
Equity, royalty and interest income from investees (Note 1)		**315**		261
Gain on sale of business (Note 2)		**68**		-
Other operating (expense) income, net		**(4)**		(13)
OPERATING INCOME		**1,936**		1,077
Interest income		**25**		14
Interest expense		**34**		29
Other income (expense), net		**(14)**		25
INCOME BEFORE INCOME TAXES		**1,913**		1,087
Income tax expense (Note 3)		**539**		338
CONSOLIDATED NET INCOME		**1,374**		749
Less: Net income attributable to noncontrolling interests		**74**		71
NET INCOME ATTRIBUTABLE TO CUMMINS INC.	**$**	**1,300**	$	678
EARNINGS PER COMMON SHARE ATTRIBUTABLE TO CUMMINS INC.				
Basic	**$**	**6.71**	$	3.44
Diluted	**$**	**6.69**	$	3.43
WEIGHTED AVERAGE SHARES OUTSTANDING				
Basic		**193.8**		197.0
Diluted		**194.4**		197.4

CASH DIVIDENDS DECLARED PER COMMON SHARE$	**0.925**	$	0.6125

(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	September 25, 2011	December 31, 2010
ASSETS		
Current assets		
Cash and cash equivalents	**$ 1,165**	$ 1,023
Marketable securities	**273**	339
Total cash, cash equivalents and marketable securities	**1,438**	1,362
Accounts and notes receivable, net	**2,666**	2,243
Inventories	**2,295**	1,977
Deferred income taxes	**277**	314
Prepaid expenses and other current assets	**350**	393
Total current assets	**7,026**	6,289
Long-term assets		
Property, plant and equipment	**5,131**	4,927
Accumulated depreciation	**(2,963)**	(2,886)
Property, plant and equipment, net	**2,168**	2,041
Investments and advances related to equity method investees	**830**	734
Goodwill	**346**	367
Other intangible assets, net	**215**	222
Deferred income taxes	**125**	203
Other assets	**628**	546
Total assets	**$ 11,338**	$ 10,402
LIABILITIES		
Current liabilities		
Loans payable	**$ 48**	$ 82
Accounts payable (principally trade)	**1,659**	1,362
Current portion of accrued product warranty	**417**	421
Accrued compensation, benefits and retirement costs	**481**	468
Deferred revenue	**208**	182
Taxes payable (including taxes on income)	**251**	202
Other accrued expenses	**678**	543
Total current liabilities	**3,742**	3,260
Long-term liabilities		
Long-term debt	**665**	709
Pensions	**75**	195
Postretirement benefits other than pensions	**446**	439
Other liabilities and deferred revenue	**866**	803

Total liabilities		**5,794**		5,406
EQUITY				
Cummins Inc. shareholders equity				
Common stock, $2.50 par value, 500 shares authorized, 222.2 and 221.8 shares issued		**1,982**		1,934
Retained earnings		**5,567**		4,445
Treasury stock, at cost, 29.3 and 24.0 shares		**(1,505)**		(964)
Common stock held by employee benefits trust, at cost, 1.9 and 2.1 shares		**(22)**		(25)
Accumulated other comprehensive loss				
Defined benefit postretirement plans		**(606)**		(646)
Other		**(205)**		(74)
Total accumulated other comprehensive loss		**(811)**		(720)
Total Cummins Inc. shareholders equity		**5,211**		4,670
Noncontrolling interests		**333**		326
Total equity		**5,544**		4,996
Total liabilities and equity	**$**	**11,338**	$	10,402

(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 STATEMENTS OF CASH FLOWS
(Unaudited) (a)

In millions	Nine months ended September 25, 2011	September 26, 2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Consolidated net income	**$ 1,374**	$ 749
Adjustments to reconcile consolidated net income to net cash provided by operating activities:		
Depreciation and amortization	**243**	239
Gain on sale of business (Note 2)	**(68)**	-
Gain on fair value adjustment for consolidated investee	**-**	(12)
Deferred income taxes	**148**	83
Equity in income of investees, net of dividends	**7**	(95)
Pension contributions in excess of expense	**(71)**	(114)
Excess tax benefits on stock based awards	**(4)**	(8)
Other post-retirement benefits payments in excess of expense	**(10)**	(22)
Stock-based compensation expense	**28**	17
Translation and hedging activities	**(14)**	10
Changes in current assets and liabilities, net of acquisitions and divestitures:		
Accounts and notes receivable	**(469)**	(198)
Inventories	**(367)**	(524)
Other current assets	**(5)**	(16)
Accounts payable	**317**	336
Accrued expenses	**173**	102
Changes in other liabilities and deferred revenue	**93**	97
Other, net	**(7)**	(25)
Net cash provided by operating activities	**1,368**	619
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditures	**(377)**	(170)
Investments in internal use software	**(31)**	(28)
Proceeds from disposals of property, plant and equipment	**5**	46
Investments in and advances to equity investees	**(104)**	(17)
Proceeds from sale of business, net of cash sold (Note 2)	**111**	-
Acquisition of businesses, net of cash acquired	**-**	(77)

Investments in marketable securities acquisitions		**(538)**		(560)
Investments in marketable securities liquidations		**572**		452
Purchases of other investments		**-**		(54)
Cash flows from derivatives not designated as hedges		**4**		2
Other, net		**2**		-
Net cash used in investing activities		**(356)**		(406)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from borrowings		**96**		163
Payments on borrowings and capital lease obligations		**(174)**		(64)
Net borrowings under short-term credit agreements		**(5)**		(4)
Distributions to noncontrolling interests		**(50)**		(21)
Dividend payments on common stock		**(178)**		(120)
Proceeds from sale of common stock held by employee benefit trust		**-**		52
Repurchases of common stock		**(546)**		(241)
Excess tax benefits on stock-based awards		**4**		8
Other, net		**13**		17
Net cash used in financing activities		**(840)**		(210)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**(30)**		4
Net increase (decrease) in cash and cash equivalents		**142**		7
Cash and cash equivalents at beginning of year		**1,023**		930
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**$**	**1,165**	$	937

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

CUMMINS INC. AND SUBSIDIARIES

SEGMENT INFORMATION

(Unaudited)

In millions	Engine	Power Generation	Components	Distribution	Non-segment Items[1]	Total
Three months ended September 25, 2011						
External sales	**$ 2,539**	**$ 604**	**$ 704**	**$ 779**	**$ -**	**$ 4,626**
Intersegment sales	**416**	**270**	**311**	**4**	**(1,001)**	**-**
Total sales	**2,955**	**874**	**1,015**	**783**	**(1,001)**	**4,626**
Depreciation and amortization[2]	**46**	**11**	**19**	**6**	**-**	**82**
Research, development and engineering expenses	**103**	**14**	**46**	**1**	**-**	**164**
Equity, royalty and interest income from investees	**35**	**16**	**7**	**44**	**-**	**102**
Interest income	**5**	**2**	**1**	**1**	**-**	**9**
Segment EBIT	**349**	**92**	**113**	**104**	**(18)**	**640**
Three months ended June 26, 2011						
External sales	$ 2,476	$ 649	$ 741	$ 775	$ -	$ 4,641
Intersegment sales	424	260	291	10	(985)	-
Total sales	2,900	909	1,032	785	(985)	4,641
Depreciation and amortization[2]	44	11	18	5	-	78
Research, development and engineering expenses	102	12	43	-	-	157
Equity, royalty and interest income from investees	49	13	9	46	-	117
Interest income	6	3	1	-	-	10
Segment EBIT	377	105	120	106	67	775
Three months ended September 26, 2010						
External sales	$ 1,727	$ 564	$ 540	$ 570	$ -	$ 3,401
Intersegment sales	342	227	229	3	(801)	-

Total sales	2,069	791	769	573	(801)	3,401
Depreciation and amortization[2]	42	10	20	5	-	77
Research, development and engineering expenses	65	8	30	-	-	103
Equity, royalty and interest income from investees	37	12	6	33	-	88
Interest income	3	2	-	1	-	6
Segment EBIT	223	97	63	74	(8)	449
Nine months ended September 25, 2011						
External sales	**$ 7,021**	**$ 1,810**	**$ 2,105**	**$ 2,191**	**$ -**	**$ 13,127**
Intersegment sales	**1,225**	**768**	**866**	**19**	**(2,878)**	**-**
Total sales	**8,246**	**2,578**	**2,971**	**2,210**	**(2,878)**	**13,127**
Depreciation and amortization[2]	**135**	**32**	**55**	**17**	**-**	**239**
Research, development and engineering expenses	**285**	**37**	**126**	**2**	**-**	**450**
Equity, royalty and interest income from investees	**126**	**37**	**24**	**128**	**-**	**315**
Interest income	**14**	**6**	**3**	**2**	**-**	**25**
Segment EBIT	**1,016**	**286**	**338**	**299**	**8**	**1,947**
Nine months ended September 26, 2010						
External sales	$ 4,495	$ 1,460	$ 1,515	$ 1,617	$ -	$ 9,087
Intersegment sales	896	556	613	8	(2,073)	-
Total sales	5,391	2,016	2,128	1,625	(2,073)	9,087
Depreciation and amortization[2]	125	31	61	19	-	236
Research, development and engineering expenses	187	23	81	-	-	291
Equity, royalty and interest income from investees	124	27	17	93	-	261
Interest income	7	4	1	2	-	14
Segment EBIT	553	207	195	215	(54)	1,116

(1) Includes intersegment sales and profit in inventory eliminations and unallocated corporate expenses. The three months ended June 26, 2011, and the nine months ended September 25, 2011, include a $68 million gain ($37 million after-tax) related to the sale of our exhaust business from the Components segment. The gain has been excluded from segment results as it was not considered by management in its evaluation of operating results for the three months ended June 26, 2011, and the nine months ended September 25, 2011. For the three and nine months ended September 26, 2010, unallocated corporate expenses included $32 million of Brazil tax recoveries ($21 million after-tax) and $2 million in flood damage expenses. In the third quarter of 2010, it was determined that we overpaid a Brazilian revenue based tax during 2004-2008. Our 2010 results include a pre-tax recovery related to tax credits on imported products arising from this overpayment. The recovery has been excluded from segment results as it was not considered by management it its evaluation of operating results for the quarter. There were no other significant unallocated corporate expenses for the three and nine months ended September 25, 2011 and September 26, 2010.

(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:

	Three months ended			**Nine months ended**	
In millions	**September 25, 2011**	**June 26, 2011**	**September 26, 2010**	**September 25, 2011**	**September 26, 2010**
Segment EBIT	**$ 640**	$ 775	$ 449	**$ 1,947**	$ 1,116
Less:					
Interest expense	**11**	13	11	**34**	29
Income before income taxes	**$ 629**	$ 762	$ 438	**$ 1,913**	$ 1,087

CUMMINS INC. AND SUBSIDIARIES

SELECTED 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:

	Three months ended			**Nine months ended**	
In millions	**September 25, 2011**	**June 26, 2011**	**September 26, 2010**	**September 25, 2011**	**September 26, 2010**
Distribution Entities					
North American distributors	**$ 35**	$ 35	$ 26	$ **100**	$ 72
Komatsu Cummins Chile, Ltda	**6**	6	5	**16**	11
All other distributors	**1**	1	-	**3**	2
Manufacturing Entities					
Chongqing Cummins Engine Company, Ltd.	**20**	19	12	**51**	35
Dongfeng Cummins Engine Company, Ltd.	**15**	26	24	**64**	76
Shanghai Fleetguard Filter Co., Ltd.	**4**	4	3	**12**	9
Cummins Westport, Inc.	**4**	3	2	**8**	7
Tata Cummins, Ltd.	**2**	3	4	**9**	11
Valvoline Cummins, Ltd.	**2**	2	2	**6**	7
Komatsu manufacturing alliances	**-**	(1)	2	**1**	7
Beijing Foton Cummins Engine Co., Ltd.	**(2)**	(1)	(6)	**(5)**	(12)
All other manufacturers	**7**	6	7	**19**	14
Cummins share of net income	**94**	103	81	**284**	239
Royalty and interest income	**8**	14	7	**31**	22
Equity, royalty and interest income from investees	**$ 102**	$ 117	$ 88	$ **315**	$ 261

NOTE 2. SALE OF EXHAUST BUSINESS

In January 2011, we reached an agreement to sell certain assets and liabilities of our exhaust business which manufactures exhaust products and select components for emission systems for a variety of applications not core to our other product offerings. The transaction closed in the second quarter of 2011. This business was historically included in our Components segment. The sales price was $123 million. We recognized a pre-tax gain on the sale of $68 million, which included an allocation of goodwill of $19 million. The transaction had a working capital adjustment mechanism that was determined in the third quarter. There was not a significant change to the measurement of the gain. The gain was excluded from segment results as it was not considered by management in its evaluation of operating results for the nine months ended September 25, 2011.

Sales for this business were $171 million, $126 million and $169 million in 2010, 2009 and 2008, respectively. Income before income taxes for this business was approximately $22 million, $11 million and $19 million in 2010, 2009 and 2008, respectively.

We will enter into supply and other agreements with the operations that will represent ongoing involvement and as such, the results of these operations will not be presented as discontinued operations.

CUMMINS INC. AND SUBSIDIARIES

SELECTED FOOTNOTE DATA

(Unaudited)

NOTE 3. INCOME TAXES

Our effective tax rate for the year is expected to approximate 29.5 percent, absent any discrete period activity. Our tax rate is generally less than the 35 percent U.S. income tax rate primarily due to lower income tax rates on foreign income and research tax credits. The tax rates for the three and nine month periods ended September 25, 2011, were 25.0 percent and 28.2 percent, respectively. The tax rate for the third quarter includes discrete items that total a benefit of $29 million (or $0.15 per share) related primarily to amended tax returns for prior periods. The tax rate for the nine months ended September 25, 2011, includes total discrete tax benefits of $25 million.

Our effective tax rates for the comparable prior year periods were 29.5 percent and 31.1 percent, respectively. In July 2010, the U.K. passed legislation which reduced our U.K. tax rate from 28 percent to 27 percent in 2011. We had an additional charge to our third quarter tax provision of approximately $2 million to reduce the value of our U.K. deferred tax assets. The tax rate for the nine month period included a discrete income tax charge of $7 million related to the enactment of the Patient Protection and Affordable Care Act. The lower rate in 2011 compared to 2010 is a result of the geographic mix of earnings.

CUMMINS INC. AND SUBSIDIARIES

FINANCIAL MEASURES THAT SUPPLEMENT GAAP

(Unaudited)

Earnings before interest, taxes and noncontrolling interests

We define EBIT as earnings 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, a non-GAAP financial measure, to Net income attributable to Cummins Inc., for each of the applicable periods:

	Three months ended			Nine months ended	
In millions	**September 25, 2011**	**June 26, 2011**	**September 26, 2010**	**September 25, 2011**	**September 26, 2010**
Earnings before interest expense, income taxes and gain on sale of business	$ 640	$ 707	$ 449	$ 1,879	$ 1,116
Earnings before interest expense, income taxes and gain on sale of business as a percentage of net sales	*13.8%*	*15.2%*	*13.2%*	*14.3%*	*12.3%*
Add:					
Gain on sale of business	-	68	-	68	-
Earnings before interest expense and income taxes	640	775	449	1,947	1,116
EBIT as a percentage of net sales	*13.8%*	*16.7%*	*13.2%*	*14.8%*	*12.3%*
Less:					
Interest expense	11	13	11	34	29

Income tax expense	157	225	129	539	338
Consolidated net income	472	537	309	1,374	749
Less:					
Net income attributable to noncontrolling interests	20	32	26	74	71
Net income attributable to Cummins Inc.	$ 452	$ 505	$ 283	$ 1,300	$ 678
Net income attributable to Cummins Inc. as a percentage of net sales	*9.8%*	*10.9%*	*8.3%*	*9.9%*	*7.5%*

Net income and diluted earnings per share (EPS) attributable to Cummins Inc. excluding gain on sale of business and discrete income tax items

We believe this is a useful measure of our operating performance for the periods presented as it illustrates our underlying operating performance and trends without regard to discrete income tax items and the gain related to the sale of our exhaust business. 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. excluding gain on sale of business and discrete income tax items to Net income attributable to Cummins Inc. for the three and nine month periods ended September 25, 2011.

	Three months ended September 25, 2011		**Nine months ended September 25, 2011**	
In millions	**Net Income**	**Diluted EPS**	**Net Income**	**Diluted EPS**
Net income attributable to Cummins Inc. excluding discrete income tax items and the gain on sale of business	$ 423	$ 2.20	$ 1,234	$ 6.35
Add:				
Third quarter discrete income tax items	29	0.15	29	0.15
Gain on sale of business[(1)]	-	-	37	0.19
Net income attributable to Cummins Inc.	$ 452	$ 2.35	$ 1,300	$ 6.69

(1) The gain has been excluded from operating results as it was not considered by management in its evaluation of performance for the nine months ended September 25, 2011.

CUMMINS INC. AND SUBSIDIARIES

BUSINESS UNIT SALES DATA

(Unaudited)

Engine segment net sales by market

2011					
In millions	**Q1**	**Q2**	**Q3**	**Q4**	**YTD**
Heavy-duty truck	$ 485	$ 693	**$ 748**	$ -	$ 1,926
Medium-duty truck and bus	474	608	**640**	-	1,722
Light-duty auto and RV	296	310	**271**	-	877
Industrial	855	988	**977**	-	2,820
Stationary power	281	301	**319**	-	901
Total sales	$ 2,391	$ 2,900	**$ 2,955**	$ -	$ 8,246

2010					
In millions	**Q1**	**Q2**	**Q3**	**Q4**	**YTD**
Heavy-duty truck	$ 252	$ 340	$ 395	$ 516	$ 1,503
Medium-duty bus and truck	217	352	430	436	1,435
Light-duty auto and RV	207	296	239	280	1,022
Industrial	577	656	700	956	2,889
Stationary power	170	255	305	309	1,039
Total sales	$ 1,423	$ 1,899	$ 2,069	$ 2,497	$ 7,888

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

2011					
Units	**Q1**	**Q2**	**Q3**	**Q4**	**YTD**
Midrange	109,400	131,300	**130,600**	-	371,300
Heavy-duty	20,000	29,900	**31,100**	-	81,000
High-horsepower	4,900	5,700	**5,600**	-	16,200
Total units	134,300	166,900	**167,300**	-	468,500

2010

Units	**Q1**	**Q2**	**Q3**	**Q4**	**YTD**
Mid-range	69,100	90,500	93,500	115,800	368,900
Heavy-duty	8,700	14,500	15,200	22,800	61,200
High horsepower	3,400	4,800	4,900	5,400	18,500
Total units	81,200	109,800	113,600	144,000	448,600

Power generation segment sales by business

2011

In millions	**Q1**	**Q2**	**Q3**	**Q4**	**YTD**
Commercial products	$ 505	$ 568	**$ 579**	$ -	$ 1,652
Generator technologies	153	190	**166**	-	509
Consumer	50	53	**48**	-	151
Commercial projects	55	58	**46**	-	159
Power electronics	32	40	**35**	-	107
Total sales	$ 795	$ 909	**$ 874**	$ -	$ 2,578

2010

In millions	**Q1**	**Q2**	**Q3**	**Q4**	**YTD**
Commercial products	$ 307	$ 436	$ 519	$ 569	$ 1,831
Generator technologies	107	135	140	167	549
Commercial projects	33	57	49	83	222
Consumer	43	49	49	45	186
Power electronics	27	31	34	39	131
Total sales	$ 517	$ 708	$ 791	$ 903	$ 2,919

CUMMINS INC. AND SUBSIDIARIES

BUSINESS UNIT SALES DATA

(Unaudited)

Component segment sales by business

2011					
In millions	**Q1**	**Q2**	**Q3**	**Q4**	**YTD**
Turbo technologies	$ 297	$ 314	$ **298**	$ -	$ 909
Emission solutions	273	311	**306**	-	890
Filtration	255	287	**288**	-	830
Fuel systems	99	120	**123**	-	342
Total sales	$ 924	$ 1,032	$ **1,015**	$ -	$ 2,971

2010					
In millions	**Q1**	**Q2**	**Q3**	**Q4**	**YTD**
Turbo technologies	$ 200	$ 226	$ 239	$ 283	$ 948
Emission solutions	137	170	192	251	750
Filtration	228	250	248	285	1,011
Fuel systems	65	83	90	99	337
Total sales	$ 630	$ 729	$ 769	$ 918	$ 3,046

Distribution segment sales by product

2011					
In millions	**Q1**	**Q2**	**Q3**	**Q4**	**YTD**
Parts and filtration	$ 235	$ 271	**$ 283**	$ -	$ 789
Power generation	145	195	**191**	-	531
Engines	140	186	**171**	-	497
Service	122	133	**138**	-	393
Total sales	$ 642	$ 785	**$ 783**	$ -	$ 2,210

2010

In millions	**Q1**	**Q2**	**Q3**	**Q4**	**YTD**
Parts and filtration	$ 193	$ 221	$ 220	$ 248	$ 882
Power generation	99	135	125	157	516
Engines	83	109	112	162	466
Service	101	111	116	132	460
Total sales	$ 476	$ 576	$ 573	$ 699	$ 2,324