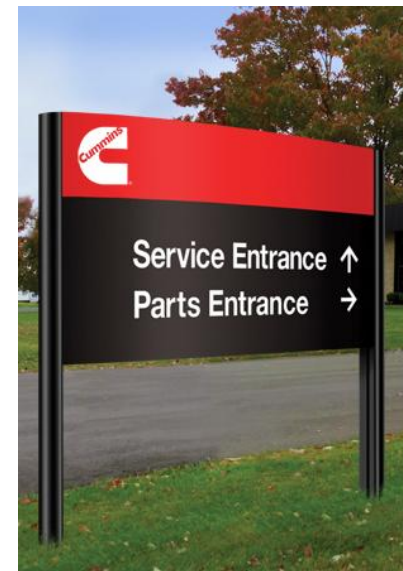




Third Quarter 2013 Earnings Teleconference

October 29, 2013



Participants

Tom Linebarger Chairman and Chief Executive Officer

Pat Ward Chief Financial Officer

Rich Freeland President – Engine Business

Mark Smith Executive Director – Investor Relations

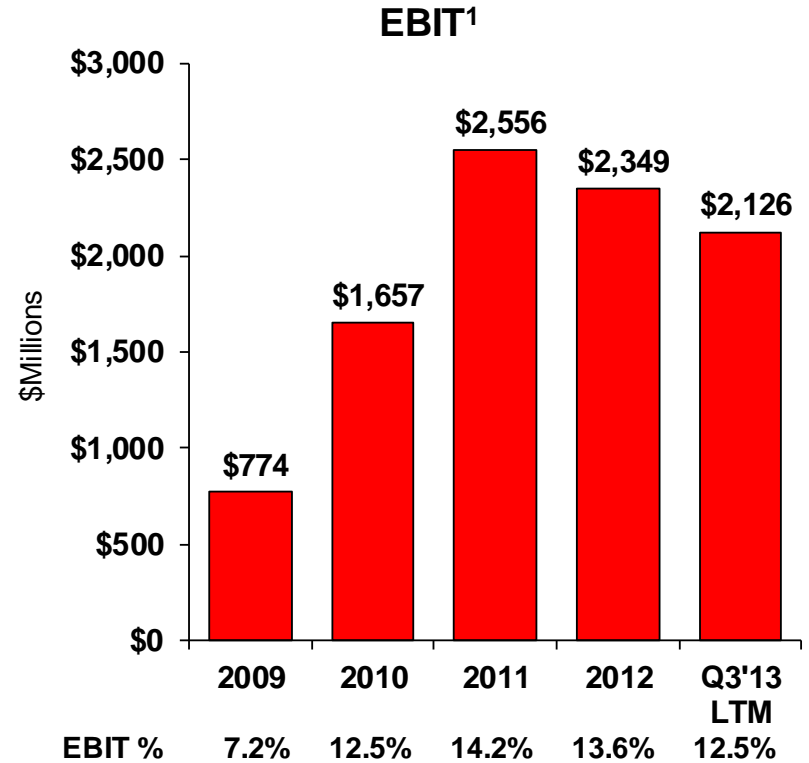
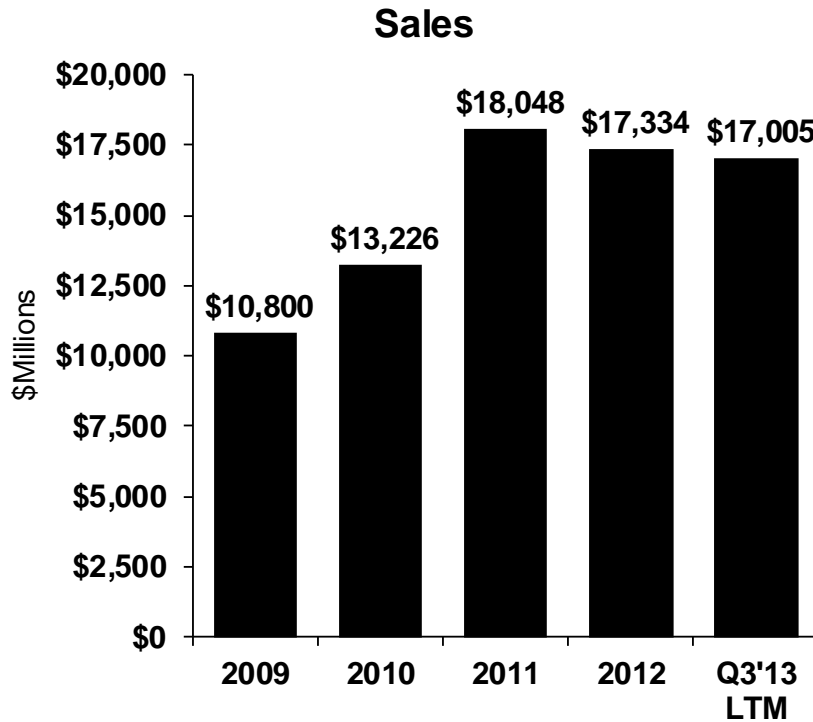


Disclosure Regarding Forward-Looking Statements

Information provided in this presentation 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, expectations, hopes, beliefs and intentions on strategies regarding the future. 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, particularly in the Risk Factors section of our 2012 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 presentation 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 <http://www.cummins.com> in the Investor Relations section of our website.



Cummins Inc.



¹ EBIT excludes restructuring charges in 2009, and the gains from the divestiture of two businesses and flood insurance recovery are excluded from 2011. Also, Q2'12 EBIT excludes \$6 million pre-tax additional gain from the divestiture of two businesses in 2011, and Q4'12 EBIT excludes \$52 million in restructuring charges.

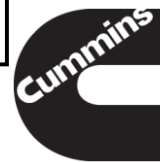


Cummins Inc.

Selected Financial Data

\$M	Q3-13	Q3-12	Change	Q2-13	Change
Sales	4,266	4,118	+4%	4,525	-6%
EBIT Excluding Special Items	536	496	+8%	621	-14%
% of Sales	12.6%	12.0%		13.7%	
ROANA (LTM) ¹	24%	33%		25%	
ROE (LTM) ¹	19%	27%		20%	

- Compared to the prior year, the increase in revenue was driven by stronger demand and market share gains in North American truck markets along with the impact of acquisitions in our Distribution segment and increased military sales in our Power Generation segment.
- Quarter-over-quarter decreases were driven by North American on-highway markets as well as reduced demand in international power generation markets.



¹ ROANA and ROE calculations exclude gain from divestiture of business, restructuring, and flood insurance recovery.

Joint Venture Income

\$M	Q3-13	Q3-12	Q2-13
Engine	31	25	52
<i>On-highway</i>	19	15	32
<i>Off-highway</i>	12	10	20
Power Generation	13	12	10
Distribution	42	50	37
Components	5	7	9
Total JV Income	91	94	108

- Compared to last year, higher earnings in China offset lower earnings in North America, partly driven by the impact of acquisitions.
- The sequential decrease was driven by reductions in earnings from our joint ventures in China and India.



Cummins Inc.

Selected Income Statement Data

\$M	Q3-13	Q3-12	Q2-13
Net Income Attributable to CMI	355	352	414
Diluted EPS	1.90	1.86	2.20
Gross Margin (% of Sales)	26.0%	25.3%	25.5%
SAR (% of Sales)	15.6%	15.6%	14.6%

- Gross Margin and EBIT percent, compared to the prior year, improved due to the impact of higher volumes, improved pricing, and lower material costs, partially offset by unfavorable product mix.



Engine Segment Selected Financial Data

\$M	Q3-13	Q3-12	Change	Q2-13	Change
Sales	2,492	2,527	-1%	2,656	-6%
EBIT	272	239	+14%	339	-20%
% of Sales	10.9%	9.5%		12.8%	

- Year-over-year, stronger demand in North American, Brazilian, and European truck markets was more than offset by reductions in sales to our Power Generation segment and reductions in sales to global mining markets.
- EBIT margins declined, compared to the prior year, with lower material and warranty costs coupled with improved pricing more than offsetting the impact of unfavorable product mix.



Engine Segment Sales by Market – On-highway

\$M	Q3-13	Q3-12	Change	Q2-13	Change
Heavy-Duty Truck	690	656	+5%	723	-5%
Medium-Duty Truck & Bus	570	478	+19%	595	-4%
Light-Duty Auto & RV	330	353	-7%	345	-4%

- **Heavy Duty Truck:** Shipments up 7% Y-o-Y and down 3% sequentially.
- **Medium-Duty Truck & Bus:** Shipments up 19% Y-o-Y and down 5% sequentially.
- **Light-Duty & RV:** Shipments down 21% Y-o-Y and 9% sequentially.



Engine Segment Sales by Market – Off-highway

\$M	Q3-13	Q3-12	Change	Q2-13	Change
Industrial	709	766	-7%	762	-7%
Stationary Power	193	274	-30%	231	-16%

- **Industrial:** Shipments down 2% Y-o-Y and 8% sequentially.
- **Stationary Power:** Shipments down 16% Y-o-Y and 8% sequentially.



Guidance for 2013 Engine Markets

Revenue by market (including aftermarket):

- Heavy-duty truck revenue and shipments down 6%. NAFTA Class 8 heavy-duty truck build expected to be 223K units.
- Medium-duty truck & bus revenue up 5%. North America truck shipments up 8%. Brazil truck shipments up 27%, partially offset by reduced Bus shipments in North America.
- Light duty auto & RV revenue down 2%.
- Industrial revenue down 12% driven by a decline in mining revenues.



Key On-Highway Engine Markets - 2013

Key Market	YOY Growth	Current Market Size
Heavy Duty Truck – NAFTA <i>Class 8, Group 2 - Production</i>	Down 11%	223K units
Medium Duty Truck – NAFTA <i>Class 6 – 7, and Class 8 Group 1 - Production</i>	Up 3%	110K units
Heavy & Medium Truck – China <i>Sales</i>	Up 15%	1,063K units
Heavy & Medium Truck – India <i>Production</i>	Down 23%	245K units
Heavy & Medium Truck – Brazil <i>Production</i>	Up 38%	183K units



Components Segment Selected Financial Data

\$M	Q3-13	Q3-12	Change	Q2-13	Change
Sales	1,072	938	+14%	1,117	-4%
EBIT	132	89	+48%	136	-3%
% of Sales	12.3%	9.5%		12.2%	

- Compared to the prior year, higher revenues were driven by stronger demand in global truck markets, excluding India, combined with market share gains in our emissions solutions business.
- EBIT margin increased, compared to the prior year, due to increased volumes along with reduced material costs.



Power Generation Segment Selected Financial Data

\$M	Q3-13	Q3-12	Change	Q2-13	Change
Sales	712	814	-13%	814	-13%
EBIT	45	73	-38%	76	-41%
% of Sales	6.3%	9.0%		9.3%	

- Year-over-year, weakness in international markets, especially India, was partially offset by growth in North America.
- EBIT margins decreased, compared to the prior year, primarily due to lower volumes and a legal settlement.



Distribution Segment Selected Financial Data

\$M	Q3-13	Q3-12	Change	Q2-13	Change
Sales	944	801	+18%	954	-1%
EBIT	86	99	-13%	100	-14%
% of Sales	9.1%	12.4%		10.5%	

- Compared to the prior year, growth in parts and service revenue in North America was partially offset by weakness in North American Oil and Gas markets, Global Mining markets, and international power generation markets.
- EBIT margin decreased, compared to the prior year, primarily due to the impacts of acquisitions, specifically reduced joint venture contribution, and the negative impacts of currency movements.



Guidance for 2013 Consolidated Results

Item	Full Year Guidance
Consolidated Revenue	Down 3%
Earnings from JVs	Down 5%
EBIT Margin	12.5 - 13.0%
Effective Tax Rate ¹	28.5%
Capital Expenditures	\$700M
Global Pension Funding	\$170M

¹Excluding discrete income tax items



Guidance for 2013 Segment Results

Item	Engine	Components	Power Generation	Distribution
Consolidated Revenue Growth	Down 8%	Up 7%	Down 10%	Up 10%
EBIT Margins (% of Revenue)	10.5-11.0%	12.0-12.5%	7.25-7.75%	10.25-10.75%



Cash Flow

\$M	Q3-13	Q3-12	Q2-13
Operating Cash Inflow	373	390	532
Capital Expenditures	142	158	161
Working Capital Measure	3,609	3,613	3,551
Working Capital Measure <i>(% of Annualized Net Sales)</i>	21.1%	21.9%	19.6%
Debt to Capital %	19.4%	10.5%	10.6%

■ Operating cash flow was essential flat compared to the prior year.



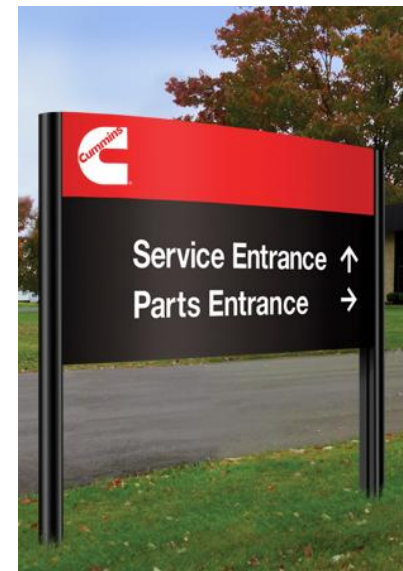
Thank You for Your Interest in



**For additional information contact:
Mark Smith, Executive Director – Investor Relations
(812) 377-3121
Mark.A.Smith@Cummins.com
www.Cummins.com**



Appendix

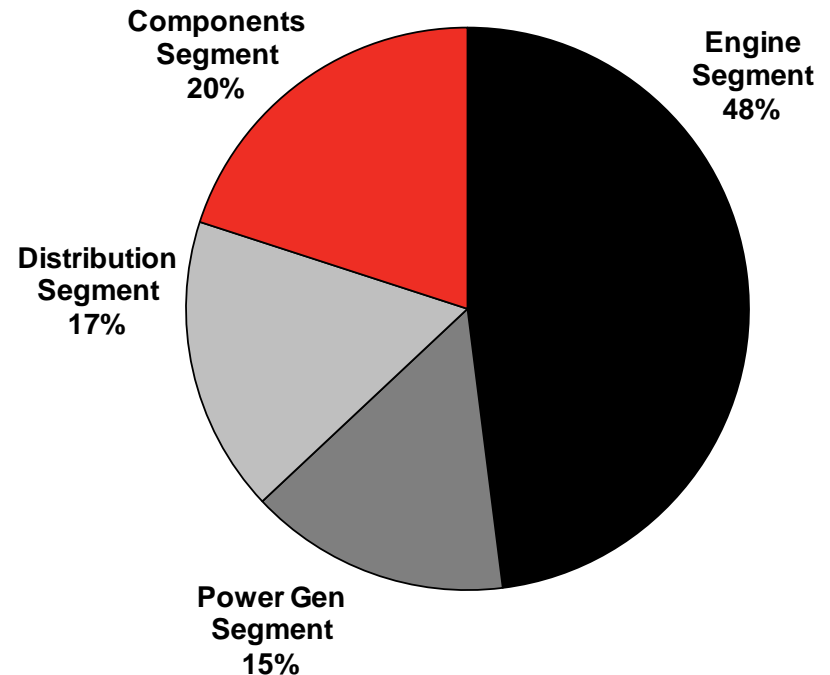


Cummins Inc.

- Macro growth trends play to Cummins' strengths
- Disciplined investment for growth
- Demonstrated technology leadership

Q3'13 LTM Data
Sales: \$17.0 billion
EBIT¹: \$2.1 billion
EBIT% 12.5%

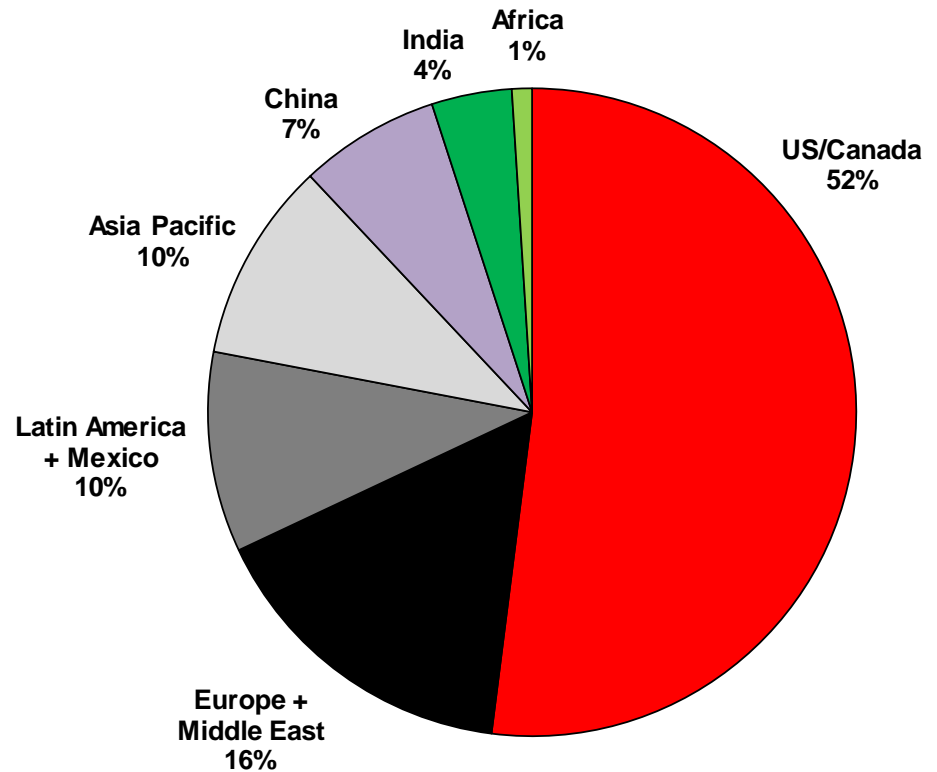
Q3'13 LTM Revenue by Segment



Cummins Inc.

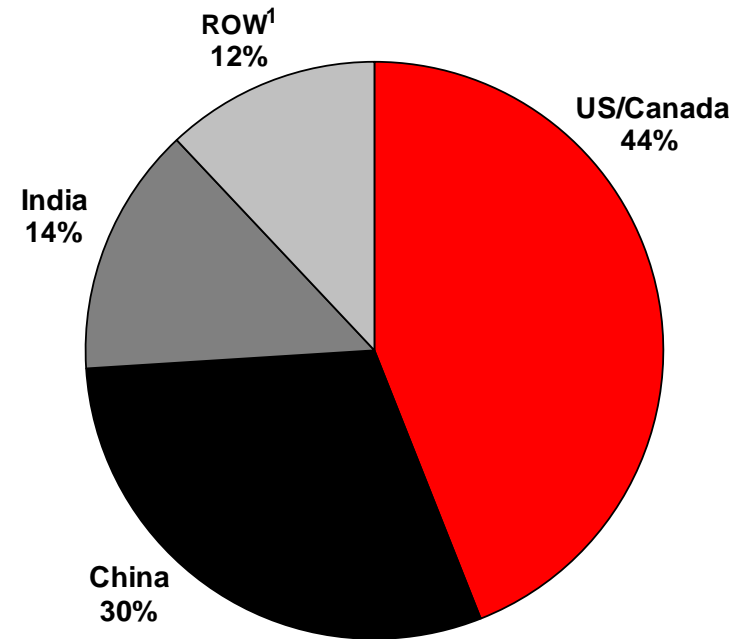
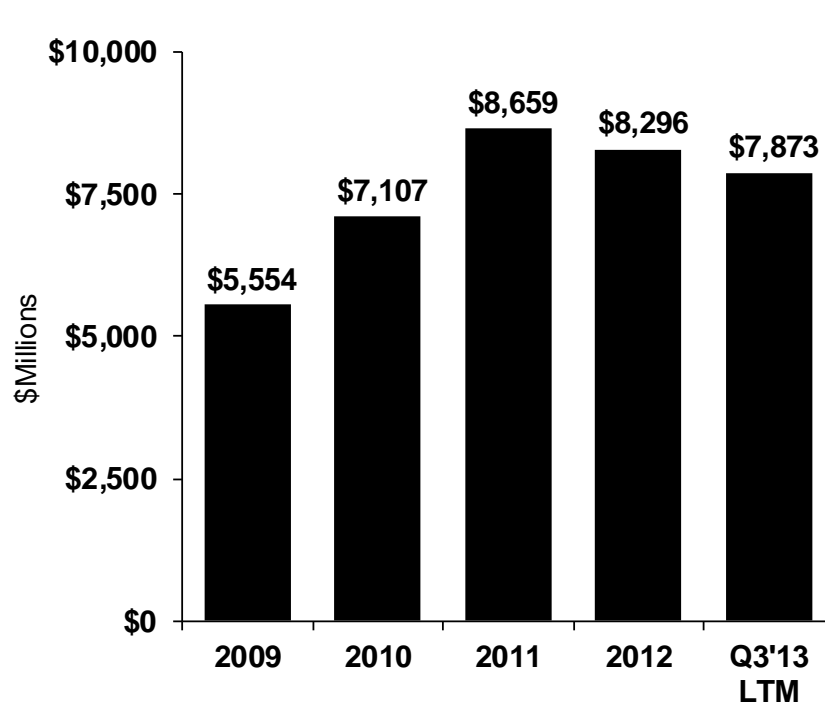
Q3'13 LTM Revenue by Marketing Territory

- Strong geographic diversification and leadership across multiple end-markets



Cummins – Joint Venture Sales Unconsolidated

Q3'13 LTM Revenues



¹ ROW = Rest of World



Engine Segment – Overview

- Diesel and natural gas engines from 2.8L to 91L and 48 hp to 3,500 hp
- Long-term agreements with key customers to stabilize pricing and to jointly engineer better integrated vehicles to market
- Leading market share in multiple end-markets and geographies

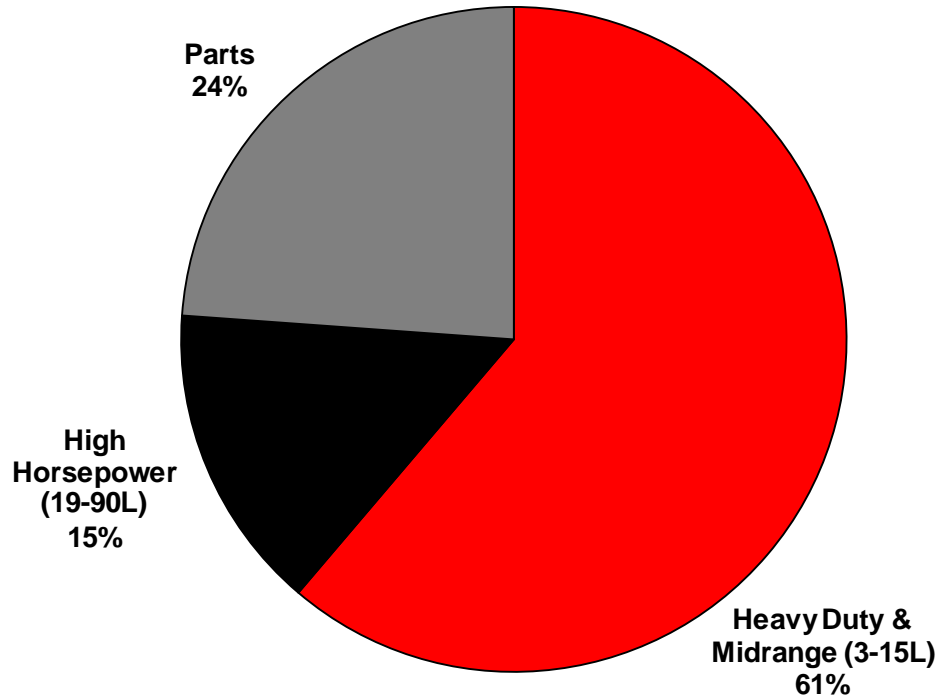
Q3'13 LTM Segment Data

Sales: \$10.0 billion

EBIT¹: \$1.1 billion

EBIT Margin: 10.8%

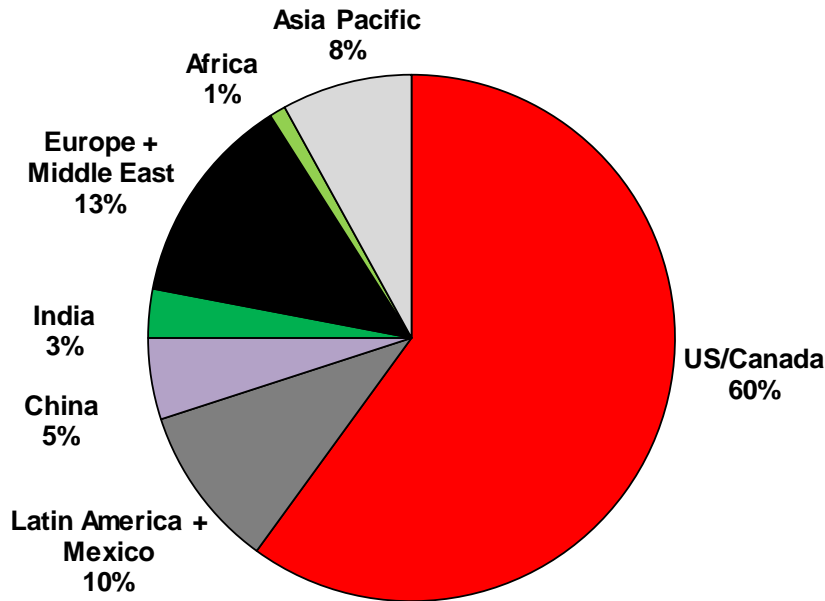
Q3'13 LTM Revenue by Product



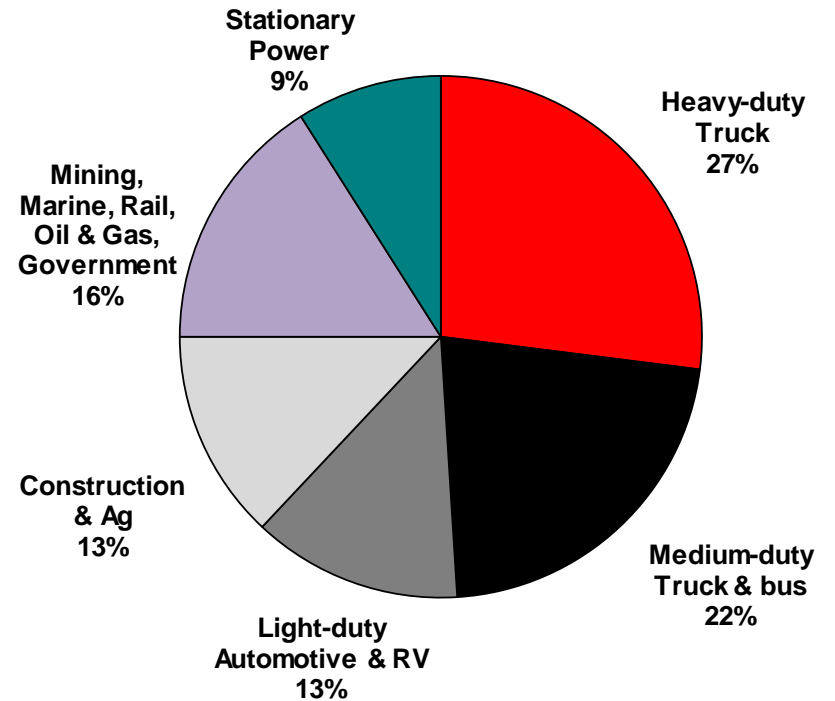
¹ Q4'12 EBIT excludes \$20 million in restructuring charges.

Engine Segment – Sales Mix

Geographic



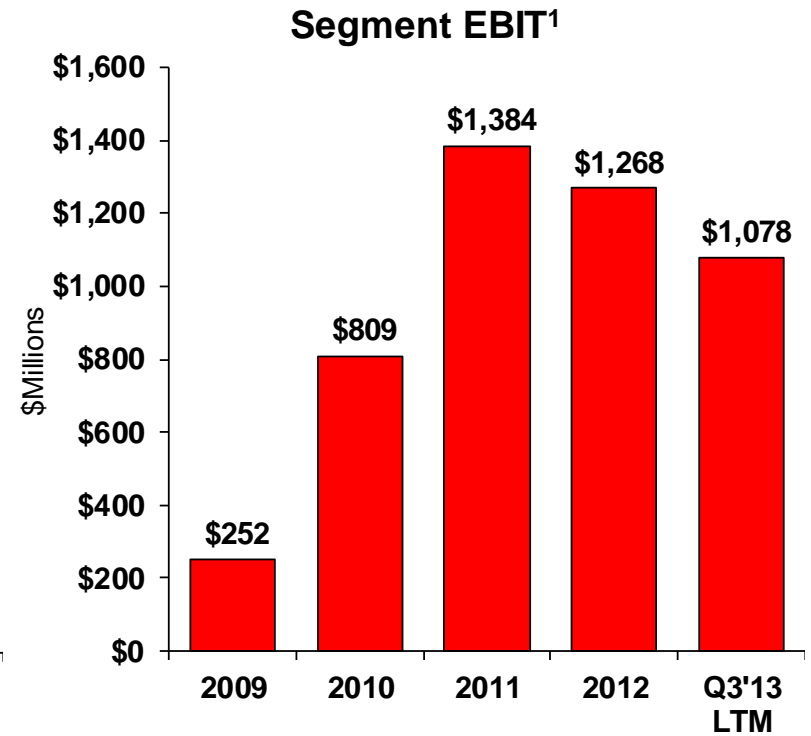
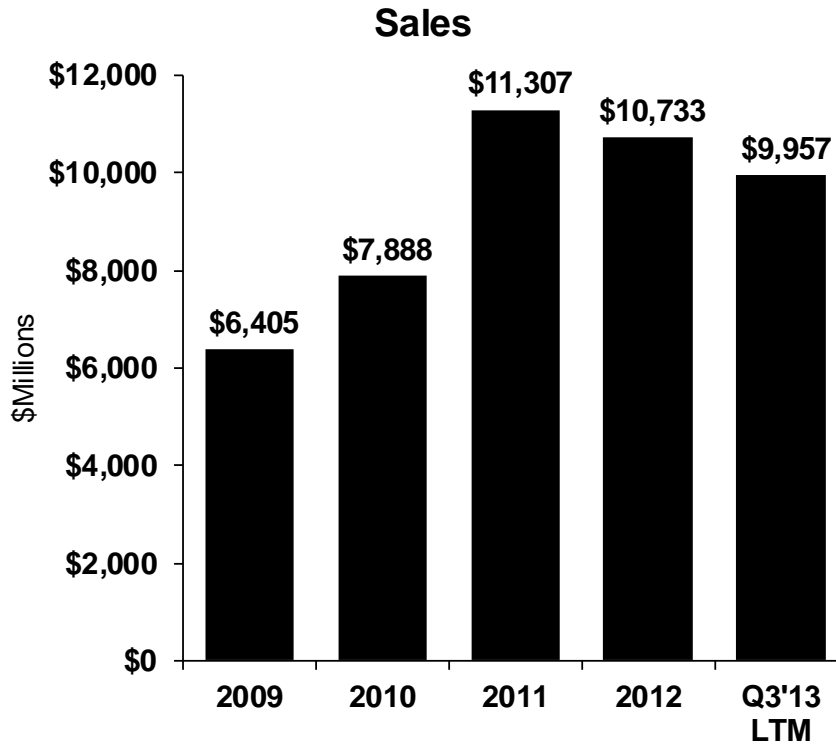
Application



Q3'13 LTM Revenue: \$10.0B



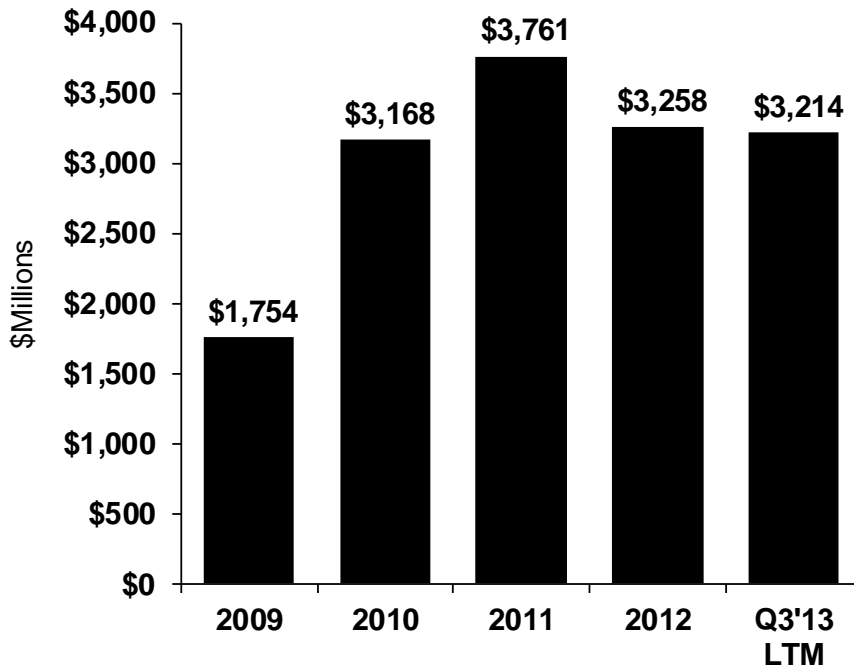
Engine Segment – Historical Performance



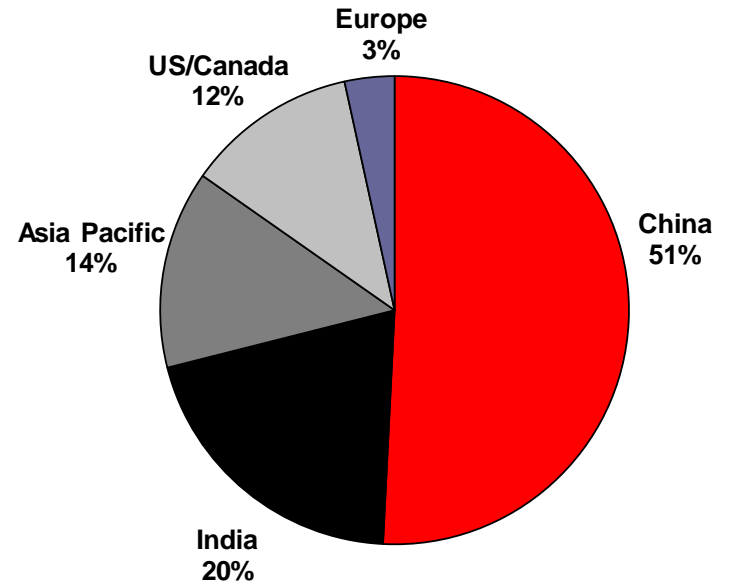
¹ Q4'12 EBIT excludes \$20 million in restructuring charges.



Engine Segment – Joint Venture Sales Unconsolidated



Q3'13 LTM Revenues



Components Segment – Overview

- World's leading supplier of filtration, coolant and chemical products
- Largest worldwide supplier of turbochargers from 3.8L to 25L for commercial applications
- Leading supplier of aftertreatment products for commercial applications

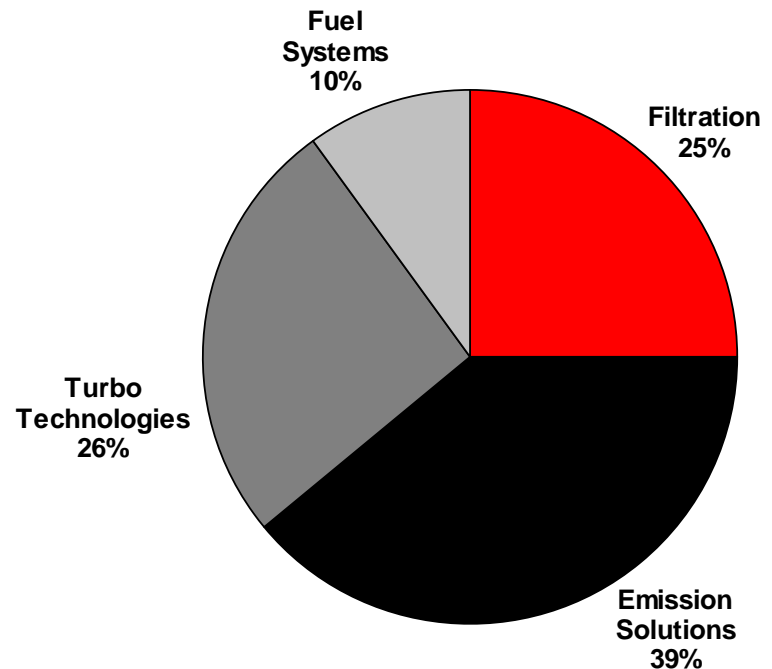
Q3'13 LTM Segment Data

Sales: \$4.1 billion

EBIT¹: \$471 million

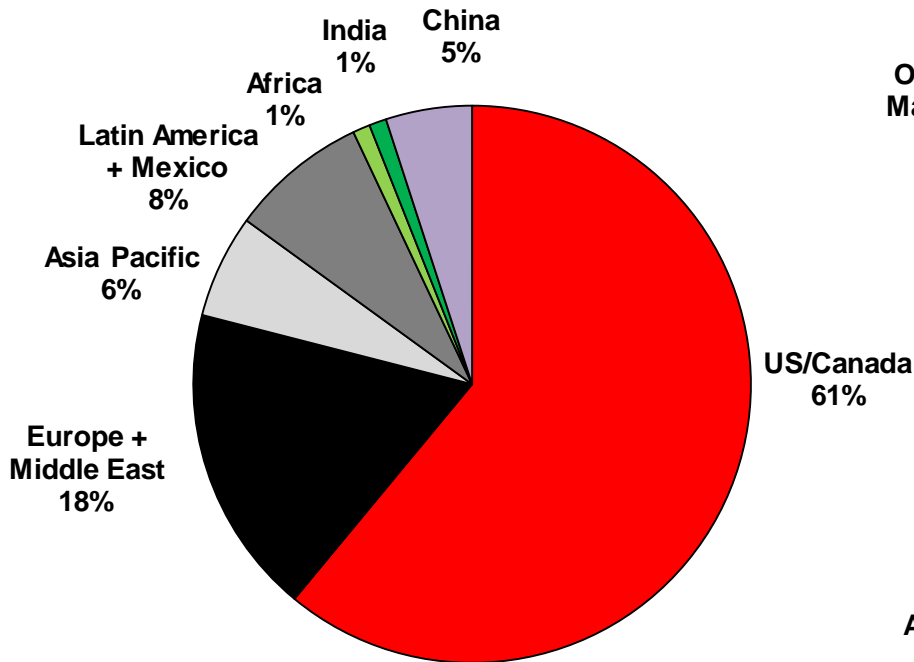
EBIT Margin: 11.4%

Q3'13 LTM Revenue by Business

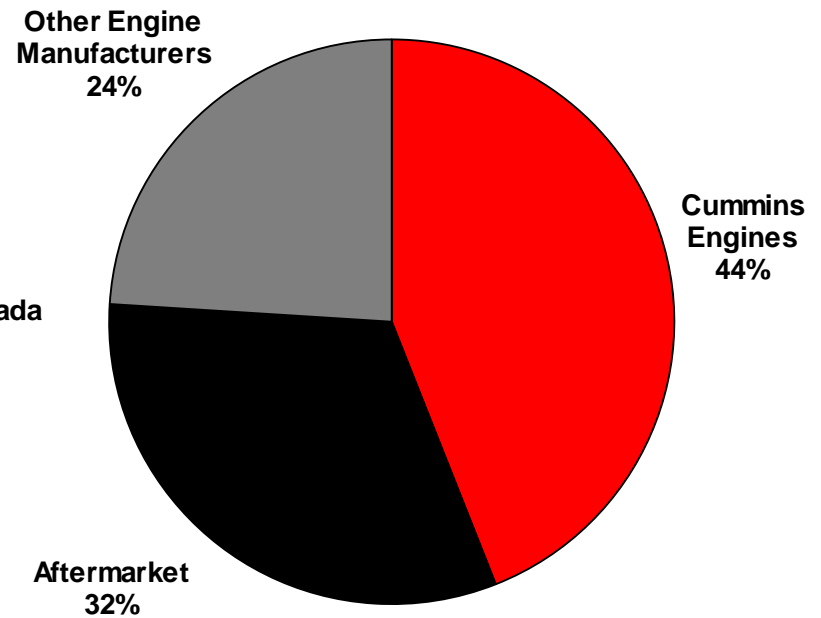


Components Segment – Sales Mix

Geographic



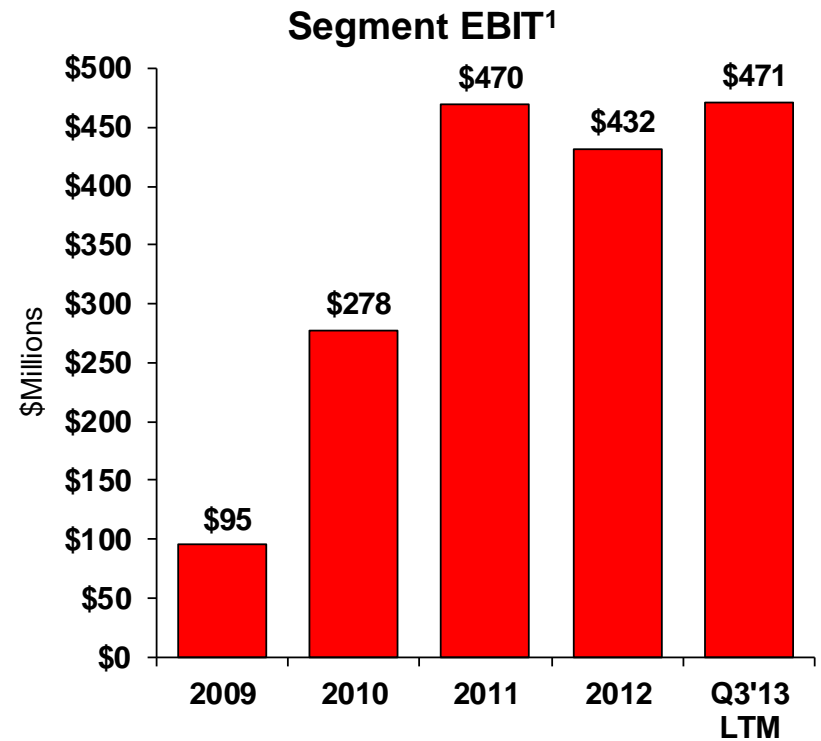
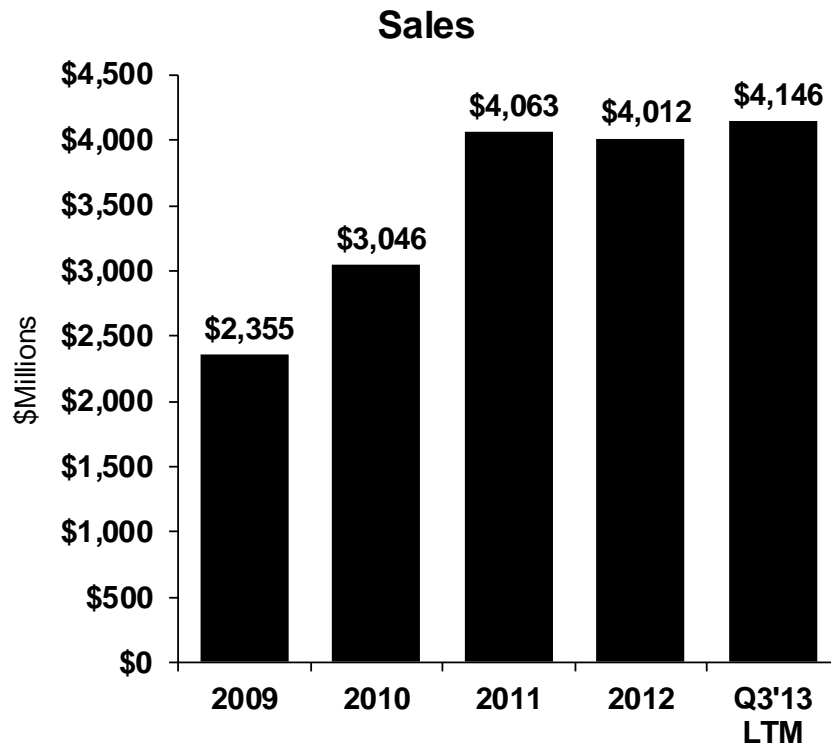
Application



Q3'13 LTM Revenue: \$4.1B



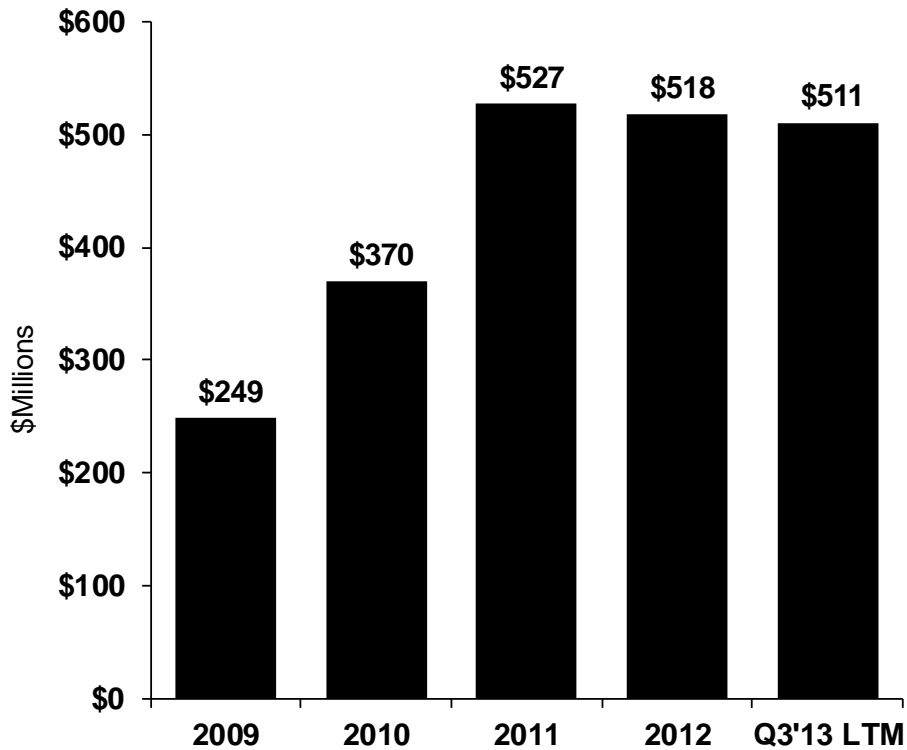
Components – Historical Performance



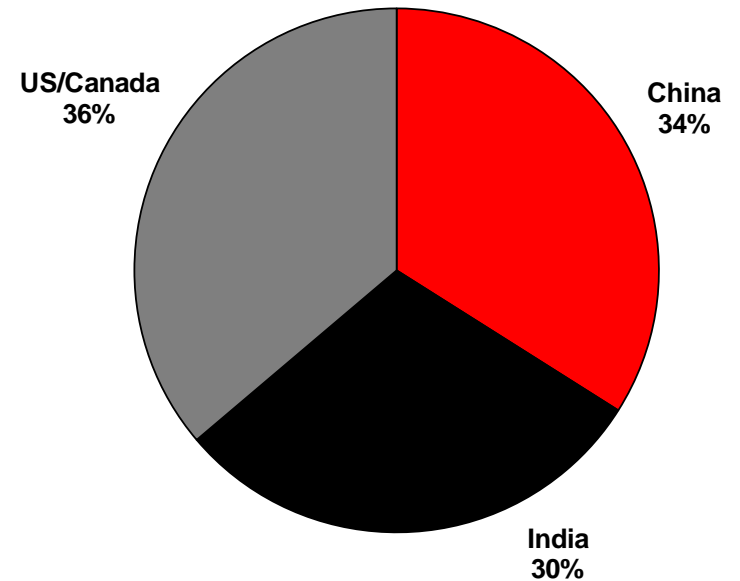
¹ 2011 EBIT excludes \$121 million and Q2'12 EBIT excludes \$6 million, both from the divestiture of two businesses in 2011. Also, Q4'12 EBIT excludes \$6 million in restructuring charges.



Components Segment – Joint Venture Sales Unconsolidated



Q3'13 LTM Revenues

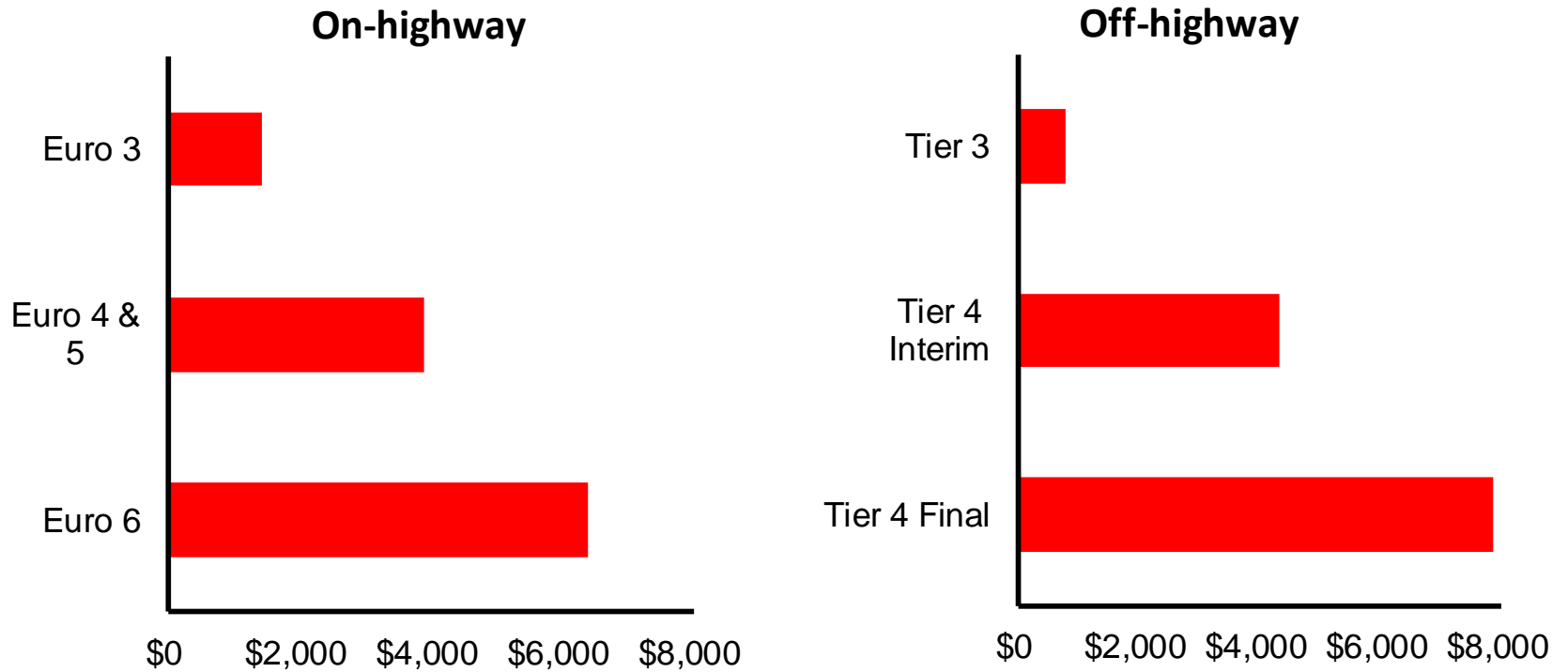


Global Emissions Regulations - Driving Growth

Market	2013	2014	2015	2016	2017	2018	2019
US On-Hwy	EPA 2013	EPA 2014 (GHG)		EPA 2016	EPA 2017 (GHG)		
Europe On-Hwy		Euro VI			GHG		
Brazil On-Hwy							
China On-Hwy	NS IV			NS V			
India On-Hwy				BS IV			
US Off-Hwy		Tier 4F					Tier 5
Europe Off-Hwy		Stage 4					Stage 5



Regulations Drive Increased Content



Power Generation Segment – Overview

- Global provider of power generation systems, components and services from 5 kW to 2,750 kW
- Leading supplier of alternators from 0.6kVA to 30,000 kVA
- Leading market share in multiple geographies

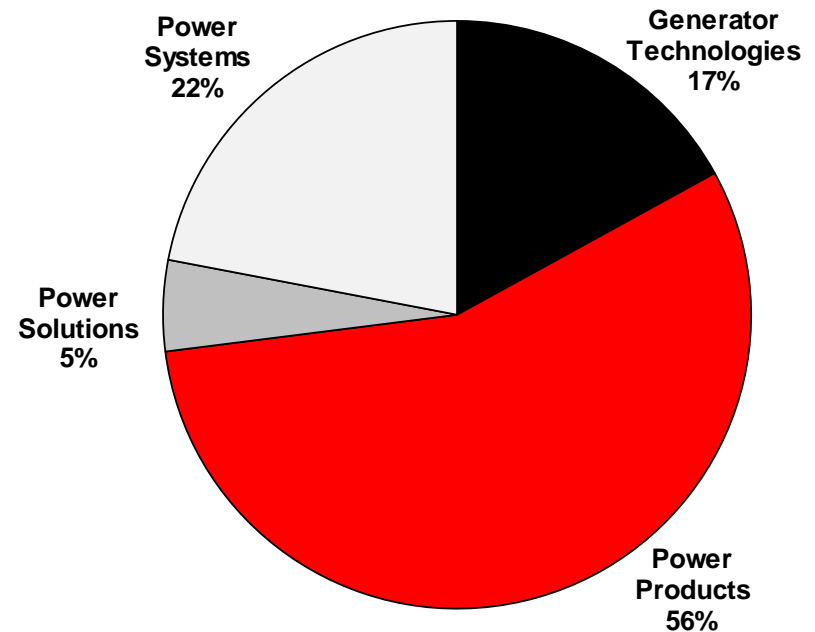
Q3'13 LTM Segment Data

Sales: \$3.0 billion

EBIT¹: \$226 million

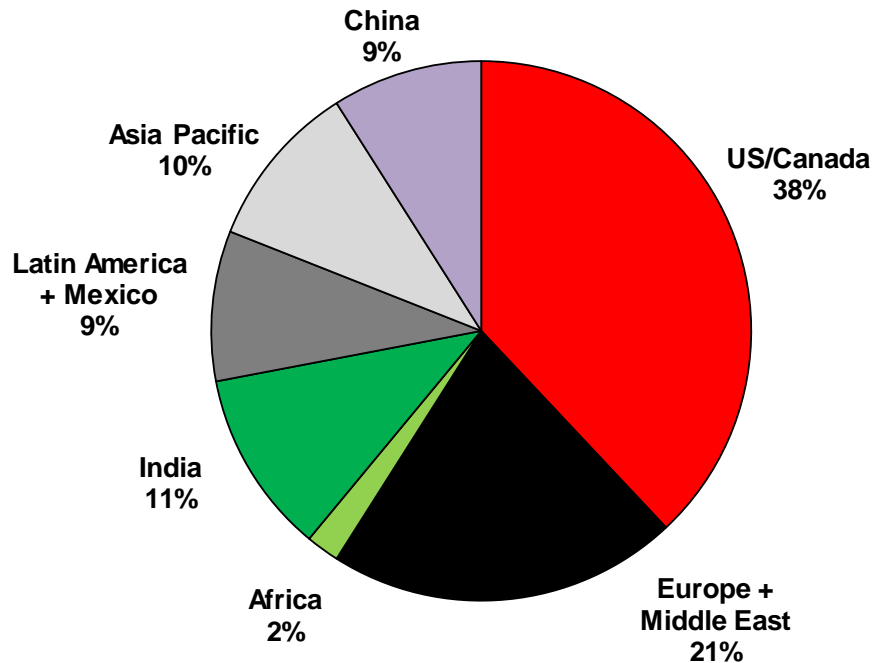
EBIT Margin: 7.4%

Q3'13 LTM Revenue by Product



Power Generation Segment – Sales Mix

Geographic

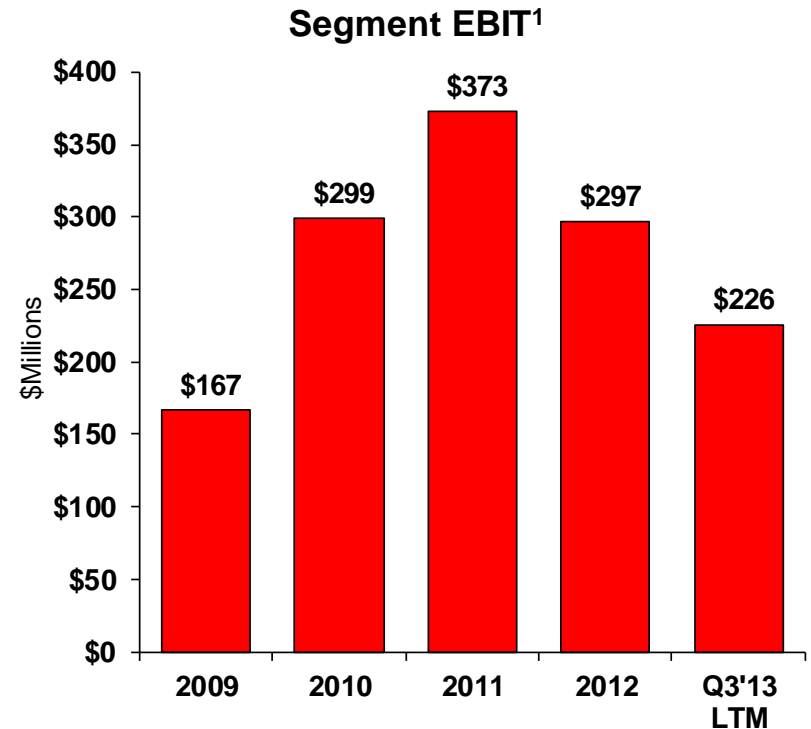
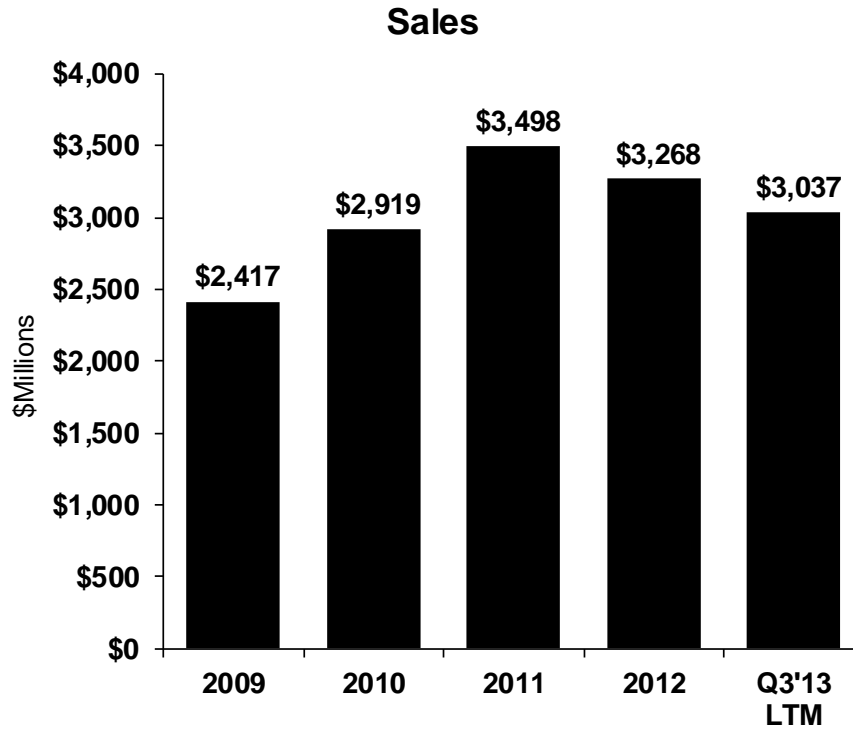


- Market Leadership in China, India, Russia and Latin America
- Energy shortfalls will continue in emerging markets

Q3'13 LTM Revenue: \$3.0B



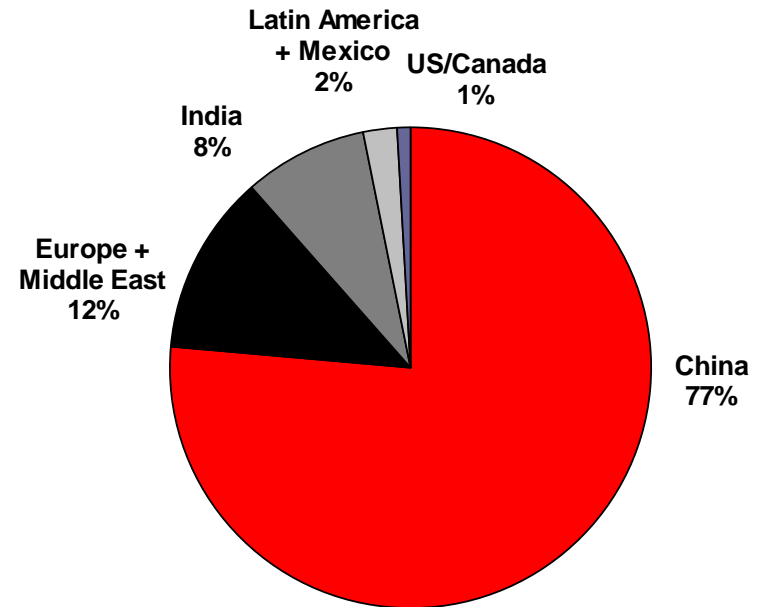
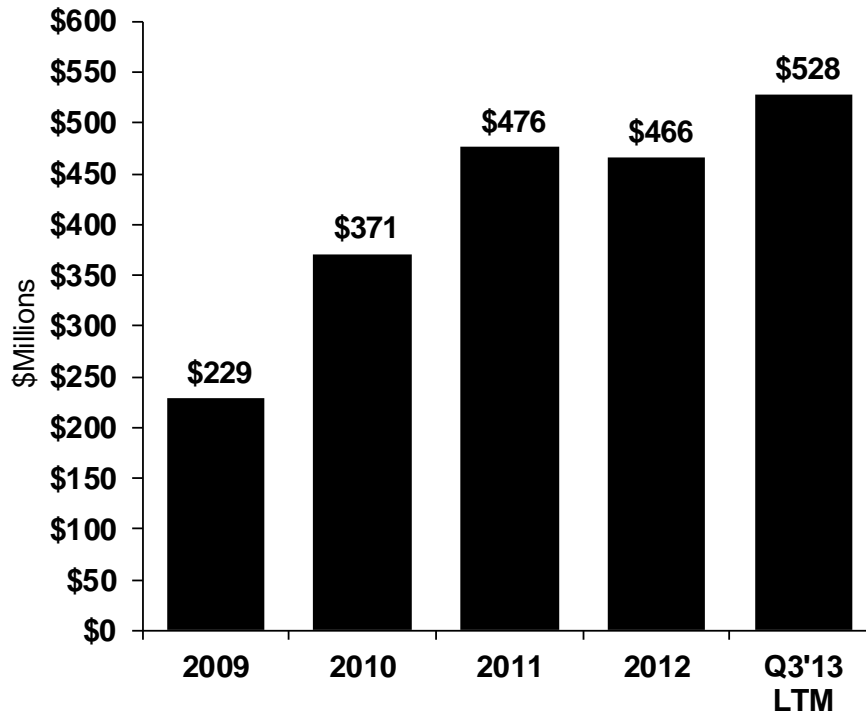
Power Generation – Historical Performance



¹ Q4'12 EBIT excludes \$12 million in restructuring charges.

Power Generation Segment – Joint Venture Sales Unconsolidated

Q3'13 LTM Revenues



Distribution Segment – Overview

- Provide legendary aftermarket support and increase solution-based revenue
- Move towards a market-based model that drives customer focus
- Increase emerging market growth

Q3'13 LTM Segment Data

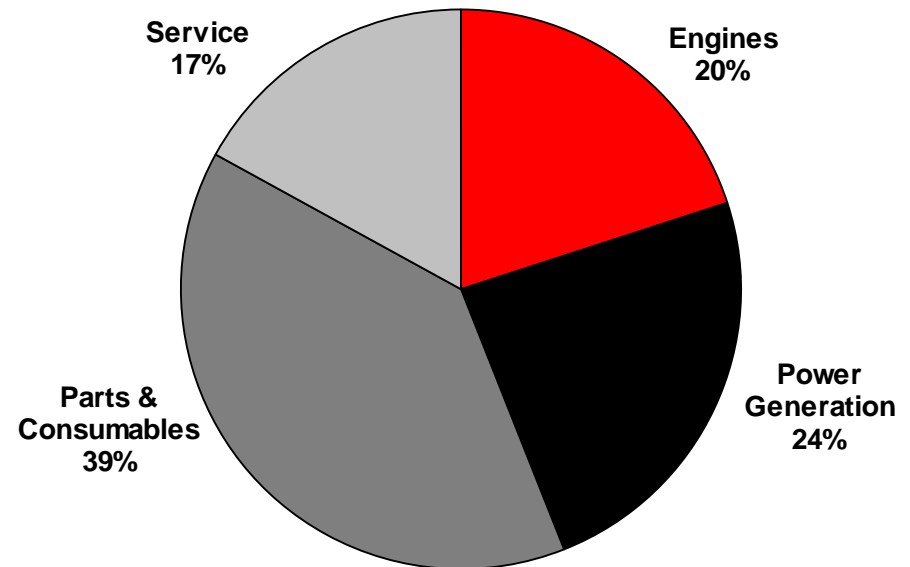
Sales: \$3.6 billion

EBIT¹: \$379 million

EBIT Margin: 10.6%

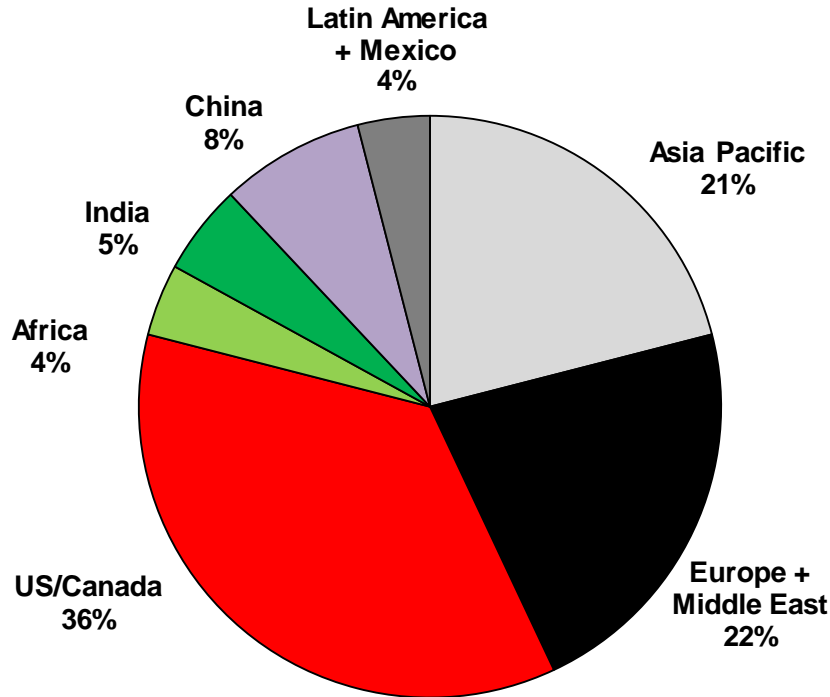
Q3'13 LTM Revenues

Application



Distribution Segment – Sales Mix

Geographic

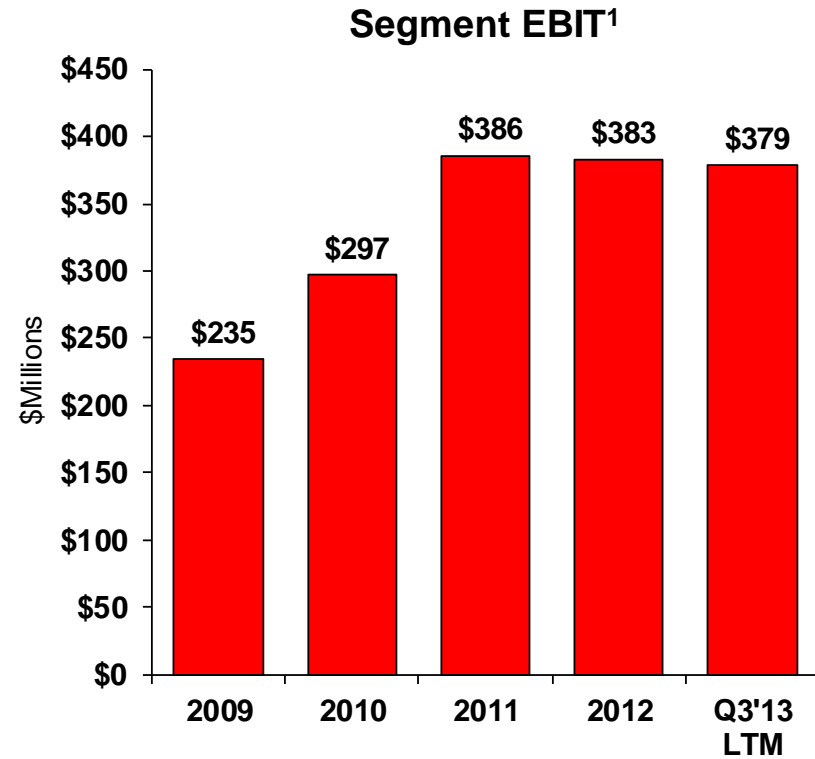
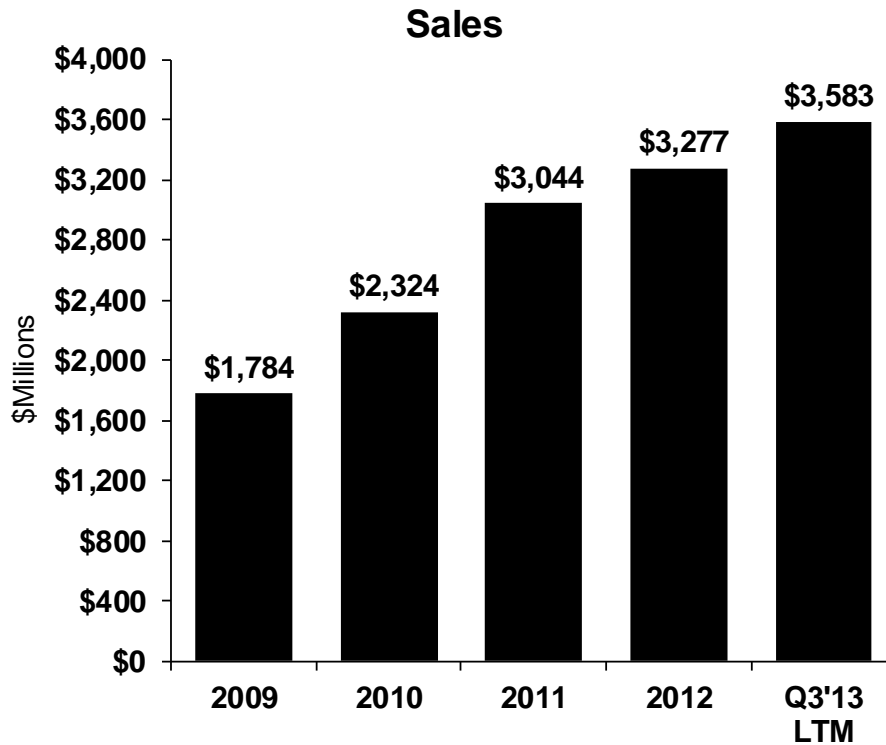


- Less cyclical
- Key enabler for Cummins growth
- Benefitting from increased population of product in the field

Q3'13 LTM Revenue: \$3.6B

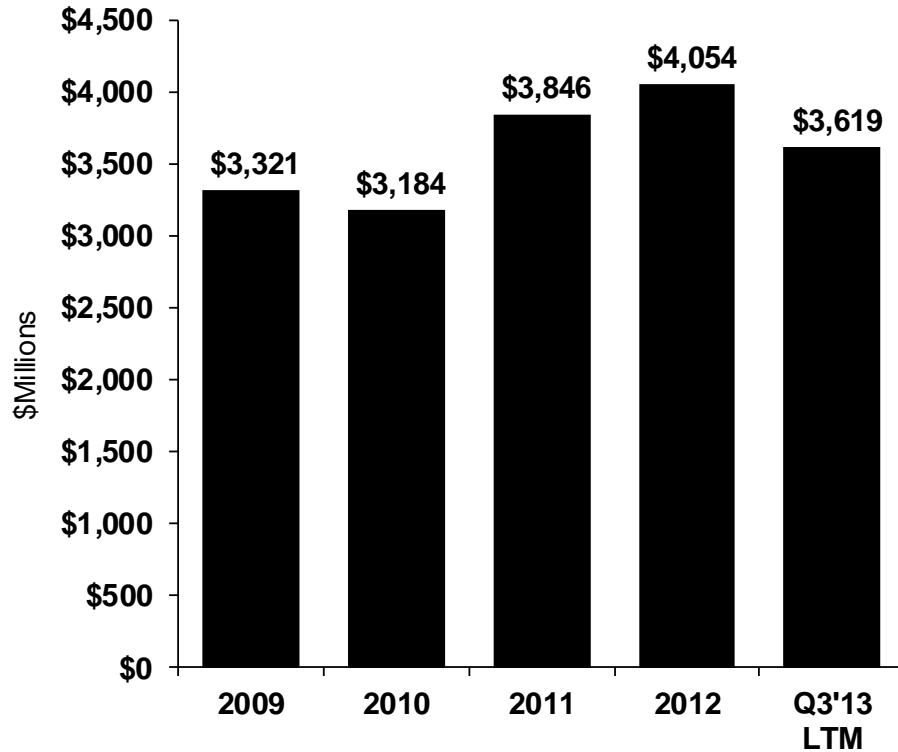


Distribution – Historical Performance

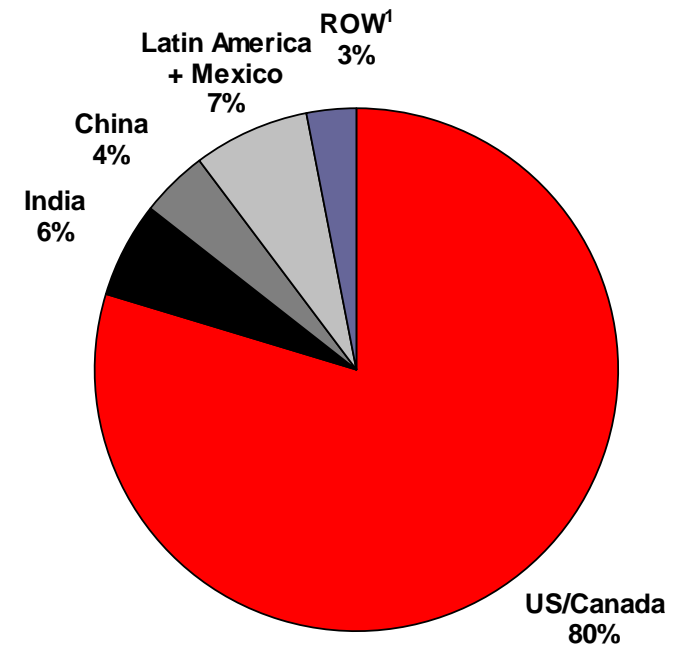


¹ Q4'12 EBIT excludes \$14 million in restructuring charges.

Distribution Segment – Joint Venture Sales Unconsolidated

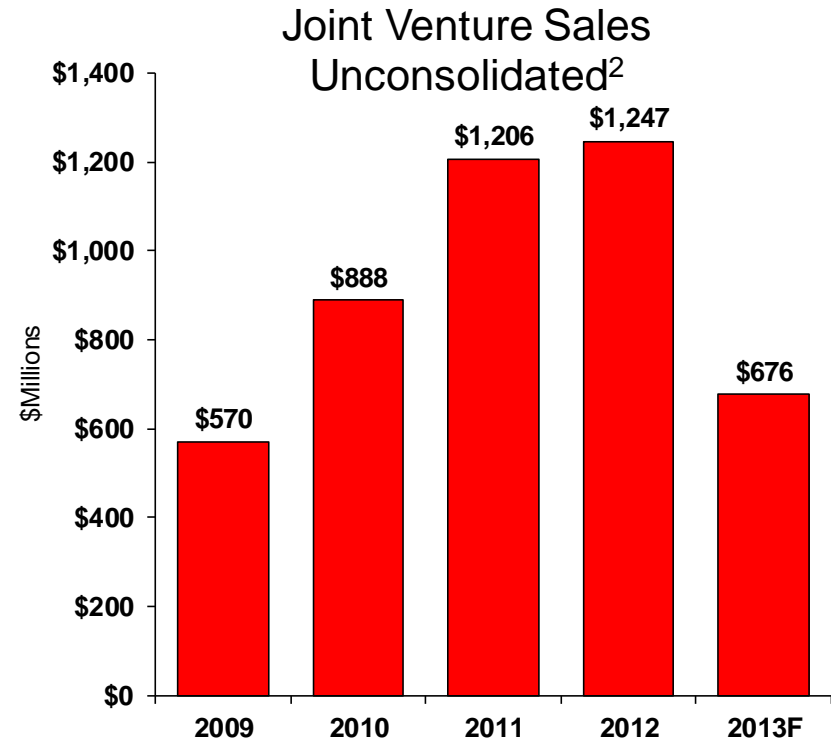


Q3'13 LTM Revenues



¹ ROW = Rest of World

India – Historical Performance

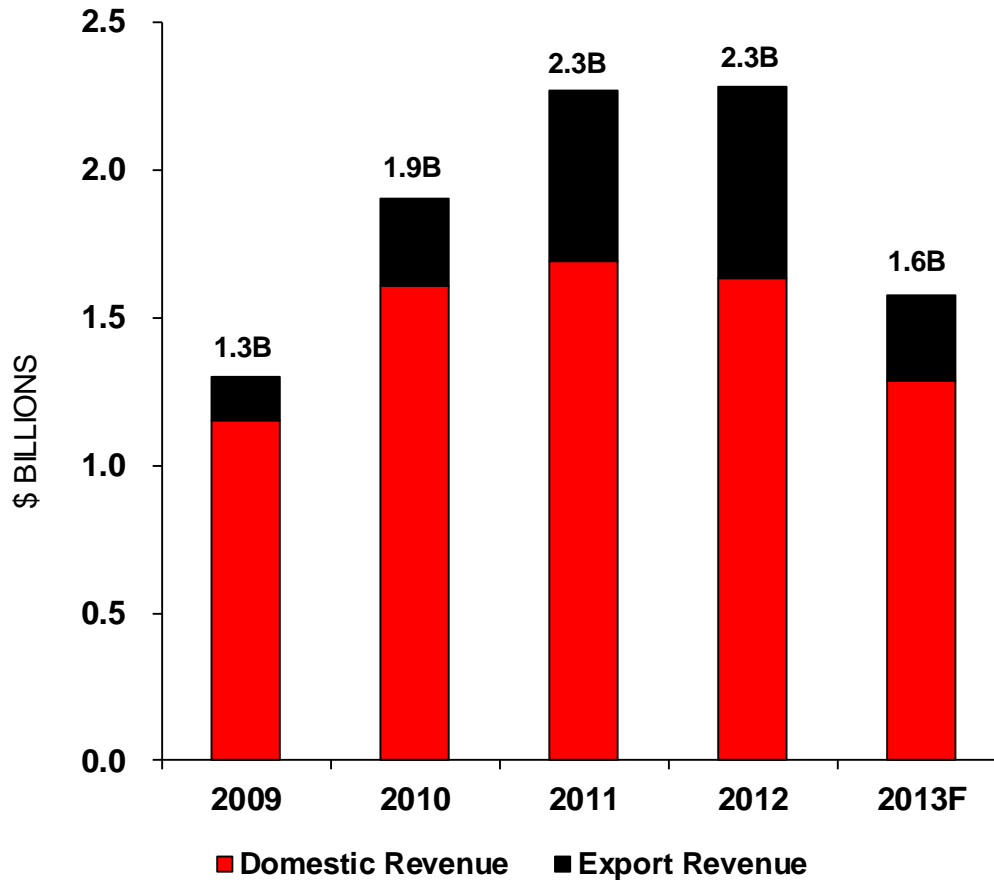


¹ Before intercompany eliminations. Figures also include exports.

² KPIT Cummins excluded from 2013 Joint Venture Sales Unconsolidated due to reduction in ownership interest.



Emerging Markets – India¹

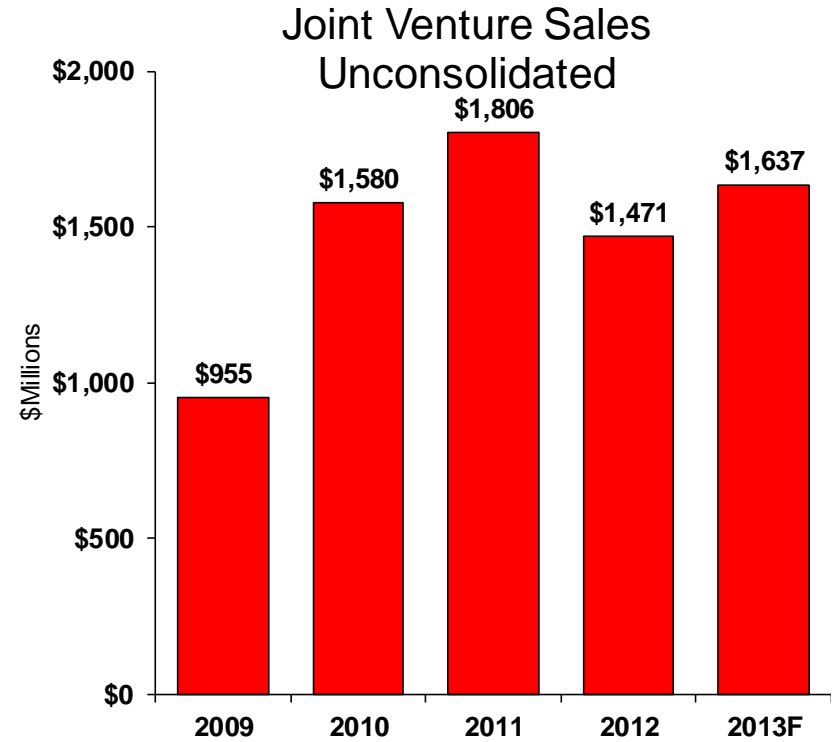
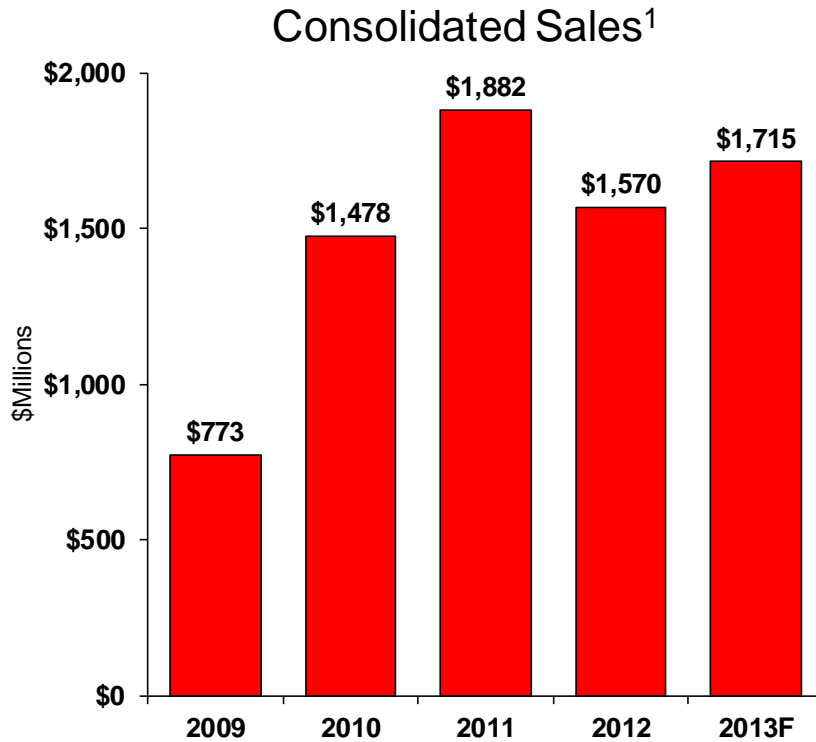


- Growing with Tata
- Leadership in Industrial and Power Gen
- Expanding our markets



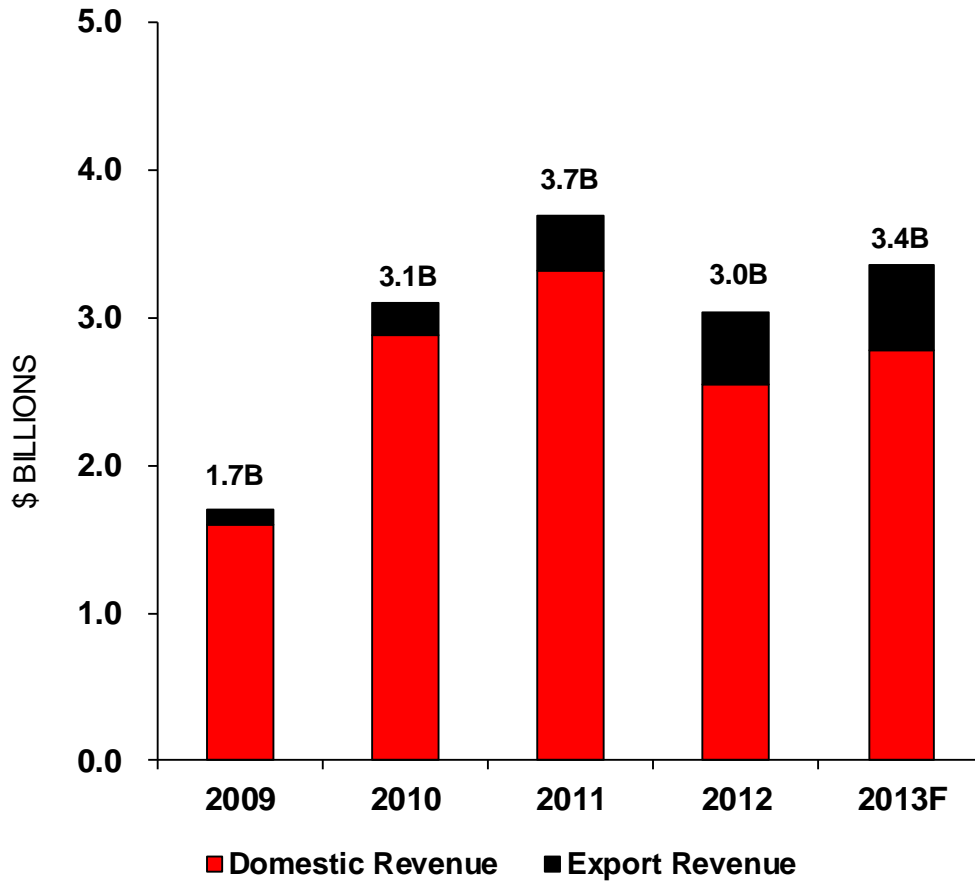
¹Consolidated + Unconsolidated Revenue. Before intercompany eliminations. KPIT Cummins excluded from 2013 due to reduction in ownership interest.

China – Historical Performance



¹Before intercompany eliminations. Figures also include exports.

Emerging Markets – China¹



- Truck market growth
- Emissions content
- Growth in distribution
- Power generation



¹Consolidated + Unconsolidated Revenue. Before intercompany eliminations.

Non-GAAP Reconciliation – EBIT

Three Months Ended

Millions	Three Months Ended		
	September 29, 2013	June 30, 2013	September 30, 2012
EBIT excluding restructuring charges	\$ 536	\$ 621	\$ 496
Add: Special Items	0	0	0
Less: Restructuring charges	0	0	0
Total EBIT	<u>536</u>	<u>621</u>	<u>496</u>
Less: Interest expense	8	8	9
Income before income taxes	<u>528</u>	<u>613</u>	<u>487</u>
Less: Income tax expense	154	172	117
Consolidated net income	<u>374</u>	<u>441</u>	<u>370</u>
Less: Net income attributable to noncontrolling interests	19	27	18
Net Income attributable to Cummins Inc.	<u>355</u>	<u>414</u>	<u>352</u>

We define EBIT as earnings before interest expense, provision for income taxes and non-controlling interests in earnings of consolidated subsidiaries. We use EBIT to assess and measure the performance of our operating segments and also as a component in measuring our variable compensation programs. The table above reconciles EBIT, a non-GAAP financial measure, to our consolidated earnings before income taxes and non-controlling interests, for each of the applicable periods.

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 (GAAP) and may not be consistent with measures used by other companies. It should be considered supplemental data.



Non-GAAP Reconciliation – Working Capital Measure

Millions	September 29, 2013	June 30, 2013	September 30, 2012
Accounts and notes receivable, net	\$ 2,709	\$ 2,745	\$ 2,503
Inventories	2,513	2,475	2,570
Less Accounts payable – trade	<u>(1,613)</u>	<u>(1,669)</u>	<u>(1,460)</u>
Working capital measure	<u>\$ 3,609</u>	<u>\$ 3,551</u>	<u>\$ 3,613</u>
Working capital measure (% of Annualized Net Sales)	21.1%	19.6%	21.9%

A reconciliation of the calculation of working capital measure as a % of annualized net sales to our Condensed Consolidated Financial Statements is shown in the table above.



Non-GAAP Reconciliation – Net Assets

Millions	September 29, 2013	September 30, 2012
Net assets for operating segments	<u>\$ 9,643</u>	<u>\$ 8,111</u>
Liabilities deducted in computing net assets	5,055	4,686
Pensions and other post retirement liabilities	(721)	(764)
Deferred tax assets not allocated to segments	334	356
Debt related costs not allocated to segments	<u>25</u>	<u>25</u>
Total assets	<u>\$ 14,336</u>	<u>\$ 12,414</u>

A reconciliation of net assets for operating segments to total assets in our Condensed Consolidated Financial Statements is shown in the table above.



Non-GAAP Reconciliation – Equity Used for Return on Equity Calculation

Millions	September 29, 2013	September 30, 2012
Equity used for return on equity calculation	<u>\$ 7,834</u>	<u>\$ 7,172</u>
Defined benefit post retirement plans	<u>(738)</u>	<u>(694)</u>
Total shareholders equity	7,096	6,478
Noncontrolling interest	<u>368</u>	<u>356</u>
Total Equity	<u>\$ 7,464</u>	<u>\$ 6,834</u>

A reconciliation of equity used for return on equity calculation to total shareholder's equity in our Consolidated Financial Statements is shown in the table above.

