

CUMMINS INC  
Form 8-K  
July 21, 2005

**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: July 21, 2005**

**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))
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**Item 8.01 Other Events**

As previously announced, effective May 2, 2005, Cummins Inc. (the "Company" or "we") made certain leadership changes within its management team. In connection with these changes, certain modifications were made to its internal reporting. These modifications are summarized below:

\* The Filtration and Other Segment was renamed the Components Segment and includes operating results of the Fuel Systems business which were previously included in the Engine Segment. Historically, the Fuel Systems business primarily transferred product within the Engine Segment at cost and those costs were eliminated from segment results. As a result, this change does not materially impact Engine segment revenues or EBIT. Revenues of the Components Segment were increased to reflect transfers to the Engine Segment and eliminations were increased by a corresponding amount.

\* The North American Distribution business was combined with the International Distribution Segment and renamed the Distribution Segment. Previously, the North American business was reported in the Engine and Power Generation Segments as equity from investees and also include the results of a partially owned distributor we are required to consolidate. As a result, revenues of the Engine Segment were increased to reflect sales to the consolidated distributor that were previously eliminated and decreased for the revenues of the consolidated distributor which are now included in the Distribution Segment. In addition, earnings from equity investees in the Engine and Power Generation Segments decreased while equity from investees in the Distribution Segment increased by a corresponding amount.

Due to the extent of intersegment activity and certain seasonality in inventory levels during the year, the Company elected to present the elimination of intercompany profit in inventory resulting from intersegment activity in the eliminations column of its segment reporting. This presentation better aligns segment revenues with segment costs and portrays each operating segment as if it were an independent, stand-alone entity.

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

Exhibit 99.1 attached below presents the unaudited restated operating segment data reflecting the changes described above.

**SIGNATURE**

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

Date: July 21, 2005

Cummins Inc.

By: /s/ MARSHA L. HUNT

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Marsha L. Hunt  
Vice President - Corporate Controller  
Principal Accounting Officer



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| Millions  | Power    |            |            |              |              | Total    |
|---|----------|------------|------------|--------------|--------------|----------|
|   | Engine   | Generation | Components | Distribution | Eliminations |          |
| <b>Three Months Ended March 27, 2005</b>        |          |            |            |              |              |          |
| Net sales .....                                 | \$ 1,480 | \$ 427     | \$ 473     | \$ 253       | \$ (425)     | \$ 2,208 |
| Equity, royalty and other income from investees | 22       | 1          | 2          | 6            | -            | 31       |
| Segment EBIT.....                               | 117      | 15         | 23         | 20           | (12)         | 163      |
| Net assets for operating segments.....          | 1,166    | 595        | 938        | 295          | -            | 2,994    |
| <b>Three Months Ended March 28, 2004</b>        |          |            |            |              |              |          |
| Net sales .....                                 | \$ 1,127 | \$ 369     | \$ 415     | \$ 171       | \$ (311)     | \$ 1,771 |
| Equity, royalty and other income from investees | 12       | (1)        | 2          | 5            | -            | 18       |
| Segment EBIT.....                               | 42       | 5          | 24         | 11           | (4)          | 78       |
| Net assets for operating segments.....          | 920      | 506        | 890        | 223          | -            | 2,539    |
| <b>Three Months Ended June 27, 2004</b>         |          |            |            |              |              |          |
| Net sales .....                                 | \$ 1,374 | \$ 460     | \$ 445     | \$ 253       | \$ (408)     | \$ 2,124 |
| Equity, royalty and other income from investees | 19       | 2          | 2          | 6            | -            | 29       |
| Segment EBIT.....                               | 90       | 18         | 24         | 20           | (4)          | 148      |
| Net assets for operating segments.....          | 1,013    | 594        | 879        | 253          | -            | 2,739    |
| <b>Three Months Ended September 26, 2004</b>    |          |            |            |              |              |          |
| Net sales .....                                 | \$ 1,419 | \$ 493     | \$ 445     | \$ 249       | \$ (412)     | \$ 2,194 |
| Equity, royalty and other income from investees | 15       | 1          | 3          | 7            | -            | 26       |
| Segment EBIT.....                               | 96       | 15         | 23         | 20           | (9)          | 145      |
| Net assets for operating segments.....          | 1,116    | 623        | 873        | 264          | -            | 2,876    |
| <b>Three Months Ended December 31, 2004</b>     |          |            |            |              |              |          |
| Net sales .....                                 | \$ 1,504 | \$ 520     | \$ 478     | \$ 300       | \$ (453)     | \$ 2,349 |
| Equity, royalty and other income from investees | 25       | 4          | 2          | 7            | -            | 38       |
| Segment EBIT.....                               | 100      | 22         | 13         | 28           | 9            | 172      |
| Net assets for operating segments.....          | 1,282    | 717        | 896        | 256          | -            | 3,151    |
| <b>Year Ended December 31, 2004</b>             |          |            |            |              |              |          |
| Net sales .....                                 | \$ 5,424 | \$ 1,842   | \$ 1,783   | \$ 973       | \$(1,584)    | \$ 8,438 |
| Equity, royalty and other income from investees | 71       | 6          | 9          | 25           | -            | 111      |
| Segment EBIT.....                               | 328      | 60         | 84         | 79           | (8)          | 543      |
| Net assets for operating segments.....          | 1,282    | 717        | 896        | 256          | -            | 3,151    |
| <b>Year Ended December 31, 2003</b>             |          |            |            |              |              |          |
| Net sales .....                                 | \$ 3,582 | \$ 1,329   | \$ 1,292   | \$ 669       | \$ (576)     | \$ 6,296 |
| Equity, royalty and other income from investees | 44       | 3          | 7          | 16           | -            | 70       |
| Segment EBIT.....                               | 62       | (19)       | 86         | 51           | 1            | 181      |
| Net assets for operating segments.....          | 906      | 497        | 776        | 205          | -            | 2,384    |