

CUMMINS INC
Form 8-K
April 30, 2013

**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: April 30, 2013

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)

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- 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 April 30, 2013, Cummins Inc. (Cummins, the Company, the registrant, we, our, or, us) issued a press release announcing its first quarter 2013 results.

Item 9.01. Financial Statements and Exhibits.

(d) The following exhibit is furnished pursuant to Item 2.02 herewith:

99-Press Release dated April 30, 2013

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: April 30, 2013

CUMMINS INC.
/s/ Marsha L. Hunt

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

CUMMINS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited) (a)

| In millions, except per share amounts | Three months ended | | |
|---|--------------------|----------------------|------------------|
| | March 31, 2013 | December 31, 2012 | April 1, 2012 |
| NET SALES | \$ 3,922 | \$ 4,292 | \$ 4,472 |
| Cost of sales | 2,965 | 3,234 | 3,274 |
| GROSS MARGIN | 957 | 1,058 | 1,198 |
| OPERATING EXPENSES AND INCOME | | | |
| Selling, general and administrative expenses | 444 | 482 | 475 |
| Research, development and engineering expenses | 182 | 174 | 181 |
| Equity, royalty and interest income from investees (Note 1) | 82 | 82 | 104 |
| Other operating income (expense), net | 1 | (19) | 2 |
| OPERATING INCOME | 414 | 465 | 648 |
| Interest income | 5 | 5 | 8 |
| Interest expense | 6 | 7 | 8 |
| Other income (expense), net | 18 | 10 | 2 |
| INCOME BEFORE INCOME TAXES | 431 | 473 | 650 |
| Income tax expense (Note 2) | 119 | 75 | 175 |
| CONSOLIDATED NET INCOME | 312 | 398 | 475 |
| Less: Net income attributable to noncontrolling interests | 30 | 29 | 20 |
| NET INCOME ATTRIBUTABLE TO CUMMINS INC. | \$ 282 | \$ 369 | \$ 455 |
| EARNINGS PER COMMON SHARE ATTRIBUTABLE TO CUMMINS INC. | | | |
| Basic | \$ 1.50 | \$ 1.96 | \$ 2.39 |
| Diluted | \$ 1.49 | \$ 1.95 | \$ 2.38 |
| WEIGHTED AVERAGE SHARES OUTSTANDING | | | |
| Basic | 188.4 | 188.4 | 190.4 |
| Diluted | 188.8 | 188.8 | 190.8 |
| CASH DIVIDENDS DECLARED PER COMMON SHARE | \$ 0.50 | \$ 0.50 | \$ 0.40 |

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

CUMMINS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited) (a)

| In millions, except par value | March 31, 2013 | December 31, 2012 |
|--|-----------------------|--------------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 1,483 | \$ 1,369 |
| Marketable securities | 196 | 247 |
| Total cash, cash equivalents and marketable securities | 1,679 | 1,616 |
| Accounts and notes receivable, net | 2,496 | 2,475 |
| Inventories | 2,387 | 2,221 |
| Prepaid expenses and other current assets | 658 | 855 |
| Total current assets | 7,220 | 7,167 |
| Long-term assets | | |
| Property, plant and equipment | 5,942 | 5,876 |
| Accumulated depreciation | (3,173) | (3,152) |
| Property, plant and equipment, net | 2,769 | 2,724 |
| Investments and advances related to equity method investees | 944 | 897 |
| Goodwill | 444 | 445 |
| Other intangible assets, net | 366 | 369 |
| Other assets | 1,013 | 946 |
| Total assets | \$ 12,756 | \$ 12,548 |
| LIABILITIES | | |
| Current liabilities | | |
| Loans payable | \$ 13 | \$ 16 |
| Accounts payable (principally trade) | 1,554 | 1,339 |
| Current maturities of long-term debt | 54 | 61 |
| Current portion of accrued product warranty | 396 | 386 |
| Accrued compensation, benefits and retirement costs | 280 | 400 |
| Deferred revenue | 230 | 215 |
| Taxes payable (including taxes on income) | 203 | 173 |
| Other accrued expenses | 527 | 546 |
| Total current liabilities | 3,257 | 3,136 |
| Long-term liabilities | | |
| Long-term debt | 736 | 698 |
| Postretirement benefits other than pensions | 422 | 432 |
| Other liabilities and deferred revenue | 1,296 | 1,308 |
| Total liabilities | 5,711 | 5,574 |
| EQUITY | | |
| Cummins Inc. shareholders' equity | | |
| Common stock, \$2.50 par value, 500 shares authorized, 222.2 and 222.4 shares issued | 2,064 | 2,058 |
| Retained earnings | 7,530 | 7,343 |

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| | | |
|---|------------------|-----------|
| Treasury stock, at cost, 32.5 and 32.6 shares | (1,827) | (1,830) |
| Common stock held by employee benefits trust, at cost, 1.4 and 1.5 shares | (17) | (18) |
| Accumulated other comprehensive loss | | |
| Defined benefit postretirement plans | (775) | (794) |
| Other | (320) | (156) |
| Total accumulated other comprehensive loss | (1,095) | (950) |
| Total Cummins Inc. shareholders' equity | 6,655 | 6,603 |
| Noncontrolling interests | 390 | 371 |
| Total equity | 7,045 | 6,974 |
| Total liabilities and equity | \$ 12,756 | \$ 12,548 |

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

CUMMINS INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited) (a)

| In millions | Three months ended | |
|---|---------------------------|----------------------|
| | March 31, | April 1, 2012 |
| | 2013 | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Consolidated net income | \$ 312 | \$ 475 |
| Adjustments to reconcile consolidated net income to net cash provided by operating activities | | |
| Depreciation and amortization | 98 | 85 |
| Gain on fair value adjustment for consolidated investee | (7) | - |
| Deferred income taxes | 5 | (27) |
| Equity in income of investees, net of dividends | (36) | (59) |
| Pension contributions in excess of expense | (54) | (27) |
| Other post-retirement benefits payments in excess of expense | (8) | (4) |
| Stock-based compensation expense | 7 | 7 |
| Excess tax benefits on stock-based awards | (7) | (11) |
| Translation and hedging activities | (5) | 10 |
| Changes in current assets and liabilities, net of acquisitions | | |
| Accounts and notes receivable | (29) | (135) |
| Inventories | (177) | (209) |
| Other current assets | 158 | (28) |
| Accounts payable | 204 | 148 |
| Accrued expenses | (142) | (196) |
| Changes in other liabilities and deferred revenue | 47 | 29 |
| Other, net | 62 | (37) |
| Net cash provided by operating activities | 428 | 21 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital expenditures | (114) | (126) |
| Investments in internal use software | (12) | (16) |
| Investments in and advances to equity investees | (24) | (5) |
| Acquisition of businesses, net of cash acquired | (17) | (5) |
| Investments in marketable securities acquisitions | (133) | (146) |
| Investments in marketable securities liquidations | 187 | 184 |
| Cash flows from derivatives not designated as hedges | (30) | 11 |
| Other, net | - | 1 |
| Net cash used in investing activities | (143) | (102) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from borrowings | - | 12 |
| Payments on borrowings and capital lease obligations | (27) | (38) |
| Net borrowings (payments) under short-term credit agreements | 15 | - |
| Distributions to noncontrolling interests | (19) | (22) |
| Dividend payments on common stock | (95) | (77) |

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| | | |
|---|-----------------|-----------------|
| Repurchases of common stock | - | (8) |
| Excess tax benefits on stock-based awards | 7 | 11 |
| Other, net | 16 | 9 |
| Net cash used in financing activities | (103) | (113) |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | (68) | 27 |
| Net increase (decrease) in cash and cash equivalents | 114 | (167) |
| Cash and cash equivalents at beginning of year | 1,369 | 1,484 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | \$ 1,483 | \$ 1,317 |

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

CUMMINS INC. AND SUBSIDIARIES

SEGMENT INFORMATION

(Unaudited)

| In millions | Engine | Power | | Non-segment | | Total |
|---|------------|------------|--------------|----------------------|-------|----------|
| Three months ended March 31, 2013 | Components | Generation | Distribution | Items ⁽¹⁾ | | |
| External sales | \$ 1,885 | \$ 722 | \$ 539 | \$ 776 | \$ - | \$ 3,922 |
| Intersegment sales | 418 | 296 | 207 | 2 | (923) | - |
| Total sales | 2,303 | 1,018 | 746 | 778 | (923) | 3,922 |
| Depreciation and amortization ⁽²⁾ | 52 | 24 | 12 | 10 | - | 98 |
| Research, development and engineering expenses | 105 | 57 | 18 | 2 | - | 182 |
| Equity, royalty and interest income from investees | 23 | 7 | 7 | 45 | - | 82 |
| Interest income | 2 | 1 | 2 | - | - | 5 |
| Segment EBIT | 195 | 119 | 51 | 95 ⁽³⁾ | (23) | 437 |
| Segment EBIT as a percentage of total sales | 8.5% | 11.7% | 6.8% | 12.2% | | 11.1% |
| Three months ended December 31, 2012 | | | | | | |
| External sales | \$ 2,177 | \$ 662 | \$ 549 | \$ 904 | \$ - | \$ 4,292 |
| Intersegment sales | 329 | 277 | 216 | 3 | (825) | - |
| Total sales | 2,506 | 939 | 765 | 907 | (825) | 4,292 |
| Depreciation and amortization ⁽²⁾ | 50 | 23 | 13 | 11 | - | 97 |
| Research, development and engineering expenses | 92 | 60 | 20 | 2 | - | 174 |
| Equity, royalty and interest income from investees | 27 | 6 | 8 | 41 | - | 82 |
| Interest income | 2 | - | 2 | 1 | - | 5 |
| Segment EBIT | 252 | 78 | 42 | 84 | 24 | 480 |
| Add back restructuring and other charges | 20 | 6 | 12 | 14 | - | 52 |
| Segment EBIT excluding restructuring and other charges | 272 | 84 | 54 | 98 | 24 | 532 |
| Segment EBIT as a percentage of total sales | 10.1% | 8.3% | 5.5% | 9.3% | | 11.2% |
| Segment EBIT excluding restructuring and other charges as a percentage of total sales | 10.9% | 8.9% | 7.1% | 10.8% | | 12.4% |

Three months ended April 1, 2012

| | | | | | | |
|--|----------|--------|--------|--------|---------|----------|
| External sales | \$ 2,412 | \$ 774 | \$ 516 | \$ 770 | \$ - | \$ 4,472 |
| Intersegment sales | 447 | 325 | 264 | 5 | (1,041) | - |
| Total sales | 2,859 | 1,099 | 780 | 775 | (1,041) | 4,472 |
| Depreciation and amortization ⁽²⁾ | 47 | 19 | 11 | 7 | - | 84 |
| Research, development and engineering expenses | 111 | 51 | 18 | 1 | - | 181 |
| Equity, royalty and interest income from investees | 38 | 8 | 10 | 48 | - | 104 |
| Interest income | 4 | 1 | 2 | 1 | - | 8 |
| Segment EBIT | 381 | 143 | 76 | 94 | (36) | 658 |
| Segment EBIT as a percentage of total sales | 13.3% | 13.0% | 9.7% | 12.1% | | 14.7% |

- (1) Includes intersegment sales and profit in inventory eliminations and unallocated corporate expenses. There were no significant unallocated corporate expenses for the three month periods ended March 31, 2013 and April 1, 2012. For the three months ended December 31, 2012, unallocated corporate expenses included a \$20 million reserve (\$12 million after-tax) related to legal matters. There were no other significant unallocated corporate expenses.
- (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."
- (3) Distribution segment EBIT includes a \$7 million gain on the fair value adjustment resulting from the acquisition of a controlling interest in Cummins Northwest.

A reconciliation of our segment information to the corresponding amounts in the *Condensed Consolidated Statements of Income* is shown in the table below:

| In millions | Three months ended | | |
|--|---------------------------|------------------------------|--------------------------|
| | March 31, 2013 | December 31, 2012 | April 1, 2012 |
| Segment EBIT excluding restructuring and other charges | \$ 437 | \$ 532 | \$ 658 |
| Add: Restructuring and other charges | - | (52) | - |
| Segment EBIT | 437 | 480 | 658 |
| Less: Interest expense | 6 | 7 | 8 |
| Income before income taxes | \$ 431 | \$ 473 | \$ 650 |

CUMMINS INC. AND SUBSIDIARIES**SEGMENT FOOTNOTE DATA****(Unaudited)****NOTE 1. EQUITY, ROYALTY AND INTEREST INCOME FROM INVESTEEES**

Equity, royalty and interest income from investees included in our *Condensed Consolidated Statements of Income* for the interim reporting periods was as follows:

| In millions | Three months ended | | |
|--|---------------------------|------------------------------|--------------------------|
| | March 31, 2013 | December 31, 2012 | April 1, 2012 |
| Distribution Entities | | | |
| North American distributors | \$ 35 | \$ 32 | \$ 40 |
| Komatsu Cummins Chile, Ltda. | 5 | 6 | 5 |
| All other distributors | - | 1 | 1 |
| Manufacturing Entities | | | |
| Chongqing Cummins Engine Company, Ltd. | 12 | 12 | 18 |
| Dongfeng Cummins Engine Company, Ltd. | 12 | 10 | 16 |
| Shanghai Fleetguard Filter Co., Ltd. | 3 | 3 | 3 |
| Valvoline Cummins, Ltd. | 3 | 2 | 2 |
| Tata Cummins, Ltd. | 1 | 4 | 4 |
| Beijing Foton Cummins Engine Co., Ltd. | 1 | 2 | (2) |
| Cummins Westport, Inc. | - | 3 | 5 |
| Komatsu manufacturing alliances | (1) | (2) | (1) |
| All other manufacturers | 2 | 2 | 1 |
| Cummins share of net income | 73 | 75 | 92 |
| Royalty and interest income | 9 | 7 | 12 |
| Equity, royalty and interest income from investees | \$ 82 | \$ 82 | \$ 104 |

NOTE 2. INCOME TAXES

Our effective tax rate for the year is expected to approximate 29.5 percent, excluding any one-time items that may arise. Our tax rate is generally less than the 35 percent U.S. statutory income tax rate primarily due to lower tax rates on foreign income and research tax credits. The tax rate for the three month period ended March 31, 2013, was 27.6 percent. This tax rate includes a discrete tax benefit of \$28 million attributable to the 2012 research credit as well as a

discrete tax expense of \$17 million, which primarily relates to the write-off of a deferred tax asset deemed unrecoverable. On January 2, 2013, the American Taxpayer Relief Act of 2012 was signed into law and reinstated the research tax credit. The expiration of this credit resulted in a higher income tax provision of \$28 million in 2012. As tax law changes are accounted for in the period of enactment, we recognized the discrete tax benefit in the first quarter of 2013.

Our effective tax rate for the three months ended April 1, 2012, was 26.9 percent. The increase in the 2013 effective tax rate compared to 2012 is due primarily to an unfavorable change in the pre-tax mix of income taxed in higher rate jurisdictions, partially offset by \$11 million of net discrete tax benefits.

CUMMINS INC. AND SUBSIDIARIES

FINANCIAL MEASURES THAT SUPPLEMENT GAAP

(Unaudited)

Net income and diluted earnings per share (EPS) attributable to Cummins Inc. excluding special items

We believe this is a useful measure of our operating performance for the period presented as it illustrates our operating performance without regard to special items including the one-time income tax items and restructuring charges. 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. to net income attributable to Cummins Inc. excluding special items for the quarters ended March 31, 2013, December 31, 2012 and April 1, 2012.

| | Three months ended | | December 31, 2012 | | April 1, 2012 | |
|---|--------------------|---------|-------------------|---------|---------------|---------|
| | March 31, 2013 | | | | | |
| In millions | Net | Diluted | Net | Diluted | Net | Diluted |
| | Income | EPS | Income | EPS | Income | EPS |
| Net income attributable to Cummins Inc. | \$ 282 | \$ 1.49 | \$ 369 | \$ 1.95 | \$ 455 | \$ 2.38 |
| Add | | | | | | |
| Restructuring and other charges | - | - | 35 | 0.19 | - | - |
| Less | | | | | | |
| One-time tax benefits ⁽¹⁾ | 11 | 0.05 | 39 | 0.21 | - | - |
| Net income attributable to Cummins Inc. excluding special items | \$ 271 | \$ 1.44 | \$ 365 | \$ 1.93 | \$ 455 | \$ 2.38 |

(1) The one-time tax items for the three months ended March 31, 2013, included a discrete tax benefit of \$28 million attributable to the 2012 research credit as well as a discrete tax expense of \$17 million, which relates to the write-off of a deferred tax asset deemed unrecoverable. The one-time tax benefits for the three months ended December 31, 2012, related primarily to benefits resulting from transactions entered into and elections made with respect to our U.K. operations.

CUMMINS INC. AND SUBSIDIARIES

FINANCIAL MEASURES THAT SUPPLEMENT GAAP

(Unaudited)

Earnings before interest expense, income taxes, noncontrolling interests and restructuring and other charges

We define EBIT as earnings or loss 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 and EBIT excluding restructuring and other charges, non-GAAP financial measures, to Net income attributable to Cummins Inc., for each of the applicable periods:

| In millions | Three months ended | | |
|--|--------------------|----------------------|------------------|
| | March 31, 2013 | December 31, 2012 | April 1, 2012 |
| Earnings before interest expense, income taxes and special items | \$ 437 | \$ 532 | \$ 658 |
| <i>Earnings before interest expense, income taxes and special items as a percentage of net sales</i> | <i>11.1%</i> | <i>12.4%</i> | <i>14.7%</i> |
| Less | | | |
| Restructuring and other charges | - | 52 | - |
| Earnings before interest expense and income taxes | \$ 437 | \$ 480 | \$ 658 |
| <i>EBIT as a percentage of net sales</i> | <i>11.1%</i> | <i>11.2%</i> | <i>14.7%</i> |
| Less | | | |
| Interest expense | 6 | 7 | 8 |
| Income tax expense | 119 | 75 | 175 |
| Consolidated net income | 312 | 398 | 475 |
| Less | | | |
| Net income attributable to noncontrolling interests | 30 | 29 | 20 |
| Net income attributable to Cummins Inc. | \$ 282 | \$ 369 | \$ 455 |
| <i>Net income attributable to Cummins Inc. as a percentage of net sales</i> | <i>7.2%</i> | <i>8.6%</i> | <i>10.2%</i> |

CUMMINS INC. AND SUBSIDIARIES**BUSINESS UNIT SALES DATA****(Unaudited)**

Engine segment net sales by market

2013

| In millions | Q1 | Q2 | Q3 | Q4 | YTD |
|------------------------------|-----------|-----------|-----------|-----------|------------|
| Heavy-duty truck | \$ 654 | \$ - | \$ - | \$ - | \$ 654 |
| Medium-duty truck and bus | 448 | - | - | - | 448 |
| Light-duty automotive and RV | 260 | - | - | - | 260 |
| Industrial | 714 | - | - | - | 714 |
| Stationary power | 227 | - | - | - | 227 |
| Total sales | \$ 2,303 | \$ - | \$ - | \$ - | \$ 2,303 |

2012

| In millions | Q1 | Q2 | Q3 | Q4 | YTD |
|------------------------------|-----------|-----------|-----------|-----------|------------|
| Heavy-duty truck | \$ 892 | \$ 807 | \$ 656 | \$ 609 | \$ 2,964 |
| Medium-duty truck and bus | 526 | 512 | 478 | 575 | 2,091 |
| Light-duty automotive and RV | 286 | 297 | 353 | 343 | 1,279 |
| Industrial | 861 | 859 | 766 | 747 | 3,233 |
| Stationary power | 294 | 366 | 274 | 232 | 1,166 |
| Total sales | \$ 2,859 | \$ 2,841 | \$ 2,527 | \$ 2,506 | \$ 10,733 |

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

2013

| Units | Q1 | Q2 | Q3 | Q4 | YTD |
|-----------------|-----------|-----------|-----------|-----------|------------|
| Midrange | 94,600 | - | - | - | 94,600 |
| Heavy-duty | 24,900 | - | - | - | 24,900 |
| High-horsepower | 4,200 | - | - | - | 4,200 |
| Total units | 123,700 | - | - | - | 123,700 |

2012

| Units | Q1 | Q2 | Q3 | Q4 | YTD |
|--------------|-----------|-----------|-----------|-----------|------------|
| Midrange | 109,000 | 110,000 | 113,000 | 108,500 | 440,500 |

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| | | | | | |
|-----------------|---------|---------|---------|---------|---------|
| Heavy-duty | 36,000 | 33,000 | 26,000 | 24,100 | 119,100 |
| High-horsepower | 5,500 | 5,800 | 4,600 | 3,900 | 19,800 |
| Total units | 150,500 | 148,800 | 143,600 | 136,500 | 579,400 |

CUMMINS INC. AND SUBSIDIARIES**BUSINESS UNIT SALES DATA****(Unaudited)**

Component segment sales by business

| 2013 | | | | | |
|--------------------|-----------|-----------|-----------|-----------|------------|
| In millions | Q1 | Q2 | Q3 | Q4 | YTD |
| Emission solutions | \$ 400 | \$ - | \$ - | \$ - | \$ 400 |
| Turbo technologies | 266 | - | - | - | 266 |
| Filtration | 255 | - | - | - | 255 |
| Fuel systems | 97 | - | - | - | 97 |
| Total sales | \$ 1,018 | \$ - | \$ - | \$ - | \$ 1,018 |

| 2012 | | | | | |
|--------------------|-----------|-----------|-----------|-----------|------------|
| In millions | Q1 | Q2 | Q3 | Q4 | YTD |
| Emission solutions | \$ 404 | \$ 349 | \$ 325 | \$ 337 | \$ 1,415 |
| Turbo technologies | 298 | 297 | 257 | 254 | 1,106 |
| Filtration | 270 | 266 | 260 | 252 | 1,048 |
| Fuel systems | 127 | 124 | 96 | 96 | 443 |
| Total sales | \$ 1,099 | \$ 1,036 | \$ 938 | \$ 939 | \$ 4,012 |

Power generation segment sales by business

| 2013 | | | | | |
|------------------------|-----------|-----------|-----------|-----------|------------|
| In millions | Q1 | Q2 | Q3 | Q4 | YTD |
| Power products | \$ 409 | \$ - | \$ - | \$ - | \$ 409 |
| Power systems | 179 | - | - | - | 179 |
| Generator technologies | 126 | - | - | - | 126 |
| Power solutions | 32 | - | - | - | 32 |
| Total sales | \$ 746 | \$ - | \$ - | \$ - | \$ 746 |

| 2012 | | | | | |
|------------------------|-----------|-----------|-----------|-----------|------------|
| In millions | Q1 | Q2 | Q3 | Q4 | YTD |
| Power products | \$ 375 | \$ 459 | \$ 425 | \$ 395 | \$ 1,654 |
| Power systems | 188 | 217 | 174 | 178 | 757 |
| Generator technologies | 141 | 160 | 138 | 127 | 566 |
| Power solutions | 76 | 73 | 77 | 65 | 291 |

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| | | | | | |
|-------------|--------|--------|--------|--------|----------|
| Total sales | \$ 780 | \$ 909 | \$ 814 | \$ 765 | \$ 3,268 |
|-------------|--------|--------|--------|--------|----------|

Distribution segment sales by business

2013

| In millions | Q1 | Q2 | Q3 | Q4 | YTD |
|----------------------|-----------|-----------|-----------|-----------|------------|
| Parts and filtration | \$ 322 | \$ - | \$ - | \$ - | \$ 322 |
| Power generation | 163 | - | - | - | 163 |
| Engines | 152 | - | - | - | 152 |
| Service | 141 | - | - | - | 141 |
| Total sales | \$ 778 | \$ - | \$ - | \$ - | \$ 778 |

2012

| In millions | Q1 | Q2 | Q3 | Q4 | YTD |
|----------------------|-----------|-----------|-----------|-----------|------------|
| Parts and filtration | \$ 288 | \$ 302 | \$ 326 | \$ 319 | \$ 1,235 |
| Power generation | 186 | 201 | 178 | 242 | 807 |
| Engines | 166 | 147 | 157 | 195 | 665 |
| Service | 135 | 144 | 140 | 151 | 570 |
| Total sales | \$ 775 | \$ 794 | \$ 801 | \$ 907 | \$ 3,277 |