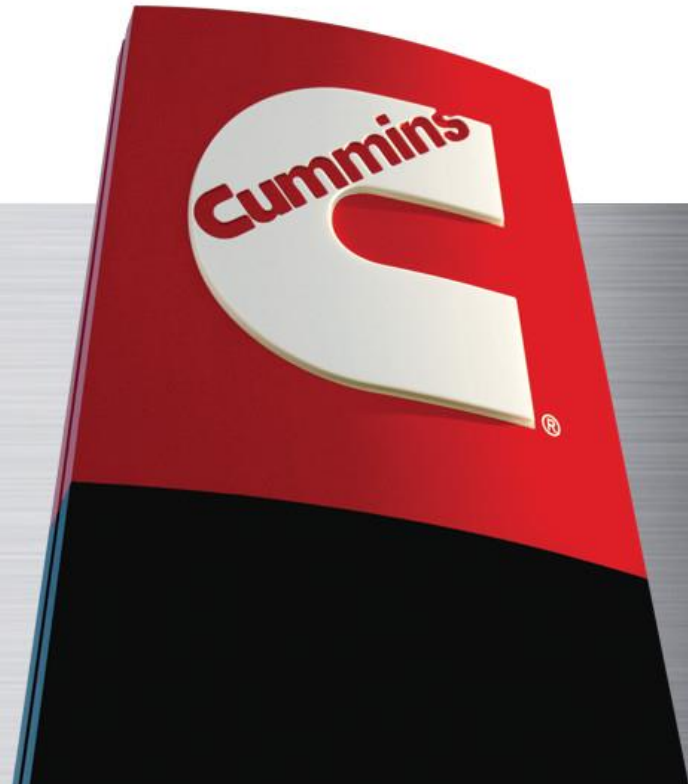


Third Quarter 2016 Earnings Teleconference

November 1, 2016





Participants

Tom Linebarger	Chairman and Chief Executive Officer
Rich Freeland	President and Chief Operating Officer
Pat Ward	Vice President and Chief Financial Officer
Mark Smith	Vice President - Financial Operations



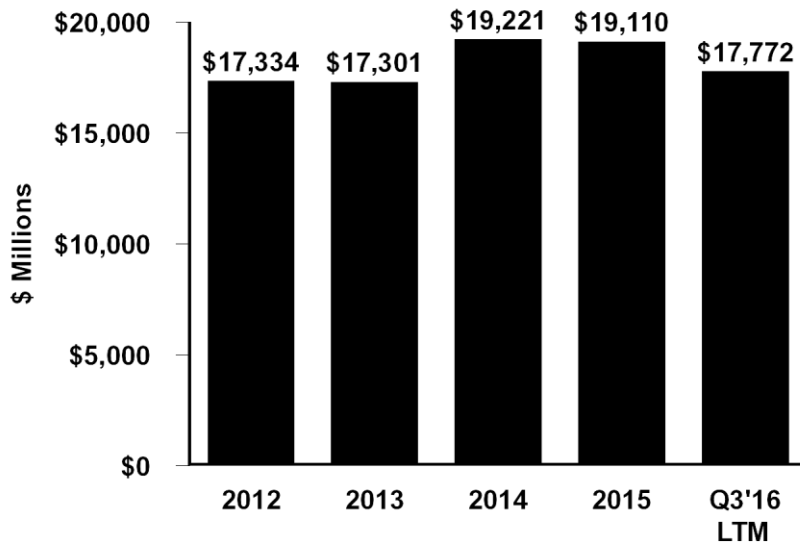
Disclosure Regarding Forward-Looking Statements

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 2015 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.

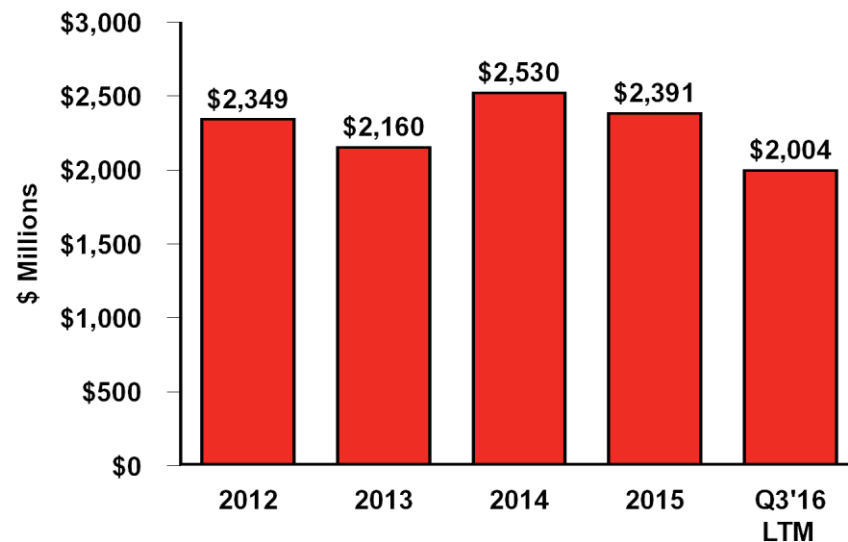


Cummins Inc.

Sales



EBIT¹



2016 Guidance	
Sales Down 9%	EBIT 11.3%

¹ 2012 EBIT excludes \$6 million pre-tax additional gain from the divestiture of two businesses in 2011 and \$52 million in restructuring charges. 2014 EBIT excludes \$32 million in operating actions within PGBU. Q4-2015 EBIT excludes \$211 million of impairment of light-duty diesel assets and \$90 million of restructuring actions and other charges.



Cummins Inc.

Selected Financial Data

\$Millions	Q3'16	Q3'15
Sales	4,187	4,620
Gross Margin (% of Sales)	25.8%	26.1%
SAR (% of Sales)	16.0%	15.7%
EBIT	398	577
EBIT (% of Sales)	9.5%	12.5%
GAAP Net Income	289	380
GAAP Net Income (% of Sales)	6.9%	8.2%
Diluted EPS	\$1.72	\$2.14
Dividend Per Share	\$1.025	\$0.975
ROANA (LTM)	22%	26%
ROE (LTM)	18%	20%



Joint Venture Income

\$Millions	Q3'16	Q3'15
Engine	38	33
Distribution	19	19
Components	9	9
Power Systems	8	17
Total JV Income	74	78



Engine Segment Selected Financial Data

\$Millions	Q3'16	Q3'15	Change
Sales	1,859	2,102	-12%
EBIT	89	217	-59%
EBIT (% of Sales)	4.8%	10.3%	

- Sales declined by 15 percent in North America and 2 percent in international markets.
- EBIT declined mainly due to an additional \$99 million charge for a loss contingency while volume declines and unfavorable mix were partially offset by lower material and warranty costs and benefits from restructuring actions initiated in the fourth quarter of 2015.



Engine Segment - Sales by Market

\$Millions	Q3'16	Q3'15	Change
Heavy-Duty Truck	625	784	-20%
Medium-Duty Truck & Bus	517	585	-12%
Light-Duty Automotive	345	339	+2%
On-Highway	1,487	1,708	-13%
Off-Highway	372	394	-6%

- On-highway revenues decreased due to lower production in North America heavy and medium-duty truck markets.
- Off-highway revenues declined as weaker demand in North America offset growth in international markets.



Key On-Highway Engine Markets - 2016

Key Market	2015	2016	Change Market Size
	Actual	Forecast	
Heavy Duty Truck - NAFTA Class 8, Group 2 - Production	291K units	200K units	Down 31%
Medium Duty Truck - NAFTA Class 6-7, and Class 8 Group 1 - Production	124K units	108K units	Down 13%
Heavy & Medium Truck - China Sales	751K units	870K units	Up 16%
Heavy & Medium Truck - India Production	318K units	340K units	Up 5%
Heavy & Medium Truck - Brazil Production	74K units	60K units	Down 20%



Distribution Segment Selected Financial Data

\$Millions	Q3'16	Q3'15	Change
Sales	1,504	1,551	-3%
EBIT	96	123	-22%
EBIT (% of Sales)	6.4%	7.9%	

- Increased sales from acquisitions were more than offset by a 5 percent decline in organic sales and a 1 percent negative impact from currency.
- EBIT declined due to fair market value gains on acquisitions in 2015 that did not repeat and an unfavorable impact from foreign currency.



Components Segment Selected Financial Data

\$Millions	Q3'16	Q3'15	Change
Sales	1,143	1,240	-8%
EBIT	148	156	-5%
EBIT (% of Sales)	12.9%	12.6%	

- Sales declines were driven by lower truck production in North America and the negative impact from currency, partially offset by growth in China.
- EBIT dollars declined as the benefits of material cost reductions and restructuring actions were more than offset by lower demand and unfavorable impact from pricing.



Power Systems Segment Selected Financial Data

\$Millions	Q3'16	Q3'15	Change
Sales	856	982	-13%
EBIT	59	74	-20%
EBIT (% of Sales)	6.9%	7.5%	

- Revenues declined in North America by 8 percent and internationally by 15 percent, primarily caused by declining sales in Asia, Middle East and Africa.
- EBIT declined due to lower volumes and joint venture earnings, which more than offset benefits from material cost reductions, previous restructuring actions and a weaker British Pound.



Guidance for 2016 Segment Results

Item	Engine	Distribution	Components	Power Systems
Consolidated Revenue Growth	Down 11%	Down 1%	Down 8%	Down 14%
EBIT Margins (% of Revenue)	8.75%	6.0%	13.25%	7.5%



Guidance for 2016 Consolidated Results

Item	Full Year Guidance
Consolidated Revenue	Down 9%
Earnings from JVs	Down 6%
EBIT Margin	11.3%
Effective Tax Rate ¹	25.5%
Capital Expenditures	\$550 - \$600M
Global Pension Funding	\$146M
Interest Expense	\$70M

¹ Excluding discrete income tax items

Cash Flow

\$Millions	Q3'16	Q3'15
Operating Cash Flow	576	562
Capital Expenditures	123	146
Working Capital Measure	3,912	4,394
Working Capital Measure <i>(% of Annualized Net Sales)</i>	23.4%	23.8%
Debt to Capital %	21.2%	17.0%

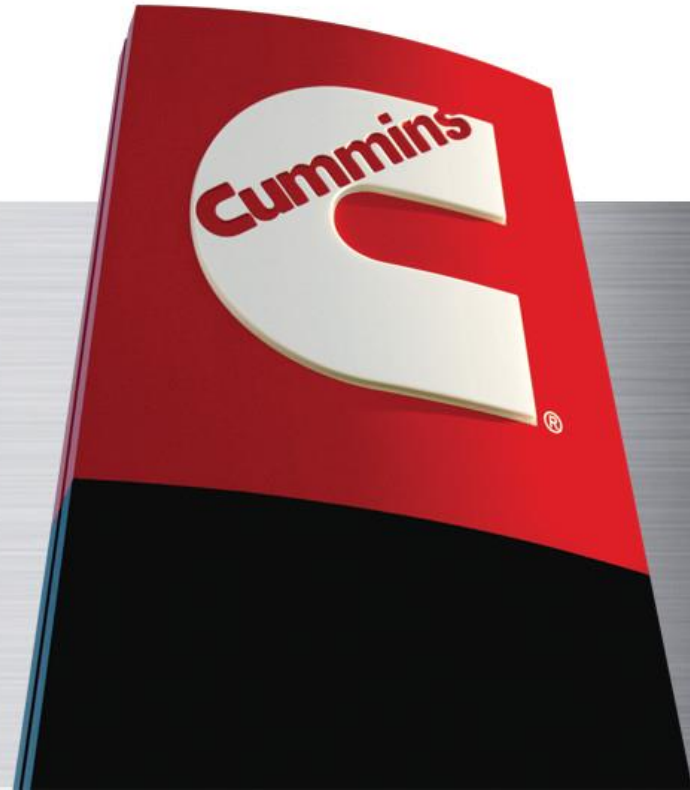
- Operating cash flows improved from a year ago due to lower working capital requirements.

Thank You for Your Interest in



For additional information contact:
Adam Schumm, Investor Relations Executive Director
(812) 377-3121
Adam.J.Schumm@Cummins.com
www.Cummins.com

Appendix





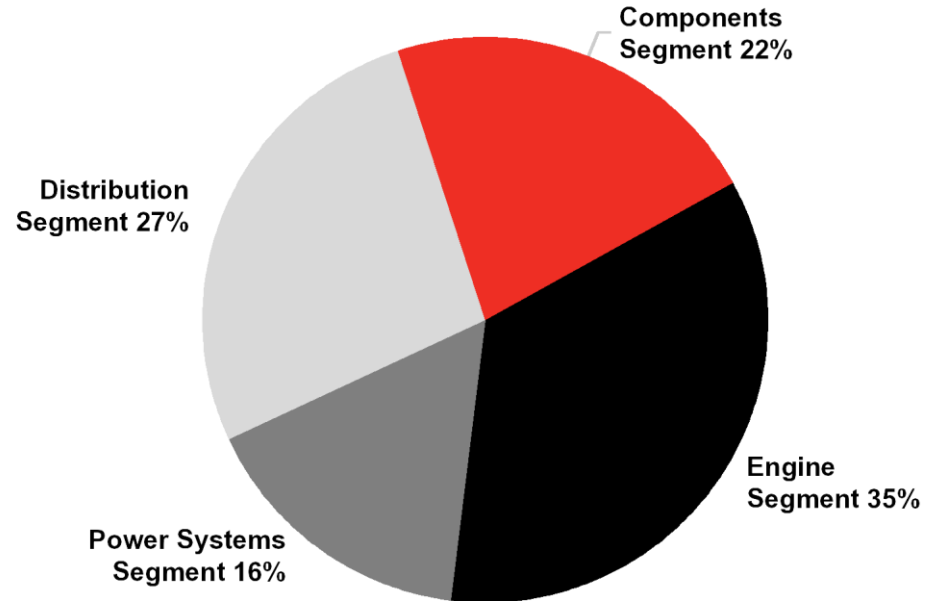
Cummins Inc.

- Strong product portfolio and global partners
- Macro growth trends play to Cummins' strengths
- Disciplined investment for growth
- Demonstrated technology leadership

Q3'16 LTM Results

Sales: \$17.8 billion
EBIT¹: \$2.0 billion
EBIT%: 11.3%

Q3'16 LTM Revenue by Segment



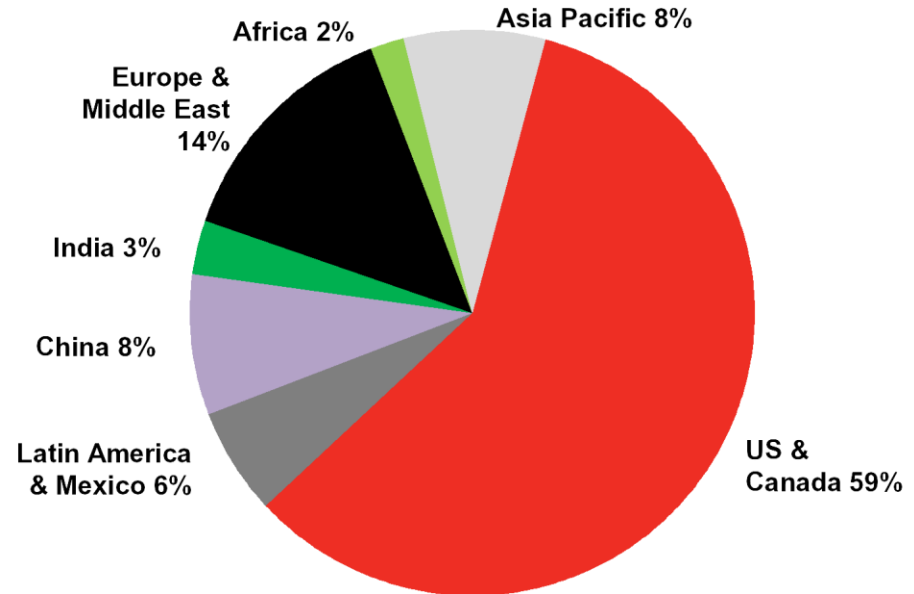
¹ Q4-2015 EBIT excludes \$211 million of impairment of light-duty diesel assets and \$90 million of restructuring actions and other charges.



Cummins Inc.

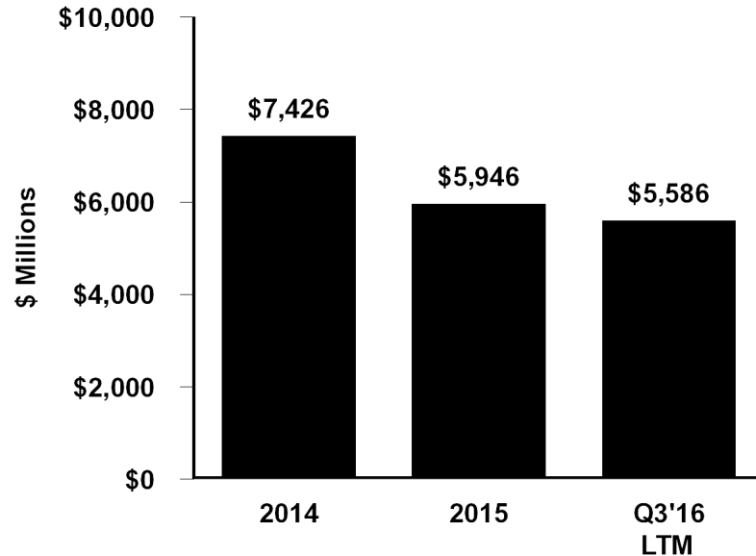
- Capitalizing on global emissions regulations
- Strong geographic diversification and leadership across multiple end-markets
- Global distribution network with presence in more than 190 countries and territories

Q3'16 LTM Revenue by Marketing Territory

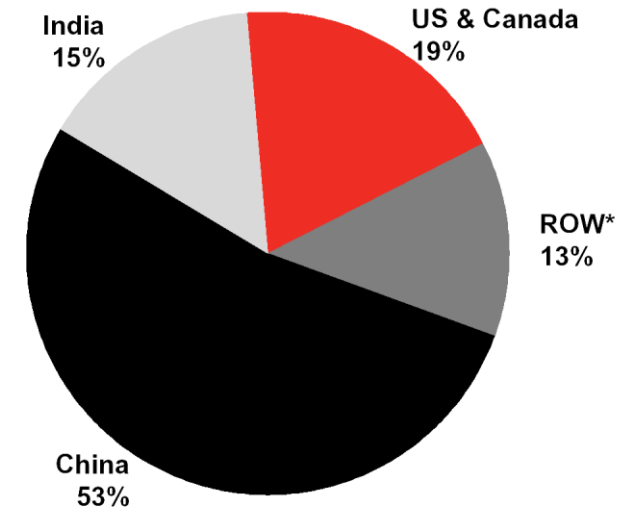




Cummins - Joint Venture Sales Unconsolidated



Q3'16 LTM Revenue



- The acquisition of the North American distributors, previously held as unconsolidated joint ventures, is the primary driver of a decline in revenues.

* Rest of world



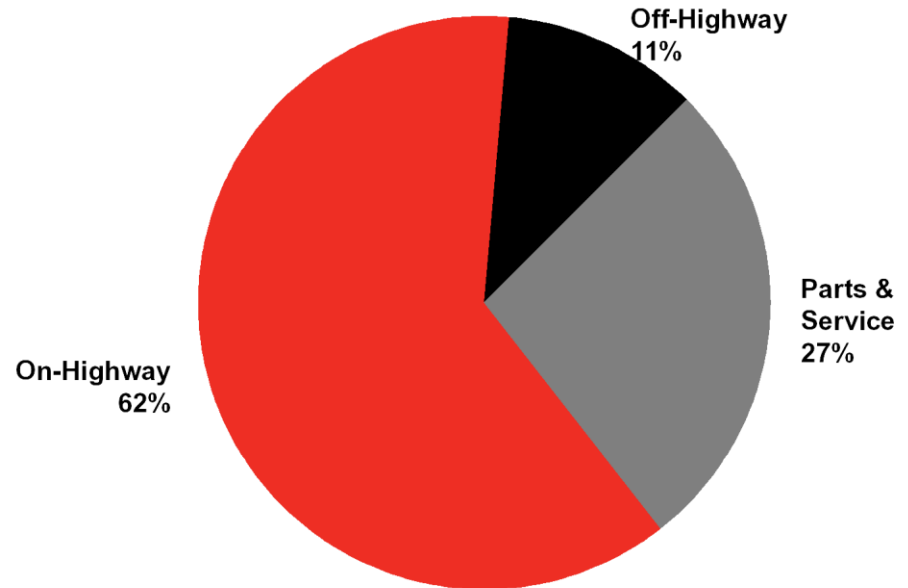
Engine Segment - Overview

- Diesel and natural gas engines from 2.8L to 15L and 60 hp to 755 hp
- Long-term engine supply 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

Q3'16 LTM Results

Sales: \$7.9 billion
EBIT¹: \$652 million
EBIT%: 8.2%

Q3'16 LTM Revenue by Product

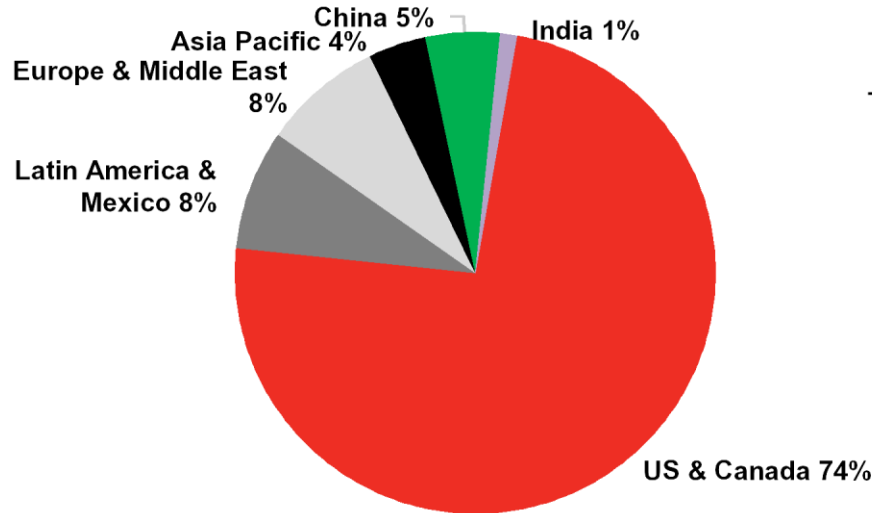


¹ Q4-2015 EBIT excludes \$202 million of impairment of light-duty diesel assets and \$17 million of restructuring actions and other charges.

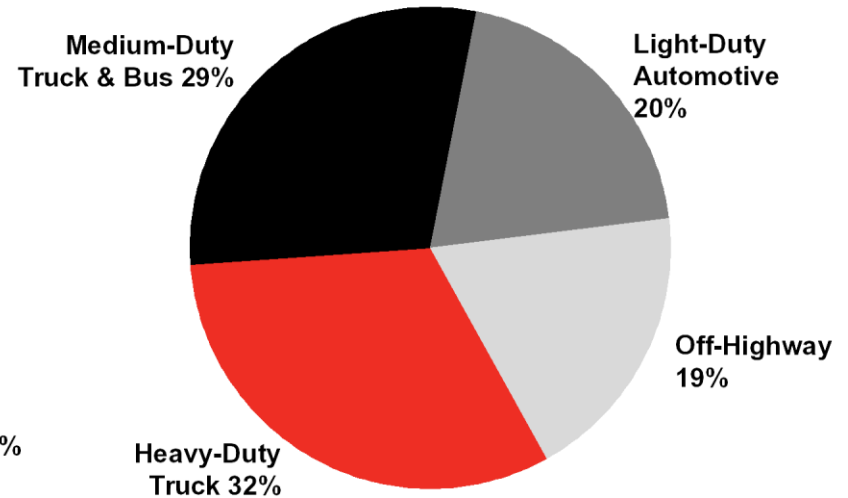


Engine Segment - Sales Mix

Geographic



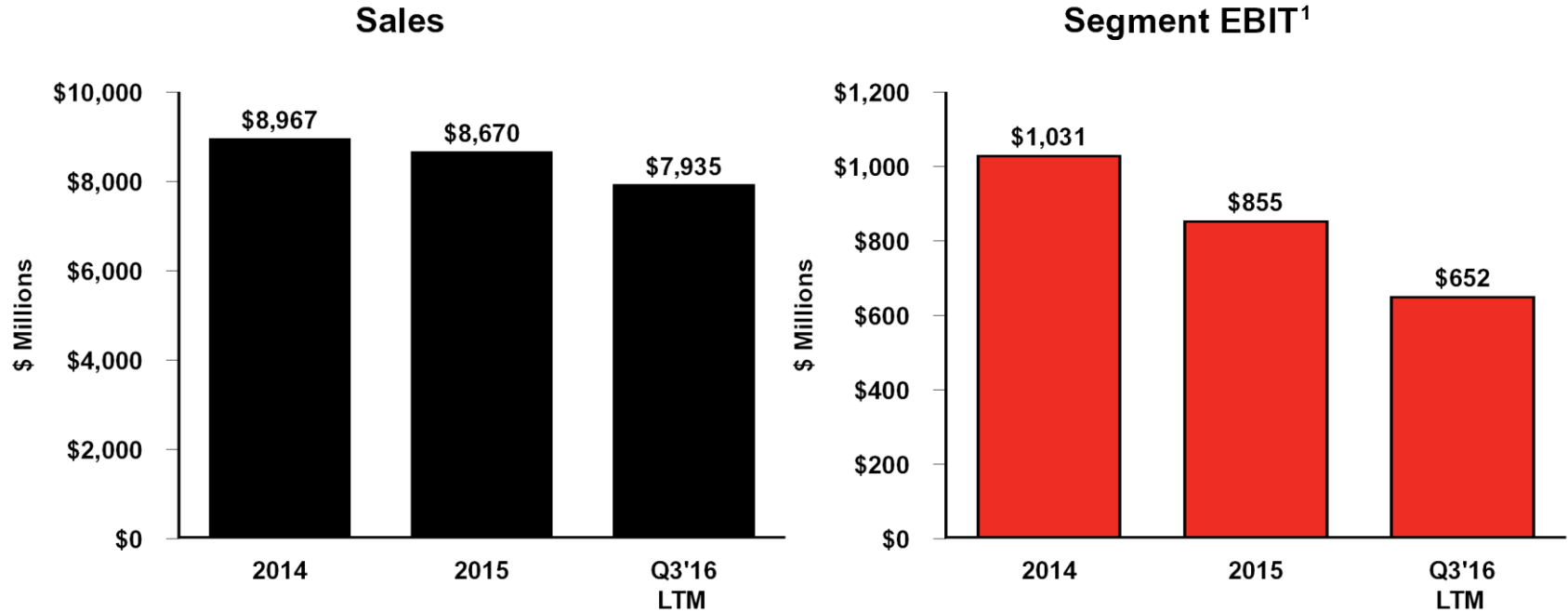
Application



Q3'16 LTM Revenue: \$7.9 billion



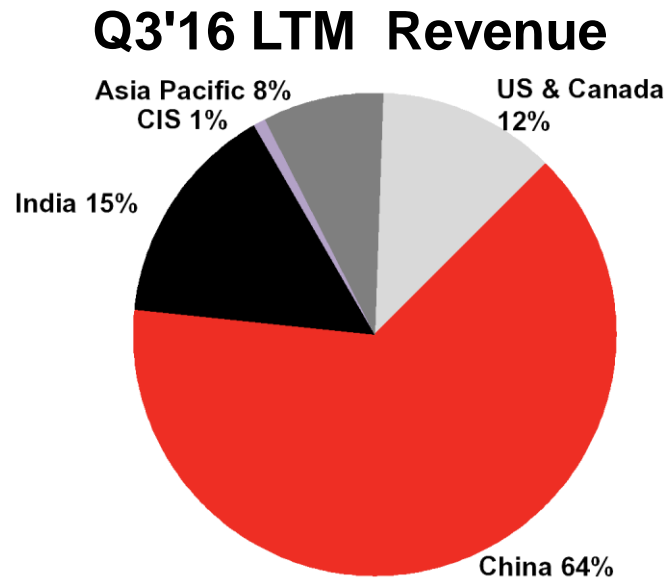
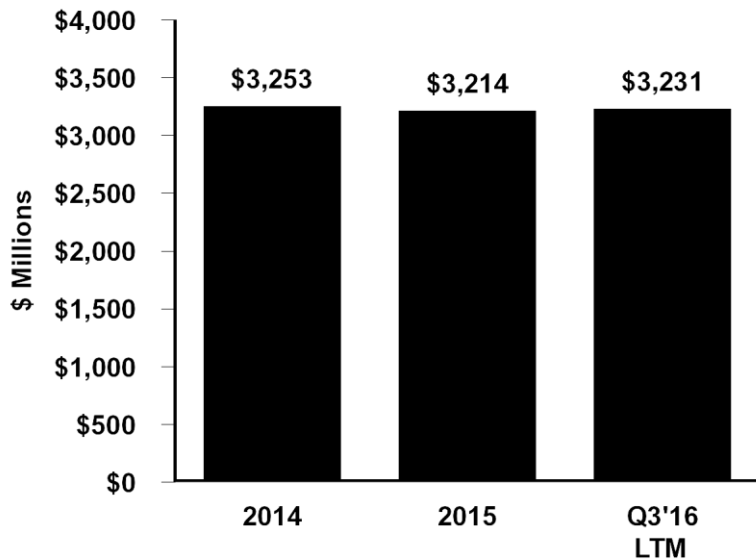
Engine Segment - Historical Performance



¹ Q4-2015 EBIT excludes \$202 million of impairment of light-duty diesel assets and \$17 million of restructuring actions and other charges.



Engine Segment - Joint Venture Sales Unconsolidated



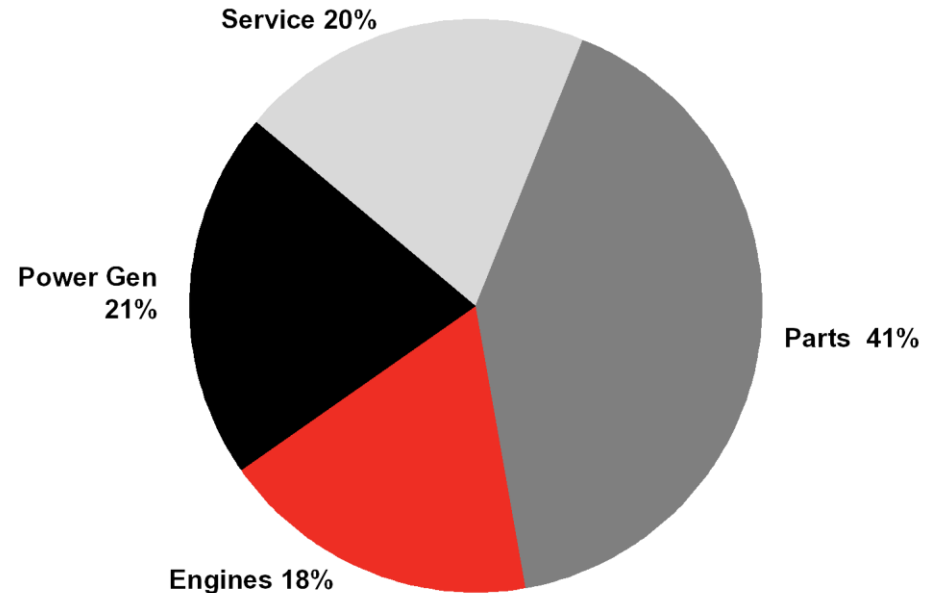
Distribution Segment - Overview

- Provide aftermarket support and increase solution-based revenue
- Acquiring our North American distributors
- Increasing network capabilities in emerging markets to capture profitable growth

Q3'16 LTM Results

Sales: \$6.2 billion
EBIT¹: \$381 million
EBIT%: 6.1%

Q3'16 LTM Revenue by Product

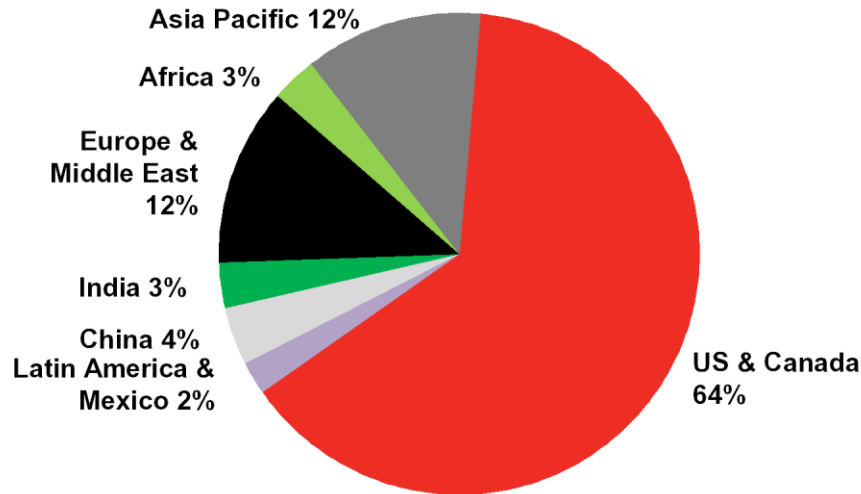


¹ Q4-2015 EBIT excludes \$23 million of restructuring actions and other charges.



Distribution Segment - Sales Mix

Geographic



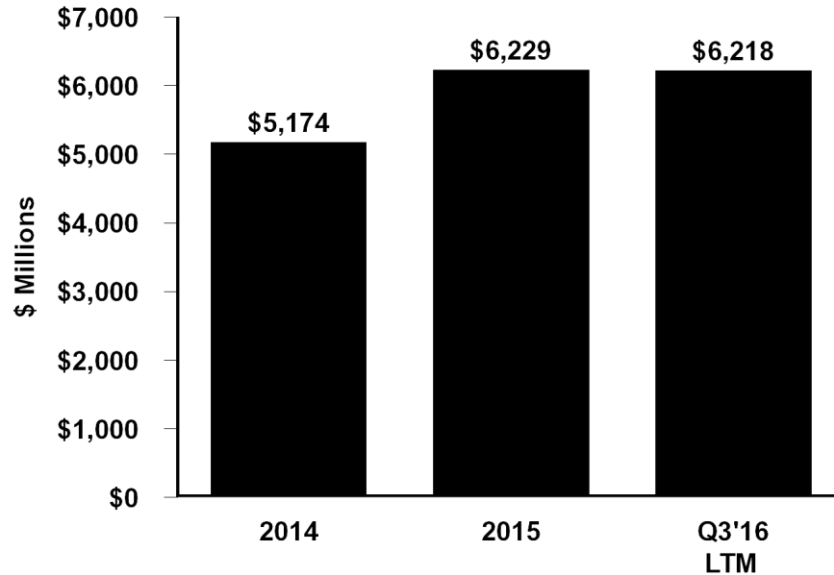
- Key enabler for Cummins growth
- Benefiting from increased population of product in the field

Q3'16 LTM Revenue: \$6.2 billion

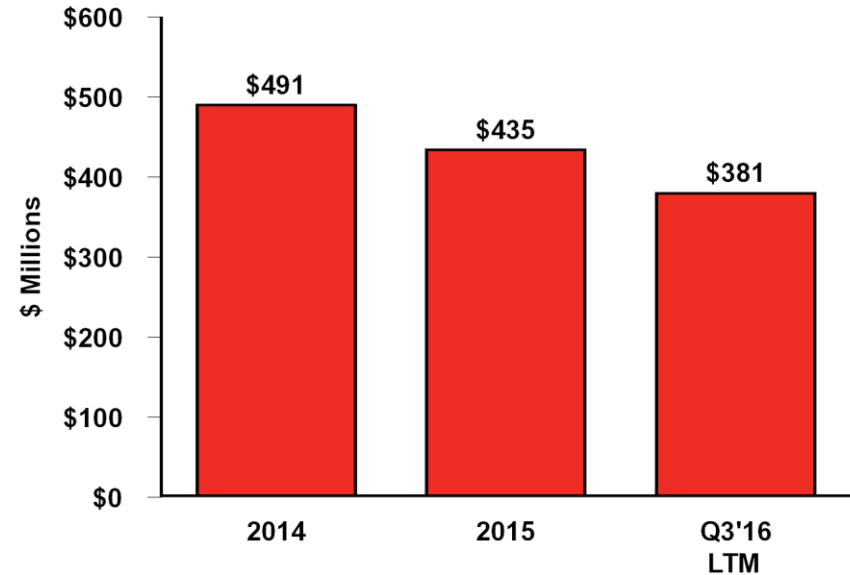


Distribution Segment - Historical Performance

Sales



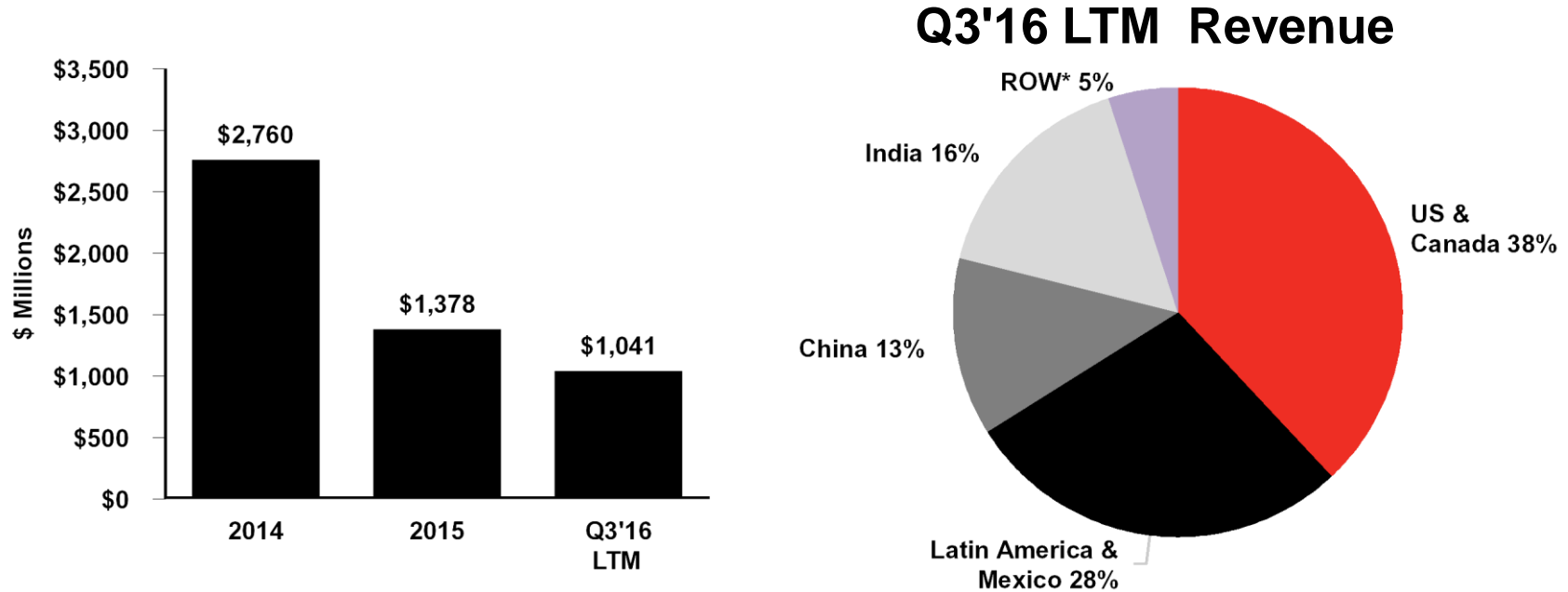
Segment EBIT¹



¹ Q4-2015 EBIT excludes \$23 million of restructuring actions and other charges.



Distribution Segment - Joint Venture Sales Unconsolidated



■ The acquisition of the North American distributors, previously held as unconsolidated joint ventures, is the primary driver of a decline in revenues.

* Rest of World



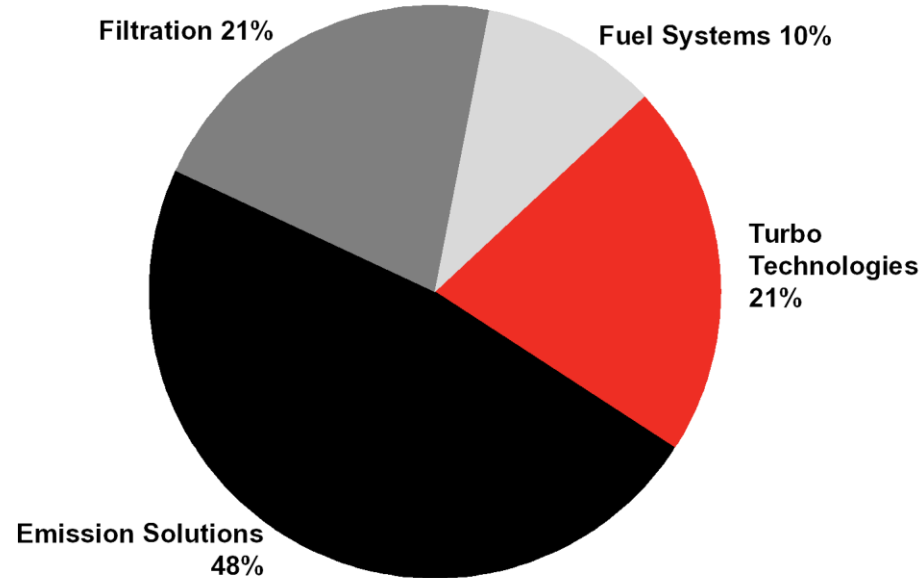
Components Segment - Overview

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

Q3'16 LTM Results

Sales: \$4.9 billion
EBIT¹: \$676 million
EBIT%: 13.8%

Q3'16 LTM Revenue by Business

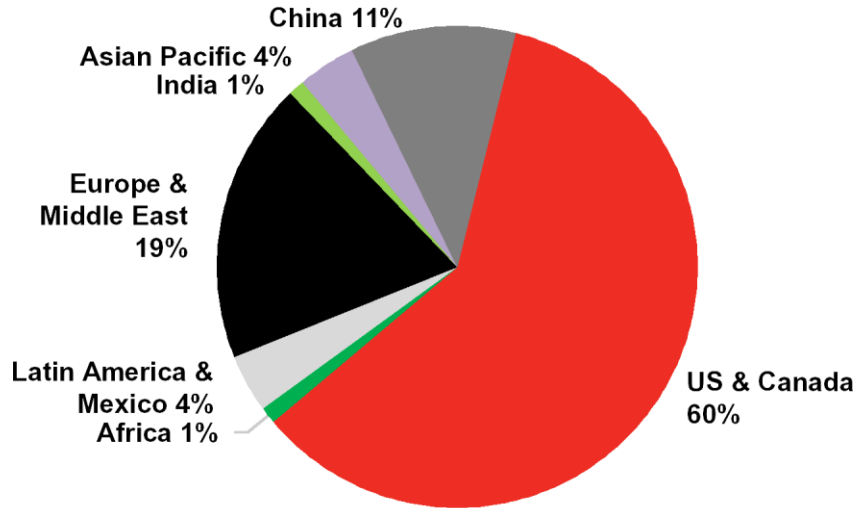


¹ Q4-2015 EBIT excludes \$9 million of impairment of light-duty diesel assets and \$13 million of restructuring actions and other charges.

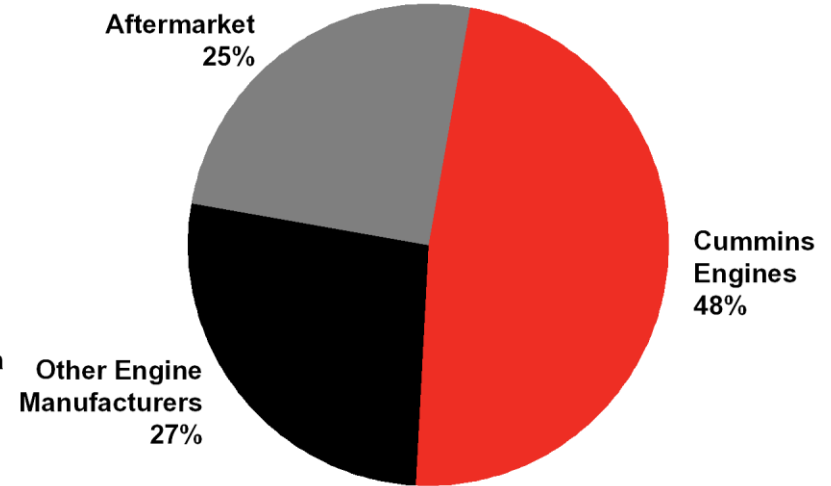


Components Segment - Sales Mix

Geographic



Application

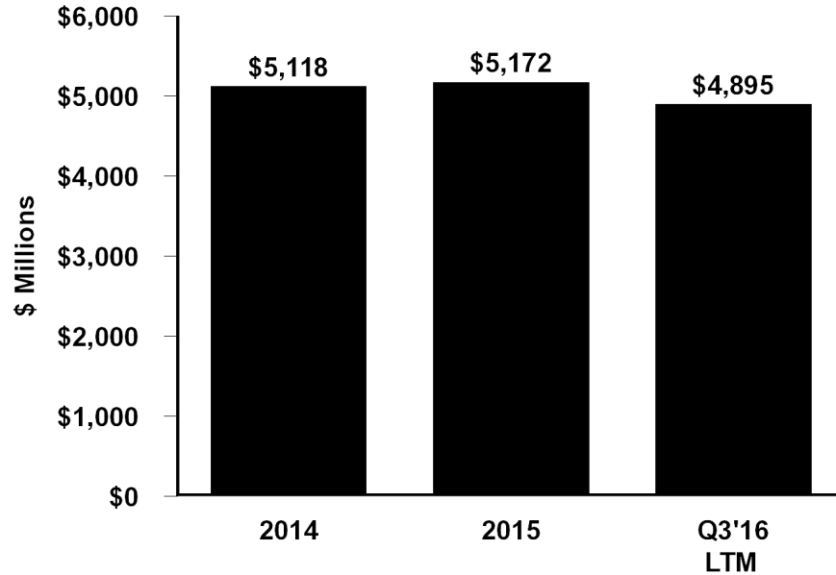


Q3'16 LTM Revenue: \$4.9 billion

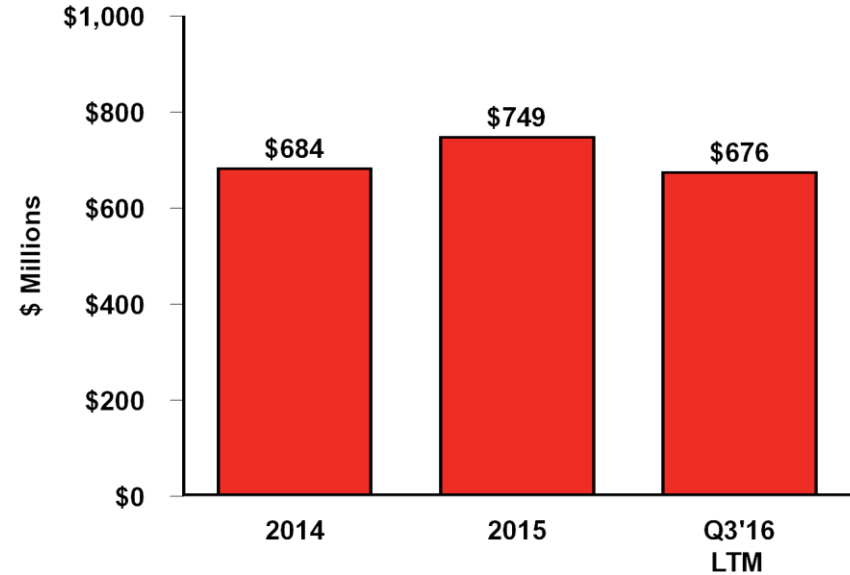


Components Segment - Historical Performance

Sales



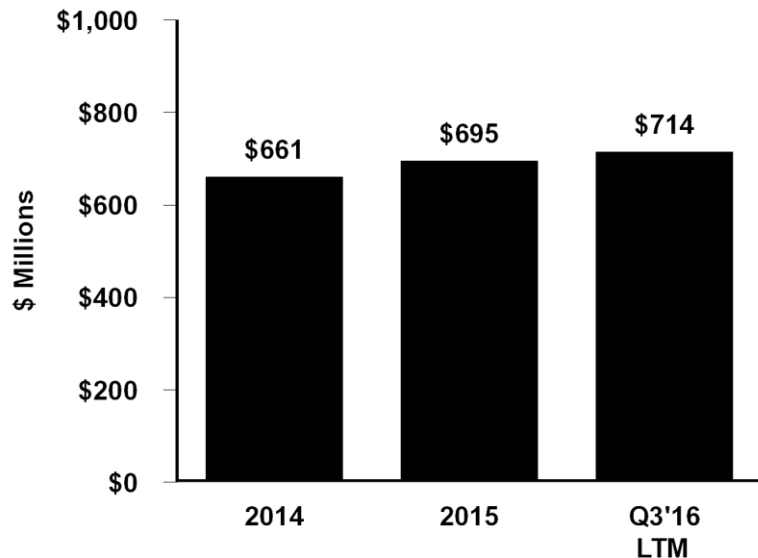
Segment EBIT¹



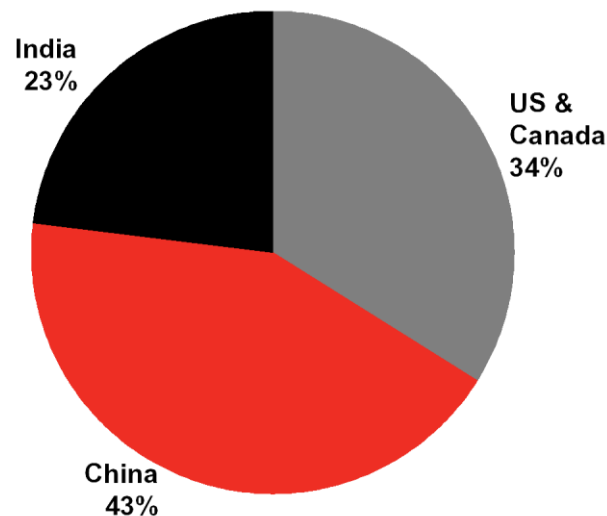
¹ Q4-2015 EBIT excludes \$9 million of impairment of light-duty diesel assets and \$13 million of restructuring actions and other charges.



Components Segment - Joint Venture Sales Unconsolidated



Q3'16 LTM Revenue





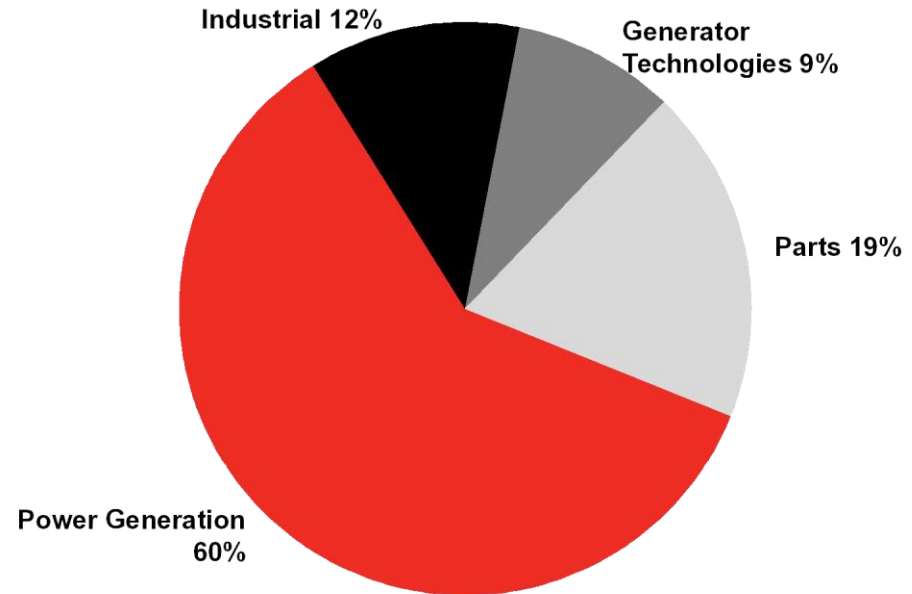
Power Systems Segment - Overview

- Global provider of power generation systems, components and services from 2kW to 3.5 Megawatts (MW)
- Leading supplier of alternators from 3kVA to 12,000kVa
- Leading market share in multiple geographies

Q3'16 LTM Results

Sales: \$3.6 billion
EBIT¹: \$254 million
EBIT%: 7.1%

Q3'16 LTM Revenue by Product

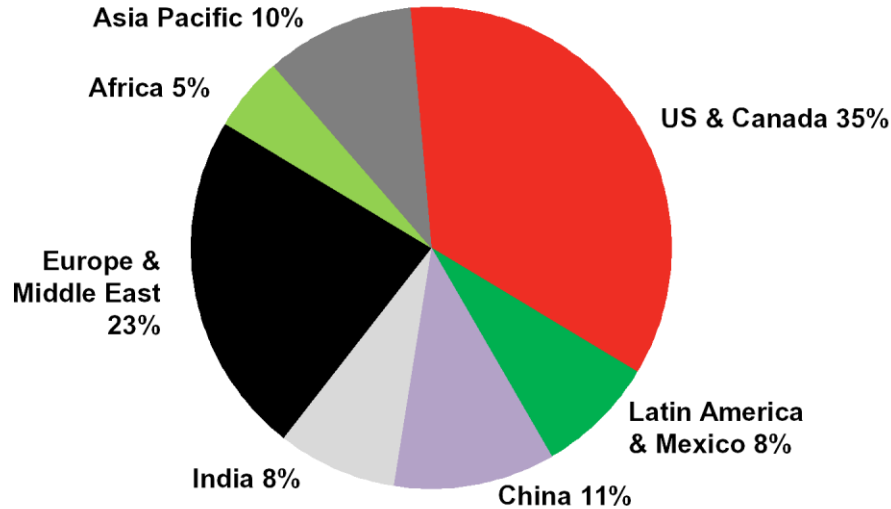


¹ Q4-2015 EBIT excludes \$26 million of restructuring actions and other charges.

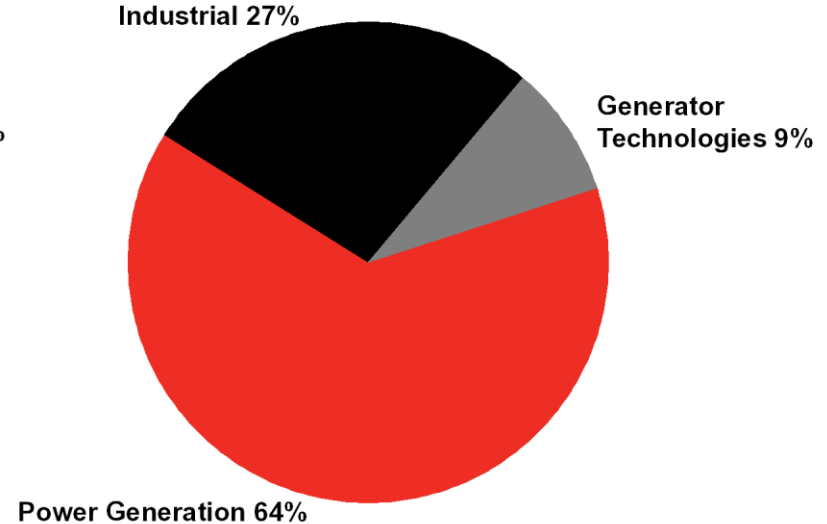


Power Systems Segment - Sales Mix

Geographic



Product

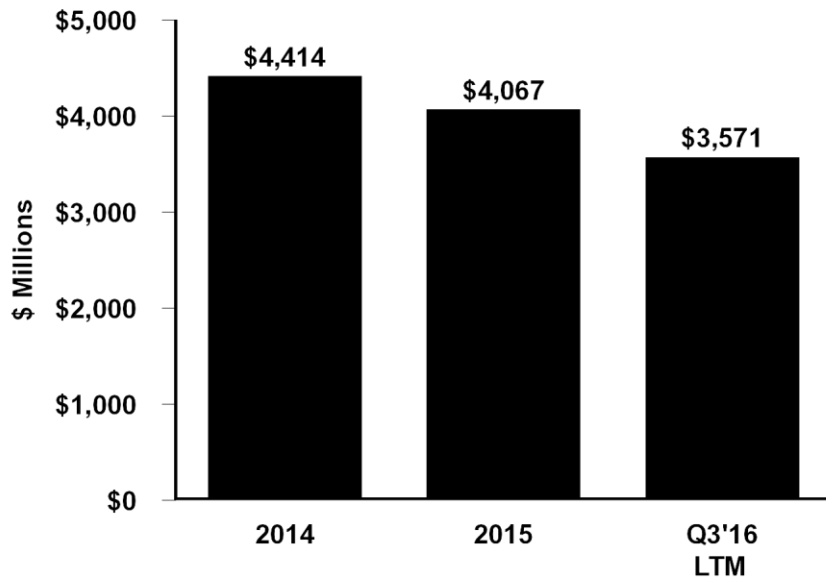


Q3'16 LTM Revenue: \$3.6 billion

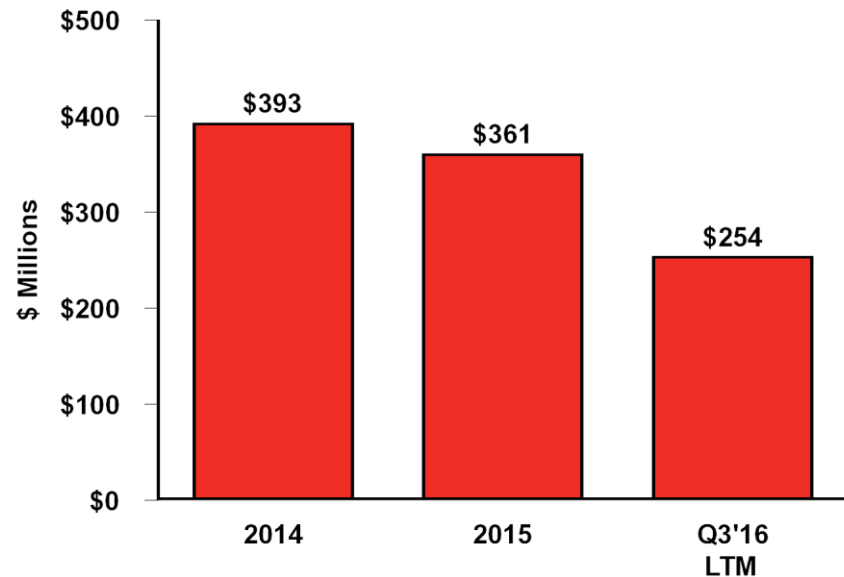


Power Systems Segment - Historical Performance

Sales



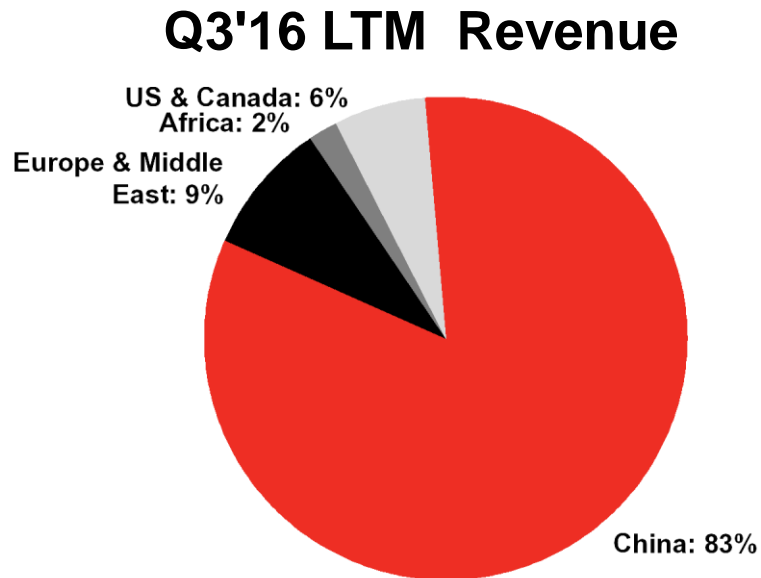
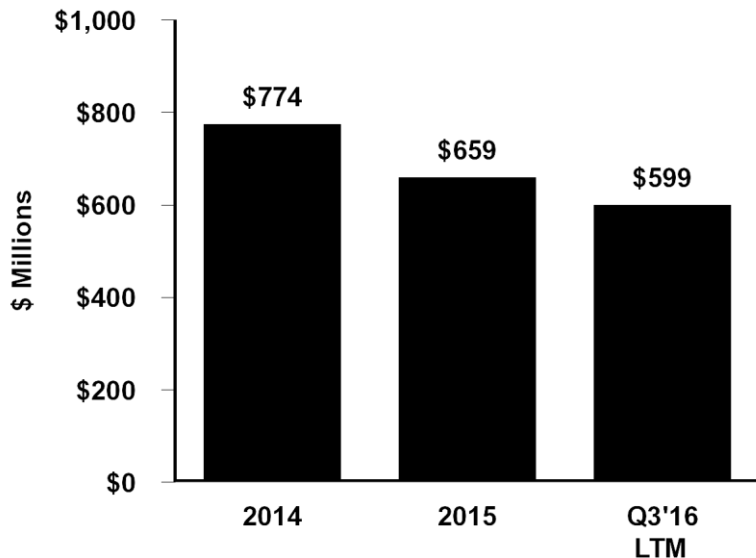
Segment EBIT¹



¹ 2014 EBIT excludes \$32 million in operating actions. Q4-2015 EBIT excludes \$26 million of restructuring actions and other charges.

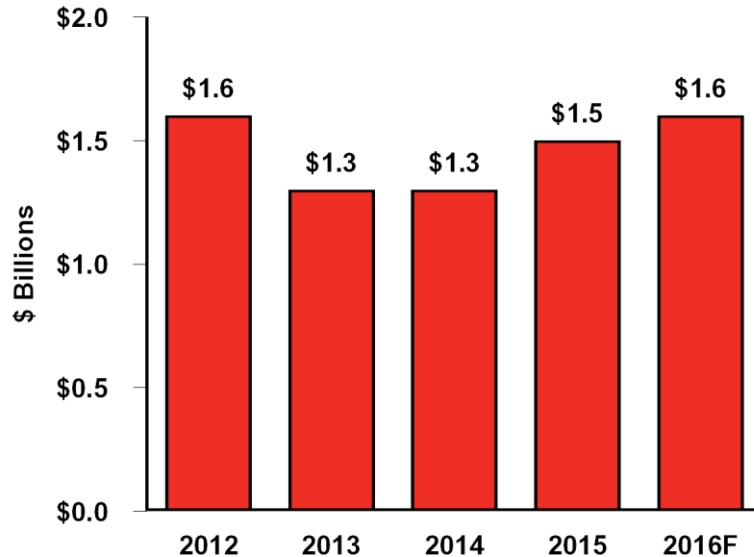


Power Systems Segment - Joint Venture Sales Unconsolidated





Emerging Market Sales - India¹



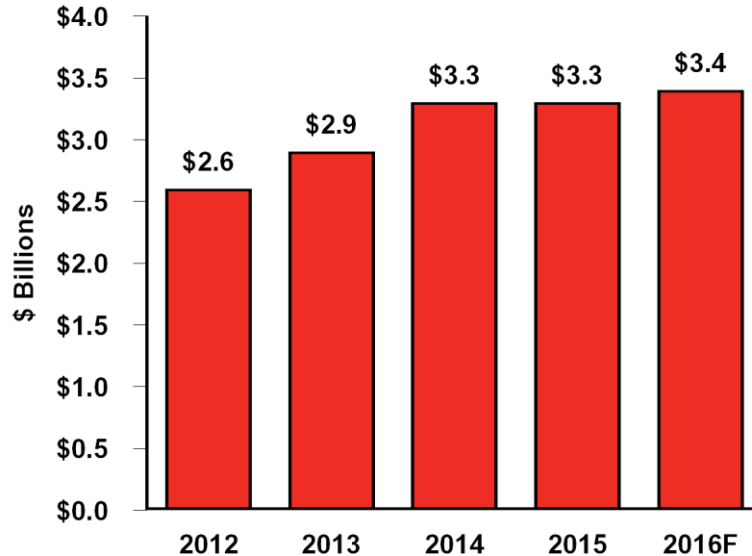
- Present in India for over 50 years
- Market leadership
- Strong OEM relationships
- Expanding our markets

Domestic consolidated + unconsolidated revenue

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

¹ Before intercompany eliminations.

Emerging Market Sales - China¹



- Present in China for over 40 years
- Broad product portfolio for On- and Off-Highway
- Strong OEM partners
- Growth from new products and tightening emission standards

Domestic consolidated + unconsolidated revenue

¹ Before intercompany eliminations



Non-GAAP Reconciliation - EBIT

Three Months Ended

In Millions	October 2, 2016	September 27, 2015
EBIT	\$ 398	\$ 577
Less: Interest Expense	16	16
Income before taxes	382	561
Less: Income tax expense	82	169
Consolidated net income	300	392
	11	12
Less: Net income attributable to noncontrolling interests		
Net income attributable to Cummins Inc.	\$ 289	\$ 380

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 program. 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 for 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

In Millions	October 2, 2016	September 27, 2015
Accounts and notes receivable, net	\$ 2,873	\$ 3,159
Inventories	2,820	3,059
Less: Accounts Payable - (principally trade)	(1,781)	(1,824)
Working capital measure	\$ 3,912	\$ 4,394
Working capital measure (% of Annualized Net Sales)	23.4%	23.8%

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

In Millions	October 2, 2016	September 27, 2015
Net assets for operating segments	<u>\$ 8,826</u>	<u>\$ 9,388</u>
Liabilities deducted in computing net assets	6,097	6,037
Pension and other postretirement liabilities	(150)	(127)
Deferred tax assets not allocated to segments	361	466
Debt-related costs not allocated to segments	2	33
Total Assets	<u>\$ 15,136</u>	<u>\$ 15,797</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

In Millions	October 2, 2016	September 27, 2015
Equity used for return on equity calculation	\$ 7,557	\$ 8,375
Defined benefit postretirement plans	(623)	(626)
Total shareholders equity	6,934	7,749
Noncontrolling Interest	330	332
Total Equity	\$ 7,264	\$ 8,081

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