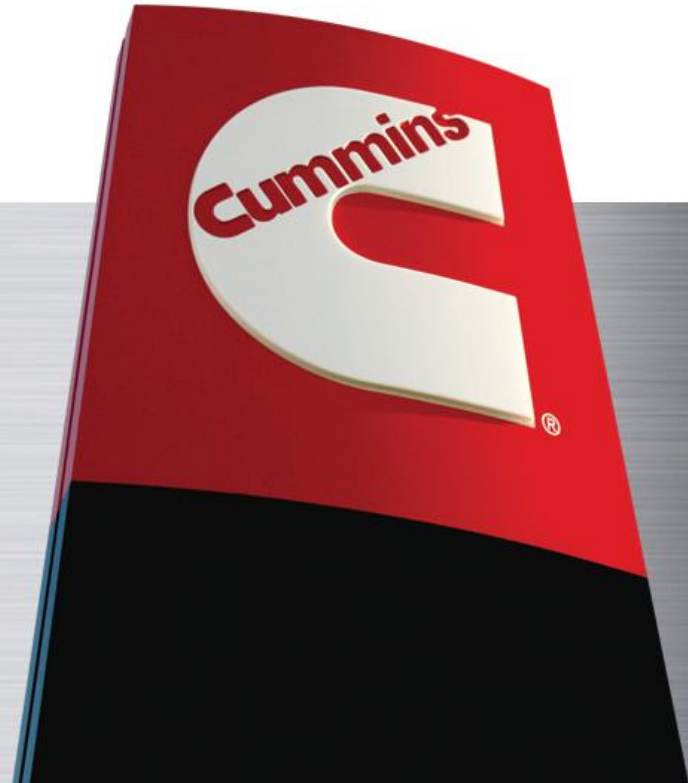


First Quarter 2016 Earnings Teleconference

May 3, 2016





Participants

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



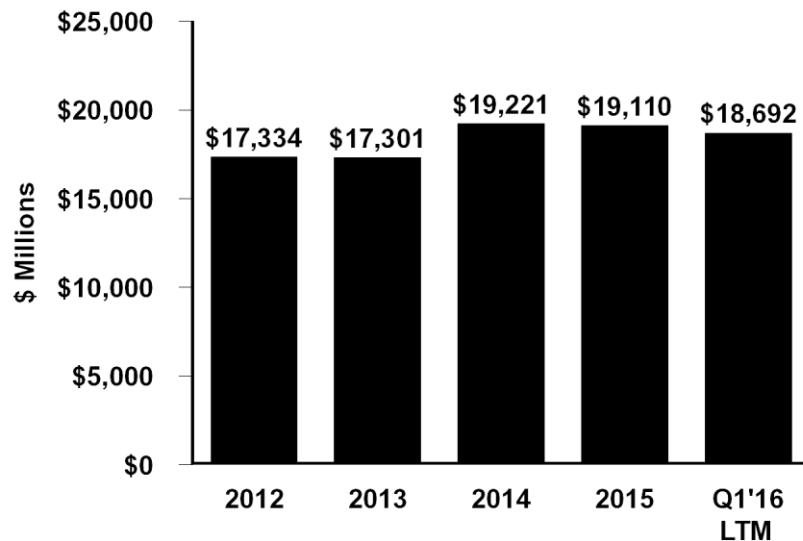
Disclosure Regarding Forward-Looking Statements

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 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.

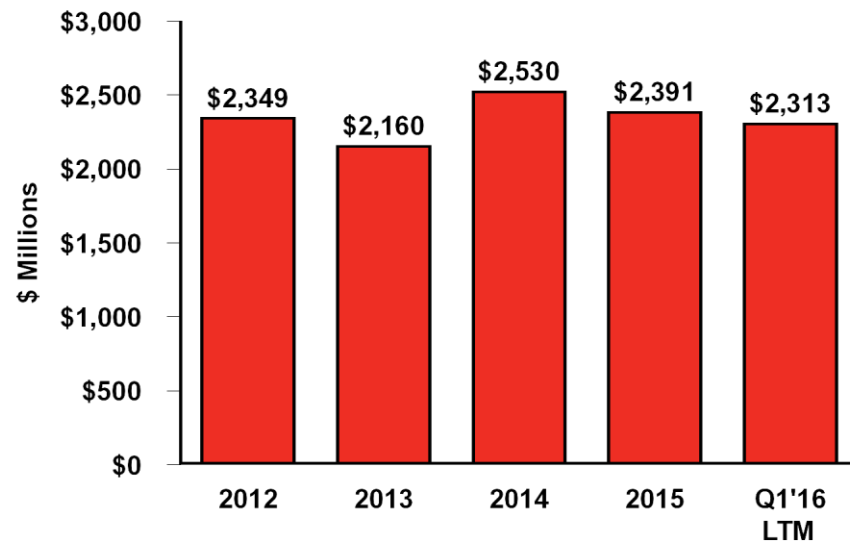


Cummins Inc.

Sales



EBIT¹



2016 Guidance	
Sales Down 5 to 9%	EBIT 11.6 to 12.2%

¹2012 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	Q1'16	Q1'15
Sales	4,291	4,709
EBIT	484	562
EBIT (% of Sales)	11.3%	11.9%
Net Income Attributable to CMI	321	387
Diluted EPS	1.87	2.14
Dividends Paid	0.975	0.78
ROANA (LTM)	25%	26%
ROE (LTM)	19%	21%



Joint Venture Income

\$Millions	Q1'16	Q1'15
Engine	41	30
Distribution	18	20
Components	8	9
Power Generation	5	9
Total JV Income	72	68

- Joint venture income in the first quarter a year ago included an impairment of our investment in an off-highway joint venture, which did not repeat.



Engine Segment Selected Financial Data

\$Millions	Q1'16	Q1'15	Change
Sales	2,334	2,596	-10%
EBIT	200	253	-21%
EBIT (% of Sales)	8.6%	9.7%	

- Sales declined in industrial and on-highway markets by 13 and 8 percent, respectively.
- EBIT declined as benefits from restructuring, improvements in material costs and lower warranty expenses were more than offset by the impact of lower volumes and unfavorable product mix.



Engine Segment Sales by Market - On-highway

\$Millions	Q1'16	Q1'15	Change
Heavy-Duty Truck	631	757	-17%
Medium-Duty Truck & Bus	549	608	-10%
Light-Duty Automotive	433	381	+14%

- Heavy-duty truck revenues declined due to lower demand in North America.
- Medium-duty truck sales declined from a year ago primarily due to weaker truck demand in North America and Brazil, more than offsetting higher demand in the bus market.
- Light-duty revenues increased due to higher demand in the pickup truck market in North America.



Engine Segment Sales by Market - Off-highway

\$Millions	Q1'16	Q1'15	Change
Industrial	539	616	-13%
Stationary Power	182	234	-22%

- Industrial revenues declined 13 percent due to weak global demand for engines in marine, mining, and oil and gas markets.
- Stationary power engine shipments declined primarily due to weak demand for power generation equipment 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	210K units	Down 28%
Medium Duty Truck - NAFTA Class 6-7, and Class 8 Group 1 - Production	124K units	123K units	Down 1%
Heavy & Medium Truck - China Sales	751K units	720K units	Down 4%
Heavy & Medium Truck - India Production	318K units	350K units	Up 10%
Heavy & Medium Truck - Brazil Production	74K units	60K units	Down 20%



Distribution Segment Selected Financial Data

\$Millions	Q1'16	Q1'15	Change
Sales	1,463	1,476	-1%
EBIT	95	88	+8%
EBIT (% of Sales)	6.5%	6.0%	

- Revenues declined as the negative impact of currency and weak off-highway markets offset the positive impact from acquisitions made in 2015.
- EBIT improved due to benefits from restructuring, positive pricing and a stronger mix of aftermarket revenues but were partially offset by the unfavorable impact of currency movements.



Components Segment Selected Financial Data

\$Millions	Q1'16	Q1'15	Change
Sales	1,237	1,299	-5%
EBIT	173	195	-11%
EBIT (% of Sales)	14.0%	15.0%	

- Sales declined due to weaker on-highway markets in North America and Brazil, offsetting growth in China.
- EBIT as a percent of sales fell compared to last year as lower volumes, unfavorable pricing, and currency more than offset the benefits of material cost reductions and restructuring actions.



Power Generation Segment Selected Financial Data

\$Millions	Q1'16	Q1'15	Change
Sales	550	680	-19%
EBIT	31	49	-37%
EBIT (% of Sales)	5.6%	7.2%	

- Sales declined in most markets, with the most significant declines in Asia and Latin America.
- EBIT margins declined as the impact of lower sales volumes more than offset the benefits of restructuring and material cost reductions.



Guidance for 2016 Consolidated Results

Item	Full Year Guidance
Consolidated Revenue	Down 5 to 9%
Earnings from JVs	Flat
EBIT Margin	11.6 to 12.2%
Effective Tax Rate ¹	28.5%
Capital Expenditures	\$600 - \$650M
Global Pension Funding	\$146M
Interest Expense	\$70M

¹ Excluding discrete income tax items

Cash Flow

\$Millions	Q1'16	Q1'15
Operating Cash Inflow	263	173
Capital Expenditures	71	100
Working Capital Measure	3,871	4,163
Working Capital Measure <i>(% of Annualized Net Sales)</i>	22.6%	22.1%
Debt to Capital %	20.1%	17.5%

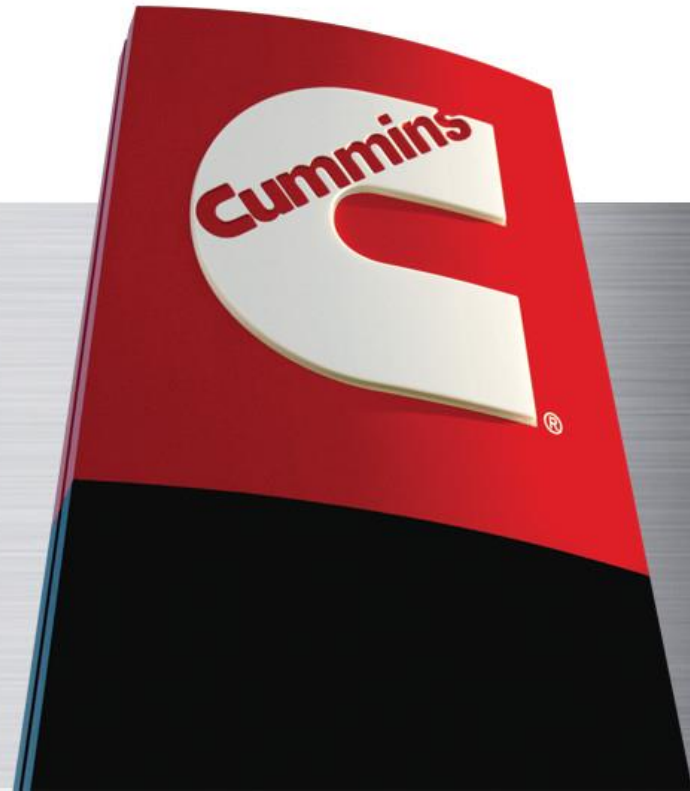
- Operating cash flows improved from a year ago due to lower working capital requirements.

Thank You for Your Interest in



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

Appendix





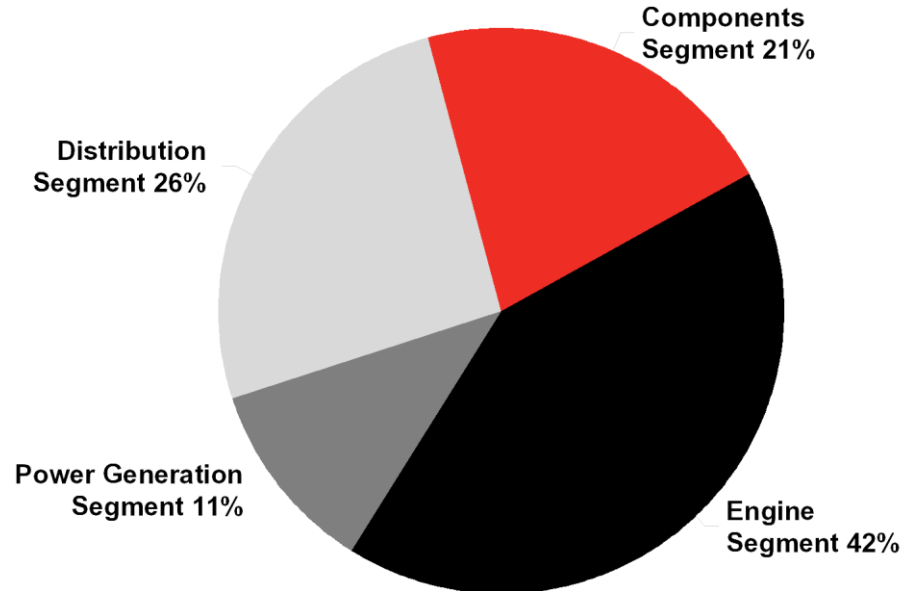
Cummins Inc.

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

Q1'16 LTM Results

Sales: \$18.7 billion
EBIT¹: \$2.3 billion
EBIT%: 12.4%

Q1'16 LTM Revenue by Segment



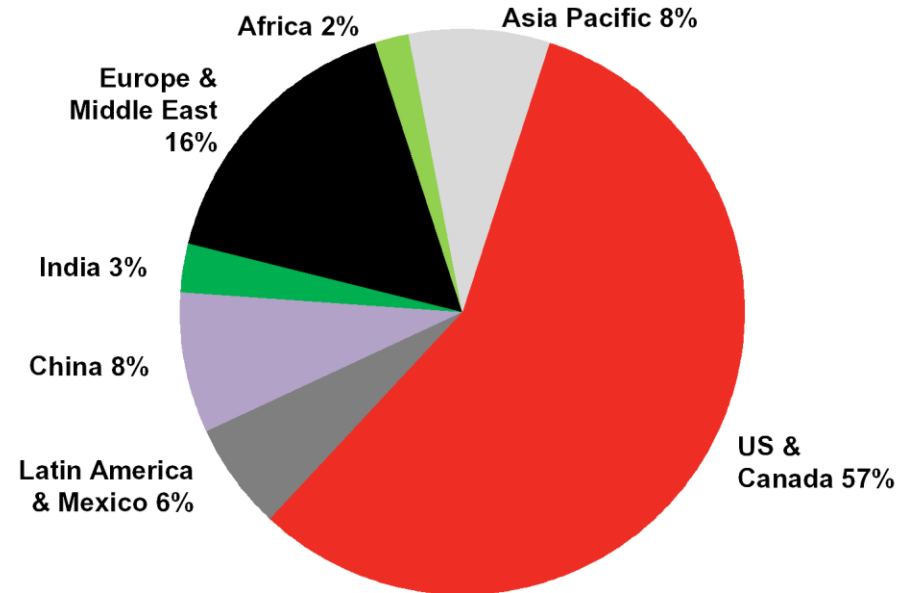
¹ Q4-2015 EBIT excludes \$211 million of impairment of light-duty diesel assets and \$90 million of restructuring actions and other charges.



Cummins Inc.

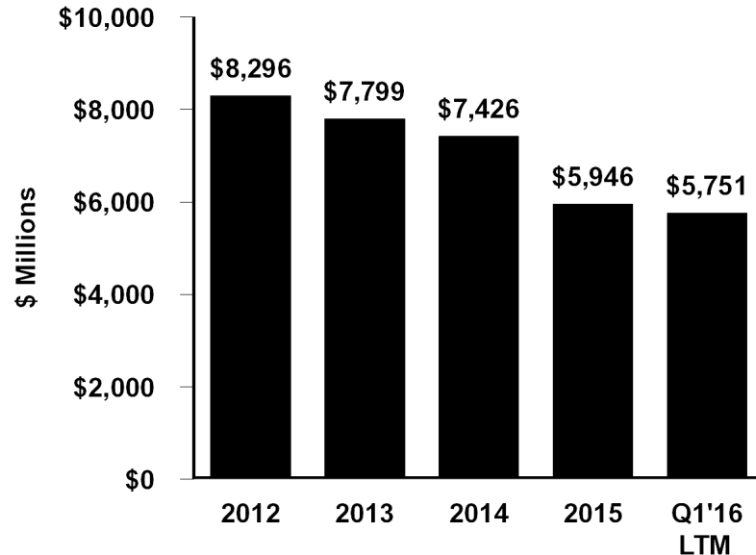
- Capitalizing on global emissions regulations
- Strong geographic diversification and leadership across multiple end-markets
- Global distribution network with presence in more than 190 countries and territories

Q1'16 LTM Revenue by Marketing Territory

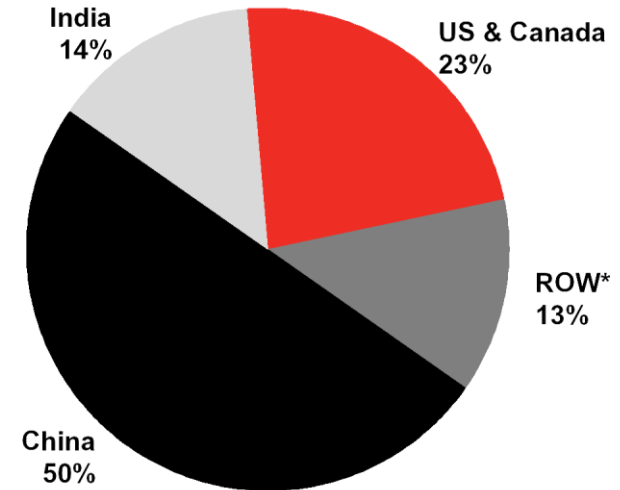




Cummins - Joint Venture Sales Unconsolidated



Q1'16 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



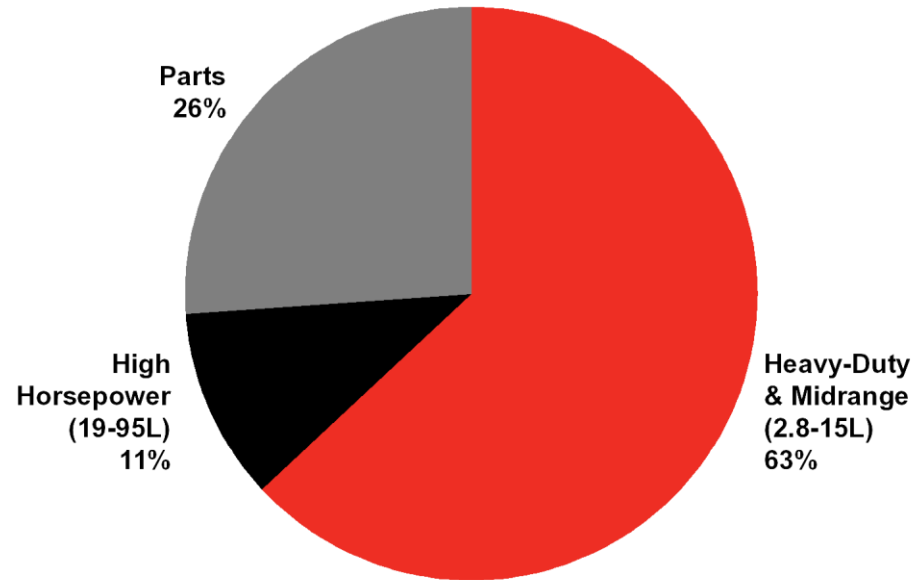
Engine Segment - Overview

- Diesel and natural gas engines from 2.8L to 95L and 49 hp to 5,100 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

Q1'16 LTM Results

Sales: \$10.2 billion
EBIT¹: \$982 million
EBIT%: 9.6%

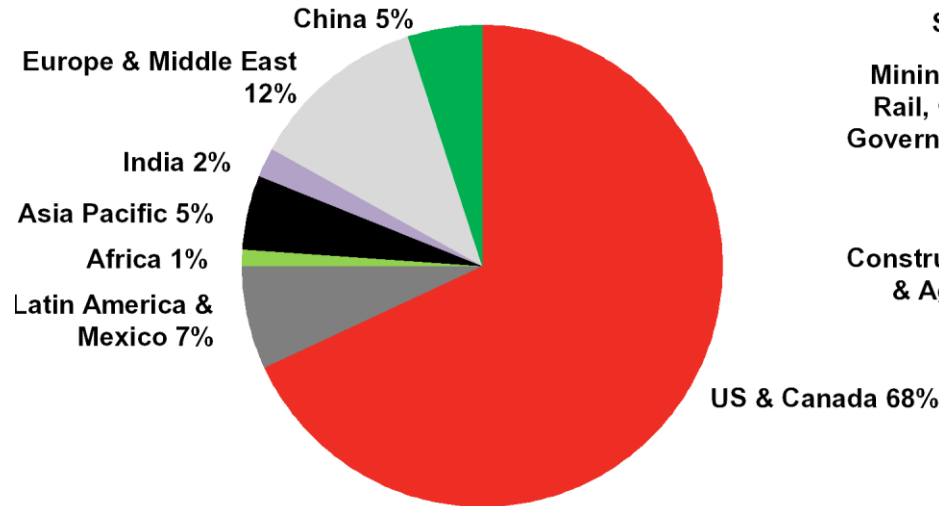
Q1'16 LTM Revenue by Product



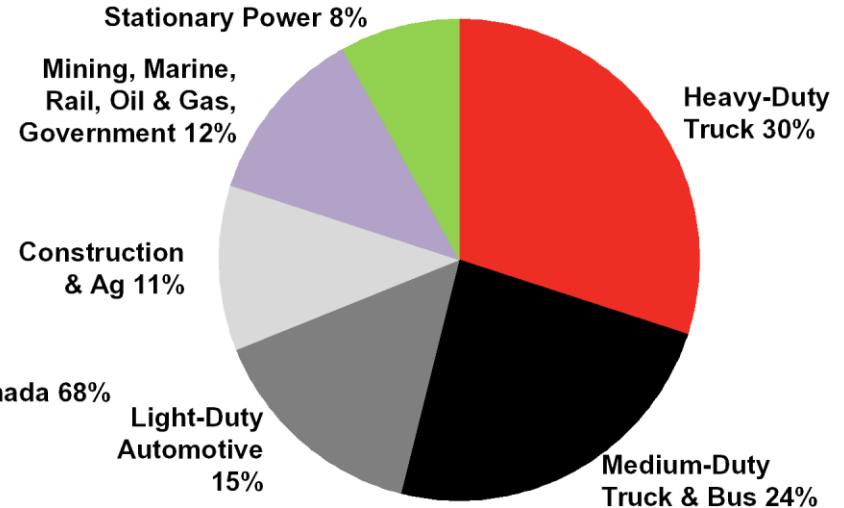
¹ Q4-2015 EBIT excludes \$202 million of impairment of light-duty diesel assets and \$26 million of restructuring actions and other charges.

Engine Segment - Sales Mix

Geographic



Application

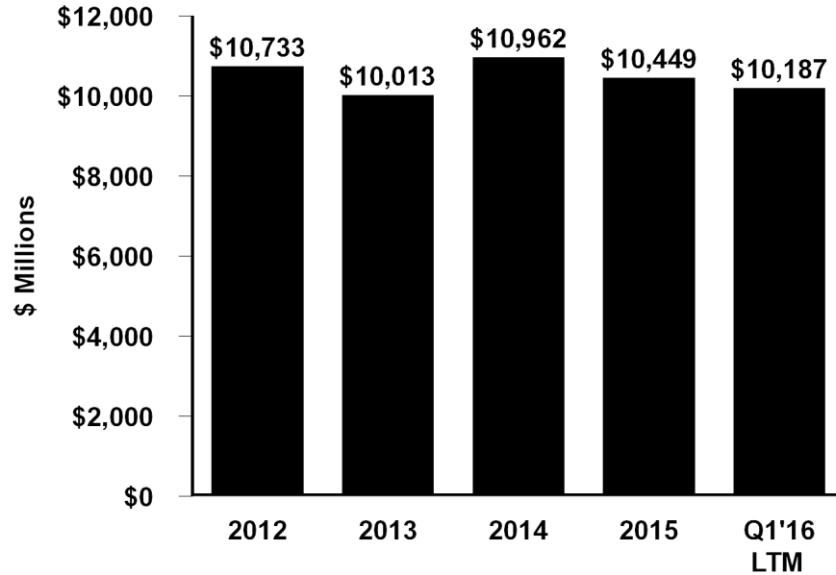


Q1'16 LTM Revenue: \$10.2 billion

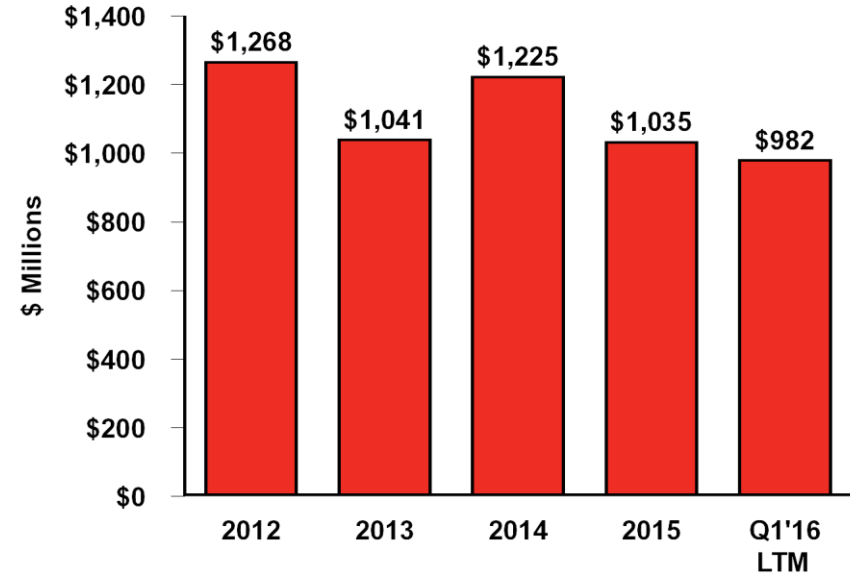


Engine Segment - Historical Performance

Sales



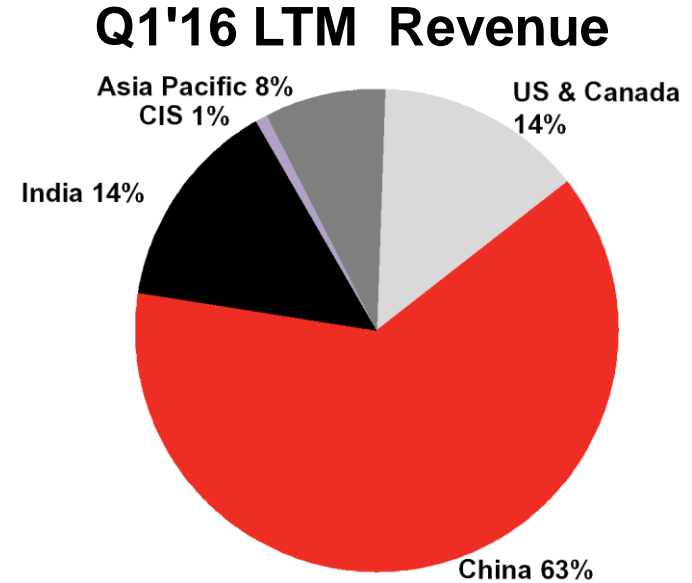
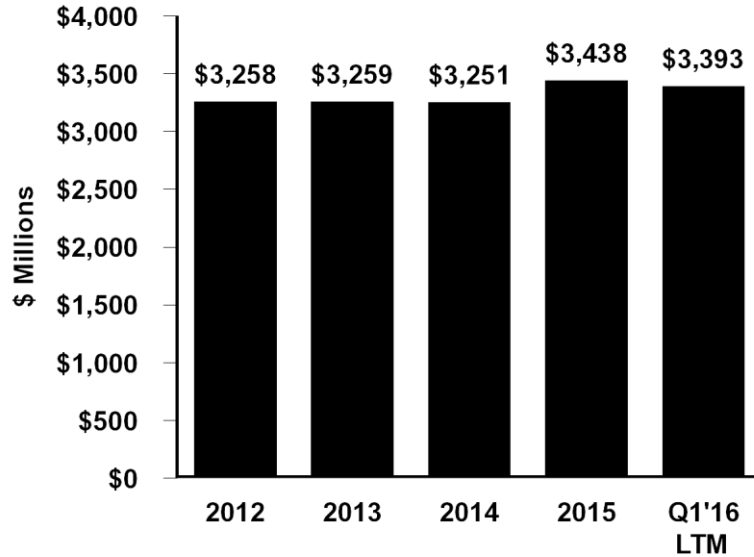
Segment EBIT¹



¹ 2012 EBIT excludes \$20 million in restructuring charges. Q4-2015 EBIT excludes \$202 million of impairment of light-duty diesel assets and \$26 million of restructuring actions and other charges.



Engine Segment - Joint Venture Sales Unconsolidated





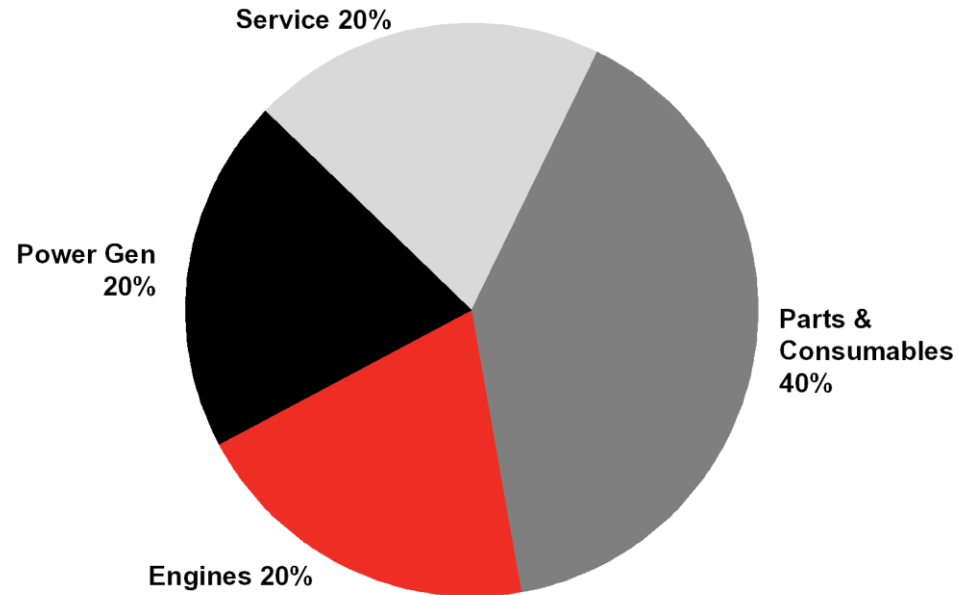
Distribution Segment - Overview

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

Q1'16 LTM Results

Sales: \$6.2 billion
EBIT¹: \$442 million
EBIT%: 7.1%

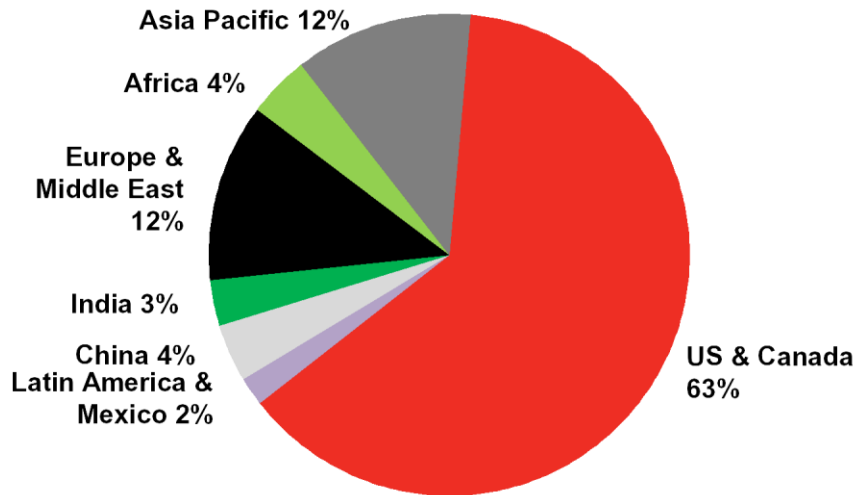
Q1'16 LTM Revenue by Application



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

Distribution Segment - Sales Mix

Geographic



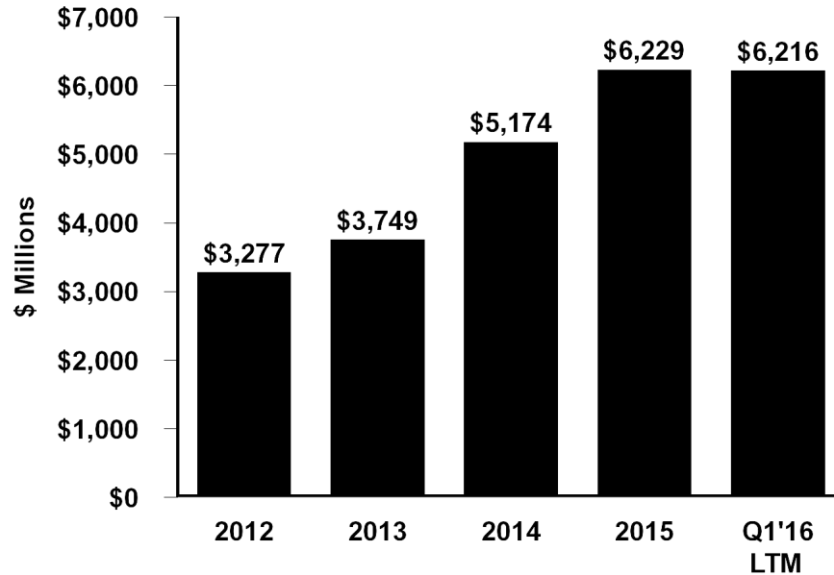
- Key enabler for Cummins growth
- Benefiting from increased population of product in the field

Q1'16 LTM Revenue: \$6.2 billion

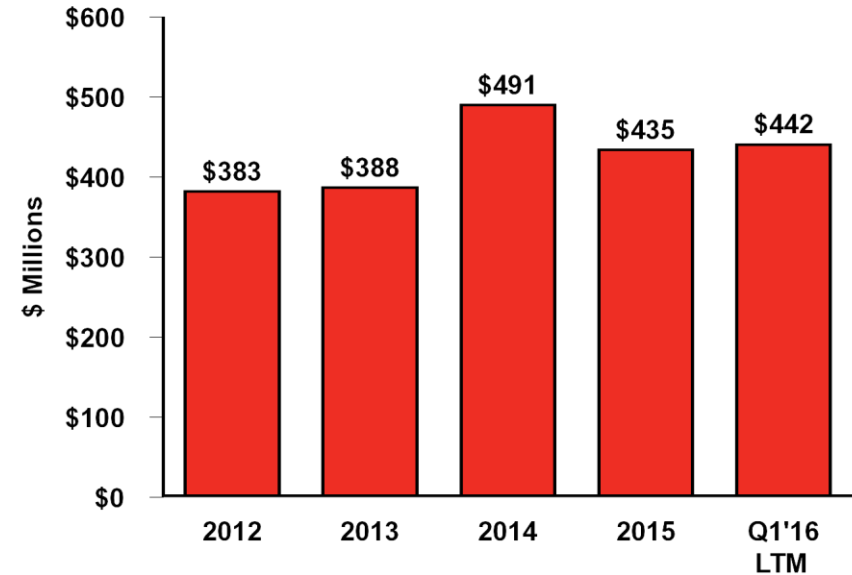


Distribution Segment - Historical Performance

Sales



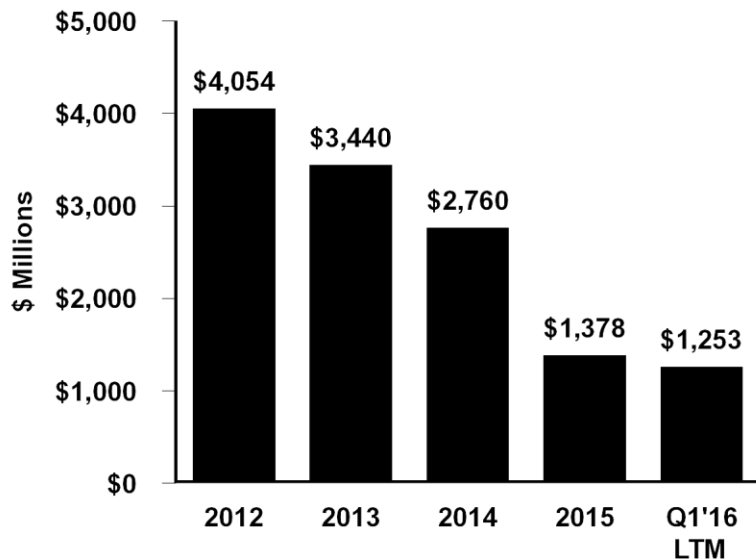
Segment EBIT¹



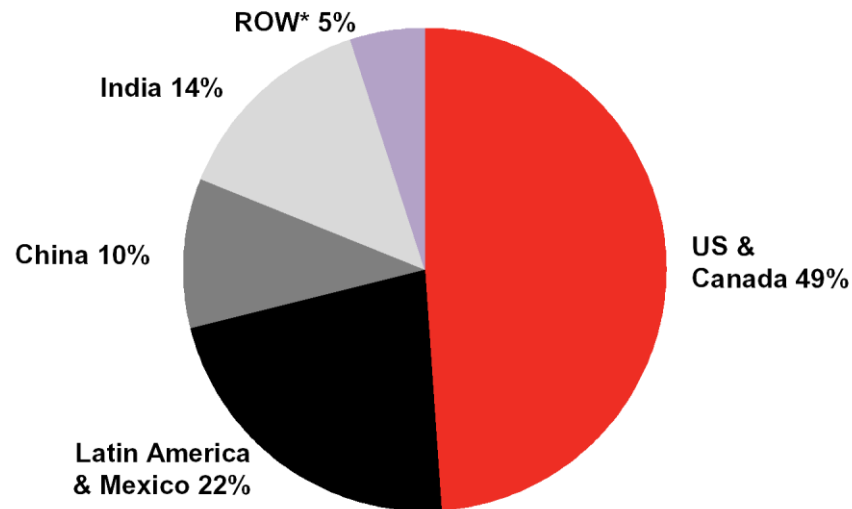
¹ 2012 EBIT excludes \$14 million in restructuring charges. Q4-2015 EBIT excludes \$23 million of restructuring actions and other charges.



Distribution Segment - Joint Venture Sales Unconsolidated



Q1'16 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



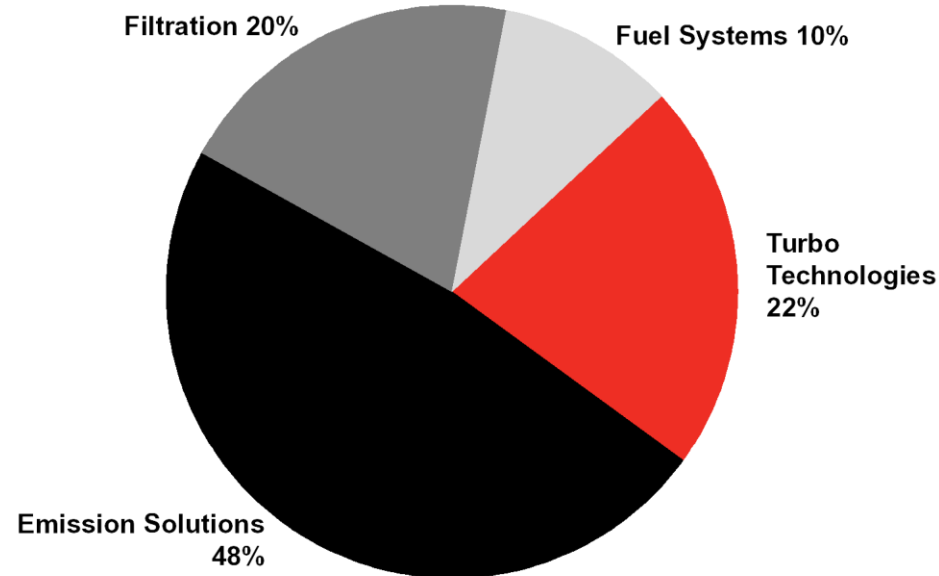
Components Segment - Overview

- 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

Q1'16 LTM Results

Sales: \$5.1 billion
EBIT¹: \$727 million
EBIT%: 14.2%

Q1'16 LTM Revenue by Business

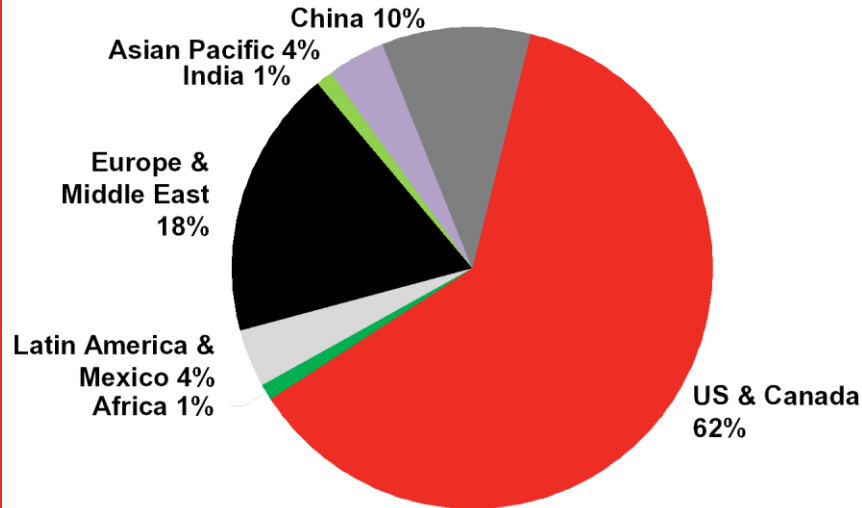


¹ Q4-2015 EBIT excludes \$9 million of impairment of light-duty diesel assets and \$13 million of restructuring actions and other charges.

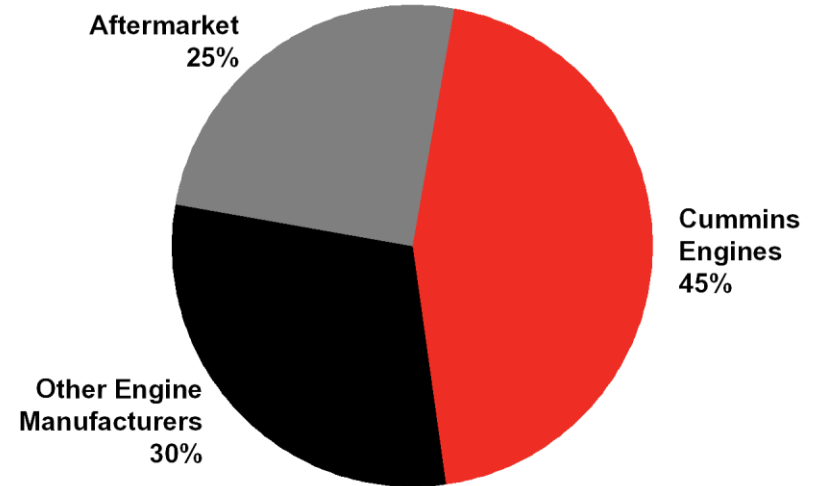


Components Segment - Sales Mix

Geographic



Application

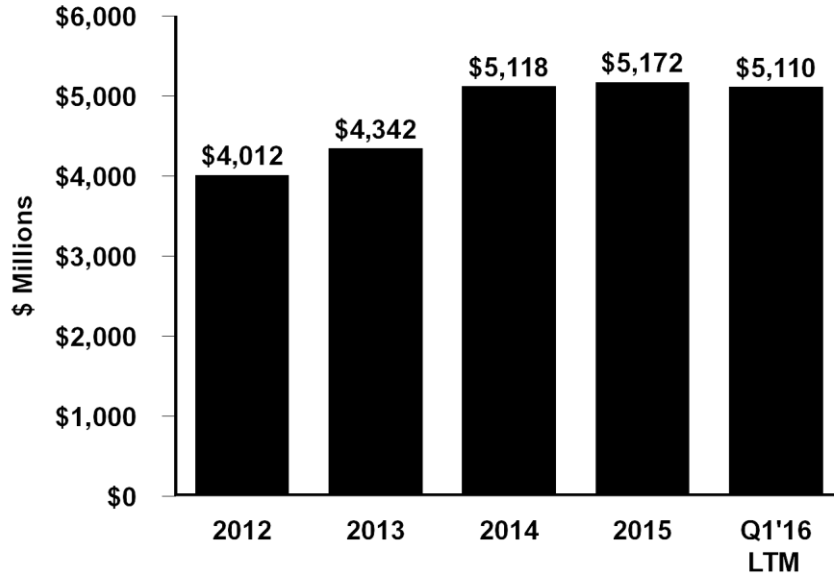


Q1'16 LTM Revenue: \$5.1 billion

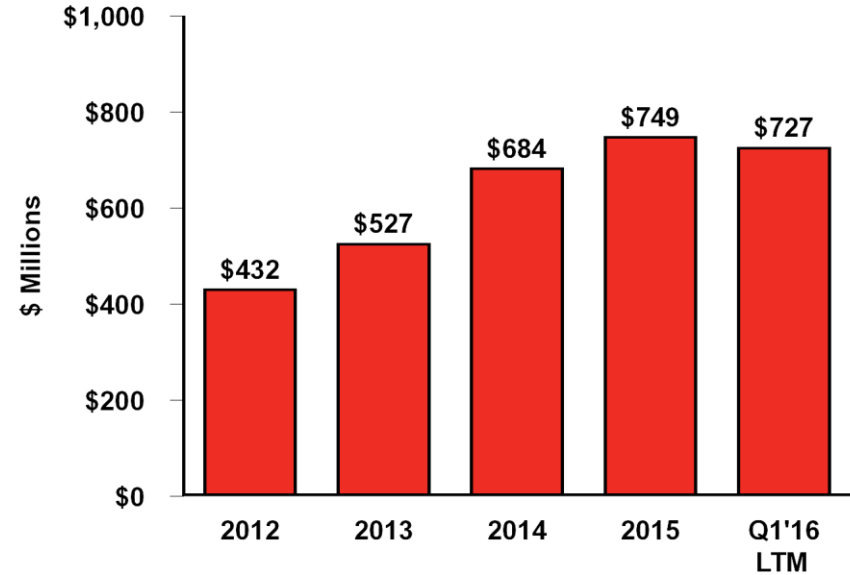


Components Segment - Historical Performance

Sales



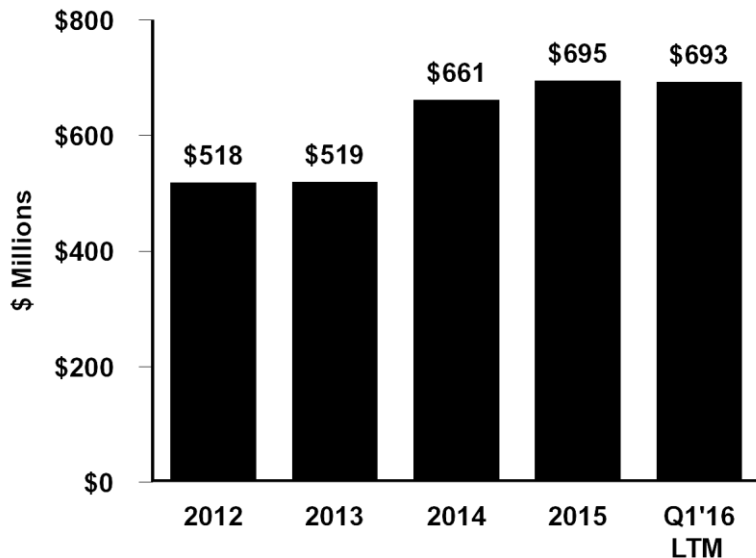
Segment EBIT¹



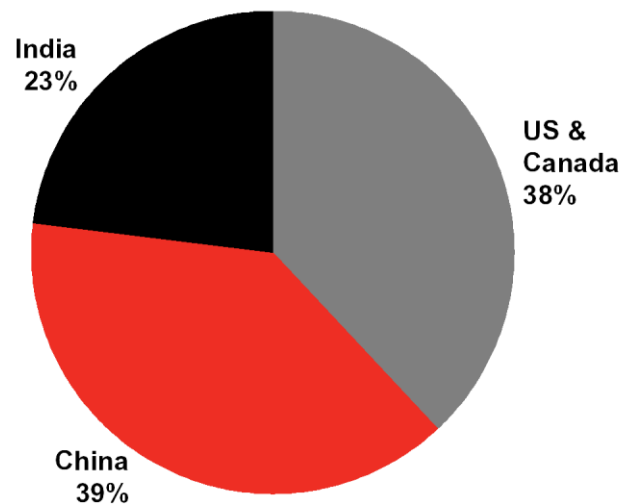
¹ 2012 EBIT excludes \$6 million in restructuring charges. Q4-2015 EBIT excludes \$9 million of impairment of light-duty diesel assets and \$13 million of restructuring actions and other charges.



Components Segment - Joint Venture Sales Unconsolidated



Q1'16 LTM Revenue





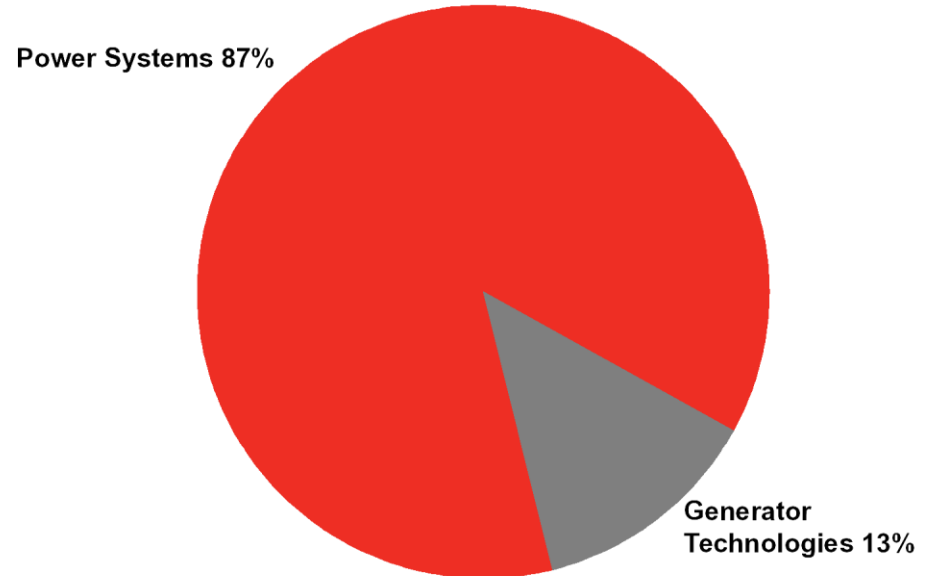
Power Generation Segment - Overview

- 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

Q1'16 LTM Results

Sales: \$2.6 billion
EBIT¹: \$157 million
EBIT%: 6.0%

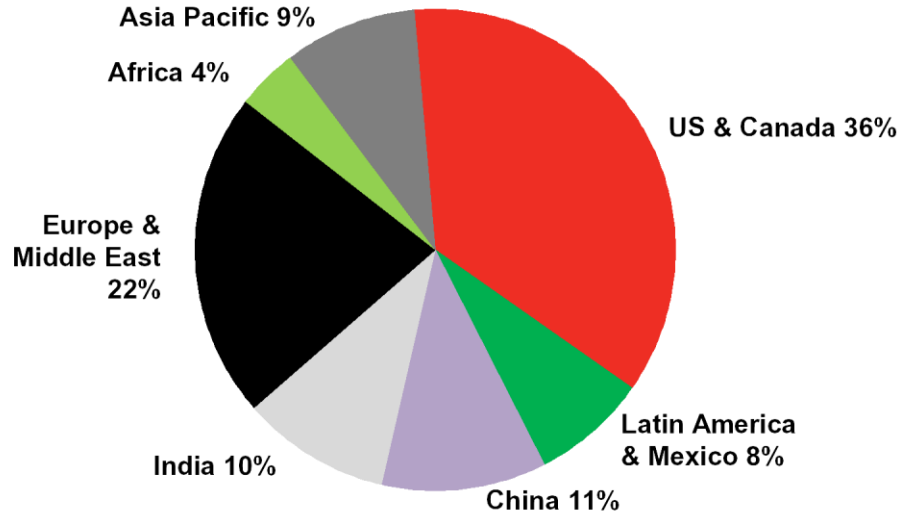
Q1'16 LTM Revenue by Product



¹ Q4-2015 EBIT excludes \$19 million of restructuring actions and other charges.

Power Generation Segment - Sales Mix

Geographic



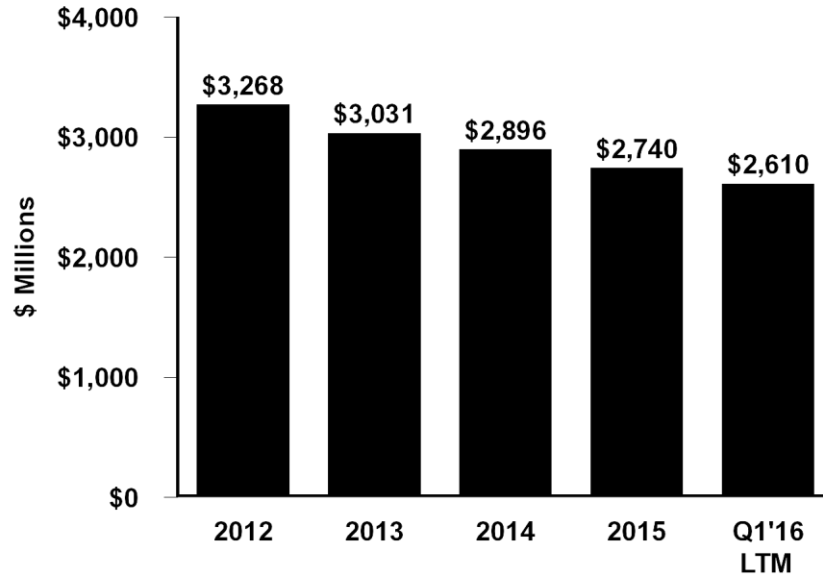
- Market Leadership in China, India, Russia and Latin America
- Energy shortfalls will continue in emerging markets

Q1'16 LTM Revenue: \$2.6 billion

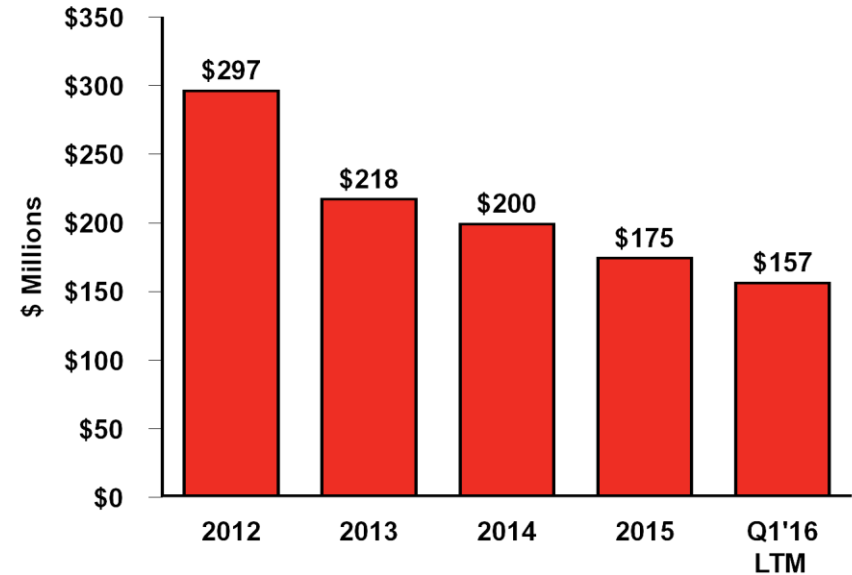


Power Generation Segment - Historical Performance

Sales



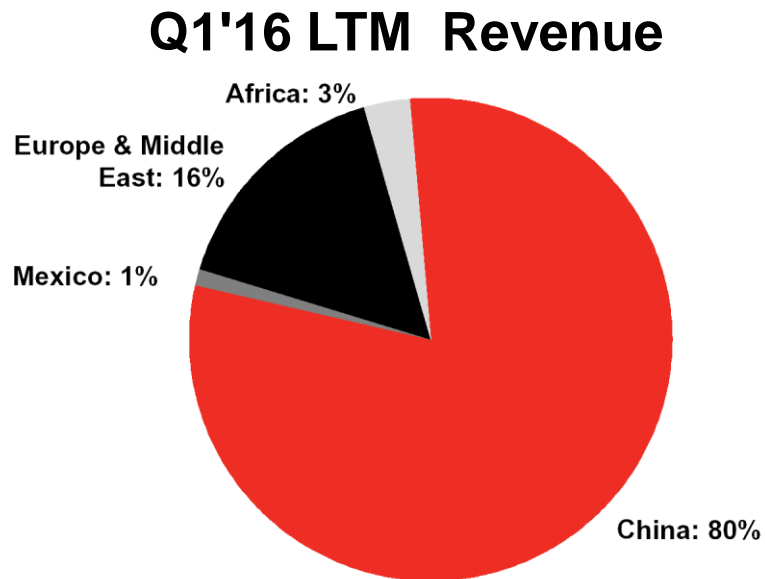
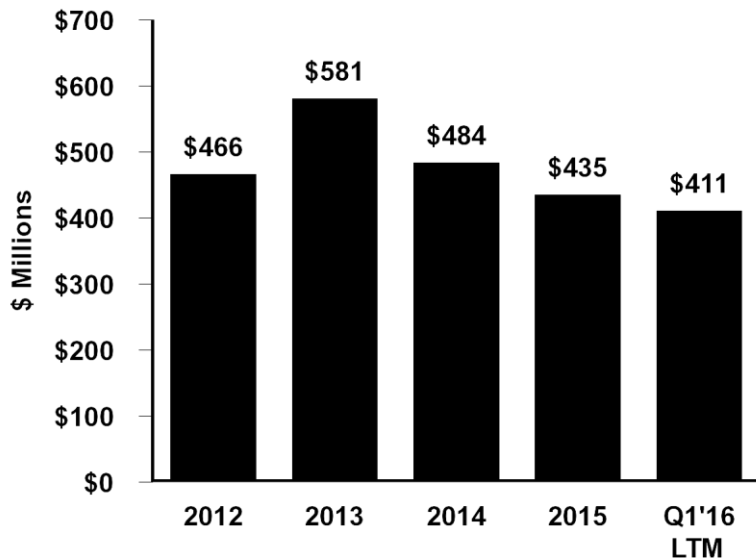
Segment EBIT¹



¹ 2012 EBIT excludes \$12 million in restructuring charges. 2014 EBIT excludes \$32 million in operating actions. Q4-2015 EBIT excludes \$19 million of restructuring actions and other charges.

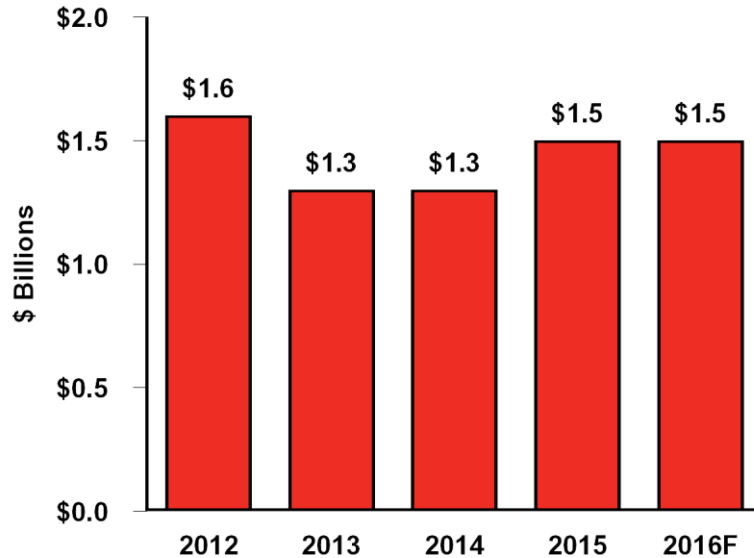


Power Generation Segment - Joint Venture Sales Unconsolidated





Emerging Market Sales - India¹



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

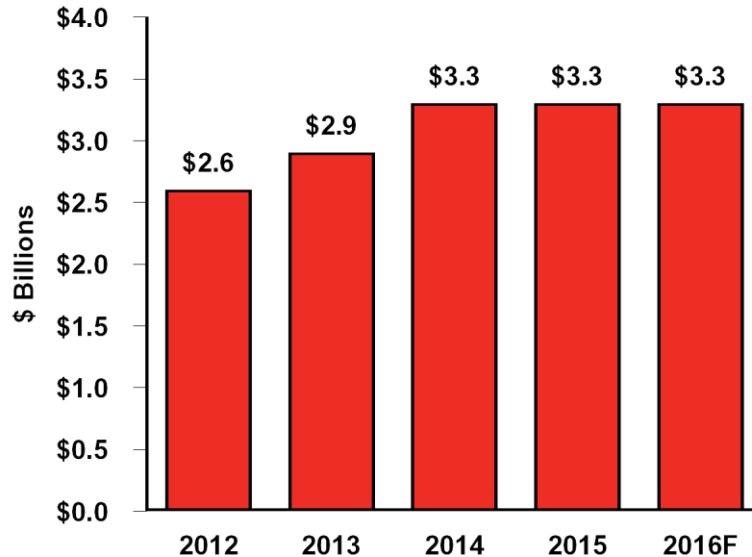
Domestic consolidated + unconsolidated revenue

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

	April 3, 2016	March 29, 2015
EBIT	<u>484</u>	<u>562</u>
Less: Interest Expense	19	14
Income before taxes	<u>465</u>	<u>548</u>
Less: Income tax expense	132	144
Consolidated net income	<u>333</u>	<u>404</u>
	12	17
Less: Net income attributable to noncontrolling interests		
Net income attributable to Cummins Inc.	<u>321</u>	<u>387</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 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

	April 3, 2016	March 29, 2015
Accounts and notes receivable, net	\$ 2,921	\$ 3,240
Inventories	2,759	2,936
Less: Accounts Payable - (principally trade)	(1,809)	(2,013)
Working capital measure	\$ 3,871	\$ 4,163
Working capital measure (% of Annualized Net Sales)	22.6%	22.1%

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

	April 3, 2016	March 29, 2015
Net assets for operating segments	<u>\$ 8,807</u>	<u>\$ 9,751</u>
Liabilities deducted in computing net assets	5,789	5,869
Pension and other postretirement liabilities	(203)	(231)
Deferred tax assets not allocated to segments	432	312
Debt-related costs not allocated to segments	2	35
Total Assets	<u>\$ 14,827</u>	<u>\$ 15,736</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

	April 3, 2016	March 29, 2015
Equity used for return on equity calculation	\$ 7,565	\$ 8,362
Defined benefit postretirement plans	(645)	(656)
Total shareholders equity	6,920	7,706
Noncontrolling Interest	340	363
Total Equity	\$ 7,260	\$ 8,069

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.