

CUMMINS INC
Form DEF 14A
April 14, 2005
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant x

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Check the appropriate box:

- o Preliminary Proxy Statement
- o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
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- o Soliciting Material Pursuant to §240.14a-12

Cummins Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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CUMMINS INC.

500 JACKSON STREET, BOX 3005, COLUMBUS, INDIANA 47202-3005

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

To Our Shareholders:

NOTICE IS HEREBY GIVEN that the Annual Meeting of the Shareholders of Cummins Inc. will be held at the Company's Technical Center located at 1900 McKinley Avenue, Columbus, Indiana, on Tuesday, May 10, 2005, at 11:00 a.m., local time, for the following purposes:

1. to elect eight directors of the Company for the ensuing year;
2. to ratify the appointment of PricewaterhouseCoopers LLP as auditors for the year 2005;
3. to consider and act upon a shareholder proposal regarding the Company's business practices in the People's Republic of China.
4. to transact any other business that may properly come before the meeting or any adjournment thereof.

Only shareholders of Common Stock of the Company of record at the close of business on March 21, 2005 are entitled to notice of and to vote at the meeting.

Shareholders of Common Stock who do not expect to be present in person at the meeting are urged to complete, sign and date the enclosed proxy and return it promptly to the undersigned in the envelope provided.

The proxy may be revoked by the shareholder giving it at any time before the voting. Any shareholders entitled to vote at the meeting who attend the meeting will be entitled to cast their votes in person.

MARYA M. ROSE,
Secretary

April 7, 2005

CUMMINS INC.

500 JACKSON STREET, BOX 3005, COLUMBUS, INDIANA 47202-3005

PROXY STATEMENT

This proxy statement is being furnished in connection with the solicitation by the Board of Directors of Cummins Inc. (the Company or Cummins) of proxies to be voted at the Annual Meeting of Shareholders to be held on Tuesday, May 10, 2005, and at any adjournment thereof (the Annual Meeting). This proxy statement, together with the enclosed proxy, is first being mailed to the shareholders of the Company on or about April 7, 2005.

Holders of the Company s Common Stock of record at the close of business on March 21, 2005 are entitled to vote at the Annual Meeting. On that date there were issued and outstanding 46,367,138 shares of Common Stock, each of which is entitled to one vote.

Each share of Common Stock represented by a properly executed proxy will be voted at the Annual Meeting in accordance with the instructions indicated on that proxy, unless such proxy has been previously revoked. If no instructions are indicated on a signed proxy, the shares represented by such proxy will be voted as recommended by the Board of Directors.

A shareholder may revoke the proxy at any time before it is voted by delivering to the Secretary of the Company written notice of such revocation. This notice must include the number of shares for which the proxy had been given and the name of the shareholder of such shares as it appears on the stock certificate(s) evidencing ownership of such shares. In addition, any shareholder who has executed a proxy but is present at the Annual Meeting will be entitled to cast its vote in person instead of by proxy, thereby canceling the previously executed proxy.

PRINCIPAL SECURITY OWNERSHIP

The following table identifies those shareholders known to the Company to be the beneficial owners of more than five percent of the Common Stock of the Company and shows as to each such shareholder as of December 31, 2004 (i) the number of shares beneficially owned by such shareholder(s) and the nature of such beneficial ownership and (ii) the percentage of the entire class of Common Stock so beneficially owned:

	Amount and Nature of Beneficial Ownership	Percent of Class
FMR Corporation 82 Devonshire Street Boston, MA 02109	3,129,921 (1)	6.75 %
Capital Research and Management Company 333 South Hope Street Los Angeles, CA 90071	2,857,090 (2)	6.16 %
Lord, Abbett & Co. 90 Hudson St. Jersey City, NJ 07302	2,653,263 (3)	5.72 %
LVS Asset Management 1 N. Wacker Drive, Suite 4000 Chicago, IL 60606	2,545,362 (4)	5.49 %

(1) The source of this information is a Schedule 13G/A dated February 14, 2005 disclosing beneficial ownership by FMR. FMR states in its 13G/A that it has sole investment power for all of the shares, sole voting power for 844,121 shares and no shared investment or voting power.

(2) The source of this information is a Schedule 13G/A dated February 9, 2005 disclosing beneficial ownership by Capital Research and Management Company. The number of shares reported includes 1,157,090 shares resulting from the assumed conversion of 1,100,000 shares of 7% Cummins Capital Trust I Convertible Preferred. The 13G/A states that Capital has sole investment power for all of the shares and no voting power with respect to any of the shares.

(3) The source of this information is a Schedule 13G/A dated February 2, 2005 disclosing beneficial ownership by Lord, Abbett. The 13G/A states that Lord, Abbett has sole voting and investment powers with respect to the shares.

(4) The source of this information is a Schedule 13G dated February 10, 2005 disclosing beneficial ownership by LVS Asset Management. LVS states in its 13G that it has sole investment power for 2,488,662 of the shares, sole voting power for 1,844,962 and no shared investment or voting power.

ELECTION OF DIRECTORS**(Item 1)**

It is intended that votes will be cast pursuant to the accompanying proxy for the election of the eight nominees listed in the following table, all of whom are presently directors of the Company. All directors will serve for the ensuing year and until their respective successors are elected and qualified. A shareholder may withhold authority from such shareholder's proxy to vote for the election of any or all of the nominees.

The Board of Directors has no reason to believe that any of the nominees will be unable to serve if elected. If, for any reason, one or more of such persons should be unable to serve, it is intended that votes will be cast for a substitute nominee or nominees designated by the Board of Directors unless the Board of Directors decides to reduce the number of directors.

The names of the nominees for directors, together with certain information regarding them, are set forth in the table. Biographical sketches of these nominees, which include their business experience during the past five years and directorships of other corporations, are provided on pages 28 through 30 of this proxy statement.

Name and Occupation	Age	First Year Elected a Director	Amount and Nature of Beneficial Ownership as of Dec. 31, 2004(1)	Percent of Class	Stock Units Held as of Dec. 31, 2004(2)	Total
Robert J. Darnall Retired Chairman and Chief Executive Officer of Inland Steel Industries, basic steel manufacturer, processor and distributor	66	1989	8,239	*	3,318	11,557
John M. Deutch Institute Professor, Massachusetts Institute of Technology	67	1997	8,866 (3)	*	0	8,866
Alexis M. Herman Chairman and Chief Executive Officer of New Ventures, Inc., independent consulting firm	58	2001	3,668	*	0	3,668
William I. Miller Chairman, Irwin Financial Corporation,, financial services company	48	1989	29,503 (4)	*	827	30,330
Georgia R. Nelson President of Midwest Generation EME, LLC, wholesale generator of electricity	55	2004	768	*	0	768
Theodore M. Solso Chairman and Chief Executive Officer of Cummins	58	1994	195,838 (5)	*	0	195,838
Carl Ware Retired Executive Vice President, Public Affairs and Administration, The Coca-Cola Company	61	2004	650	*	0	650