

Note 5. Other (Income) Expense:

The major components of other (income) expense included the following:

\$ Millions	2000	1999	1998
Amortization of intangibles	\$ 13	\$ 15	\$ 14
Interest income	(13)	(7)	(9)
Loss (gain) on sale of businesses	1	1	(7)
Rental income	(7)	(5)	(6)
Royalty income	(2)	(4)	(5)
Foreign currency losses	14	2	5
Non-operating partnership costs	4	6	3
Social tax refunds	-	-	(3)
Sale of scrap	(3)	(1)	(2)
Other	(8)	1	(3)
Total	\$ (1)	\$ 8	\$(13)

Note 6. Investments in Joint Ventures and Alliances:

Investments in joint ventures and alliances at December 31 were as follows:

\$ Millions	2000	1999
Consolidated Diesel	\$ 66	\$ 11
European Engine Alliance	26	14
Tata Cummins	18	22
Chongqing Cummins	16	16
Dong Feng	16	10
Komatsu alliances	16	18
Behr America	14	15
Other	29	25
	\$201	\$131

Summary financial information for the joint ventures and alliances was as follows:

\$ Millions	2000	1999	1998
Net sales	\$1,531	\$1,334	\$1,245
Gross profit	165	101	25
Net earnings (loss)	12	(64)	(105)
Cummins' share	6	(32)	(52)
Current assets	\$ 415	\$ 302	\$ 527
Noncurrent assets	555	485	613
Current liabilities	(335)	(223)	(406)
Noncurrent liabilities	(277)	(284)	(455)
Net assets	\$ 358	\$ 280	\$ 279
Cummins' share	\$ 201	\$ 131	\$ 136

In connection with various joint venture agreements, Cummins is required to purchase products from the joint ventures in amounts to provide for the recovery of specified costs of the ventures. Under the agreement with Consolidated Diesel, Cummins' purchases were \$541 million in 2000 and \$513 million in 1999.

Note 7. Borrowings:

Long-term debt at December 31 was:

\$ Millions	2000	1999
7.125% debentures due 2028	\$ 249	\$ 249
6.45% notes due 2005	225	224
Commercial paper	112	168
5.65% debentures due 2098, net of unamortized discount of \$39 (effective interest rate 7.48%)	125	125
6.25% notes due 2003	125	125
6.75% debentures due 2027	120	120
Guaranteed notes of ESOP Trust due 2010	58	61
Other	26	30
Total	1,040	1,102
Current maturities	(8)	(10)
Long-term debt	\$1,032	\$1,092

Maturities of long-term debt for the five years subsequent to December 31, 2000 are \$8 million, \$10 million, \$133 million, \$7 million, and \$232 million. At December 31, 2000 and 1999, the weighted-average interest rate on loans payable and current maturities of long-term debt approximated 7 percent and 6 percent, respectively.

The Company maintains a \$500 million revolving credit agreement, maturing in 2003, under which there were no outstanding borrowings at December 31, 2000 or 1999. The revolving credit agreement supports the Company's commercial paper borrowings of \$112 million at December 31, 2000 and \$168 million at December 31, 1999. In February 1998, the Company issued \$765 million face amount of notes and debentures under a \$1 billion Registration Statement filed with the Securities and Exchange Commission in 1997. Net proceeds were used to finance the acquisition of Nelson and to pay down other indebtedness outstanding at December 31, 1997. The Company also has other domestic and international credit lines with approximately \$135 million available at December 31, 2000.