

Cummins Engine Company, Inc.

Consolidated Statement of Earnings

Millions, except per share amounts	2000	1999	1998
Net sales	\$6,597	\$6,639	\$6,266
Cost of goods sold	5,338	5,221	4,925
Special charges	-	-	92
Gross profit	1,259	1,418	1,249
Selling and administrative expenses	776	781	787
Research and engineering expenses	244	245	255
Net (income) expense from joint ventures and alliances	(9)	28	30
Interest expense	86	75	71
Other (income) expense, net	(1)	8	(13)
Restructuring, asset impairment and other special charges	160	60	125
Earnings (loss) before income taxes	3	221	(6)
(Benefit) provision for income taxes	(19)	55	4
Minority interest	14	6	11
Net earnings (loss)	\$ 8	\$ 160	\$ (21)
Basic earnings (loss) per share	\$.20	\$ 4.16	\$ (.55)
Diluted earnings (loss) per share	.20	4.13	(.55)

The accompanying notes are an integral part of this statement.