

2002 Annual Report



Cummins Inc., a global power leader, is a corporation of complementary business units that design, manufacture, distribute and service engines and related technologies, including fuel systems, controls, air handling, filtration and emission solutions and electrical power generation systems. Headquartered in Columbus, Indiana (USA), Cummins serves its customers through more than 500 company-owned and independent distributor locations in 131 countries and territories. With more than 23,700 employees worldwide, Cummins reported sales of \$5.9 billion in 2002. Cummins home page can be found at www.cummins.com.



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Business Unit Highlights

Engine Business

Leading supplier of diesel- and alternate-fueled engines for heavy-duty trucks, medium-duty trucks, buses, motorhomes and specialty on-highway vehicles.

Exclusive supplier of diesel engines for the Dodge Ram pickup truck.

Leading global supplier of diesel engines for the agriculture, construction, government, marine, mining, rail and oil and gas markets.

Power Generation Business

Global supplier of electrical power plants, diesel and natural gas generator sets, power electronics and genset components.

Worldwide market leader in auxiliary generator sets for recreational vehicles (RVs) and marine pleasure craft.

Newage AvK SEG offers the widest range of alternators in the power industry and controls for wind-power generation.

Filtration and Other Business

Global leader of integrated filtration and exhaust systems for diesel on-highway, off-highway and stationary industrial markets.

Global supplier of filtration, silencing and exhaust systems for gas turbine, industrial, small engine and automotive markets.

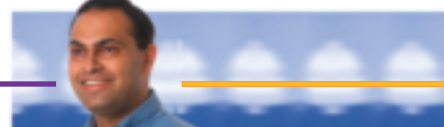
Global supplier of advanced aftertreatment systems for mobile and stationary engine markets.

Holset is a global provider and leading technologist of turbochargers for a wide range of applications.

International Distributor Business

Retail distributor of Cummins products and provider of related services and broader solutions that enhance the end users' overall experience with Cummins.

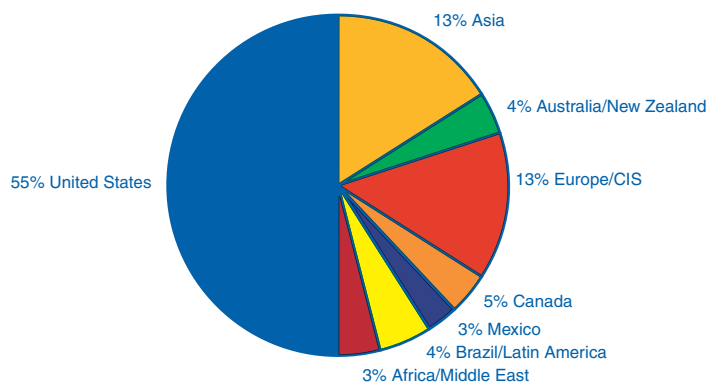
Network of 17 Company-owned retail distributors and two joint ventures, with a total of 110 sites that provide products, services and solutions to end users in more than 50 countries and territories.



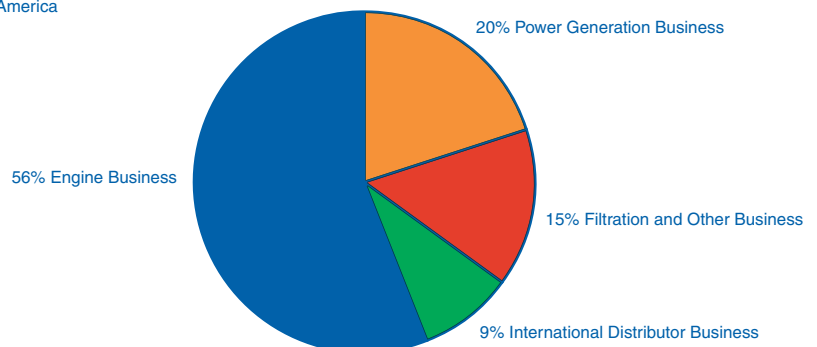
Net sales were \$5.9 billion in 2002, 3 percent higher than sales of \$5.7 billion reported in 2001 and 11 percent lower than sales of \$6.6 billion reported in 2000. Cummins reported earnings before interest and taxes of \$139 million in 2002, compared to a loss before interest and taxes of \$44 million in 2001 and earnings before interest and taxes of \$95 million in 2000. Excluding charges for restructuring, asset impairment and other non-recurring items, earnings before interest and taxes were \$139 million in 2002, compared to \$82 million in 2001 and \$249 million in 2000. In 2002, Cummins reported net earnings of \$82 million, or \$2.13 per share, compared to a net loss of \$103 million, or (\$2.70) per share, in 2001 and net earnings of \$14 million, or \$.35 per share, in 2000.

Financial Summary

2002 Sales by Geographic Region



2002 Sales by Business Unit



\$ Millions, except per share amounts	2002	2001	2000	1999	1998
Net sales	\$5,853	\$5,681	\$6,597	\$6,639	\$6,266
Cost of goods sold	4,808	4,668	5,330	5,247	4,931
Special charges	-	-	-	-	92
Gross margin	1,045	1,013	1,267	1,392	1,243
Selling and administrative expenses	736	721	773	801	783
Research and engineering expenses	201	220	246	243	255
Joint ventures and alliances (income) expense	(22)	(10)	(7)	27	30
Other (income) expense, net	(9)	-	6	5	(7)
Restructuring, asset impairment and other charges (credits)	(8)	126	154	56	118
Loss on early retirement of debt	8	-	-	-	-
Earnings (loss) before interest, income taxes and cumulative effect of change in accounting principle	139	(44)	95	260	64
Interest expense	61	77	87	75	72
Provision (benefit) for income taxes	(38)	(44)	(20)	47	4
Minority interest	16	15	14	6	11
Dividends on preferred securities of subsidiary trust	21	11	-	-	-
Net earnings (loss) before cumulative effect of change in accounting principle	79	(103)	14	132	(23)
Cumulative effect of change in accounting principle, net of tax	3	-	-	-	-
Net earnings (loss)*	\$ 82	\$ (103)	\$ 14	\$ 132	\$ (23)
Basic earnings per share					
Net earnings (loss) before cumulative effect of change in accounting principle	\$ 2.06	\$ (2.70)	\$ 0.35	\$ 3.43	\$ (.59)
Cumulative effect of change in accounting principle, net of tax	0.07	-	-	-	-
Net earnings (loss)	\$ 2.13	\$ (2.70)	\$ 0.35	\$ 3.43	\$ (.59)
Diluted earnings per share					
Net earnings (loss) before cumulative effect of change in accounting principle	\$ 2.06	\$ (2.70)	\$ 0.35	\$ 3.41	\$ (.59)
Cumulative effect of change in accounting principle, net of tax	0.07	-	-	-	-
Net earnings (loss)	\$ 2.13	\$ (2.70)	\$ 0.35	\$ 3.41	\$ (.59)
Number of shares for earnings per share:					
Basic	38.6	38.3	38.2	38.3	38.5
Diluted	38.8	38.3	38.2	38.6	38.5
Balance sheet data					
Working capital	\$ 653	\$ 557	\$ 589	\$ 822	\$ 792
Property, plant and equipment, net	1,305	1,405	1,596	1,624	1,666
Total assets	4,837	4,311	4,448	4,629	4,535
Total debt	1,137	945	1,197	1,215	1,227
Preferred securities of subsidiary trust	291	291	-	-	-
Shareholders' investment	841	983	1,280	1,365	1,265
Other data					
Property, plant and equipment additions	\$ 90	\$ 206	\$ 228	\$ 215	\$ 271
Depreciation and amortization	219	229	240	231	202
Adjusted EBIT**	139	82	249	316	274
EBITDA**	358	185	335	491	266
Adjusted EBITDA**	358	311	489	547	476
Cash dividends per share	\$ 1.20	\$ 1.20	\$ 1.20	\$ 1.125	\$ 1.10
Shareholders of record	4,300	4,600	4,800	4,800	5,200
Number of employees	23,700	24,900	28,000	28,500	28,300

* 2002 net earnings include income tax write-backs of \$57 million due to settlement of prior year tax audits.

** Adjusted EBIT represents income (loss) before interest and income taxes adjusted to exclude special charges, restructuring, asset impairment and other non-recurring charges. EBITDA is calculated as income (loss) before interest, income taxes and depreciation and amortization. Adjusted EBITDA represents EBITDA adjusted to exclude special charges, restructuring, asset impairment and other non-recurring charges.

The economic environment and business climate the past few years have forced corporations to rethink their business models. At Cummins, we deliver our best to our constituencies – customers, employees and shareholders – and we do so with the utmost integrity. But it has become increasingly apparent that the Company's success also depends on our ability to think globally and act locally.

That philosophy guides our complementary businesses – Engine, Power Generation, International Distributor and Filtration and Other. Coupled with our worldwide operations, they provide the diversification needed to leverage our strengths and provide balance during market downturns.

Since our last report, we have launched new businesses, built partnerships and expanded our global reach. We have manufactured top-quality and environmentally-conscious products that have been well received by customers. We have continued to fund important product development programs, while generating positive cash flow. We have remained committed to paying an attractive dividend to our shareholders and providing a good return for all our stakeholders.

Our ongoing use of Six Sigma, a disciplined approach to drive rapid process improvement, has resulted in approximately \$400 million in cost savings since January 2000 when we launched this program. In addition, we have trained 1,300 employees in Six Sigma practices and

throughout the re-audit process, we have taken a number of actions to help strengthen our internal controls and financial reporting processes.

2002-03 Highlights

We were the first diesel manufacturer to launch a family of engines that comply with the strict new emission standards established for 2002 by the U.S. Environmental Protection Agency. We took a leadership position, committing to deliver products that would be the very best in the industry at the new standard, and to do it on time. For our groundbreaking efforts, we were named "Newsmaker of the Year" by *Diesel Progress* magazine.

We created three new businesses, with promising first-year results:

- The International Distributor Business, our newest corporate business unit, capitalizes on profitable growth opportunities in international retail distribution markets and has already demonstrated its potential for stable earnings.
- Emission Solutions, part of the Filtration and Other Business, leverages our expertise in aftertreatment products for increasingly stringent emissions standards in the United States and abroad. It continues to increase profits through retrofitting existing engines to lower emissions levels, thereby promoting a cleaner and healthier environment.

Letter to Shareholders



processes. These initiatives to improve quality, manage spending and relentlessly cut costs will continue even as our markets begin to trend upward after a three-year recession.

While moving forward to position ourselves for the future, we also have faced challenges. Most notably, in the early part of 2003, we announced the need to restate financial statements for prior years because of accounting adjustments primarily related to the implementation of a new enterprise resource planning system at one of our plants. That restatement required a re-audit of the Company's 2000 and 2001 financial statements by our new auditors, PricewaterhouseCoopers LLP, as Cummins' former auditor, Arthur Andersen LLP, is no longer providing auditing services. The result of the re-audit is detailed in full in our filings with the Securities and Exchange Commission.

Let me stress that the extensive scrutiny of our books and records by internal personnel and outside advisors found no evidence of willful misconduct on the part of any Cummins employee. The re-audit, completed in July 2003, delayed the release of this report and consequently our Annual Shareholders' Meeting, but it was the right thing to do.

We recognize the need to continually earn and keep your trust regarding the integrity of our business practices. Since Cummins identified the accounting adjustment and

- Energy Solutions, part of the Power Generation Business, focuses on integrated product and service capabilities, delivering power projects between 2 to 100 megawatts. Energy Solutions enables us to respond to each customer's need, whether it's providing reliable power to developing world areas or supplying clean power and hot water, with cogeneration, to high-tech manufacturers seeking to drive down energy costs and improve reliability.

One of our most enduring relationships has been with DaimlerChrysler and its award-winning Dodge Ram pickup truck. As the exclusive supplier of diesel engines for the Dodge Ram, we produced our one-millionth Ram engine at the Cummins MidRange Engine Plant in Walesboro, Indiana, in 2003. The re-designed 2003 Ram was named *Motor Trend* magazine's Truck of the Year.

Outside of the United States, we continued to strengthen our business reach, especially in China where we are the largest foreign investor in China's engine sector. Cummins joint venture with Dongfeng Automobile Co., Ltd., celebrated production of the Company's 10,000th C Series engine in July 2002. In February 2003, we expanded the plant's production capability to include Cummins B Series engines. The expansion, which will give Dongfeng Cummins access to the Company's most advanced engineering platforms, will increase production capacity to more than 130,000 engines a year.

Engine Business

Changes in diesel emissions regulations and weak markets were major challenges for the Engine Business in 2002. Still, we made substantial improvements in developing strategic partnerships, leveraging critical technologies and significantly lowering our break-even level through aggressive cost reduction efforts.

Our new emissions-compliant products continue to perform well in the field. By the fall of 2003, we expect to have more than 25,000 new ISX and ISM heavy-duty engines in use, with close to one billion miles of reliable performance. The proven reliability of these new engine product launches, backed by our Uptime Guarantee, has exceeded our, and more importantly our customers', expectations.

Building upon strategic partnerships has been and remains a key objective for the Engine Business. We continue to work closely with Volvo, International Truck and Engine Corp. and PACCAR in the North American truck market, as a result of long-term agreements. We also strengthened our relationships with Komatsu, Scania and CNH Global NV, and created a joint venture with Mercury Marine to expand our presence in the recreational marine market.

Power Generation Business

Demand for Power Generation dropped significantly in most of our major markets around the world, especially in North America. This rapid decline in demand created excess inventory throughout the industry, which further depressed pricing. We responded to this downturn with a number of cost reduction actions that we anticipate will return the business to profitability.

- We reduced the size of our workforce to more closely align our resources to current business conditions.
- We standardized more of our product line and reduced the cost of existing products in our most cost-sensitive markets. This effort has led to the release of several newly designed products during 2003.
- We continued to move component manufacturing and sourcing of material to our operations in Mexico, India, China, Brazil and Romania.

Filtration and Other Business

The Filtration and Other Business has experienced solid sales gains and sharply higher profits as we aggressively pursue cost-cutting initiatives, sell integrated systems and grow international sales.

The business has enjoyed market share gains in North America, Europe, the Middle East and Africa. Sales increased to Original Equipment Manufacturers (OEMs) and aftermarket segments, as well as to key international markets in Asia and the Pacific Rim.

During the first half of 2003, Filtration signed five long-term agreements with major OEMs, with a value through 2007 of more than \$1.4 billion. These supply agreements expanded current business and lay the foundation to achieve future growth targets.

Still, the majority of the business' profit improvement came from cost reduction initiatives that focused on direct and indirect materials, reduced headcount and Six Sigma projects.

Also included in this business unit is Holset, one of the three main global manufacturers of turbochargers. Holset has strengthened its position as the world's leading supplier of turbochargers for commercial diesel engines, with a market share in excess of 30 percent.

International Distributor Business

The International Distributor Business was created in early 2002 by combining 17 Company-owned distributorships and two joint-venture distributorships that have 110 sales and service locations in 50 countries and territories. These were strong local companies that operated independently from one another and had a wide variation in performance and practices.

During the first year of operation, we had two primary objectives: improve business performance and establish a solid foundation for growth. In 2002, the International Distributor Business generated sales only slightly above 2001, while earnings increased substantially. In 2003, we have been encouraged by continued strong financial performance from distributors located in many regions, including China, Japan, South Pacific, India, Dubai, Belgium, UK, South Africa and Chile. The business has increased its parts and service revenues and benefited from best-practice sharing across distributors.

Commitment to Excellence

At Cummins, we have a committed management team, a dedicated and enthusiastic workforce and a desire to do the right things in the right way. Those elements, combined with our strong brand image, quality products, effective partnerships and global presence, give me great optimism about the Company's future.

In closing, I want to express my gratitude and best wishes to Jack Edwards, former Policy Committee Member and President of Cummins Power Generation, who retired in June 2003 after 30 years at Cummins. From Mexico to Brazil, India to England, Europe to the Caribbean, Jack made his mark because he cared about the Company, his customers and the country in which he was working. He will be missed.

My appreciation also extends to our 23,700 Cummins employees around the world for their hard work. The faces of some of our people, pictured in this report, reflect our workforce diversity, which is an essential component of our success.



Tim Solso
Chairman and Chief Executive Officer
Cummins Inc.

Engine Business

Products/Services

■ Medium-duty Engines

The ISB is the exclusive diesel engine for the Dodge Ram pickup truck. ISB and ISC engines power light commercial automotive, truck, school, transit and shuttle buses, motorhomes and specialty vehicles. Automotive applications are available globally from 135 to 350 horsepower (hp) and in alternate-fueled versions from our Cummins Westport joint venture. For worldwide agriculture, construction and marine applications, the new A Series, B3.3, B3.9, B5.9, QSB and QSC engines are available from 18 to 480 hp.

■ Heavy-duty Engines

ISL, ISM, N14, ISX engines for trucking applications range from 280 to 565 hp. QSL, QSM, M11, N14 and QSX for construction, mining, marine, government and oil and gas applications ranging from 245 to 660 hp. For marine applications, the QSM and N14 engines are available from 360 to 660 hp.

■ High-horsepower Engines

QSK19, V903, QSK23, QST30, K38/50, QSK45, QSK60 and QSK78 for commercial marine, rail, mining, government and oil and gas applications from 450 to 3500 hp.

■ Aftermarket Support

New and reconditioned parts distribution and service support for customers, distributors and dealers worldwide.

Customers and Markets

- Original Equipment Manufacturers (OEMs) who install Cummins engines in their vehicles and equipment.
- Customers who use Cummins-powered equipment in their business endeavors.
- Global dealer and distributor network.

Our Businesses at a Glance

Filtration and Other

Products/Services

■ Diesel Systems

Air intake filtration, exhaust systems, engine filtration and hydraulic filtration systems.

■ Small Engine Systems

Air intake filtration, exhaust systems and engine filtration.

■ Aftertreatment Systems

Diesel oxidation catalysts, catalytic muffler systems, passive and active soot filtration systems, selective catalytic reduction (SCR) systems, 3-way catalysts and NOx reduction catalytic systems.

■ Other Systems

Air intake and silencing systems for gas turbine applications, in-tank fuel filtration for passenger cars and light trucks and hydraulic filtration for industrial applications.

■ Turbocharging Systems

Holset variable geometry turbocharging, wastegate solutions and power turbine, high-pressure ratio and multi-stage solutions.

Customers and Markets

- OEMs, distributors, dealers and end users of diesel-powered mobile and stationary industrial equipment.
- OEMs and dealers of both gasoline and diesel small engine systems for lawn and garden equipment, recreational vehicles and motorcycles.
- OEMs of gas turbine generators, industrial machinery, passenger cars and light trucks and industrial hydraulic equipment.
- Cummins joint ventures and selected OEM customers.
- Distributors and dealers.

Power Generation

Products/Services

■ Commercial Power Systems

Turnkey power stations up to 100 MW, diesel- and natural gas-powered generator sets from 3 to 2700 kW, PowerCommand® control systems, transfer switches and paralleling switchgear. Combined heat and power (CHP) installations, plant operation, maintenance, energy supply and power rental services.

■ Consumer Systems

Onan diesel-, LPG-, natural gas- and gasoline-fueled auxiliary generator sets from 2 to 95 kW with associated control systems.

■ Alternators

Newage, AvK and Markon synchronous AC alternators from 0.6 to 30,000 kVa. SEG control and protection systems for power plants up to 2000 MW. SEG power electronic systems for variable speed wind generators.

■ Engines

Cummins diesel engines for generator sets.

Customers and Markets

- Public and investor-owned utilities, telecommunication providers, manufacturing plants, mining and petrochemical sites, healthcare, retail and financial facilities requiring continuous, peaking or standby power systems.
- RV, specialty vehicle, marine pleasure craft OEMs. Home standby and portables.
- Alternators and associated controls for electrical power generation, power quality and power protection systems in industrial, marine and commercial applications.
- Diesel engines for power generation applications worldwide.



International Distributor

Products/Services

■ Product Distribution

Retail distribution of Cummins engine, power generation, filtration, turbocharging and related consumable products.

■ Service

Product repair and overhaul, maintenance and repair contracts.

■ Integrated Packages

Locally integrated packages of engines or generator sets plus related components and services engineered into a single package, including fire pump packages, wind machines, repower packages for used equipment, flood and irrigation pump packages, small powerhouses that supply standby electricity for a factory or industrial zone and auxiliary lighting equipment.

■ Solutions

Comprehensive business solutions that manage portions of end-user businesses using engine-powered equipment, including rental, operation and maintenance of small independent power plants, cost-per-hour contracts and service of end-user equipment.

Customers and Markets

- Customers who use Cummins-powered equipment in their business endeavors.
- Dealers.
- Local and regional OEMs producing in lower volumes.

Directors

Tim Solso	Chairman and Chief Executive Officer of Cummins Inc.
Robert J. Darnall (a,b,c,e)	Retired Chairman and Chief Executive Officer, Inland Steel Industries Inc., basic steel manufacturer, processor and materials distributor
John M. Deutch (b,d,e)	Institute Professor, Massachusetts Institute of Technology
Walter Y. Elisha (a,b,d,e)	Retired Chairman and Chief Executive Officer, Springs Industries Inc., manufacturer of home furnishings, industrial and specialty fabrics
Alexis M. Herman (a,c,d,e)	Chairman and Chief Executive Officer of New Ventures, Inc., an independent consulting firm
William I. Miller (b,d,e)	Chairman, Irwin Financial Corporation, financial services company
William D. Ruckelshaus (a,c,d,e)	Strategic Partner, Madrona Venture Group, L.L.C.
Franklin A. Thomas (b,c,e,f)	Consultant, TFF Study Group, non-profit initiative to assist the development process in South Africa
J. Lawrence Wilson (a,b,c,e)	Retired Chairman and Chief Executive Officer, Rohm and Haas Company, specialty chemical manufacturing
J. Irwin Miller	Honorary Chairman

Committees:

(a) Audit Committee; (b) Finance Committee
(c) Compensation Committee; (d) Technology and Environment Committee
(e) Governance and Nominating Committee; (f) Lead Director

Board of Directors, Executives and Officers

Policy Committee*

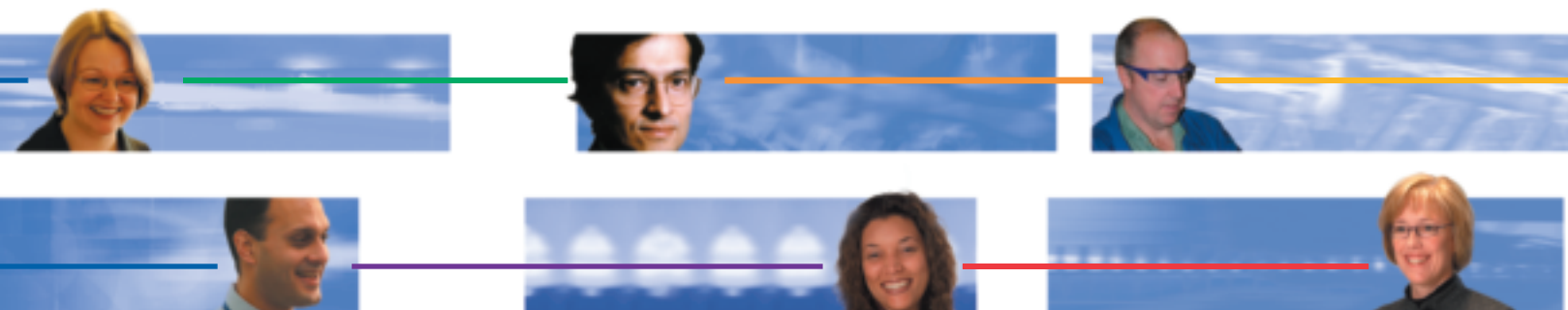
Tim Solso	Chairman and Chief Executive Officer
Jean Blackwell	Vice President, Chief Financial Officer and Chief of Staff
Steve Chapman	Vice President, International and President, International Distributor Business
Tom Linebarger	Vice President and President, Power Generation
Joe Loughrey	Executive Vice President and President, Engine Business
Rick Mills	Vice President and President, Filtration and Fleetguard, Inc.
John Wall	Vice President and Chief Technical Officer

Corporate*

Jean Blackwell	Vice President, Chief Financial Officer and Chief of Staff
Susan Carter	Vice President, Finance and Chief Accounting Officer
Marya Rose	Vice President, General Counsel and Corporate Secretary
Jill Cook	Vice President, Human Resources
Steve May	Vice President, Government Relations
Donald Trapp	Vice President, Business Development
Richard Harris	Vice President and Treasurer
Marsha Hunt	Vice President and Controller

Engine Business*

Joe Loughrey	Executive Vice President, President	Engine Business
Iain Barrowman	Vice President	High-Horsepower Operations
Rich Freeland	Vice President and General Manager	Fuel Systems Business
Richard Gold	Vice President and General Manager	PowerCare and Distribution
Jeff Hamilton	Vice President	Research and Development
Sam Hires	Vice President	High-Horsepower Engine Development
Jeff Jones	Vice President	Sales and Support
Jim Kelly	Vice President and General Manager	MidRange Engine Business
Mark Levett	Vice President and General Manager	High-Horsepower Engine Business
Jim Lyons	Vice President	MidRange Manufacturing
Frank McDonald	Vice President and General Manager	Heavy Duty Engine Business
Sean Milloy	Vice President	MidRange Engineering
Ed Pence	Vice President	Automotive Business
Glyn Price	Vice President	Engine Business Controller
John Stang	Vice President	Automotive Engineering
Bharat Vedak	Vice President	Industrial Customer Engineering
Christine Vujovich	Vice President	Marketing and Environmental Policy
John Wall	Vice President and Chief Technical Officer	Engine Business
Bob Weimer	Vice President	Quality, Heavy Duty Business



Power Generation Business*

Tom Linebarger	Vice President, President	Power Generation Business
Paul Ibbotson	Vice President and Managing Director	Holset and Newage AvK SEG
Peter McDowell	Vice President and Managing Director	Newage
Tony Satterthwaite	Vice President	Commercial Generator Set Business
Bob Sonntag	Vice President	Power Generation Operations

Filtration and Other Business*

Rick Mills	Vice President, President	Filtration and Fleetguard, Inc.
Pamela Carter	Vice President	Global Sales, Marketing, Logistics and Distribution
Mark Gerstle	Vice President	Operations

International*

Steve Chapman	Vice President	International
	President	International Distributor Business
Amy Adams	Managing Director	Southeast Asia
Gino Butera	Managing Director	South Pacific
Ricardo Chuahy	General Manager	Latin America
	President	Cummins Brasil
Mike Green	Managing Director	Central Area
John Watkins	Managing Director	East Asia
Steve Knaebel	Vice President	Cummins Mexico Operations
Ravi Venkatesan	Vice President	India

*Effective August 1, 2003

Operations

BMC Sanayi ve Ticares A.S.**
Chongqing Cummins Engine Company Ltd.*
Columbus Engine Plant
Columbus MidRange Engine Plant
Consolidated Diesel Company*
Cummins Beijing Co. Ltd.
Cummins Brasil Ltda.
Cummins India Ltd.
Cummins India Ltd.
Cummins Industrial Center
Cummins Komatsu Engine Co.*
Cummins Marine Charleston
Cummins MerCruiser Diesel*
Cummins Natural Gas Engines, Inc.
Cummins Power Generation
Cummins Power Generation
Cummins Power Generation Ltd.
Darlington Engine Plant
Daventry Engine Plant

Dongfeng Automobile Co. Ltd.**
Dongfeng Cummins Engine Co. Ltd.*
Jamestown Engine Plant
Komatsu Cummins Engine Company Ltd.*
Swagman Australia Pty. Ltd.
Tata Cummins Limited*

Location

Izmir, Turkey
Chongqing, China
Columbus, Indiana
Columbus, Indiana
Rocky Mount, North Carolina
Beijing, China
São Paulo, Brazil
Pune, India
Daman, India
Seymour, Indiana
Seymour, Indiana
Charleston, South Carolina
Charleston, South Carolina
Fort Worth, Texas
Fridley, Minnesota
Singapore
Ramsgate, England
Darlington, England
Daventry, England

Xiangfan, China
Xiangfan, China
Jamestown, New York
Oyama, Japan
Queensland, Australia
Jamshedpur, India

Products

B3.9/5.9 C8.3
NT L10/M11 K19/38/50
N14 ISX
ISB
B3.9/5.9 C8.3 ISB ISC QSB QSC ISL QSL
Generator sets
B3.9/5.9 C8.3 NT/N14 ISM ISB Generator sets
N14/NT K19 V28 K38/50 QSK60
Generator sets
K19 V903 QSK19
QST30
Marine auxiliary generator sets
B C QSM11 N14 Sterndrives
G-K19 G-V28 G-NT
Generator sets and electronic controls
Generator sets and electronic controls
Generator sets and electronic controls
B3.9/5.9 B4.5/6.7 C8.3 ISB
K38/50 QSK45/60 QSK45/60-G QSK78 QSV81/91-G
QSK19 rail powerpacks
B3.9/5.9
C8.3
ISM L10 G-L10 ISX
B3.3 B3.9/5.9 C8.3
Recreational vehicles
B3.9/5.9

Worldwide Locations

Technical Center Locations

Columbus, Indiana
Cookeville, Tennessee
Darlington, England
Fridley, Minnesota
Huddersfield, England
Oyama, Japan*
Pune, India
São Paulo, Brazil
Stamford, England
Stoughton, Wisconsin

Regional Parts Distribution Centers

Hebron, Kentucky
Mechelen, Belgium
Memphis, Tennessee
Mississauga, Canada
Pune, India
San Luis Potosi, Mexico
São Paulo, Brazil
Scoresby, Australia
Seoul, Korea
Shanghai, China
Singapore
Sparks, Nevada
Sparta, Tennessee
Weedon, U.K.

Sales and Service

Over 500 Distributorships and Branches Worldwide

International Distributors

Beijing, China
Brussels, Belgium
Buenos Aires, Argentina
Dubai, United Arab Emirates
Gaborone, Botswana
Gross-Gerau, Germany
Harare, Zimbabwe
Hong Kong, China
Johannesburg, South Africa
Manila, Philippines
Milan, Italy
Moscow, Russia
Pune, India
Santiago, Chile*
São Paulo, Brazil
Scoresby, Australia
Seoul, Korea
Shenzhen, China*
Singapore
Tokyo, Japan
Wellingborough, England

*Joint Venture

**Licensee

All location-related information is 2002 specific.

Components

AvK Electroputere
AvK Holding GmbH & Co KG*
AvK Holding GmbH & Co KG*
CBM Technologies Pty. Ltd.
Cummins (Xiangfan) Machining Company Ltd.
Cummins Auto Services Ltd.
Cummins Brasil Ltda.

Cummins Engine Company Pty. Ltd.

Cummins India Ltd.
Cummins Power Generation Ltd.
Cummins S. de R. L. de C. V.
Diesel ReCon Company
Diesel ReCon Company
Diesel ReCon Company
Diesel ReCon de Mexico S.A. de C.V.
Fleetguard
Fleetguard
Fleetguard
Fleetguard
Fleetguard
Fleetguard
Fleetguard
Fleetguard
Fleetguard

Location

AvK, Craiova, Romania
AvK, Ingolstadt, Germany
SEG, Kempten, Germany
Adelaide, Australia
Xiangfan, China
Pune, India
São Paulo, Brazil

Scoresby, Australia

Pune, India
Ramsgate, England
San Luis Potosi, Mexico
Memphis, Tennessee
OER Toronto, Canada
Cumbernauld, Scotland
Ciudad Juarez, Mexico
Kilsyth, Australia
Bonsucesso, Brazil
Quimper, France
Cookeville, Tennessee
Lake Mills, Iowa
Pietermaritzburg, South Africa
Hinckley, England
Stoughton, Wisconsin
Arcadia, Wisconsin

Products

Alternators
Alternators
Power systems
Industrial radiators
Engine components
Commercial vehicle parts sales and service
Engine components and remanufactured engines
Turbochargers
Engine components and remanufactured engines and components
Generator set electronic controls
Generator set components
Engine components and remanufactured engines
Remanufactured engines and components
Remanufactured engines and components
Remanufactured engines and components
Remanufactured engines and components
Filtration systems
Filtration and exhaust systems
Filtration systems
Filtration systems
Filtration systems
Filtration systems
Exhaust systems
Filtration and exhaust systems
Exhaust systems



Fleetguard
Fleetguard
Fleetguard
Fleetguard
Fleetguard
Fleetguard
Fleetguard Filters Ltd.*
Fleetguard Nelson Mexico S. de R. L. de C. V.
Fuel Systems Business
Holset Brazil
Holset Engineering Company Inc.
Holset Engineering Company Inc.
Holset Engineering Company Ltd.
Kuss Filtration
Markon Sawafuji Ltd.*
Nelson Engine Systems India Ltd.*
Newage Electrical India Ltd.
Newage International Ltd.
Shanghai Fleetguard Ltd.*
Stamford Mexico S. de R.L. de C.V.
Tata Holset Ltd.*
Tubengineers Pty. Ltd.
Turbo Europa
Universal Silencer
Universal Silencer
Universal Silencer Mexico SA DE
Wuxi Holset Ltd.*
Wuxi Newage Alternators Ltd.

Black River Falls, Wisconsin
Bloomer, Wisconsin
Mineral Point, Wisconsin
Neillsville, Wisconsin
Viroqua, Wisconsin
Wautoma, Wisconsin
Pune, India
San Luis Potosi, Mexico
Columbus, Indiana
São Paulo, Brazil
Charleston, South Carolina
Memphis, Tennessee
Huddersfield, England
Findlay, Ohio
Oakham, England
Daman, India
Ahmednagar, India
Stamford, England
Shanghai, China
San Luis Potosi, Mexico
Dewas, India
Scoresby, Australia
Amersfoort, Netherlands
Stoughton, Wisconsin
Muscodra, Wisconsin
San Luis Potosi, Mexico
Wuxi, China
Wuxi, China

Exhaust systems
Filtration systems
Filtration and exhaust systems
Filtration and exhaust systems
Exhaust systems
Exhaust systems
Filtration systems
Filtration and exhaust systems
Fuel system design and manufacture
Turbochargers
Turbochargers
Aftermarket distribution center
Turbochargers
Filtration systems
Alternators
Exhaust systems
Alternators
Alternators
Filtration systems
Alternators
Turbochargers
Exhaust systems
Aftermarket distribution center
Filtration and silencing systems
Filtration and silencing systems
Filtration and silencing systems
Turbochargers
Alternators

*Joint Venture
**Licensee

Shareholder Information

Stock Transfer Agent, Registrar and
Dividend Disbursing Agent

Wells Fargo Shareowner Services is the Company's stock transfer agent and registrar. Wells Fargo maintains the Company's shareholder records, disburses dividend checks and administers the Company's Dividend Reinvestment Program.

General correspondence, address change, name change, notification of lost securities, transfers, inquiries about transfer requirements and correspondence relating to the Dividend Reinvestment Program should be directed to Wells Fargo.

By mail:

Wells Fargo Shareowner Services
P. O. Box 64854
St. Paul, MN 55164-0854

By hand or overnight:

Wells Fargo Shareowner Services
161 North Concord Exchange
South St. Paul, MN 55075

Annual Meeting

Shareholders are invited to attend the Company's Annual Meeting on September 16, 2003, at 11:00 a.m. (Eastern Standard Time) in Columbus, Indiana, at the Cummins Technical Center (CTC) located at 1900 McKinley Avenue.

Further Information

Shareholders and others are invited to visit Cummins on the Web for further information of interest to investors. Visit www.cummins.com and click on Investor Information. The Annual Meeting and quarterly earnings teleconferences will be available from this site. SEC filings, press releases, stock quotes and other information are available there. In addition, you can request a printed copy of the 10-K, 10-Q, Annual Report and dividend reinvestment literature, and you can request e-mail alerts to advise you when new information is posted to the site. Shares may be voted by mail, by a toll-free telephone call or the Internet. Please see the simple instructions on the proxy card.

Shareholder Information

By phone:

1-800-468-9716
1-651-450-4064

By fax:

1-651-450-4033

By e-mail:

Contact Wells Fargo through a secure website, www.wellsfargo.com/com/shareowner_services. Click on 'registered shareholders,' then click on 'contact us.'

Dividends

Common stock dividends are payable quarterly upon authorization of the Board of Directors on or about the 1st of March, June, September and December to shareholders of record on or about the 15th day of the previous month.

Dividend Reinvestment

As an added service to shareholders, Cummins has a Dividend Reinvestment Plan administered by Wells Fargo Shareowner Services. This plan gives shareholders of record the option of having their cash dividends and optional cash payments applied toward the purchase of additional shares. Shareholders desiring information about this plan may contact Wells Fargo Shareowner Services (see above), or request information from Cummins through our website, www.cummins.com.

Investors may also contact:

Karen A. Battin
Executive Director, Investor Relations
Cummins Inc.
Box 3005 (Mail Code 60115)
Columbus, IN 47202-3005
Phone: 812-377-3121
Fax: 812-377-4937
Investor_relations@cummins.com

Corporate Headquarters

Cummins Inc.
500 Jackson Street
Columbus, IN 47202-3005

Exchange Listing

The common stock of Cummins Inc. is listed on the New York Stock Exchange and the Pacific Stock Exchange under the symbol CUM.



A special thank you to all of the Cummins employees, whose pictures are used in this report.

Nancy Lunsford
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Paul Malone
Cindy Zheng
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Sukhvinder Mehta
Kacee Brenner
Lian Zhou
Peggy Newland
Ricardo Patron



B C Bailey, art director/designer
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Phil Allen, photographer
Peter Smith, photographer
Mike Miles, photographer
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