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Cummins to Temporarily Close Columbus MidRange Engine Plant as Result of Chrysler Bankruptcy Filing

COLUMBUS, Ind.--(BUSINESS WIRE)-- Cummins Inc. (NYSE: CMI) today announced a number of job actions affecting its manufacturing operations in Southern Indiana.

The Company is temporarily closing the Columbus MidRange Engine Plant (CMEP) in Walesboro, just outside Columbus, as a result of Chrysler's decision last week to idle its manufacturing operations while it undergoes bankruptcy reorganization.

CMEP is the sole manufacturing site for the 6.7-liter turbo diesel engine used in the heavy-duty Dodge Ram pickup truck. The plant will close effective May 15 and be down until Chrysler resumes pickup truck production.

Chrysler's Dodge Ram manufacturing plant in Saltillo, Mexico, which closed Monday, is expected to be idle for at least four weeks and Chrysler has indicated that its entire manufacturing operation could remain closed for nine weeks or longer.

The shutdown affects a total of approximately 690 workers at CMEP. Cummins will layoff approximately 610 hourly workers - 560 members of the Diesel Workers Union and 50 members of the Office Committee Union. The Company plans to redeploy as many of the 80 exempt employees in the plant as possible throughout its Southern Indiana operations.

The last work day for most of the hourly employees at CMEP will be May 13. A small staff will be retained through the end of May to complete the shutdown process.

"The engines we produce for Chrysler make up virtually all the demand at CMEP, and without the Chrysler production it is not economically feasible to operate the plant," said Jim Kelly, President of the Engine Business. "There is considerable uncertainty around Chrysler and when it will resume manufacturing operations, which makes it necessary for us to take this difficult action.

"At the same time, the Dodge Ram is a valuable part of Chrysler's product portfolio, and the Cummins turbo diesel engine for the heavy-duty pickup has been a key part of the Ram's success for more than two decades. We are hopeful that once Chrysler emerges from its

reorganization, demand for our award-winning engine will return."

In actions unrelated to the Chrysler bankruptcy, Cummins also announced today that it will permanently layoff approximately 110 hourly workers in June at three locations in Southern Indiana:

- Approximately 30 workers at the Cummins Fuel Systems Plant in Columbus will be laid off effective June 1.
- Approximately 50 workers at the Cummins Industrial Center in Seymour will be laid off effective June 1. The plant manufactures high horsepower engines used in industrial, power generation, marine and military applications.
- Approximately 30 workers in the Heavy Duty Machining operation at Columbus Engine Plant will be laid off effective June 29. The operation machines cylinder blocks and heads for heavy duty engines produced by Cummins in Jamestown, N.Y.

These job reductions are in response to further weakening demand for engines and components as a result of the global recession, and are consistent with our efforts to align manufacturing capacity and costs with that lower demand.

About Cummins

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, emission solutions and electrical power generation systems. Headquartered in Columbus, Indiana, (USA) Cummins serves customers in approximately 190 countries and territories through a network of more than 500 company-owned and independent distributor locations and approximately 5,200 dealer locations. Cummins reported net income of \$755 million on sales of \$14.3 billion in 2008. Press releases can be found on the Web at www.cummins.com.

Forward-looking disclosure statement

Information provided in this release that is not purely historical are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding the company's expectations, hopes, beliefs and intentions on strategies regarding the future. It is important to note that the company's 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, general economic, business and financing conditions, labor relations, governmental action, competitor pricing activity, expense volatility and other risks detailed from time to time in Cummins Securities and Exchange Commission filings.

Source: Cummins Inc.