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LiuGong and Cummins Announce Joint-Venture Partnership to Build Engines in China

MidRange Engines Will Be Localized For Construction Equipment Market

LIUZHOU CITY, Guangxi Province, China--(BUSINESS WIRE)-- Cummins Inc. (NYSE: CMI) and Guangxi LiuGong Machinery Co. Ltd. (Shenzhen: 000528) announced today a joint-venture partnership to manufacture MidRange engines at a new facility to be built in Liuzhou City, Guangxi Province, in southern China. The new joint-venture operation will commence engine production in 2013. Volume is planned to reach 50,000 units with the capability to expand in the future.

The joint-venture agreement was signed in Liuzhou City by Wang Xiaohua, Chairman, Guangxi LiuGong Machinery Co. Ltd., and Steve Chapman, Group Vice-President of Cummins and Chairman of Cummins China. The joint-venture engines will be based on Cummins MidRange engines meeting Tier 2 and Tier 3 emissions.

The MidRange engines will be fully localized in China and adapted for construction equipment usage by the joint-venture to meet the demand of LiuGong and other equipment manufacturers in China.

This new investment in MidRange engine production will complement Cummins existing manufacturing capabilities in China that have focused primarily on the automotive market. Development and optimization of Cummins MidRange engines specifically for China adds significant value to the construction machinery industry in China, which has a strong and growing demand for high performance, reliable engine power.

"The joint-venture announced today with LiuGong creates the foundation for both partners to significantly expand in the construction equipment market in China, the largest in the world, and where robust demand will continue to drive growth," said Tom Linebarger, President and Chief Operating Officer, Cummins Inc.

"I am delighted that we are expanding our long-term relationship with LiuGong, one of the leading and most respected equipment companies in China. LiuGong has achieved outstanding growth in recent years and is poised to expand its business even faster in the

years ahead.

“It is clear that LiuGong shares many important values with Cummins. LiuGong focuses on the needs of its customers and is committed to excellence in everything it does. These shared values will help drive our new joint-venture forward to achieve its goals,” said Linebarger.

Cummins currently supplies MidRange engines to LiuGong for both its domestic market in China and for its global operations. The joint-venture operation in Liuzhou City will focus on introducing engines purpose-designed and fully localized for construction equipment in China. This fit-for-market approach recognizes the opportunity offered by customizing engines to meet specific economic and operational requirements.

“The joint-venture between LiuGong and Cummins can be seen as a natural progression of our successful 10-year relationship and we are delighted to become even stronger partners,” said Zeng Guang’an, Vice Chairman and President, Guangxi LiuGong Machinery Co. Ltd.

“By combining our equipment expertise with Cummins world class engine capability, we know we have the right formula in place for our new joint-venture to succeed. Initial operations will begin as early as 2012 with engine-kit assembly, providing a useful lead-in to full production engines in 2013,” added Zeng Guang’an.

About LiuGong

LiuGong is one of the leading construction machinery manufacturers with headquarters based in Liuzhou, China. As a listed company in Shenzhen Stock Exchange, LiuGong has extensive product lines across all construction machinery segments and achieved sales of RMB 15.4 billion in 2010. LiuGong offers a full line of machines to global markets, including wheel loaders, excavators, bulldozers, rollers, graders, pavers, backhoes, skid steers, forklifts, truck-mounted and crawler cranes, and mining trucks. LiuGong has 17 manufacturing facilities in China, India and other regions and an expanded sales and service network in more than 80 countries. LiuGong aims to grow into a world-class construction machinery player with RMB 50 billion sales by 2015.

About Cummins Inc.

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 employs approximately 40,000 people worldwide and serves customers in approximately 190 countries and territories through a network of more than 600 company-owned and independent distributor locations and approximately 6,000 dealer locations. Cummins earned \$1.0 billion on sales of \$13.2 billion in 2010. *Press releases can be found on the Web at cummins.com or cumminsengines.com. Follow Cummins on Twitter at <http://twitter.com/cumminsengines> and YouTube at <http://youtube.com/cumminsengines>.*

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