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Hyundai and Cummins Announce Joint Venture Partnership to Build MidRange Engines in South Korea

ULSAN, South Korea--(BUSINESS WIRE)-- Hyundai Heavy Industries Co., Ltd. (KRX: 009540) and Cummins Inc. (NYSE: CMI) have announced a 50/50 joint venture partnership to manufacture MidRange engines in Korea extending from 150 hp to 300 hp (112-224 kW) output for application in a wide range of Hyundai construction and industrial equipment.

The launch of the Hyundai Cummins Engine Company (HCEC) joint venture took place in Ulsan, Korea, with a ceremonial co-signing of the agreement by Byeong-Ku Choe, Chief Operating Officer and President – Hyundai Construction Equipment Division, and Rich Freeland, Cummins Vice President and President – Engine Business.

The HCEC joint venture operation will be located in the city of Daegu, Korea, with engine manufacturing to commence in 2014. The new facility will have a capacity in place to build more than 50,000 engines per year at full production.

HCEC will supply engines spanning the MidRange 5.9-liter to 8.9-liter displacement range for Hyundai excavators, wheel loaders and industrial equipment built in Ulsan and other locations worldwide. The joint venture engines will power Hyundai equipment in markets with high growth potential such as Russia, the Middle East, Africa and Southeast Asia.

“I am delighted to announce our new engine joint venture with Hyundai, one of the most highly respected companies in the global construction equipment industry and for many years an important customer of Cummins off-highway business,” Freeland said. “The formation of the HCEC joint venture takes Cummins working relationship with Hyundai to a much closer level, where we can share our respective expertise and better position both parent companies for growth in markets around the world.”

Byeong-Ku Choe, Chief Operating Officer and President – Hyundai Construction Equipment Division, said, “Cummins is an important engine supplier to Hyundai, with a proven capability to improve the performance of our equipment, so our new HCEC joint venture can be seen as a natural progression of this longstanding cooperation. We are very excited at the opportunities the joint venture will realize as we strive together in partnership to achieve mutual success.”

The HCEC operation will be equipped with a state-of-the-art engine production line and highly advanced test cells. Cost-effective manufacturing procedures will be applied at HCEC, following common practices used across Cummins global network of MidRange engine manufacturing facilities. Combined with Hyundai engineering and quality expertise, this will ensure world-class manufacturing standards at the new plant.

MidRange Engine Manufacture

Engines manufactured at the HCEC facility will be based on the Cummins B, C and L MidRange platforms meeting emission levels equivalent to U.S. Environmental Protection Agency (EPA) Tier 2 and Tier 3 off-highway regulations, either already in place or set to be introduced in many rapidly developing countries.

Cummins MidRange products feature advanced combustion technology at the heart of the engine to achieve high power density and enhanced equipment productivity for the lowest possible fuel consumption. The technology comes with the added benefit of long service intervals and very high tolerance for poor fuel quality.

Having the foundation of a strong HCEC partnership in place will provide a further impetus for Hyundai and Cummins to accelerate other ongoing areas of engine supply cooperation beyond the joint venture product line, including Cummins next generation of EPA Tier 4 Final and EU Stage IV low-emissions engines for regulations taking effect Jan. 1, 2014 in North America and Europe.

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 employs approximately 44,000 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 6,500 dealer locations. Cummins earned \$1.85 billion on sales of \$18.0 billion in 2011. 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 our forecasts, expectations, hopes, beliefs and intentions on strategies regarding the future. Our 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: the adoption and implementation of global emission standards; the price and availability of energy; the pace of infrastructure development; increasing global competition among our customers; general economic, business and financing conditions; governmental action; changes in our customers' business strategies; competitor pricing activity; expense volatility; labor relations; and other risks detailed from time to time in our Securities and Exchange Commission filings, including particularly in the Risk Factors section of our 2010 Annual Report on Form 10-K. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are

cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are made only as of the date of this press release and we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. More detailed information about factors that may affect our performance may be found in our filings with the Securities and Exchange Commission, which are available at <http://www.sec.gov> or at <http://www.cummins.com> in the Investor Relations section of our website.

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