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## **Cummins CEO Tim Solso Tells Shareholders Company is Poised for Significant Growth**

### **- Directors and External Auditor Also Selected at Annual Meeting -**

COLUMBUS, Ind.--(BUSINESS WIRE)--

Cummins Inc. (NYSE:CMI) is poised to build off its record 2006 with strong financial performance again in 2007 and beyond, Chairman and Chief Executive Officer Tim Solso told shareholders this morning at the Company's annual meeting.

The Company also announced that its shareholders had re-elected all nine Cummins directors for another year and ratified the selection of PriceWaterhouse Coopers LLC as the Company's external auditing firm. Shareholders also approved a minor change in the Company's stock incentive plan and voted to increase the number of authorized shares of common stock following Cummins' two-for-one stock split on April 9.

Speaking to shareholders from the Columbus Engine Plant, home to the Company's recently announced light-duty diesel engine program, Solso recapped Cummins' 2006 performance and then outlined the Company's growth plans.

Cummins enjoyed its most profitable year ever last year when it reported net earnings of \$715 million on \$11.4 billion in sales. Solso noted that the Company's profit as a percentage of sales for the three-year period between 2004 and 2006 was the best in 40 years. He also pointed out that since 2003 Cummins has easily outperformed its peer group in terms of revenue growth, net income growth, shareholder returns and conversion of earnings to cash.

"I am pleased to say that Cummins is in the strongest position we have enjoyed in my 36 years with the Company, and we're well-positioned to grow significantly in the next several years," Solso said. "Our challenge is to remain focused on our growth strategy so that we can take full advantage of the opportunities ahead of us."

Solso spoke of the Company's efforts to build on its five strategic principles - increasing the synergies among its complementary lines of business; being a low-cost producer; creating shareholder value; ensuring profitable growth and creating the right environment for

employees - emphasizing the significant number of growth opportunities available to Cummins over the next few years.

For example, the Company will be entering the light-duty diesel engine market in the United States and China, and is positioned to be producing as many as 1.3 million engines a year worldwide by 2012, compared to 850,000 today. The growth into new engine markets comes even as the Company's share is increasing in several of its engine markets, including heavy- and medium-duty truck, construction and oil and gas.

Other growth-related highlights shared by Solso at the meeting include:

- The Company's Power Generation business, which continues to produce record financial results, is expected to see additional growth in its consumer segment through the introduction of portable generators and auxiliary power units. The business also is investing to expand capacity at its alternator facilities to meet the continued strong worldwide demand.
- The Components business is forecasting strong sales growth and will reach its profit target range in fourth quarter of 2007, on the strength of increased demand for emissions-related products and technologies. The Company is making significant investments in capacity in its exhaust aftertreatment, turbocharger and fuel systems businesses, and has launched a number of new filtration products that have been well-received by customers.
- The Distribution business will increase its global footprint, providing a larger and stable earnings base in the future. Investments are being made in a number of emerging markets, and the Company plans to continue its recent strategy of taking a larger ownership stake in its distributorships around the world.

Sales growth in 2007 will be dampened somewhat as a result of the expected slowdown in the North American truck markets due to the 2007 EPA emissions changes, but earnings are forecast to remain strong. Sales are expected to grow 5 to 7 percent in 2007 and earnings are forecast to be \$6 - \$6.50 a share. The Company expects robust growth in most of its products and geographic markets this year outside of the North American truck market and a return to higher profitability beginning again in 2008.

"Our efforts over the past three years to grow the Company and improve our financial structure have produced good returns for our shareholders, but the work is far from done," Solso said. "We have more opportunities ahead of us than at any time in the Company's history, and I have never been more excited about the future of Cummins."

#### Board members selected

In the business portion of the meeting, Cummins shareholders elected nine directors to the Board for one-year terms. All the directors currently serve on the Board at Cummins. They are:

- Tim Solso, Chairman and Chief Executive Officer (first elected to the board in 1994)

- Joe Loughrey, President and Chief Operating Officer (2005)
- Robert J. Darnall, Retired Chairman and CEO, Inland Steel (1989)
- John M. Deutch, Institute Professor, Massachusetts Institute of Technology (1997)
- Alexis M. Herman, Chairman and CEO, New Ventures Inc. (2001)
- William I. Miller, Chairman, Irwin Management Corp. (1989)
- Georgia R. Nelson, President, Midwest Generation EME (2004)
- Carl Ware, Retired Executive Vice President Coca-Cola Co. (2004)
- J. Lawrence Wilson, Retired Chairman and CEO, Rohm and Haas Co. (1990).

#### 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 more than 160 countries through its network of 550 Company-owned and independent distributor facilities and more than 5,000 dealer locations. Cummins reported net income of \$715 million on sales of \$11.4 billion in 2006. Press releases can be found on the Web at [www.cummins.com](http://www.cummins.com).

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.