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Cummins Inc. Increases Dividend by 40 Percent

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

The Cummins Inc. (NYSE: CMI) Board of Directors today increased the Company's quarterly cash dividend on common stock by 40 percent to 17.5 cents per share, up from 12.5 cents per share. The dividend is payable on Sept. 2, 2008 to shareholders of record on August 22.

"The Company continues to perform well, despite significant economic challenges, and we wanted to reward our shareholders' continued confidence in Cummins," said Tim Solso, Cummins Chairman and Chief Executive Officer. "Today's actions are indicative of the Board's continued confidence in the Company's ability to grow profitably and generate strong cash flow."

The dividend increase is the Company's third since July 2006. During that time, Cummins has increased its dividend rate by 133 percent on a split-adjusted basis. From 2003 to 2007, Cummins produced an average annual shareholder return of 58 percent - ninth best among the Fortune 500 during that period.

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 \$739 million on sales of \$13.05 billion in 2007. 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.