

February 2, 2009



Cummins Offers Voluntary Retirement Package to Hourly Workers in Southern Indiana

COLUMBUS, Ind.--(BUSINESS WIRE)-- Cummins Inc. (NYSE: CMI) announced today that it has offered a voluntary retirement package to hourly employees in southern Indiana who meet certain eligibility criteria.

Approximately 700 employees are eligible for the program and the Company will accept up to 350 voluntary retirement applications. All hourly workers in southern Indiana with 30 years of service, or who are at least 55 years old with a minimum of 10 years of service are eligible to apply for the program.

Eligible employees have until 5 p.m. Feb. 13 to accept the offer. It is expected that most of the employees who receive the retirement package will leave the Company by March 1.

"The demand for our engines and related products continues to fall, and despite the significant steps already taken to align our costs with that demand, permanent job reductions have become necessary," said Jim Kelly, President - Engine Business. "This action is the next step in our "rings of defense" approach to reducing costs."

In addition to today's announcement, Cummins has announced job reductions affecting more than 1,400 salaried workers and approximately 1,000 hourly workers worldwide since the beginning of the fourth quarter 2008. The Company also has aggressively moved to cut costs in a number of other ways, including:

- Cutting 2,500 contract and temporary workers
- Halting hiring, except in rare cases
- Freezing salaries for professional employees
- Reducing officers' salaries by 10 percent for 2009
- Shortening work weeks at a number of manufacturing facilities
- Closing manufacturing and distributor facilities
- Significantly cutting discretionary spending
- Significantly reducing capital spending in the fourth quarter 2008 and in 2009

Cummins currently employs approximately 2,800 hourly workers in southern Indiana and

about 6,200 people total in Indiana. The Company reduced its professional workforce in Indiana by approximately 200 people in December through a combination of retirements and involuntary job cuts, and announced a second round of professional job reductions on Jan. 13, which will result in additional job losses in the state.

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.