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Cummins Positioned for Profitable Long-Term Growth, Chairman and CEO Tim Solso Tells Shareholders

COLUMBUS, Ind.--(BUSINESS WIRE)-- Cummins Inc. (NYSE:CMI) continues to perform well despite the global economic downturn and is positioned for a period of sustained profitable growth once the recovery takes hold worldwide, Chairman and Chief Executive Officer Tim Solso told shareholders today at the Company's annual meeting.

Speaking from the Columbus Engine Plant, Solso told shareholders that the actions taken by the Company over the past 18 months have allowed it to remain profitable, generate significant cash, serve customers well and continue to invest in critical technologies for the future. The Company also has a number of long-term economic and market trends working in its favor, which will contribute significantly to its future success, Solso said.

"Over the past year, our employees around the world have continued to execute our strategy for remaining strong during the downturn extremely well," Solso said. "As a result, the Company expects higher sales and profits this year and already is focused on taking advantage of some significant future growth opportunities."

Solso told shareholders that the Company expects sales to reach \$12 billion in 2010, an 11 percent increase from 2009, and Earnings Before Interest and Taxes (EBIT), excluding restructuring and other charges, of 10 percent of sales. The Company also expects to invest \$400 million in capital projects in 2010, mostly to support initiatives related to new products and capacity expansion.

Solso affirmed the Company's long-term outlook, first shared with the investment community in mid-March, telling shareholders that he expects Cummins to reach \$20 billion revenue with an EBIT margin of 12.5 percent in 2014 and to earn an average annual EBIT margin of 10 percent of sales from 2009-2014.

He also outlined four long-term trends working in the Company's favor. They are:

- Tougher emissions standards being implemented around the world, which plays to the Company's strength as the global leader in emissions technology research and design.
- The globalization of business. Cummins has a leadership position in

large international markets such as China, India and Brazil and a strong global distribution network that gives the Company access to growing markets around the world.

- The price and availability of energy. Fuel prices are expected to continue to increase, which should boost demand for Cummins' fuel-efficient diesel engines. In addition, the demand for electricity is expected to outpace supply worldwide over the next several years, creating opportunities for the Company's power generation business.
- Infrastructure growth around the world. A significant increase in infrastructure spending worldwide over the next two decades, especially in large emerging markets, should increase demand for Cummins' products that serve industrial and power generation markets.

"We have a lot of trends working in our favor as we look forward and we are beginning to aggressively prepare for what we think will be a period of sustained growth," Solso said. "I am confident that we have the plans and the people in place to take advantage of our opportunities, and will continue to deliver significant value to our shareholders in the long term."

Solso also recognized Bob Darnall, who retired from the Board today after 21 years as a Cummins Director. Darnall, the retired CEO of Inland Steel Co., has served as chairman of the Board's Audit Committee for the past decade.

"Bob has made a tremendous positive impact on Cummins during his time on the Board," Solso said. "I, and the other Board members, are going to miss his experience and counsel. We wish him and his wife, Marletta, nothing but the best in the future."

In the business portion of the meeting, Cummins shareholders voted to elect the nine Cummins directors standing for election to the Board for another year and ratified PricewaterhouseCoopers LLC as the Company's external auditing firm for 2010.

The Board members elected today are:

- Tim Solso, Chairman and Chief Executive Officer, Cummins Inc. (first elected to the board in 1994)
- Tom Linebarger, President and Chief Operating Officer, Cummins Inc. (2009)
- Robert Bernhard, Vice President for Research, University of Notre Dame (2008)
- Dr. Franklin Chang-Diaz, Chairman and CEO, Ad Astra Rocket Co. (2009)
- Robert Herdman, Managing Director, Kalorama Partners LLC (2008)
- Alexis M. Herman, Chairman and CEO, New Ventures Inc. (2001)
- William I. Miller, Chairman and CEO, Irwin Management Corp. (1989)
- Georgia R. Nelson, President and CEO, PTI Resources LLC (2004)
- Carl Ware, Retired Executive Vice President Coca-Cola Co. (2004)

Also today, the Board declared a quarterly common stock cash dividend of 17.5 cents per share, payable June 1, 2010 to shareholders of record on May 21, 2010.

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. The Company reported net income attributable to Cummins Inc. of \$428 million on sales of \$10.8 billion in 2009. 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.