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Cummins Announces Intent to Meet New Fuel-Efficiency and Greenhouse Gas Standards Early

COLUMBUS, Ind.--(BUSINESS WIRE)-- Upon release of the first-ever greenhouse gas (GHG) emissions and fuel-efficiency standards for medium- and heavy-duty commercial vehicles, Cummins Inc. (NYSE: CMI) affirmed its support for the regulation and announced plans to certify its engines early to meet these standards. The Company has worked proactively on the regulation with a wide range of stakeholders over the past several years and is already developing the clean and efficient technology that will be needed to comply.

The U.S. Environmental Protection Agency (EPA) and the U.S. Department of Transportation (DOT) proposed this regulation in October 2010 after President Barack Obama directed the agencies to coordinate efforts and propose a single national GHG reduction and fuel-efficiency program. The agencies led an open process, and Cummins collaborated with other engine and vehicle manufacturers, technology suppliers, fleets and environmental organizations to provide input. The result is a workable regulatory structure that accommodates the diverse needs of the commercial vehicle sector.

“Environmental regulations can often be difficult for industry, adding cost and complexity. So early on, Cummins set out with the goal of helping the government establish a clear, consistent, challenging and enforceable regulation that recognizes the needs of business and provides incentives to companies that create innovative technologies as well as jobs in this country,” said Rich Freeland, Cummins Vice President and President – Engine Business. “This regulation will add real value for our customers as better fuel economy lowers their operating costs while significantly benefitting the environment.”

Cummins continues to develop technologies that meet stringent criteria emissions (such as those for oxides of nitrogen, or NOx) as well as improve the efficiency of its engines. Last year, the Company was awarded nearly \$54 million in funding from the U.S. Department of Energy (DOE) to support systems-level technology development, integration and demonstration for highly efficient advanced-technology powertrains. By burning less fuel in the engine, carbon dioxide (CO₂), which is the main GHG controlled under this regulation, is simultaneously reduced. The rule finalized today by the EPA and the DOT establishes equivalent CO₂ and fuel-efficiency standards for engines in 2014 and 2017.

Cummins' lineup of North American on-highway engines, from the ISB6.7 to the ISX15, will be certified to meet new onboard diagnostic (OBD) requirements on Jan. 1, 2013. To provide a single product launch and multiyear stability for customers, these products will also comply with the GHG and fuel-efficiency regulations.

"The emissions technologies in use today provide the foundation for meeting the 2014 standards, and Cummins is ready to meet this regulation in 2013," said Dr. Steve Charlton, Cummins Vice President and Chief Technical Officer – Engine Business. "Certifying our engines early will deliver additional fuel economy benefits to end-user customers and provide installation stability to our OEM customers. Continuing the use of our existing architecture means that customers can also expect improved reliability. This is simply part of the march down a path that we outlined several years ago to deliver increasingly clean, efficient and reliable products to our customers."

Today's on-highway diesel engines in the United States emit 99 percent less Particulate Matter (PM) and NOx than they did 30 years ago. The Company's use of Selective Catalytic Reduction (SCR) technology to meet the EPA's stringent 2010 emissions standards is a building block for the new GHG and fuel-efficiency standards. SCR not only reduces NOx to near-zero levels, but it also enables reduced fuel consumption. As a result, the Cummins 2010 Heavy-Duty and MidRange engines deliver up to 6 percent improved fuel efficiency compared with the previous models.

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 40,000 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 6,000 dealer locations. Cummins earned \$1.0 billion on sales of \$13.2 billion in 2010. Press releases can be found on the Web at cummins.com or cumminsengines.com. Follow Cummins on Twitter at <http://twitter.com/cumminsengines> and on YouTube at <http://youtube.com/cumminsengines>.

Forward-Looking Disclosure Statement

Information provided in this release that is not purely historical consists of 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.

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