

EXHIBIT 1

Volkswagen emission scandal widens: 11 million cars affected

Nathan Bomey, USA TODAY 5:40 p.m. EDT September 22, 2015

Investors crush Volkswagen shares as company sets aside \$7.3 billion to address software that manipulates emissions tests.



(Photo: Julian Stratenschulte, European Pressphoto Agency)

Volkswagen's emissions scandal ballooned Tuesday as the company admitted that software designed to fool regulators affects 11 million vehicles worldwide and could cost more than \$7 billion to address, threatening to undermine its new position as the world's largest automaker.

The automaker's deception immediately qualifies as one of the most expensive automotive scandals in recent memory and could jeopardize CEO [Martin Winterkorn's](#) job as his contract comes up for renewal.

The company's crisis dragged down stocks in Germany, undermined Volkswagen's claims of environmentally advanced diesel engineering and threatened to reverse the automaker's sales gains on Toyota as the world's biggest vehicle maker — a title it seized in the first six months of 2015.

Unlike [General Motors'](#) accidental ignition-switch defect, which killed more than 120 people, Volkswagen engineers intentionally designed cars to circumvent regulators.

While Volkswagen's transgression hasn't killed anyone, it has sown distrust among consumers.

"This could damage the Volkswagen brand globally for years to come," said former automotive marketing executive Peter De Lorenzo, blogger at [Autoextremist.com](#), in an interview. "Trust and belief in the brand has been broken."

Winterkorn pledged to regain the public's trust and "find out exactly what happened" amid speculation that he could lose his job over the crisis. Winterkorn's contract, coincidentally, is [up for renewal at the automaker's board meeting Friday \(/story/money/cars/2015/09/02/volkswagen-ceo-gets-contract-extension/71564856/\)](#). A subcommittee will meet Wednesday to recommend whether the full board should extend the CEO's deal.

He apologized Tuesday for the second time in four days, but gave no indication that he'll consider resigning. He said, "We are asking for trust as we move forward."

"We are working very hard on the necessary technical solutions," he said, according to an English translation of his remarks provided by Volkswagen. "And we will do everything we can to avert damage to our customers and employees. I give you my word: we will do all of this with the greatest possible openness and transparency."



USA TODAY

[Analysis: Deception fuels Volkswagen emissions scandal \(/http://www.usatoday.com/story/money/cars/2015/09/22/analysis-deception-fuels-volkswagen-emissions-scandal/72608782/\)](#)

Investors crushed the German automaker's stock, driving shares down 20%, [a day after the stock plunged 19% \(/story/money/cars/2015/09/21/volkswagen-stock-epa-emissions-diesel-cars/72551936/\)](#).

The crisis began Friday when the [U.S. Environmental Protection Agency](#) accused Volkswagen of installing sophisticated software on nearly 500,000 U.S. vehicles to manipulate emissions tests.

The technology tricks regulators into believing that four-cylinder diesel cars comply with emissions standards, but the cars are actually emitting harmful pollutants at rates of up to 40 times acceptable standards. Volkswagen quickly halted sales of the cars after the allegations surfaced.

The U.S. Justice Department has opened a criminal probe into the automaker's actions. The EPA has an investigation, and foreign regulators are expected to launch their own probes.



USA TODAY

Analysis: Deception fuels Volkswagen emissions scandal

(<http://www.usatoday.com/story/money/cars/2015/09/22/analysis-deception-fuels-volkswagen-emissions-scandal/72608782/>)

Volkswagen acknowledged "a notable deviation between bench test results and actual road use" in the affected vehicles.

Volkswagen said it would set aside 6.5 billion euro, or \$7.3 billion, in its third quarter to address the matter and warned that the amount could change. In the U.S., the EPA could fine Volkswagen up to \$37,500 per car, which would equal a maximum fine of \$18 billion.

The scandal raises serious questions about whether high-level executives knew about the software, which had been installed on some nameplates for at least six consecutive model years.

Earlier this month, a subcommittee of Volkswagen's board recommended that the full panel extend Winterkorn's contract through 2018. The official renewal at Friday's board meeting was viewed at the time as a routine matter, but now it may be up in the air.

Winterkorn kept his job earlier this year after then-chairman Ferdinand Piech tried to displace him. Piech exited the company shortly after his failed effort.

De Lorenzo, the automotive marketing veteran, said Winterkorn will be forced to answer questions about his knowledge of the emissions scandal.

"He's very much detailed-oriented. He's always regaled his underlings with his depth of knowledge of detailed items that they would assume he wouldn't bother with," De Lorenzo said. "I think heads will roll and this could bring down Winterkorn and some of his trusted lieutenants."

Dave Sullivan, an analyst with AutoPacific, said the "chances of him coming out unscathed have got to be very small."

The EPA has said the software affected the four-cylinder diesel versions of the 2009 to 2015 Jetta, Beetle and Golf; the 2014 and 2015 Passat; and the 2009 to 2015 Audi A3.

The episode is likely to trigger a recall and a flurry of consumer lawsuits. It may prompt the company to compensate individual car owners or other measures.

U.S. Sen. Bill Nelson, D-Fla., called on the [Federal Trade Commission](#) to investigate Volkswagen's marketing of "clean diesel" vehicles.

EPA officials have pledged to punish Volkswagen. The crisis took on an additional political bent Tuesday afternoon when Democratic presidential candidate Hillary Clinton tweeted about the scandal: "Outrageous. When companies put profits ahead of safety and the environment, there should be consequences."

Volkswagen's sheer size may help the company navigate the crisis without jeopardizing its future. The company had 12.7 billion euros in operating profit in 2014, as well as 592,586 employees globally.

Brian Moody, site editor for AutoTrader.com, said Volkswagen took the right step by apologizing quickly.

"Doing it the way they're doing it it makes sense," he said in an interview. "I think they'll get past it quicker. I think taking the head-on approach will be better for them in the long run."

Still, the scandal may endanger the reputation of diesel cars in the U.S., where many consumers still view the cars skeptically. A gallon of diesel fuel cost 22 cents more than a gallon of unleaded gasoline in the U.S. as of Tuesday afternoon, according to GasBuddy.com.

What's more, European regulators are expected to place Volkswagen under intense scrutiny. And the scandal could bode poorly for Volkswagen in the world's largest vehicle market, China, where Volkswagen is No. 1 by market share.

"The problem is the Chinese are starting to realize they have got to do something with their air and this could have an effect on the relationship the Chinese have with Volkswagen," Sullivan said.

Follow USA TODAY reporter Nathan Bomey on Twitter [@NathanBomey](#) (<http://twitter.com/NathanBomey>).

EXHIBIT 2



ENGINES

PARTS & SERVICE

RESOURCES

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Cummins Technology Partnerships

Recent technology partnerships have been featured in Cummins literature - please see a short description of each below, and click the title to open a pdf version of the full flyer in a new window or tab.

ETHOS Public Report

This Ultra-Low Carbon Powertrain project report describes the design, development, and testing of a prototype powertrain concept fueled by E85 and targeted to decrease CO2 emissions on a full-fuel-cycle basis by over 50%. This project developed a downsized 2.8L engine for use in class 4-6 medium duty vehicles with power and torque capabilities appropriate for this market.

SuperTruck

In 2010, the Department of Energy (DOE) awarded \$39 million in funding to Cummins Inc. – which the company and its partners are matching 50/50 – to support technology development, system integration and demonstration for a highly efficient Class 8 tractor-trailer – known as the SuperTruck program. Cummins has partnered with PACCAR Inc. and suppliers including Cummins Component Businesses (Turbo Technologies, Emission Solutions, Fuel Systems and Filtration), Eaton and VanDyne SuperTurbo Inc., and research entities Oak Ridge National Laboratory and Purdue University.

EPA 2010 Exhaust Emission Regulations

Public/Private Partnership Accelerates Progress. In 2001, the EPA set forth the most stringent exhaust emissions standards for heavy-duty on-highway diesel engines to be introduced in 2010. The EPA regulations provided a clear, long-term view of the emissions performance targets, and of the investments in research and development (R&D) that would be needed to develop the right technologies to deliver reliable, durable, high performing products to the many markets served by diesel engines.

EPA 2007 Regulations - Diesel Particulate Filters

As part of the emissions regulations finalized in 2001 for on-highway diesel engines, the EPA set standards for particulate matter (PM) to be implemented in 2007 that would reduce PM to near-zero levels. This posed a significant challenge to diesel engine manufacturers as they needed to develop and introduce active diesel particulate filters (DPFs), which had not previously been used on a large scale. Investments in research and development (R&D)

Resources

Brochures

Blog

How a Diesel Engine Works

On-Highway

Tier 4 Info

Body Builder IQA

Biodiesel FAQ

Connected Diagnostics

INLINE 7 Data Link Adapter

Off-Highway Fuel Quality

Center of Excellence

DEF for Industrial Applications

Natural Gas Engines

Technology Partnerships

Training Hardware

were needed to develop the right technologies to deliver reliable, durable, high performing products to the many markets served by heavy-duty diesel engines.



Cummins Inc, Box 3005, Columbus, IN 47202-3005 USA

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EXHIBIT 3



News Article

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Cummins Reveals Best-In-Class 2007 Turbo Diesel Engine

Strongest. Cleanest. Quietest.

WASHINGTON--(BUSINESS WIRE)--Jan. 23, 2007--Cummins Inc. (NYSE:CMI) today unveiled the strongest, cleanest, quietest best-in-class 2007 Cummins Turbo Diesel. Leapfrogging the competition, the Cummins 6.7-liter Turbo Diesel engine, used exclusively in Dodge Ram 2500 and 3500 Heavy Duty pickup trucks, has increased displacement providing increased horsepower and torque while achieving the world's lowest 2010 Environmental Protection Agency (EPA) NOx standard a full three years ahead of the requirements.

The new Turbo Diesel engines are in full production at the Cummins MidRange Engine Plant in Columbus, Ind. Cummins has been the sole supplier of diesel engines for the Dodge Ram since 1988, shipping approximately 160,000 engines in 2006.

Cummins is the first diesel engine manufacturer to have a product certified to the 2010 EPA heavy-duty engine standards for oxides of nitrogen (NOx) and particulate matter (PM) emissions, making it the cleanest heavy-duty diesel engine available in North America. The 2010 EPA standards for NOx (0.2g) and PM (0.01g) represent a more than 90 percent reduction in each pollutant, compared to the 2004 standards.

"The application of the right technology on the Dodge Ram is an extension of the joint clean diesel development work Cummins and DaimlerChrysler have performed together for nearly two decades," said Cummins President and Chief Operating Officer Joe Loughrey. "The new best-in-class Cummins Turbo Diesel and the Dodge Ram will provide the strongest, cleanest, quietest solution for heavy-duty pickup truck customers."

This new technology is a significant validation of the industry's ability to meet the EPA's 2010 clean diesel standards. These innovations help power our economy and drive our environmental successes," said Bill Wehrum, EPA's Acting Assistant Administrator for Air and Radiation.

Cummins announced this news prior to the Washington Auto Show in conjunction with DaimlerChrysler and the EPA.

Strongest. The increased displacement of the 6.7-liter Turbo Diesel - enabling an increase in horsepower and torque while maintaining fuel economy - will provide Dodge Ram customers with better engine performance without sacrificing the reliability and durability that have become synonymous with Cummins. Increased vehicle control and lower operating cost are both delivered on the new 6.7L Turbo Diesel with the addition of an integrated exhaust brake option, providing outstanding braking performance.

Cleanest. Combining advanced in-cylinder technologies, including a Bosch flexible 1800-bar High Pressure Common Rail fuel system with Cummins next-generation cooled Exhaust Gas Recirculation (EGR) and Variable Geometry Turbocharger (VGT(TM)), plus advanced exhaust aftertreatment technology, every Dodge Ram pickup will comply with the 2010 NOx and PM emissions standards. The advanced aftertreatment system includes a close-coupled diesel oxidation catalyst, a NOx adsorber catalyst and a combined diesel oxidation/particulate filter. The engine also incorporates a proprietary closed crankcase ventilation (CCV) system to eliminate crankcase fumes and "driveway drips." These advanced technologies require the use of Ultra-Low Sulfur Diesel (ULSD) fuel in order to meet the tough 2007 and 2010 regulations.

Quietest. The 2007 Cummins Turbo Diesel achieves a 50 percent noise reduction over the previous model, even with the increase in power and torque. The combination of reduced combustion noise, a low-noise VGT, optimized fuel timing/delivery, reduced-noise accessory drive pulleys and block side shields all contribute to this significant noise reduction.

Since 1988, Cummins and Dodge have collaborated to ship over 1.5 million Heavy Duty diesel pickup trucks and today enjoy around 30 percent market share in this highly competitive market in North America.

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 \$550 million on sales of \$9.9 billion in 2005. Press releases can be found on the Web at cummins.com or everytime.cummins.com.

CONTACT: Cummins Inc.
Carol Lavengood, 812-377-3079
carol.lavengood@cummins.com

SOURCE: Cummins Inc.

EXHIBIT 4



EPA 2010 Exhaust Emissions Regulations.

Public/Private Partnership Accelerates Progress.

In 2001, the Environmental Protection Agency (EPA) set forth the most stringent exhaust emissions standards for heavy-duty on-highway diesel engines, to be introduced in 2010. The EPA regulations provided a clear, long-term view of the emissions performance targets and of the investments in research and development (R&D) that would be needed to develop the right technologies to deliver reliable, durable, high-performing products to the many markets served by diesel engines.

99% Reductions In PM And NOx.

The challenge to diesel engine manufacturers was huge, with a required 99% reduction of both Particulate Matter (PM) and oxides of nitrogen (NOx) from unregulated levels. Cummins engineers knew that this would require the development and introduction of engine technologies and exhaust catalysts never before applied to on-highway heavy-duty diesel engines. The Department of Energy (DOE) also recognized the significant challenge and stepped forward to help support the needed R&D through public-private partnerships known as Cooperative Research and Development Agreements (CRADAs).

Every Partner Contributes.

One example of a successful R&D partnership has been among the DOE, Cummins, catalyst partner Johnson Matthey and Pacific Northwest National Laboratory (PNNL). The partnership started shortly after the adoption of the stringent emissions standards in 2001, in recognition of the fundamental challenges posed by the introduction of catalytic systems in diesel applications. Over the course of the 50/50 cost-shared partnership, this collaboration provided Cummins with powerful catalysis and surface science expertise and tools. The CRADA provided the first quantitative analysis to decouple the two major modes of NOx Adsorber Catalyst (NAC) degradation – thermal damage and inadequate sulfur removal from the catalyst surface.

In addition, the CRADA provided access to PNNL discoveries, which proved key to interpreting many features of these uniquely complex catalytic systems. With researchers from all three organizations being closely involved in the technical discussions on a regular basis, the CRADA stayed focused on the factors of substantial, practical relevance from both catalyst formulation and catalyst application standpoints.

A Successful Launch – Three Years Early.

In 2007, Cummins, in partnership with Chrysler, revealed the most advanced diesel engine and exhaust aftertreatment system as the “strongest, cleanest, quietest” diesel engine in its class. The CRADA had been instrumental in the development and application of a NOx Adsorber Catalyst for the Cummins 6.7L Turbo Diesel, and Cummins was the first diesel engine manufacturer to have a product certified to the 2010 EPA heavy-duty engine emissions regulations in all 50 states – a full three years ahead of the schedule laid out by the EPA. The product has been in commercial use for over four years, delighting customers with its performance and durability, and delivering on Cummins commitment to a cleaner, healthier environment.

EXHIBIT 5





★ WE EARN BY DOING. ★

RAM HEAVY DUTY. THESE ARE OUR VALUES AT WORK. Yes, it's about versatile power and the strength to do the job. Yes, it's about exceptional towing and hauling capability. To be sure, it's about the wide range of available Mopar[®] Accessories that can transform this workhorse into a comfortable, Internet⁽¹⁾*-connected room. But the overarching factor that defines and separates Ram Heavy Duty is *value*. Like our teamwork with Cummins[®], whose brilliance gives you a Turbo Diesel[†] with fewer moving parts — translating into the real-world value of reduced maintenance costs. Like our formidable 5.7-liter HEMI[®] V8,[‡] whose legendary performance has served whole eras in automotive and aviation history. Finally, it's about value measured in quality, with the 5-Year/100,000-Mile Powertrain Limited Warranty⁽²⁾ that backs you on every Ram Heavy Duty. These are our values. And time and time again, they work. *A note about this brochure: All disclaimers and disclosures can be found inside the back cover. †Check with your local dealer for model/engine availability.

RAM HEAVY DUTY. HANDS DOWN, A BENCHMARK FOR THE CLASS.



RAM POWER WAGON: No other pickup matches the stunning strengths of the long-lauded Ram Power Wagon[®] • The most capable off-road full-size pickup, period • **Class Exclusive⁽³⁾**: front electronically disconnecting stabilizer bar (or sway bar), allows nine inches of additional articulation • **Class Exclusive⁽³⁾**: electronically locking front and rear differentials • **Class Exclusive⁽³⁾**: 12,000-lb capacity front-mounted WARN[®] winch, with 4.6-horsepower series wound motor and 125 feet of 3/8-inch aircraft-grade cable • Super-tough 4.56 axle ratio

RAM 2500/3500 PICKUPS: Built for work, designed for recreation, ready to handle what life hands you • Unsurpassed 800 lb-ft of torque⁽³⁾ from the available 6.7-liter Cummins High Output Turbo Diesel • **Class Exclusive⁽³⁾**: the ingenious and convenient RamBox[®] Cargo Management System (late availability) • **Class Exclusive⁽³⁾**: versatile rear in-floor storage bins on Crew Cab models • **Class Exclusive⁽³⁾**: available 6-speed manual transmission • **Best-in-class honors⁽³⁾**: The mammoth interior volume of Ram Mega Cab[®] • **Class Exclusive⁽³⁾**: on Cummins Turbo Diesel-equipped models, no need at all for a Diesel Exhaust Fluid (DEF) system — unlike Ford and Chevy diesel-powered models

RAM 3500 PICKUPS: These one-ton workhorses feature upgrades that launch them into the realm of extreme capability • Available MAX Tow Package ramps up GCWR and towing • Exceptional GCWR strength that boosts capability up to 30,100 lb⁽⁴⁾ • Maximum towing capability reaches a stunning 22,750 lb⁽⁴⁾

LOCOMOTIVE OF THE GAS POWERTRAINS.



The hemispherical engine head was designed more than a century ago — a clear indication of the uncontested success of this iconic design. With initial contributions to American history encompassing engine applications that ranged from aircraft and tanks to the iconic American muscle car, today's HEMI® V8 is pure innovation at work, with its dual spark plug technology and unique hemispherical combustion chambers burning fuel with outstanding efficiency.



383 HP/400 LB-FT

EXCEPTIONALLY FUEL-EFFICIENT OPERATION.
It comes to work by combining performance with fuel-efficient operation. The 5.7-liter HEMI V8 in Ram 2500 trucks delivers capability.

A BIG BREATH OF FRESH AIR. As the standard engine on Ram 2500 Heavy Duty pickups, the 5.7-liter HEMI V8 on Ram Heavy Duty models features a notable advantage: Variable Valve Timing (VVT). By varying the exact timing of each valve, the degree of "engine breathing" increases exponentially. The results are all about doing the work with greater efficiency and strength; torque number rises and fuel-efficient performance increases. It's exactly the technology needed for a gas engine to provide beyond-competent towing, hauling, and acceleration. In every way, this is a legend at work.



TRANSMISSIONS

66RFE 6-SPEED AUTOMATIC. New, and engineered specifically for the 2012 Ram 2500 Heavy Duty pickup, this sophisticated multirange electronically controlled transmission features optimized gear ratios and Electronic Range Select (ERS) for responsive, durable performance. Standard with the 5.7-liter HEMI V8 on 2500 models.

68RFE 6-SPEED AUTOMATIC. Features Electronic Range Select for premium operation during cruising and towing. Outstanding strength, stamina, and reliability with impressive performance at all rpm levels. Available for Ram 2500 and 3500 pickups equipped with the Cummins® High Output Turbo Diesel.

CLASS-EXCLUSIVE® 6-SPEED MANUAL. Here, a high-ratio sixth gear offers ideal lower highway rpm ranges along with the welcome efficiency inherent in manual transmissions. The proven 6-speed manual is the standard drivetrain component for Ram Heavy Duty models powered by the 6.7-liter Cummins Turbo Diesel power plant.

MAXIMUM PAYLOAD CAPACITIES (WHEN PROPERLY EQUIPPED)

		2500												3500												
		Regular Cab				Crew Cab				Mega Cab®				Regular Cab				Crew Cab				Mega Cab				
		LB 4x2	LB 4x4	SB 4x2	RB 4x2	LB 4x2	SB 4x4	RB 4x4	LB 4x4	SB 4x2	RB 4x2	SB 4x4	RB 4x4	LB 4x2	LB 4x4	SB 4x2	RB 4x2	LB 4x2	SB 4x4	RB 4x4	LB 4x4	SB 4x2	RB 4x2	SB 4x4	RB 4x4	
AUTOMATIC TRANSMISSION	Engine																									
		GWR																								
	5.7L HEMI V8	8,510						1,880	1,690																	
		8,650	3,190	2,700																						
	6.7L Cummins Turbo Diesel I-6	9,000	2,650	2,180	2,930	2,730	2,830	2,520	2,320	2,360	2,530	2,340	2,090	1,900												
		9,600			2,240	2,040	2,110	2,410	2,220	2,290	1,950	1,750	2,020	1,830			3,300	3,100	3,120	2,880	2,680	2,700	2,950	2,750	2,530	2,330
		10,100 ⁽¹⁾																								
		10,500 ⁽²⁾																						3,020	2,600	
	11,500 ⁽²⁾																									
	12,000 ⁽²⁾															5,180										
	12,200 ⁽²⁾															4,950										
	12,300 ⁽²⁾																						4,550			
		2500												3500												
		Regular Cab				Crew Cab				Mega Cab				Regular Cab				Crew Cab				Mega Cab				
		LB 4x2	LB 4x4	SB 4x2	RB 4x2	LB 4x2	SB 4x4	RB 4x4	LB 4x4	SB 4x2	RB 4x2	SB 4x4	RB 4x4	LB 4x2	LB 4x4	SB 4x2	RB 4x2	LB 4x2	SB 4x4	RB 4x4	LB 4x4	SB 4x2	RB 4x2	SB 4x4	RB 4x4	
MANUAL TRANSMISSION	Engine																									
		GWR																								
	6.7L Cummins Turbo Diesel I-6	9,000	2,550	2,090	2,170	1,980	2,050			1,880	1,690															
		9,600					2,340	2,150	2,210			1,960	1,760													
		10,100 ⁽¹⁾																								
		10,500 ⁽²⁾															3,250	3,050	3,070	2,830	2,630	2,650	2,890	2,700	2,470	2,280
		11,500 ⁽²⁾																								
		12,000 ⁽²⁾														5,100										
	12,200 ⁽²⁾														4,880											
	12,300 ⁽²⁾																						4,490			

Weights given in lb. LB = Long Box SB = Short Box RB = RamBox® (1)Single Rear Wheel only. (2)Dual Rear Wheel only.

5 YEAR/100,000 MILE POWERTRAIN WARRANTY

WARRANTIES AS TOUGH AS THE POWERTRAINS THEY PROTECT. The business of a Ram truck is to deliver quality. All Ram powertrains cover you with a 5-Year/100,000-Mile Powertrain Limited Warranty.⁽²⁾



Ram 3500 Crew Cab SLT DRW shown in Bright White. Properly secure all cargo.

NO FEAR FROM RAIL TO TRAIL. IT'S ALL ABOUT TOWING.

RAM HEAVY DUTY IS ALL ABOUT THE REAL WORLD. Like towing a cabin cruiser or hauling an excavator. Precisely why those Ram 3500 impressive towing figures also contribute to value. Three available advantages — the 6.7-liter Cummins® High Output engine, 6-speed automatic transmission, and the MAX Tow Package — result in the very real “Less Is More” equation: More towing power means less worry. More strength allows fewer trips. More capability reduces expenses for greater profits. That's real Ram value.



IMPRESSIVELY LARGE BRAKE ROTORS, PADS, AND CALIPERS.

Leave smaller brakes to the others. Our massive rotors measure over 14 inches in diameter — with huge brake pads to match. It's about capability and control, and Ram Heavy Duty delivers.



AVAILABLE INTEGRATED TRAILER BRAKE CONTROLLER.

This panel-mounted display gives you greater control and towing confidence. Customize it to increase or decrease the trailer brake pressure, depending on your load weight.



NEW ELECTRIC-OVER-HYDRAULIC TRAILER BRAKE CAPABILITY.

Expand your towing capability. Choose from multiple modes for trailer-specific customization. Handles up to four-axle trailers, including standard and gooseneck. Customer-selectable inputs are visible in the EVIC display.



FIFTH-WHEEL HITCH.

Authentic Accessories by Mopar, ramp up towing. This tough Fifth-Wheel Hitch assembly is recommended across the Ram truck line when towing weights exceed 12,000 lb — an assignment easily handled by Ram Heavy Duty.⁽⁴⁾

CHOOSE YOUR RAM. AND GO GET HITCHED. It's not merely outstanding towing numbers that make the Ram family the pickups of choice for the work site. Convenience is also at work here. This is ideal technology made for people who need to get hitched up.

On every Ram Heavy Duty, integrated 4- and 7-pin trailer connectors are standard. Class-IV hitch, standard. And the available ParkView® Rear Back-Up Camera⁽⁵⁾ removes the need for a spotter, or the time-consuming in-and-out trips from the cab to properly line up hitch to ball.

Whether powered by the outstanding choices of Cummins Turbo Diesels or the legendary 5.7-liter HEMI® V8, you've got cab sizes and cargo beds custom-made for every job, with the singular Ram Heavy Duty Mega Cab® still offering the largest interior volume in the class.⁽³⁾



CONTROL IT, WITH YOUR DIESEL EXHAUST BRAKE. STANDARD WITH EVERY CUMMINS.

For some trucks, towing with or against gravity is a battle of wills. This indispensable asset on every Cummins Diesel offers exceptional control on grades.



NO DEF HERE. SAVE MONEY, TIME, AND HASSLES.

No other heavy-duty pickup in the class⁽³⁾ can make this claim. The Cummins-powered Ram 2500 and 3500 Heavy Duty pickups stand alone, meeting every 50-state emissions standard with no need for a Diesel Exhaust Fluid system.

CAPABILITY TO EXCEED THE NEED.

All towing figures: when properly equipped.



3500 REGULAR CAB, 8' BOX
22,750-LB
MAX TOW CAPACITY



3500 CREW CAB, 6'4" BOX
17,050-LB
MAX TOW CAPACITY



3500 CREW CAB, 8' BOX
20,150-LB
MAX TOW CAPACITY



3500 MEGA CAB, 6'4" BOX
18,350-LB
MAX TOW CAPACITY

DO THE MATH. STUDY YOUR ANGLES. ★

Look into it and it's clear that Ram has the right numbers. These are heavy-duty trucks with heavy-duty attitude — and dressed with looks to kill. But don't let that sculpted exterior or luxurious interior distract you from the guts of the matter. While Ram's comfortable ride, deft handling, and nimble maneuverability all combine for an impressive drive to the job site, these are serious workhorses built to tow multiple tons and haul thousands of pounds on a daily — and yearly — time frame.

This no-nonsense do-it-all work ethic was born in the arduous process of preproduction testing. Long before they work for you, Ram Heavy Duty prototypes endure conditions unlikely to be encountered in your life — or lifetime. Grueling durability tests, excessive climate testing, road simulation shake trials on tracks that resemble mountainous terrains — it's beyond brutal. We measure every number — and we measure up, backing you with one of the best working warranties^[2] in the business.



**THE 5-YEAR/100,000-MILE
POWERTRAIN LIMITED WARRANTY.^[2]**

So complete, it's transferable. It protects every Ram engine and transmission for 5 years or 100,000 miles, whichever comes first. Includes towing to an authorized dealer. See dealer for details.

**5 YEAR/100,000 MILE
POWERTRAIN WARRANTY^[2]**



1 The tough hydroformed front structure is designed to be the primary absorber of any impacts. By deflecting the energy from the driver and front passenger, it contributes to enhanced safety and security.

2 We focus on components that offer phenomenal strength, durability, and reliability. Ram Heavy Duty features supremely durable suspension bushings, outstanding front spring rates, and specially tuned suspensions. All contribute to impressive maneuverability and deft handling under a wide variety of loads and road conditions.

3 Look for capability up to 5,500 lb!⁴¹ High front GAWR figures accommodate large snowplow applications.

4 We completely seal the interior, giving you a beyond-quiet cabin. Our design effectively manages inside airflow through the cab and out via proprietary air exhausters in the rear of the cab.

5 Under the C-pillars, special hydraulic mounts enhance comfort and quietness. These unique mounts are literally "tuned" to help eliminate the vibrations of the suspension and frame.

6 Ram Heavy Duty brakes rank among the best. This multichannel, four-wheel antilock system is electronically operated, with front brakes controlled individually and the rear in tandem. Electronic Variable Brake Proportioning (EVBP) balances front-to-rear properties. The massive rotors exceed 14 inches in diameter, offering uncompromised braking power.

7 The structural cab strength comes from High Strength Steel (HSS) reinforcements and specialized inserts, which are integrated directly into the cab. Ram Heavy Duty also features superstrong windshield pillars and B-pillars.

IDEAL IF YOU'RE COMFORTABLE WITH COMPLETE CONTROL.



INTERIORS YOU CAN LIVE WITH. Make crosstown traffic bearable — and cross-country tours a spacious journey. Available features like power lumbar seats, heated and ventilated seats, Dual-Zone Temperature Control, and sophisticated electronics that can include the 'Net^[1] is where we're at. Be part of it: upload your Ram Heavy Duty video to youtube.com/Ram

This is where it all comes together. You're in complete control — from mastering your towing to knowing the operational systems of your 2012 Ram Heavy Duty at a glance. Crisp readouts from the Electronic Vehicle Information Center (EVIC) are augmented by wicked smart design touches — like available woodgrain surfaces. The technology of tomorrow becomes even smarter when you add Authentic Accessories by Mopar[®] to keep you in touch with it all: people, music, maps, the 'Net.^[1] Sometimes the impressive power of a Ram Heavy Duty interior even outweighs the experience of enjoying what's under the hood.

Uconnect

IN TOUCH, IN TUNE. Outfit your Ram with Uconnect[™] and you've got a hub for your most important media, cell phone, Internet^[2] (an available Authentic Accessory by Mopar), SiriusXM[®] Satellite Radio, navigation system, and personal devices, such as an iPod[®] or smartphone. Add SiriusXM Advanced Audio[™] and enjoy features like Song Title Save, Song/Artist/Composer Information, Game Alerts for sporting events, Traffic Jump[®], Channel Browning (without switching stations), Favorite Song Storing — and much more.

SIRIUSXM **TRAFFIC TRAVEL LINK**



PHONE. Talking on the phone while driving has never been easier — or more responsible. Uconnect Phone is the in-vehicle, voice-activated communication system that allows you to pair up to seven Bluetooth[®] compatible phones and then talk virtually hands-free. This system is also clever enough to synchronize with your phone's address book^[3] — up to 1,000 entries — every time you get into your vehicle. The remote USB port lets you charge mobile devices.



WEB. Put the power of high-speed Internet in your vehicle with the available Uconnect Web.^[1] Effortlessly connect any WiFi-enabled device to the Internet at 3G broadband speeds, making your Ram a mobile Hotspot within a 150-ft range. Passengers can use multiple devices at the same time. There's no need for cell cards or software with this unique Authentic Accessory by Mopar. It's all wireless.



VOICE COMMAND. It simplifies driving by letting you keep your eyes on the road and your hands on the wheel. Vocally select AM/FM radio stations, SiriusXM Satellite Radio[®] channels, make and receive calls, select navigation destinations, and record voice memos. Utilizing smart technology, the Voice Command^[2] system can also be trained to better recognize your voice, and can understand commands in English, French, and Spanish.



MULTIMEDIA. Manage all of your media. You'll have six ways to access audio, including SiriusXM Satellite Radio[®] (your first year of service is included), plus a 40GB hard drive and iPod control with Voice Command^[2]. Wirelessly stream music through Bluetooth streaming audio. Rear Seat Video can be utilized in multiple ways, including playing your personal DVDs, a variety of compatible multimedia devices, and operating numerous gaming consoles.



NAVIGATION SOLUTIONS. Choose from either Garmin[®] or the Enhanced GPS Navigation systems. Garmin is easy to use, with numerous features including Lane Guidance. The Enhanced GPS Navigation provides destination entry via Voice Command^[2] and SiriusXM Traffic^[2] for real-time traffic info on the go. Add SiriusXM Travel Link^[2] for local fuel and movie info, even sports results and stock market figures.

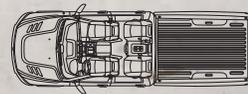


ONLY RAM HAS IT.



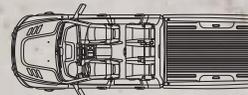
SOMETIMES BIGGER IS THE BEST. In the case of the cavernous Ram Mega Cab,[®] there is no contender: this Ram Heavy Duty comes with the largest interior volume in the class.^[3]

CREW CAB



Interior Volume: 125.3 cu ft

MEGA CAB



Interior Volume: 142.65 cu ft



Crew Cab

The objective was uncompromising: create an interior that works, day-in and year-out, to deliver outstanding levels of comfort, convenience, storage and capability. From the practical Regular Cab to Laramie Crew Cab and Mega Cab[®], Ram Heavy Duty delivers it all.

Laramie Crew Cab

1 Command central: the Ram Laramie dashboard and instrumentation leaves no doubt about who's in charge of this work partner. **2** The spacious and backseat-friendly Ram Crew Cab Laramie in Light Pebble Beige with Bark Brown accents, shown with available equipment.

Laramie Mega Cab

3 Nothing says mega like Ram Mega Cab, the class-leading³¹ cab for interior volume and comfort, shown here in Dark Slate Gray leather trim. **4** Advantage Ram: the huge Mega Cab rear-seat area transforms into a convenient fold-flat cargo space for transporting large items with small effort. **5** The in-floor storage bins and handy clips for grocery bags in Ram Mega Cab models.



Mega Cab





IT'S ALL WORK...

BUILT FOR HEAVY DUTY. ACHIEVES ULTRA DUTY.

From farm to ranch, from industrial site to boat launch, the aim of every Ram Heavy Duty is to excel. And that's what they do. With no DEF system for Cummins® Turbo Diesel-powered Ram pickups. With impressive towing from Ram 3500 pickups equipped with the available Cummins High Output and MAX Tow Package. With cavernous Ram Mega Cab® The 2012 Ram Heavy Duty. It just flat-out works.

SCOFF AT A LIFETIME OF HARD LABOR, WITH RAM 2500/3500. Why Ram Heavy Duty 2500/3500 rank as pickups of choice for the working world: No Diesel Exhaust Fluid (DEF) system required when powered by any Cummins Turbo Diesel engine • Unsurpassed 800 lb-ft of torque⁽³⁾ with the available Cummins High Output • The new 66RFE 6-speed automatic transmission for HEMI® V8-powered Ram 2500 pickups • Exceptional Power Wagon® off-road capability • Multiple choices for axles and axle ratios for all models • Heavy-duty engine cooling • 180-amp alternator available (standard on Power Wagon) • Available class exclusive⁽³⁾ RamBox® Cargo Management System for 6'4" beds* • Available Authentic Accessories by Mopar®. *Late availability.



THE INCENTIVES YOU NEED TO HELP YOUR BUSINESS SUCCEED.

Running a business presents plenty of challenges. Like cutting costs, not corners. The ON THE JOBSM commercial incentive program provides enormous assistance in purchasing, customizing, and servicing your business vehicles. See your dealer for specific program rules and details, or call us toll-free at 877-ONTHEJOB (877-668-4356).

Among the most popular ON THE JOB incentives:

- **NO-EXTRA-CHARGE LUBE/OIL/FILTER**
For all Chrysler, Jeep, Dodge and Ram vehicles. Includes gas and diesel engines.
- **COMMERCIAL GRAPHICS ALLOWANCES**
For all vehicles. \$250/\$500/\$1,000 Commercial Graphics Program Allowances.
- **COMMERCIAL EQUIPMENT/UPGRADES**
\$1,000/\$500 Allowances for Upgrades.
\$1,000 Snowplow/Factory Box-Off/Field Box-Off Allowances.
\$500 RamBox Cargo Management System Allowance.



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If you're in business, BusinessLink has you covered.

- Free Membership
- Extended Service Hours
- A Dedicated BusinessLink staff
- Convenient Shuttle Services
- Commercial Vehicles in Stock
- Next-Bay-Up Preferential Service Treatment
- Free Loaners¹ for Selected Vehicles
- And much more

For more information, log on to chryslerbusinesslink.com or call us toll-free at 877-2THELINK (877-284-3546).

¹Some restrictions apply. See dealer for details.



1 Crew Cab Laramie: From the first glance, Laramie hints at exceptional design and comfort — and it delivers in every way. To an interior appointed with leather-trimmed seats, subtle touches of chrome on the dash, and woodgrain trim, add navigational radio, and ParkView® Rear Back-Up Camera,¹⁵ all standard. **2 Dual Glove Boxes:** Expand comfort and convenience with these intelligently designed storage compartments. **3 Under-the-Seat and In-Floor Storage:** Easy to reach and out of the way on Ram Crew Cabs, these are ideal for small tools and valuables. **4 RamBox® System:** This available cargo management system is now engineered for Ram Heavy Duty models with 6'4" beds. (Late availability.) Two lockable, lit, and drainable compartments on the sides of the bed join cargo rails and a bed extender/divider — with lots of custom RamBox System accessories from Mopar, to boot. *Properly secure all cargo.*



Late availability feature shown.



Ram 2500 Crew Cab Outdoorsman shown in two-tone Black and Mineral Gray Metallic with optional equipment. Properly secure all cargo.



Ram 2500 Crew Cab Big Horn in Mineral Gray Metallic. Properly secure all cargo.



★ ...AND KNOWS PLAY. ★

READY TO BACK YOUR NEXT ADVENTURE.

When the angle of a boat launch makes drivers of lesser trucks look on with undisguised envy, count on your Ram Heavy Duty — and try not to smirk. Given tougher-than-nails engines, bulletproof transmissions and transfer cases, and exceptional towing technology, every day can be play time.

BEST PLAY ON THE BOOKS: RAM 2500/3500 HEAVY DUTY. Cummins® Turbo Diesel (std. 3500, available 2500), 610 lb-ft of torque; available Cummins High Output, for an unsurpassed 800 lb-ft of torque²⁰; standard diesel exhaust brake; available 6-speed automatic transmission with Electronic Range Select (ERS) for optimal gear selection and hands-on control. More: the Tow-Haul Mode, with dashboard-mounted switch, allows reprogramming of the transmission while towing and hauling; standard Class IV trailer hitch; available fully integrated electronic trailer brake controller.



EVERY VOCATION, EVERY LOCATION: RAM HEAVY DUTY HAS A TRIM LEVEL TO MEET THE NEED.

Right, top row: The most luxurious Ram ever built. Ram Laramie Longhorn features a premium interior with unique Laramie Longhorn Edition badging and seat treatments with distinctive laser-etched designs — or not; that's your call. **Second row:** Ram Power Wagon® distinguishes itself as the most capable pickup for severe off-road conditions; standard components on this exceptional pickup include Bilstein® gas-charged monotube shock absorbers, an electronically disconnecting front stabilizer bar (providing an additional nine inches of articulation), and the 12,000-lb capacity WARN® winch. **Third row:** The name says it all: Ram Outdoorsman, designed and built to take you to the lesser (and possibly never-before) traveled paths of life. Expand the capacity of the available brilliant RamBox® Cargo Management System with additional assets from Mopar®. Shown here is the RamBox Holster, letting you transport long guns, fishing rods with reels, or both. **Bottom row:** Contrast the vintage 1953 Ram Power Wagon military vehicle with a 2012 Ram Heavy Duty Crew Cab Big Horn, and you see history in motion. Ram Heavy Duty serves every purpose, from civic duty to all-around capability. For more, bookmark ramtrucks.com Properly secure all cargo.





Ram 3500 Mega Cab® Laramie Longhorn in Deep Cherry Red Pearl with White Gold Metallic lower.

RAM HEAVY DUTY TRIM LEVELS



ST

2500



3500



STANDARD FEATURES:

MECHANICAL

2500: 5.7L HEMI[®] V8 with heavy-duty cooling and 66RFE 6-speed automatic transmission

3500: 6.7L Cummins[®] Turbo Diesel with heavy-duty cooling and 6-speed manual transmission • Tow hooks • 7 x 11-inch trailer tow mirrors

2500/3500: Electronic Stability Control System (ESC)[®] (on SRW models only), which includes 4-wheel ABS, Brake Assist, All-Speed Traction Control, Electronic Roll Mitigation, Hill Start Assist, and Trailer Sway Control[®] • Manual part-time transfer case (on 4x4 models) • On short box models: 34-gallon fuel tank • Long box models: 35-gallon fuel tank

INTERIOR

Vinyl 40/20/40 front bench seat • Vinyl folding rear bench on Crew Cab models • Vinyl floor covering • Multistage front air bags[®] • Supplemental side-curtain air bags[®] • Tilt steering wheel • Automatic headlamps • Air conditioning • Power windows and door locks (on Crew Cab models) • Media Center radio with CD player and MP3 auxiliary input jack • Electronic Vehicle Information Center (EVIC) located in instrument panel cluster

EXTERIOR

Black front and rear bumpers • Black grille surround and inserts • Black fold-in sideview mirrors • Dual-lens headlamps • Bed rail caps • Locking tailgate • 4- and 7-pin trailer wiring harness/connectors • Class IV trailer hitch receiver • 17-inch steel wheels with BSW tires



SLT

2500



3500



STANDARD FEATURES:

MECHANICAL

2500: 5.7L HEMI[®] V8 with heavy-duty cooling and 66RFE 6-speed automatic transmission

3500: 6.7L Cummins Turbo Diesel with heavy-duty cooling and 6-speed manual transmission • Tow hooks • 7 x 11-inch trailer tow mirrors

2500/3500: Electronic Stability Control System (ESC)[®] (on SRW models only), which includes 4-wheel ABS, Brake Assist, All-Speed Traction Control, Electronic Roll Mitigation, Hill Start Assist, and Trailer Sway Control[®] • Electronic part-time transfer case (on 4x4 models) • Electronic trailer brake controller • Remote keyless entry • On short box models: 34-gallon fuel tank • Long box models: 35-gallon fuel tank

INTERIOR

Cloth 40/20/40 front bench seat • Cloth folding rear bench on Crew Cab and Mega Cab models • Carpet floor covering • Multistage front air bags[®] • Supplemental side-curtain air bags[®] • Tilt steering wheel • Automatic headlamps • Air conditioning • Power windows and door locks • Media Center radio with CD player, MP3 auxiliary input jack and SiriusXM[™] Satellite Radio[®] • Electronic Vehicle Information Center (EVIC) located in the instrument panel cluster • Overhead console • Power sliding rear window on Crew Cab and Mega Cab models

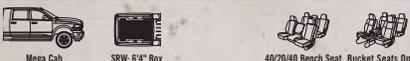
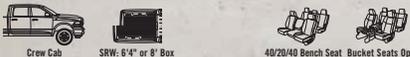
EXTERIOR

Chrome front and rear bumpers • Chrome grille surround with Black inserts • Dual-lens headlamps • Chrome door handles • Black, power heated fold-in sideview mirrors • Bed rail caps • Locking tailgate • 4- and 7-pin trailer wiring harness/connectors • Class IV trailer hitch receiver • 17-inch chrome steel wheels with BSW tires



BIG HORN

2500



3500



STANDARD FEATURES:

MECHANICAL

2500: 5.7L HEMI[®] V8 with heavy-duty cooling and 66RFE 6-speed automatic transmission

3500: 6.7L Cummins Turbo Diesel with heavy-duty cooling and 6-speed manual transmission • Tow hooks • 7 x 11-inch trailer tow mirrors

2500/3500: Electronic Stability Control System (ESC)[®] (on SRW models only), which includes 4-wheel ABS, Brake Assist, All-Speed Traction Control, Electronic Roll Mitigation, Hill Start Assist, and Trailer Sway Control[®] • Electronic part-time transfer case (on 4x4 models) • Electronic trailer brake controller • Remote keyless entry • On short box models: 34-gallon fuel tank • Long box models: 35-gallon fuel tank

INTERIOR

Luxury Group • Cloth 40/20/40 front bench seat • Cloth 60/40 split-folding rear bench seat • Carpet floor covering • Multistage front air bags[®] • Supplemental side-curtain air bags[®] • Leather-wrapped tilt steering wheel with audio controls • 115-volt power outlet • Automatic headlamps • Air conditioning • Power windows and door locks • Media Center radio with CD player, MP3 auxiliary input jack and SiriusXM Satellite Radio[®] • Electronic Vehicle Information Center (EVIC) located in the instrument panel cluster • Overhead console • Power sliding rear window

EXTERIOR

Quad-lens headlamps • Fog lamps • Chrome front and rear bumpers • Chrome grille surround with chrome billet inserts • Black power heated fold-in sideview mirrors with puddle lamps and supplemental turn signal indicators • Chrome door handles • Bed rail caps • Locking tailgate • 4- and 7-pin trailer wiring harness/connectors • Class IV trailer hitch receiver • 17-inch polished aluminum wheels with BSW tires



OUTDOORSMAN

Vehicle shown with optional monotone paint.

2500



Regular Cab



SRW: 8' Box



40/20/40 Bench Seat



Bucket Seats Opt.



Crew Cab



SRW: 6'4" or 8' Box



40/20/40 Bench Seat



Bucket Seats Opt.



Mega Cab®



SRW: 6'4" Box



40/20/40 Bench Seat



Bucket Seats Opt.

3500



Regular Cab



SRW: 6'4" or 8' Box



40/20/40 Bench Seat



Bucket Seats Opt.



Crew Cab



SRW: 6'4"



40/20/40 Bench Seat



Bucket Seats Opt.

STANDARD FEATURES:

MECHANICAL

2500: 5.7L HEMI™ V8 with heavy-duty cooling and 66RFE 6-speed automatic transmission

3500 (SRW MODELS ONLY): 6.7L Cummins® Turbo Diesel with heavy-duty cooling and 6-speed manual transmission

2500/3500: Electronic Stability Control System (ESC)[®] which includes 4-wheel ABS, Brake Assist, All-Speed Traction Control, Electronic Roll Mitigation, Hill Start Assist, and Trailer Sway Control[®] • Remote keyless entry • Electronic part-time transfer case (on 4x4 models) • Electronic trailer brake controller • Tow hooks • Remote start (with automatic transmissions only) and Security Group • On short box models: 34-gallon fuel tank • Long box models: 35-gallon fuel tank

INTERIOR

Luxury group • Leather-wrapped tilt steering wheel with audio controls • Premium cloth front 40/20/40 bench seat • Power driver's seat • Cloth 60/40 split-folding rear bench on Crew Cab and Mega Cab models • Carpet floor covering • Rubber all-weather floor mats • Multistage front air bags[®] • Supplemental side-curtain air bags[®] • Automatic headlamps • Air conditioning • Power windows and door locks • Media Center radio with CD player, MP3 auxiliary input jack, and SiriusXM™ Satellite Radio[®] • 115-volt power outlet • Electronic Vehicle Information Center (EVIC) located in instrument panel cluster • Overhead console with Universal Garage Door Opener • Power sliding rear window on Crew Cab and Mega Cab models

EXTERIOR

Two-tone paint with Mineral Gray Metallic front bumper, rear bumper, and fender flares • Body-color grille surround with Black inserts • Black door handles • Heated power, fold-in sideview mirrors in Black with puddle lamps and turn signal indicators • Fog lamps • Quad-lens headlamps • Bed rail caps • Locking tailgate • 4- and 7-pin trailer wiring harness/connectors • Class IV trailer hitch receiver • Tow hooks • 7 x 11-inch trailer tow mirrors • 17-inch forged aluminum wheels with LT All-Terrain tires



POWER WAGON®

2500



Crew Cab



SRW: 6'4"



40/20/40 Bench Seat

STANDARD FEATURES:

MECHANICAL

2500 only: 5.7L HEMI V8 with heavy-duty cooling and 66RFE 6-speed automatic transmission • Tow hooks • Skid plates for the fuel tank and transfer case • Electronic disconnecting front stabilizer (or sway) bar • Front and rear electronic locking differentials • 12,000-lb WARN® winch • 34-gallon fuel tank • Remote keyless entry • Electronic Stability Control System (ESC)[®] which includes 4-wheel ABS, Brake Assist, All-Speed Traction Control, Electronic Roll Mitigation, Hill Start Assist, and Trailer Sway Control[®] • Manual part-time transfer case • Electronic trailer brake controller

INTERIOR

Power driver's seat • Cloth front 40/20/40 bench seat • Cloth 60/40 split-folding rear bench • Tilt steering wheel • Carpet floor covering • Automatic headlamps • Air conditioning • Power windows and door locks • Media Center radio with CD player, MP3 auxiliary input jack and SiriusXM Satellite Radio[®] • Electronic Vehicle Information Center (EVIC) located in instrument panel cluster • Multistage front air bags[®] • Supplemental side-curtain air bags[®] • Power sliding rear window

EXTERIOR

Two-tone paint with front and rear chrome bumpers • Black fender flares • Chrome grille surround with Black inserts • Black, power heated fold-in sideview mirrors • Black door handles and Black bed rail caps • Fog lamps • Quad-lens headlamps • Locking tailgate • Class IV trailer hitch receiver • 4- and 7-pin trailer wiring harness/connectors • 17-inch forged aluminum wheels with 33-inch LT All-Terrain tires

RAM HEAVY DUTY TRIM LEVELS



LARAMIE

2500



Crew Cab



SRW: 6'4" or 8' Box



40/20/40 Bench Seat



Bucket Seats Opt.



Mega Cab[®]



SRW: 6'4" Box



40/20/40 Bench Seat



Bucket Seats Opt.

3500



Crew Cab



SRW: 6'4" or 8' Box



DRW: 8' Box



40/20/40 Bench Seat



Bucket Seats Opt.



Mega Cab



SRW: 6'4"



DRW: 6'4" Box



40/20/40 Bench Seat



Bucket Seats Opt.

STANDARD FEATURES:

MECHANICAL

2500: 5.7L HEMI[®] V8 with heavy-duty cooling and 66RFE 6-speed automatic transmission

3500: 6.7L Cummins[®] Turbo Diesel with heavy-duty cooling and 6-speed manual transmission • Tow hooks • 7 x 11-inch trailer tow mirrors

2500/3500: Electronic Stability Control System (ESC)[®] (on SRW models only), which includes 4-wheel ABS, Brake Assist, All-Speed Traction Control, Electronic Roll Mitigation, Hill Start Assist, and Trailer Sway Control[®] • Electronic part-time transfer case (on 4x4 models) • Electronic trailer brake controller • Remote keyless entry • ParkView[®] Rear Back-Up Camera[®] • Security alarm • On short box models: 34-gallon fuel tank • Long box models: 35-gallon fuel tank

INTERIOR

Leather-trimmed front 40/20/40 bench seat • Power driver and front-passenger seats • Heated front seats • Leather-trimmed 60/40 split-folding rear bench • Power adjustable pedals with memory • 115-volt power outlet • Carpet floor covering • Multistage front air bags[®] • Supplemental side-curtain air bags[®] • Heated leather-wrapped tilt steering wheel with audio controls • Automatic headlamps • Automatic temperature control • Power windows and door locks • Media Center 730N touch-screen radio with CD player, navigation, 40GB hard drive, remote USB port, MP3 auxiliary input jack and SiriusXM[™] Satellite Radio[®] • Premium 10-speaker surround sound audio system • Electronic Vehicle Information Center (EVIC) located in the instrument panel cluster • Overhead console with Universal Garage Door Opener • Power sliding rear window

EXTERIOR

Two-tone paint treatment with lower body and fender flares in Bright Silver Metallic • Chrome front and rear bumpers • Chrome door handles • Chrome grille surround with chrome billet inserts • Chrome power heated fold-in sideview mirrors with puddle lamps and turn signal indicators • Quad-lens headlamps • Fog lamps • Bed rail caps • Locking tailgate • 4- and 7-pin trailer wiring harness/connectors • Class IV trailer hitch receiver • 17-inch polished aluminum wheels with BSW tires



LARAMIE LONGHORN

2500



Crew Cab



SRW: 6'4" or 8' Box



Bucket Seats



Mega Cab



SRW: 6'4" Box



Bucket Seats

3500



Crew Cab



SRW: 6'4" or 8' Box



DRW: 8' Box



Bucket Seats



Mega Cab



SRW: 6'4"



DRW: 6'4" Box



Bucket Seats

STANDARD FEATURES:

MECHANICAL

2500: 5.7L HEMI V8 with heavy-duty cooling and 66RFE 6-speed automatic transmission

3500: 6.7L Cummins High Output Turbo Diesel with heavy-duty cooling and 6-speed automatic transmission • Tow hooks • 7 x 11-inch trailer tow mirrors

2500/3500: Electronic Stability Control System (ESC)[®] (on SRW models only), which includes 4-wheel ABS, Brake Assist, All-Speed Traction Control, Electronic Roll Mitigation, Hill Start Assist, and Trailer Sway Control[®] • ParkSense[®] Rear Park Assist[®] • ParkView Rear Back-Up Camera[®] • Electronic part-time transfer case (on 4x4 models) • Electronic trailer brake controller • Remote keyless entry • Security alarm system • Remote start system • On short box models: 34-gallon fuel tank • Long box models: 35-gallon fuel tank

INTERIOR

Premium leather front bucket seats • Power driver and front-passenger seats • Heated and ventilated front seats • Full-floor center console with leather console cover • 115-volt power outlet • Premium leather heated 60/40 split-folding rear bench • Carpet floor covering • Premium floor mats with removable inserts • Multistage front air bags[®] • Supplemental side-curtain air bags[®] • Heated leather-wrapped tilt steering wheel with audio controls • Automatic headlamps • Automatic temperature control • Power windows and door locks • Media Center 730N touch-screen radio with CD player, navigation, 40GB hard drive, remote USB port, MP3 auxiliary input jack and SiriusXM Satellite Radio[®] • Premium 10-speaker surround sound audio system • Premium instrument cluster • Electronic Vehicle Information Center (EVIC) located in instrument panel cluster • Overhead console with Universal Garage Door Opener • Power sliding rear window

EXTERIOR

Two-tone paint treatment with lower body, fender flares, front bumper, rear bumper, and running boards in White Gold Metallic • Fog lamps • Chrome grille surround with chrome billet inserts • Chrome power heated fold-in sideview mirrors with puddle lamps and turn signal indicators • Unique Laramie Longhorn badging • Quad-lens headlamps • Chrome door handles • Bed rail caps • Spray-in bedliner • Locking tailgate • 4- and 7-pin trailer wiring harness/connectors • Class IV trailer hitch receiver • 17-inch polished aluminum wheels with BSW tires



AUTHENTIC RAM ACCESSORIES

Mopar,[®] Inspiring truck owners with innovative parts and accessories – all made-to-spec, for your Ram truck. This is what Mopar delivers, along with expert, caring service. Mopar technicians are the masters of your make and model, with access to the authentic tools and diagnostic equipment that help get the job done efficiently and effectively. Choose authentic Mopar parts and service and you'll drive away with peace of mind. Visit mopar.com or your dealer for more information on the full line of Authentic Ram Accessories.

Above: Ram 2500 Crew Cab with available Steel Ladder Rack, an Authentic Ram Accessory by Mopar. Properly secure all cargo.

1 CAPABILITY. It's total strength when you need pulling power: tough Gooseneck Hitch attaches to frame crossmembers and delivers outstanding towing capability.

2 FUNCTIONALITY. Barrier for others, strongbox for you. Constructed of diamond plate aluminum, the lockable Heavy-Duty Commercial Grade Toolbox is ideal for jobs large and small.

3 PROTECTION. Scratches and dents in the truck bed are history when you opt for the dealer-installed Drop-In Bedliner with its cargo-friendly molded surface.

4 CONNECTIVITY. Get with it — and stay there. Web access is critical, and the means to stay in touch with it all is this indispensable Accessory from Mopar: the comprehensive Uconnect Web.TM



Ram 1500 shown.



Ram 1500 shown.



RAM 2500/3500 BUYER'S GUIDE

PACKAGE DESIGNATIONS

ENGINES AND TRANSMISSIONS

	26A	26G	26Z	26T	26P	26H	26K
5.7L HEMI® V8 WITH VVT (E2C)							
6-SPEED AUTOMATIC (D7P) (2500 only)							
6.7L CUMMINS® TURBO DIESEL I-6 (E1)							
6-SPEED MANUAL (DGE)	2EA	2EG	2EZ	2ET	N/A	2EH	N/A
6.7L CUMMINS HIGH OUTPUT TURBO DIESEL I-6 (E7J)							
6-SPEED 68RFE AUTOMATIC (D67)	2FA	2FG	2FZ	2FT	N/A	2FH	2FK

MECHANICAL FEATURES

	A	G	Z	T	P	H	K
ALTERNATORS — 160-amp (BAB)							
— 180-amp (4x4 models only; included with Heavy-Duty Snowplow Prep Group) (BAD)	P	P	P	P	P	P	P
AXLES 2500							
— Antispin rear differential (DSA)	0	0	0	*	*	0	0
— Tri-Lok® front and rear electronic locking differentials (DSE)						*	*
— 3.42 ratio (standard with Cummins Turbo Diesel only; not available on Outdoorsman 4x4 models) (DMR)	0	0	0	0	0	0	0
— 3.73 ratio (available with Cummins Turbo Diesel) (DME)	*/0	*/0	*/0	*/0	*/0	*/0	*/0
— 4.10 ratio (included on Outdoorsman 4x4) (DMF)	0	0	0	0	0	0	0
— 4.56 ratio (DMU)						*	*
— 10.5-inch Single Rear Wheel (2500 HEMI models only) (DRW)	*	*	*	*	*	*	*
— 11.5-inch Single Rear Wheel (included with 6.7L Cummins engine) (DRQ)	P	P	P	P	P	P	P
AXLES 3500							
— Antispin rear differential (DSA)	*	*	*	*	*	*	*
— 3.42 ratio (DMR)	*	*	*	*	*	*	*
— 3.73 ratio (DME)	0	0	0	0	0	0	0
— 4.10 ratio (optional with SRW; included with MAX Tow Group on DRW) (DMF)	0/P	0/P	0/P	0	0/P	0/P	0/P
— 11.5-inch Single Rear Wheel (not available on 3500 Regular Cab; standard on 3500 Crew Cab short box models; included with Single Rear Wheel Group) (DRQ)	*/P	*/P	*/P	*	*	*/P	*/P
— 11.5-inch Dual Rear Wheel (not available on 3500 Crew Cab short box models) (DRX)	*	*	*	*	*	*	*
BATTERY — 730-amp (BCN)	P	P	P	P	P	P	P
DIESEL EXHAUST BRAKE — Included with Cummins engines (NEN)	P	P	P	P	P	P	P
DUAL REAR WHEEL — Includes 11.5-inch DRW axle, box and fender clearance lamps (3500 only; not available on Crew Cab short box models) (WLA)	*	*	*	*	*	*	*
DUAL TRANSMISSION OIL COOLER — Requires Cummins High Output Diesel (included with 3500 Max Tow Group)	0/P	0/P	0/P	0	0	0/P	0/P
ENGINE BLOCK HEATER — Included with Cold Weather Group (NWK)	0/P	0/P	0/P	0/P	0	0/P	0/P
ENGINE COOLING — Heavy-duty (NMC)	*	*	*	*	*	*	*
FUEL TANK — 34-gallon (standard with 6' 4" boxes) (NFU)	*	*	*	*	*	*	*
— 35-gallon (standard with 8-ft boxes) (NFV)	*	*	*	*	*	*	*
SHOCK ABSORBERS — Front, heavy-duty (SFB)	*	*	*	*	*	*	*
— Rear, heavy-duty (SGB)	*	*	*	*	*	*	*
SKID PLATES — Fuel tank (4x4 models only) (XEE)							
— Transfer case (4x4 models only; included with the Protection and Heavy-Duty Snowplow Prep Groups) (XEF)	P	P	P	P	P	P	P
STABILIZER BAR — Front (SHA)	*	*	*	*	*	*	*
— Front, electronic disconnect (SHG)	*	*	*	*	*	*	*
STEERING — Power, rack-and-pinion (4x2 models only) (SBA)	*	*	*	*	*	*	*
— Power, recirculating ball (4x4 models only) (SBE)	*	*	*	*	*	*	*
TOW HOOKS — Included with Protection Group and 6.7L Cummins engine; standard on 3500 (XEA)	0/P	0/P	0/P	*	*	0/P	0/P
TRAILER HITCH RECEIVER — Class II; includes 4- and 7-pin trailer wiring harness/connectors (XFH) (XFB)	*	*	*	*	*	*	*
TRANSFER CASE — Manual shift, part-time (4x4 models only) (DH1)	*	*	*	*	*	*	*
— Electric shift, part-time (4x4 models only) (DH3)	*	*	*	*	*	*	*
WINCH — WARN® Front, electric; 12,000-lb capacity (XES)	*	*	*	*	*	*	*
— Tire carrier (TBM)	*	*	*	*	*	*	*
EXTERIOR FEATURES							
BADGING — 4x4 (on 4x4 models only)	*	*	*	*	*	*	*
— Big Horn (MYF)			*	*	*	*	*
— Laramie (MTE)			*	*	*	*	*
— Laramie Longhorn (M1B)						*	*
— Lone Star (Texas only) (MYG)					P	*	*
— Ram's Head (MGA)	*	*	*	*	*	*	*
— Power Wagon	*	*	*	*	*	*	*
— SLT (MTD)	*	*	*	*	*	*	*
— Outdoorsman	*	*	*	*	*	*	*
BEDLINER — Spray-in (OMF)	0	0	0	0	0	0	0
RUMPERS — Front, Black (MCC)	*	*	*	*	*	*	*
— Rear, Black (MBZ)	*	*	*	*	*	*	*
— Front, painted lower body-color	*	*	*	*	*	*	*
— Rear, painted lower body-color	*	*	*	*	*	*	*
— Front, chrome (included with Chrome Appearance Group) (MCT)	P	*	*	0	*	*	0
— Rear, chrome (included with Chrome Appearance Group) (MBF)	P	*	*	0	*	*	0
CHROME TUBULAR SIDE STEPS — Authentic Ram Accessory by Mopar® (MRT)	0	0	0	0	0	0	0
FASCIA — Front, headlamp filler, Black (included with low-volume paint) (MCJ)	P	P	P	P	P	P	P
— Front, headlamp filler, body-color (MCM)	*	*	*	*	*	*	*
FOG LAMPS — Included with Popular Equipment Group (LNU)		P	*	*	*	*	*
GRILLE — Chrome surround, Black insert grille (included with Chrome Appearance Group) (MFD)	*P	*	*	*	*	*	*
— Black (MFF)	*	*	*	*	*	*	*

PACKAGE DESIGNATIONS

	A	G	Z	T	P	H	K
— Chrome surround, chrome insert (MF1)							
— Body-color surround, Black insert (MFT)			*	*	*	*	*
EXTERIOR FEATURES (continued)							
HEADLAMP — Automatic (LMG)	*	*	*	*	*	*	*
— Halogen (LMA)	*	*	*	*	*	*	*
— Quad halogen (LME)	*	*	*	*	*	*	*
LAMPS, EXTERIOR — Cab clearance (included with 3500 DRW models; available on 2500/3500 SRW models) (LNC)	P/O	P/O	P/O	0	*	P/O	P/O
— Box and rear fender clearance (included with 3500 DRW models) (LND)	P	P	P			P	P
MIRRORS 2500, EXTERIOR							
— Manual, Black, Regular Cab only (GPU)	*	*	*	*	*	*	*
— Folding trailer tow, manual, Black, Regular Cab only (GPD)	0						
— Power, heated, folding, Black (GT5)	*	*	*	*	*	*	*
— Power, heated, folding, Black, includes exterior courtesy lamps and supplemental turn signal (included with Luxury Group) (GUK)			P	P	P	P	P
— Power trailer tow, heated, manual folding, Black, includes exterior courtesy lamps and supplemental turn signal (GPG) (NA Regular Cab ST)	0	0	0	0	0	0	0
— Power multifunction, heated, folding, chrome; includes position memory, exterior courtesy lamps and supplemental turn signal (GL4)						*	*
— Power multifunction trailer tow, heated, manual folding, chrome; includes position memory, exterior courtesy lamps and supplemental turn signal (GPC)						0	0
MIRRORS 3500, EXTERIOR							
— Folding trailer tow, manual, Black, Regular Cab only (GPD)	*	*	*	*	*	*	*
— Power trailer tow, heated, manual folding, Black, includes exterior courtesy lamps and supplemental turn signal (included with Crew Cab) (GPG)	P/*	*	*	*	*	*	*
— Power multifunction trailer tow, heated, manual folding, chrome; includes position memory, exterior courtesy lamps and supplemental turn signal (GPS)						*	*
PAINT — Monotone (APA)	*	*	*	0	0	P	0
— Two-tone, includes accent fender flares (APD)	*	*	*	*	*	*	*
RAMBOX® Cargo Management System — Includes pickup box with integrated bins that are weatherproof, lockable and drainable; also includes rails with four adjustable cleats, and a dual-purpose bed divider/extender (for 6'4" box, Single Rear Wheel models only; not available with 8-ft box; 5'8" box late availability) (DS9)	0	0	0	0	0	0	0
TAILGATE — Locking (XU)	*	*	*	*	*	*	*
TIRES 2500							
— LT245/70R17E BSW All-Season (TWD)	*	*	*	*	*	*	*
— LT245/70R17E BSW On-/Off-road (TWE)	0						
— LT265/70R17E BSW All-Season (not available on Mega Cab® 4x4 models) (TT3)	*	*	*	*	*	*	*
— LT265/70R17E BSW On-/Off-road, 4x4 only (standard on Mega Cab 4x4 models) (TXE)	*	*	*	*	*	*	*
— LT235/80R17E BSW All-Terrain (Power Wagon models only) (TZA)					*	*	*
— LT265/70R17E OWL On-/Off-road (included with Popular Equipment Group) (TTS)					P/O	0	0
— Spare, full-size (TBB)	*	*	*	*	*	*	*
TIRES 3500							
— LT265/70R17E BSW All-Season (SRW models only) (TT3)	*/P	*/P	*/P	*	*	*/P	*/P
— LT265/70R17E OWL On-/Off-road (SRW models only) (TTS)	0	0	0	*	0	0	0
— LT235/80R17E BSW All-Season (DRW models only) (TP1)	*	*	*	*	*	*	*
— LT235/80R17E OWL On-/Off-road (DRW models only) (TFS)	0	0/P	0	0	0	0	0
— Spare, full-size (TBB)	*	*	*	*	*	*	*
WHEELS 2500							
— 17 x 7.5-inch styled steel, painted Argent (WD2)	*	*	*	*	*	*	*
— 17 x 8-inch steel, chrome-clad (included with Chrome Appearance Group) (WGS)	P	*	*	*	*	*	*
— 17 x 8-inch polished aluminum (WBG)	0	*	0				
— 17 x 8-inch polished forged aluminum (WFF)	*	*	*	*	*	*	*
— 17 x 8-inch polished cast aluminum (SRW models only) (WFK)	*	*	*	*	*	*	*
— 17 x 6-inch Argent steel (DRW models only) (WFL)	*	*	*	*	*	*	*
— 17 x 6-inch steel chrome finish (included with Chrome Appearance Group, DRW models only) (WD4)	P	*	*	*	*	*	*
— 17 x 6-inch polished aluminum (DRW models only) (WF7)	0	0					
— 17 x 6-inch polished aluminum with Longhorn center cap (DRW models only) (WF9)	*	*	*	*	*	*	*
WHEELWELLS/FIARES — Painted Mineral Gray Metallic (MM)						*	*
— Black (K5)	*	*	*	*	*	*	*
— Color-matched with lower two-tone paint color (MRD)	*	*	*	*	*	*	*
— Monotone body-color wheel flares	0	0	0	0	0	0	0
WINDSHIELD WIPERS — Variable-intermittent (UHA)	*	*	*	*	*	*	*
INTERIOR FEATURES							
AIR CONDITIONING — (HAA)	*	*	*	*	*	*	*
— Dual-Zone Temperature Control (HAF)	*	*	*	*	*	*	*
ASSIST HANDLE — Driver and passenger-side (CSP)	*	*	*	*	*	*	*
BEZEL — Center stack, Black (UBF)	*	*	*	*	*	*	*
— Center stack, color-keyed (UBY)	*	*	*	*	*	*	*
— Center stack, woodgrain insert (UBB)	*	*	*	*	*	*	*
CIGAR LIGHTER — Included with Smoker's Group (UJA)	P	P	P	P	P	P	P
CONSOLE — Full-size floor console (included with front bucket seats)	P	P	P	P	P	P	P
— Overhead, with lighting (CUN)	*	*	*	*	*	*	*

PACKAGE DESIGNATIONS	A	G	Z	T	P	H	K
— Overhead, with Universal Garage Door Opener (included in Luxury Group) (CV2)							
INTERIOR FEATURES (continued)							
DOOR LOCKS — Manual (Regular Cab models only) (UE8)							
— Power (included with Crew Cab) (JFB)							
FLOOR COVERING — Heavy-duty vinyl (CX1)							
— Carpet (included with ST Popular Equipment Group) (CXE)							
FLOOR MATS — Front only, carpeted (Regular Cab; included with carpet on ST models) (CLA)							
— Front and rear, carpeted (Crew Cab and Mega Cab [®] models; included with carpet on ST models) (CLE)							
— Front, rubber all-weather (Regular Cab models only) (CLY)							
— Front and rear, rubber all-weather (CLZ)							
INSTRUMENT CLUSTER — With display screen for Electronic Vehicle Information Center							
MIRRORS, INTERIOR — Day/night manual (GNA)							
— Auto-dimming rearview day/night (included with Luxury Group and Uconnect [®] Phone) (GNK)							
— Passenger-side visor with mirror (GNM)							
— Illuminated visor, passenger and driver side (included with Luxury Group) (GNC)							
PEDALS — Power adjustable (requires automatic transmission) (XAP)							
— Power adjustable with memory (requires automatic transmission) (XAM)							
PICKUP BOX DELETE — 2500 Regular Cab and Crew Cab models only (XBC)							
POWER ACCESSORY DELAY — (JRY)							
POWER OUTLETS — Two 12-volt auxiliary (JJD)							
— 115-volt auxiliary (included with *M9, *M1 seats) (JWV)							
SEAT BELTS — Front, shoulder height adjustable (CGD)							
SEATS — Power 10-way driver (included with *M9 and *M1 seats) (JRT)							
— Power 10-way driver with memory and 6-way power front-passenger (JRF)							
— Heated driver and front-passenger; includes heated steering wheel (CMA)							
— Heated second-row (included with *GJ bucket seats) (JFZ)							
— Vinyl 40/20/40 split-bench front (Crew Cab models include folding rear bench seat trimmed in vinyl) (*TX)							
— Cloth-trimmed 40/20/40 split-bench front with folding center armrest/business console (included with ST Popular Equipment Group; Crew Cab and Mega Cab models include folding rear bench seat trimmed in cloth) (*Y9)							
— Premium cloth-trimmed 40/20/40 split-bench front with power 10-way driver, power lumbar adjuster, folding center armrest/business console with center-seat-cushion storage, 115-volt auxiliary power outlet (included with Popular Equipment Group; Crew Cab and Mega Cab models include 60/40 split-folding rear bench seat) (*M9)							
— Premium cloth-trimmed low-back bucket seats with power 10-way driver, power lumbar adjuster, fixed center console, 115-volt auxiliary power outlet (Crew Cab and Mega Cab models include 60/40 split-folding rear bench seat trimmed in cloth) (*M1)							
— Leather-trimmed 40/20/40 split-bench heated front with power 10-way/memory for driver, power 6-way front-passenger, power lumbar adjuster, front center-seat-cushion storage and folding center armrest/business console, 115-volt auxiliary power outlet (Crew Cab and Mega Cab models include 60/40 split-folding rear bench seat trimmed in vinyl) (*V1)							
— Leather-trimmed low-back, ventilated and heated bucket seats, includes power 10-way driver and power 6-way front-passenger, power lumbar adjuster, fixed center console, 115-volt auxiliary power outlet, heated second-row seats on Crew Cab and Mega Cab models (Crew Cab and Mega Cab models include 60/40 split-folding rear bench seat trimmed in vinyl) (*G)							
— Premium leather low-back, ventilated and heated bucket seats, power 10-way driver and power 6-way front-passenger, power lumbar adjuster, fixed center console, 115-volt auxiliary power outlet, heated second-row seats on Crew Cab and Mega Cab models (Crew Cab and Mega Cab models include 60/40 leather split-folding rear bench seat) (Bark Brown seats include laser etching) (*X)							
— Premium leather-trimmed low-back, ventilated and heated bucket seats, includes power 10-way driver and power 6-way front-passenger, power lumbar adjuster, fixed center console, 115-volt auxiliary power outlet, heated second-row seats on Crew Cab and Mega Cab models (Crew Cab and Mega Cab models include 60/40 leather split-folding rear bench seat) (Bark Brown seats include laser etching) (*D)							
SPEED CONTROL — (NHM)							
STEERING — Tilt-column (SUA)							
STEERING WHEEL — Four-spoke, urethane-wrapped (SCF)							
— Leather-wrapped with remote audio control buttons (included with Luxury Group) (SCV)							
— Heated (included with heated seats) (NH5)							
STORAGE — Front center-seat-cushion (included with *M9) (CVH)							
— Front, behind seat (Regular Cab models only) (CU3)							
— Rear, behind second-row seat (Mega Cab models only) (CU2)							
— Rear, underseat compartment (Crew Cab models only) (CUE)							
— Rear, in-floor storage bins (Crew Cab models only)							
SUNROOF — Power (Crew Cab and Mega Cab models only) (GWA)							
TURN SIGNALS — Three-blade, auto-change signal							
TIP START — Included with automatic transmissions							
VISORS — Front passenger, with mirror (GNM)							
— Driver and front passenger, with illuminated vanity mirrors (included with Luxury Group) (GNC)							
WINDOWS — Manual (Regular Cab models only) (JFB)							
— Power, front with driver-side one-touch down (Regular Cab models only) (JFY)							

PACKAGE DESIGNATIONS	A	G	Z	T	P	H	K
— Power, front and rear with driver-side one-touch down and up (Crew Cab and Mega Cab models only) (JFY)							
INTERIOR FEATURES (continued)							
— Rear backlight, fixed (included with rear defroster on Crew Cab and Mega Cab models) (GID)							
— Rear defroster (Crew Cab and Mega Cab models only; requires fixed glass rear window) (GFA)							
— Rear backlight, sliding (Regular Cab models only) (GFD)							
— Rear backlight, power sliding (Crew Cab and Mega Cab models only) (GFE)							
UCONNECT MULTIMEDIA							
MEDIA CENTER 130 RADIO — AM/FM/CD radio with MP3/WMA support, audio jack and Voice Command [™] (RES)							
MEDIA CENTER 430 RADIO — AM/FM/CD/DVD [®] radio with MP3/WMA support, 6.5-inch touch screen, 40GB hard drive, SiriusXM [™] Satellite Radio [®] audio jack and Voice Command [™] (RBZ)							
MEDIA CENTER 430N RADIO — AM/FM/CD/DVD [®] radio with MP3/WMA support, 6.5-inch touch screen, 40GB hard drive, SiriusXM [™] Satellite Radio [®] audio jack, Voice Command [™] , GPS Navigation, SiriusXM Traffic [™] , SiriusXM Travel Link [™] and Uconnect [™] Phone (RHE)							
MEDIA CENTER 730N RADIO — AM/FM/CD/DVD [®] radio with MP3/WMA support, 6.5-inch touch screen, 40GB hard drive, SiriusXM [™] Satellite Radio [®] audio jack, Voice Command [™] , GPS Navigation, SiriusXM Traffic [™] , SiriusXM Travel Link [™] and Uconnect [™] Phone (RHR)							
RADIO CONTROLS — Steering wheel-mounted audio controls (included with leather-wrapped steering wheel) (RDZ)							
REAR SEAT VIDEO SYSTEM — Not available on Regular Cab models (XRV)							
REMOTE USB PORT — Included with Media Center touch-screen radio or Uconnect [™] Phone (RSX)							
SIRIUSXM SATELLITE RADIO[®] — Included with ST Popular Equipment Group (RSC)							
SPEAKER SYSTEM — Six standard (RCG)							
— Six premium speakers (Regular Cab only) (RCK)							
— Ten premium amplified speakers including a subwoofer (included with Technology Group) (RC3)							
UCONNECT PHONE — Hands-free calling with Address Sync [™] , Bluetooth [™] and Voice Command [™] (included with Media Center touch-screen radio) (RSP)							
UCONNECT WEB[™] — Internet connection WiFi Hotspot (dealer-installed Authentic Accessory by Mopar.)							
SAFETY AND SECURITY							
AIR BAGS[™] — Multistage front (CG3)							
— Supplemental side-curtain (CG5)							
BRAKES — Power-assisted 4-wheel antilock disc (BRT)							
ELECTRONIC STABILITY CONTROL[®] — ESC (includes ABS, Brake Assist, All-Speed Traction Control, Electronic Roll Mitigation, Hill Start Assist, and Trailer Sway Control [®]) (not available on 3500 DRW models) (BRT)							
PARKSENSE[®] — Rear Park Assist System [™] (included with Technology Group) (XAA)							
PARKVIEW[™] — Rear Back-Up Camera [™] (requires Media Center touch-screen radio) (XAC)							
REMOTE KEYLESS ENTRY — Controls for power door locks, illuminated entry system, panic alarm; includes 2 transmitters (included with ST Popular Group) (GXM)							
REMOTE START SYSTEM — Requires automatic transmission (XBM)							
SECURITY ALARM — (LSA)							
SENTRY KEY[™] THEFT DETERRANT — Engine immobilizer (GXX)							
TIRE PRESSURE MONITOR WITH DISPLAY — 2500 models only (XGM)							
TRAILER BRAKE CONTROL — Fully integrated electronic (XHC)							
PACKAGE GROUPS							
CHROME ACCENTS GROUP — Includes chrome exhaust tip, chrome bodyside molding, and chrome tubular side steps (AEE)							
CHROME APPEARANCE GROUP — Includes chrome front and rear bumpers, chrome grille, 17-inch chrome steel wheels (AED)							
CHROME SIDE STEP AND BED RAIL GROUP — Includes chrome tubular side steps, chrome bed rails (AZZ)							
COLD WEATHER GROUP — Includes engine block heater and winter front grille cover (requires Cummins [™] Turbo Diesel) (ADE)							
HEAVY-DUTY SNOWFLOW PREP GROUP — Includes 180-amp alternator, transfer case skid plate (4x4 models only) (AHJ)							
LUXURY GROUP — Includes overhead console, sun visors with illuminated vanity mirrors, auto-dimming rearview mirror, power heated mirrors (on G, Z, and T CPOs only), Universal Garage Door Opener, glove box lamp, underhood lamp, rear dome lamp with on/off switch, and leather-wrapped steering wheel (ADA)							
MAX TOW GROUP — 3500 DRW models only. Includes 4.10 gear ratio and aluminum heat sink differential cover, dual transmission oil cooler (requires Cummins High Output engine and 6-speed automatic transmission) (AHQ)							
POPULAR EQUIPMENT GROUP — Includes premium cloth 40/20/40 bench seat, fog lamps and OWL tires (Regular Cab only) (ALV)							
PROTECTION GROUP — Includes tow hooks and transfer case skid plate (4x4 models only) (ADB)							
SINGLE REAR WHEEL GROUP — 3500 models only (standard on Crew Cab short box; available on Crew Cab long box and Mega Cab models; not available on Regular Cab) (AR3)							
SMOKER'S GROUP — Includes ashtray and cigar lighter (AWS)							
ST POPULAR EQUIPMENT GROUP — Includes cloth 40/20/40 bench seat, carpeted flooring, speed control, RKE on Crew Cab, floor mats and SiriusXM Satellite Radio [®] (AYV)							
TECHNOLOGY GROUP — Includes premium 10-speaker system and ParkSense Rear Park Assist System [™] (Crew Cab and Mega Cab models only) (ADG)							

[™]—Dash DVD capability is not available in all states. See your dealer for details.



17-INCH ARGENT STEEL WHEEL
(STANDARD ON 2500/2500 ST SRW)



17-INCH CHROME-CLAD STEEL WHEEL
(STANDARD ON 2500/3500 SLT SRW, AVAILABLE ON ST)



17-INCH POLISHED FORGED ALUMINUM WHEEL
(STANDARD ON OUTDOORSMAN, POWER WAGON*)



17-INCH POLISHED FORGED ALUMINUM WHEEL
(STANDARD ON 2500/3500 BIG HORN/ONE STAR SRW,
AVAILABLE ON SLT, OUTDOORSMAN)



17-INCH POLISHED ALUMINUM WHEEL
(STANDARD ON 2500/3500 LARAMIE
AND LARAMIE LONGHORN SRW)

EXTERIOR APPEARANCE



BLACK



BRIGHT SILVER METALLIC



BRIGHT WHITE



DEEP CHERRY RED PEARL



DEEP MOLTEN RED PEARL



FLAME RED



MINERAL GRAY METALLIC



SADDLE BROWN PEARL



SAGEBRUSH PEARL



TEQUILA SUNRISE PEARL
(LATE AVAILABILITY)



TRUE BLUE PEARL



17-INCH ARGENT STEEL WHEEL
(STANDARD ON 3500 ST DRW)



17-INCH CHROME WHEEL SKINS
(STANDARD ON 3500 SLT AVAILABLE ON ST DRW)

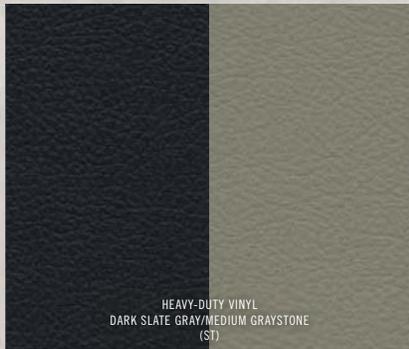


17-INCH POLISHED ALUMINUM WHEEL
(STANDARD ON 3500 LARAMIE,
AVAILABLE ON SLT, BIG HORN/LOVE STAR DRW)



17-INCH POLISHED ALUMINUM WHEEL
WITH LONGHORN CENTER CAP
(STANDARD ON 3500 LARAMIE LONGHORN DRW)

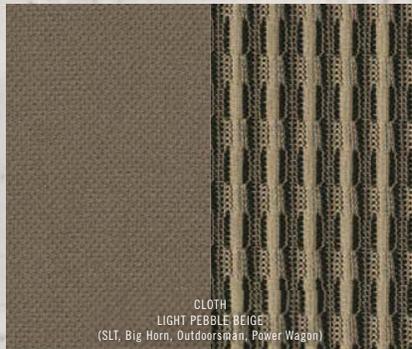
INTERIOR FABRICS



HEAVY-DUTY VINYL
DARK SLATE GRAY/MEDIUM GRAYSTONE
(ST)



CLOTH
DARK SLATE GRAY/MEDIUM GRAYSTONE
(ST, SLT, Big Horn, Outdoorsman, Power WagonSM)



CLOTH
LIGHT PEBBLE BEIGE/
MEDIUM GRAYSTONE
(SLT, Big Horn, Outdoorsman, Power Wagon)



LEATHER-TRIMMED
LIGHT PEBBLE BEIGE
(Laramie)



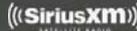
LEATHER-TRIMMED
DARK SLATE GRAY
(Laramie)



PREMIUM LEATHER
RUSSET WITHOUT LASER ETCHING
(Laramie Longhorn)



PREMIUM LEATHER
BARK BROWN WITH LASER ETCHING
(Available without Laser Etching; refer to Longhorn page
for Laser Etching reference) (Laramie Longhorn)



¹³ Sold separately. Subscription required. Uconnect Web feature is not intended for use by the driver while the vehicle is in motion. Always drive carefully. ¹⁴ Transferable. See dealer for complete details and a copy of the 5-Year/100,000-Mile Powertrain Limited Warranty. ¹⁵ Based on latest available competitive information. Classes based on 250/2500 and 350/3500 pickups. ¹⁶ When properly equipped. ¹⁷ Always check entire surroundings before backing up. ¹⁸ Phone must support Bluetooth Phone Book Access Profile (PBAP). ¹⁹ Requires Uconnect Phone. ²⁰ Sirius services require subscriptions, sold separately after 12-month trial included with vehicle purchase. See our Customer Agreement for complete terms at siriusxm.com. If you decide to continue your Sirius services at the end of your trial subscription, the plan you choose will automatically renew and bill at then-current rates until you call SiriusXM at 1-866-635-2349 to cancel. Programming subject to change. Sirius satellite service available only to those at least 18 and older in the 48 contiguous U.S., D.C., and PR (with coverage limitations). Traffic information not available in all markets. See siriusxm.com/traffic for details. Sirius, XM and all related marks and logos are trademarks of Sirius XM Radio Inc. ²¹ No system, no matter how sophisticated, can repeal the laws of physics or overcome careless driving actions. Performance is limited by available traction, which snow, ice, and other conditions can affect. When the ESC warning lamp flashes, the driver needs to use less throttle and adapt speed and driving behavior to prevailing road conditions. Always drive carefully, consistent with conditions. Always wear your seat belt. ²² The Advanced Front Air Bags in this vehicle are certified to the new U.S. federal regulations for advanced air bags. Children 12 years old and younger should always ride buckled up in a rear seat. Infants in rear-facing child restraints should never ride in the front seat of a vehicle with a passenger front air bag. All occupants should always wear their lap and shoulder belts properly. ²³ ON THE JOB is a retail incentive program. See your dealer for official program rules. Inquire about eligibility by calling 877-ONTHEJOB or by logging on to the chryslerbusinesslink.com/programs_incentives.html. The purchaser or lessee must be a qualified commercial customer for more than 30 days prior to the date of vehicle purchase. An official ON THE JOB Customer Acknowledgement Form must be signed by the customer (provided by the dealer).

5-YEAR/100,000-MILE POWERTRAIN LIMITED WARRANTY. Transferable. See your dealer for complete details and a copy of the 5-Year/100,000-Mile Powertrain Limited Warranty. **3/36 BASIC LIMITED WARRANTY.** Ram vehicles are covered by a Chrysler Group LLC 3-Year or 36,000-Mile Basic Limited Warranty. See your dealer for a copy of this limited warranty. Excludes normal maintenance and wear items. **BUSINESSLINK.** If your business relies on vehicles, BusinessLink can save you time, money, and hassles. For more, log on to chryslerbusinesslink.com or call us toll-free at 877-2THELINK (877-284-3546).

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Shown below: Ram 2500 Crew Cab Power Wagon® in Mineral Gray Metallic with Black lower.



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EXHIBIT 6

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What Is Emissions Trading?

Emissions trading, sometimes referred to as “cap and trade” or “allowance trading,” is an approach to reducing pollution that has been used successfully to protect human health and the environment. Emissions trading programs have two key components: a limit (or cap) on pollution, and tradable allowances equal to the limit that authorize allowance holders to emit a specific quantity (e.g., one ton) of the pollutant. This limit ensures that the environmental goal is met and the tradable allowances provide flexibility for individual emissions sources to set their own compliance path. Because allowances can be bought and sold in an allowance market, these programs are often referred to as “market-based.”

Effectively designed emissions trading programs provide:

- Environmental certainty, established by the overall pollution limit.
- Flexibility for individual emissions sources to tailor their compliance path to their needs.
- Incentives for efficiency and innovation that lower implementation costs.
- Incentive for early pollution reductions as a result of the ability to bank surplus allowances.
- Low administrative costs.
- Accountability for reducing, tracking and reporting emissions.

Emissions trading programs are best implemented when:

- The environment and/or public health concerns occur over a relatively large geographic area.
- A significant number of sources are responsible for the pollution problem.
- Emissions can be consistently and accurately measured.

Under the right circumstances, emissions trading programs have proven to be extremely effective. They can achieve substantial reductions in pollution while providing accountability and transparency by making the data available through systems such as EPA's [Air Markets Program Data \(AMPD\)](#).

[« Return to the Emissions Trading Resources Home Page](#)

[Contact Us](#) to ask a question, provide feedback, or report a problem.



Additional Information:

- [Tools of the Trade](#)
- [Video – Emissions Trading 101](#)
- [Clearing the Air: The Facts About Capping and Trading Emissions](#)
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EXHIBIT 7

Home | Features | A Decade of Cummins, Duramax, and Power Stroke Diesel Engines

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FEATURES

A Decade of Cummins, Duramax, and Power Stroke Diesel Engines

10 Years of Diesel Dominance

Trevor Reed - Jun 15, 2015



View Photo Gallery | 9 Photos

During the 10 years Diesel Power has existed, the engines offered in ¾- and 1-ton trucks have evolved to make more and more horsepower and torque. While a little more than 300 hp and 600 lb-ft of torque offered straight from the factory in 2005 seemed like massive power, the current highest ratings are a whopping 440 hp for the Ford Power Stroke and 865 lb-ft of torque for the Cummins engine in the Ram—and these clean-diesel torque wars don't show any signs of slowing down. Here's how everything has played out during our first 10 years. (For this timeline, we will be referring to the model years of engines, as opposed to calendar years, to avoid confusion.)

2005 – The Debut of Diesel Power

The first issue of Diesel Power hit newsstands and the web at a pivotal time in the history of diesel engines. The common-rail Cummins in the Dodge Ram was able to make 610 lb-ft of torque and meet 50-state emissions ratings without the need for an EGR system, the common-rail Duramax was entering its second generation with a new variable-geometry turbocharger and 605 lb-ft of torque, and Ford's 6.0L Power Stroke engine was using a mix of VGT technology and non-common-rail fueling to

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create 325 hp—and lots of conversations about its durability.



Photo 2/9 | 5.9L Cummins

5.9L Cummins

Displacement: 5.9L (359ci)

Layout: I-6

Power: 325 hp at 2,900 rpm

Torque: 610 lb-ft at 1,600 rpm

Bore x Stroke: 4.02x4.72 inches (102x120mm)

Valvetrain: OHV with four valves per cylinder

Fuel Injection: High-pressure common-rail with Bosch CP3 pump

Induction: Holset fixed-geometry turbocharger

Head Material: Cast iron

Block Material: Cast iron

Compression Ratio: 17.2:1

Emissions Systems: Diesel oxidation catalytic converter





Photo 3/9 | 6.6L Duramax

6.6L Duramax LLY

Displacement: 6.6L (403ci)

Layout: V-8 » Power: 310 hp at 3,000 rpm

Torque: 605 lb-ft at 1,600 rpm

Power: 300 hp at 3,000 rpm (manual transmission)

Torque: 520 lb-ft at 1,800 rpm (manual transmission)

Bore x Stroke: 4.06x3.90 inches (103x99mm)

Valvetrain: OHV four valves per cylinder

Fuel Injection: High-pressure common-rail with Bosch CP3 pump

Induction: Garrett variable-geometry turbocharger

Head Material: Cast aluminum

Block Material: Cast iron

Compression Ratio: 17.5:1

Emissions Systems: Cooled exhaust gas recirculation and diesel oxidation catalytic converter



Photo 4/9 | 6.0L Power Stroke

6.0L Power Stroke

Displacement: 6.0L (365ci)

Layout: V-8

Power: 325 hp at 3,300 rpm

Torque: 570 lb-ft at 2,000 rpm

Bore x Stroke: 3.74x4.13 inches (95x105mm)

Valvetrain: OHV with four valves per cylinder

Fuel Injection: High-pressure HEUI with Siemens pump

Induction: Garrett variable-geometry turbocharger

Head Material: Cast iron

Block Material: Cast iron

Compression Ratio: 18.0:1

Emissions Systems: Cooled exhaust gas recirculation and diesel oxidation catalyst

2006 – 6.6L Duramax LBZ Takes the Horsepower Crown

The third generation of the Duramax, the LBZ, quickly became one of the favorite engines for tuners thanks to a stronger block, larger connecting rods, a new piston design, lower compression ratio, and heads that could handle more pressure. This allowed GM to increase the factory power and torque outputs to a class-leading 360 hp and a Cummins-matching 650 lb-ft. Both the Ford and Ram engines continued to offer the same output as the previous year.

5.9L Cummins

Displacement: 5.9L (359ci)

Layout: I-6

Power: 325 hp at 2,900 rpm

Torque: 610 lb-ft at 1,600 rpm

Bore x Stroke: 4.02x4.72 inches (102x120mm)

Valvetrain: OHV with four valves per cylinder

Fuel Injection: High-pressure common-rail with Bosch CP3 pump

Induction: Holset fixed-geometry turbocharger

Head Material: Cast iron

Block Material: Cast iron

Compression Ratio: 17.2:1

Emissions Systems: Diesel oxidation catalytic converter

6.6L Duramax LBZ

Displacement: 6.6L (403ci)

Layout: V-8

Power: 360 hp at 3,200 rpm

Torque: 650 lb-ft at 1,600 rpm

Bore x Stroke: 4.06x3.90 inches (103x99mm)

Valvetrain: OHV four valves per cylinder

Fuel Injection: High-pressure common-rail with Bosch CP3 pump

Induction: Garrett variable-geometry turbocharger

Head Material: Cast aluminum

Block Material: Cast iron

Compression Ratio: 16.8:1

Emissions Systems: Cooled exhaust gas recirculation and diesel oxidation catalytic converter

6.0L Power Stroke

Displacement: 6.0L (365ci)

Layout: V-8

Power: 325 hp at 3,300 rpm

Torque: 570 lb-ft at 2,000 rpm

Bore x Stroke: 3.74x4.13 inches (95x105mm)

Valvetrain: OHV with four valves per cylinder

Fuel Injection: High-pressure HEUI with Siemens pump

Induction: Garrett variable-geometry turbocharger

Head Material: Cast iron

Block Material: Cast iron

Compression Ratio: 18.0:1

Emissions Systems: Cooled exhaust gas recirculation and diesel oxidation catalyst

2007 – 6.7L Cummins and 6.6L Duramax LMM Arrive

Dodge made a decisive move to head off 2010 emissions regulations at the pass. By increasing the displacement of the Cummins engine from 5.9L to 6.7L and introducing a cooled EGR system, new injection techniques, a variable-geometry turbocharger, and a diesel particulate filter (DPF), the company was able to meet the upcoming 2010 standards early. This allowed Chrysler to build up EPA emissions credits that could be used during future model years. During the later part of the '07 model year, GM introduced the 6.6L Duramax LMM engine, which made 365 hp and 660 lb-ft, even with the addition of a DPF. The LMM was equipped in the all-new generation of GMT900 trucks, produced alongside '07 2500HD/3500HD "Classic" models with the old body style and the LBZ engine. Ford continued offering the 6.0L Power Stroke for one more year.



Photo 5/9 | 6.7L Cummins

6.7L Cummins

Displacement: 6.7L (408ci)

Layout: I-6

Power: 350 hp at 3,013 rpm

Torque: 650 lb-ft at 1,500 rpm

Power: 350 hp at 3,013 rpm (manual transmission)

Torque: 610 lb-ft at 1,500 rpm (manual transmission)

Bore x Stroke: 4.21x4.88 inches (107x124mm)

Valvetrain: OHV with four valves per cylinder

Fuel Injection: High-pressure common-rail with Bosch CP3 pump

Induction: Holset variable-geometry turbocharger

Head Material: Cast iron

Block Material: Cast iron

Compression Ratio: 17.3:1

Emissions Systems: Cooled exhaust gas recirculation, diesel oxidation catalyst, and diesel particulate filter



Photo 6/9 | 6.6L Duramax

6.6L Duramax LMM

Displacement: 6.6L (403ci)

Layout: V-8

Power: 365 hp at 3,200 rpm

Torque: 660 lb-ft at 1,600 rpm

Bore x Stroke: 4.06x3.90 inches (103x99mm)

Valvetrain: OHV four valves per cylinder

Fuel Injection: High-pressure common-rail with Bosch CP3 pump

Induction: Garrett variable-geometry turbocharger

Head Material: Cast aluminum

Block Material: Cast iron

Compression Ratio: 16.8:1

Emissions Systems: Cooled exhaust gas recirculation, diesel oxidation catalytic converter, and diesel particulate filter

6.0L Power Stroke

Displacement: 6.0L (365ci)

Layout: V-8

Power: 325 hp at 3,300 rpm

Torque: 570 lb-ft at 2,000 rpm

Bore x Stroke: 3.74x4.13 inches (95x105mm)

Valvetrain: OHV with four valves per cylinder

Fuel Injection: High-pressure HEUI with Siemens pump

Induction: Garrett variable-geometry turbocharger

Head Material: Cast iron

Block Material: Cast iron

Compression Ratio: 18.0:1

Emissions Systems: Cooled exhaust gas recirculation and diesel oxidation catalyst

2008 – The 6.4L Power Stroke Replaces the 6.0L

While Ford and Navistar International went to court over warranty claims about the 6.0L Power Stroke engine, they were already in the process of developing the 6.4L powerplant that debuted very early in the '08 model year. It used numerous design upgrades over the previous engine, including common-rail fueling and a compound series sequential turbocharger setup to make 350 hp and 650 lb-ft—even with the use of a diesel particulate filter. That DPF became infamous when a video appeared on YouTube showing flames shooting out the tailpipe of a Super Duty truck at a dealership. Ford quickly initiated a voluntary safety recall (NHTSA 07S49) that altered the programming “to prevent the occurrence of excessive heat in the exhaust system or potential flame from the tailpipe.” Both the 6.7L Cummins and 6.6L Duramax LML engines maintained the same basic designs and power outputs.

6.7L Cummins

Displacement: 6.7L (408ci)

Layout: I-6

Power: 350 hp at 3,013 rpm

Torque: 650 lb-ft at 1,500 rpm

Power: 350 hp at 3,013 rpm (manual transmission)

Torque: 610 lb-ft at 1,500 rpm (manual transmission)

Bore x Stroke: 4.21x4.88 inches (107x124mm)

Valvetrain: OHV with four valves per cylinder

Fuel Injection: High-pressure common-rail with Bosch CP3 pump

Induction: Holset variable-geometry turbocharger

Head Material: Cast iron

Block Material: Cast iron

Compression Ratio: 17.3:1

Emissions Systems: Cooled exhaust gas recirculation, diesel oxidation catalyst, and diesel particulate filter

6.6L Duramax LMM

Displacement: 6.6L (403ci)

Layout: V-8

Power: 365 hp at 3,200 rpm

Torque: 660 lb-ft at 1,600 rpm

Bore x Stroke: 4.06x3.90 inches (103x99mm)

Valvetrain: OHV four valves per cylinder

Fuel Injection: High-pressure common-rail with Bosch CP3 pump

Induction: Garrett variable-geometry turbocharger

Head Material: Cast aluminum

Block Material: Cast iron

Compression Ratio: 16.8:1

Emissions Systems: Cooled exhaust gas recirculation, diesel oxidation catalytic converter, and diesel particulate filter



Photo 7/9 | 2008 PowerStroke

6.4L Power Stroke

Displacement: 6.4L (390ci)

Layout: V-8

Power: 350 hp at 3,000 rpm

Torque: 650 lb-ft at 2,000 rpm

Bore x Stroke: 3.87x4.13 inches (98x105mm)

Valvetrain: OHV with four valves per cylinder

Fuel Injection: High-pressure common-rail with Siemens K16 pump

Induction: BorgWarner series sequential variable-geometry and fixed turbochargers

Head Material: Cast iron

Block Material: Cast iron

Compression Ratio: 17.5:1

Emissions Systems: Cooled exhaust gas recirculation, diesel oxidation catalyst, and diesel particulate filter

"The DPF on the '08 Super Duty became infamous when a video appeared on YouTube showing flames shooting out the tailpipe...."

2009

6.7L Cummins

Displacement: 6.7L (408ci)

Layout: I-6

Power: 350 hp at 3,013 rpm

Torque: 650 lb-ft at 1,500 rpm

Power: 350 hp at 3,013 rpm (manual transmission)

Torque: 610 lb-ft at 1,500 rpm (manual transmission)

Bore x Stroke: 4.21x4.88 inches (107x124mm)

Valvetrain: OHV with four valves per cylinder

Fuel Injection: High-pressure common-rail with Bosch CP3 pump

Induction: Holset variable-geometry turbocharger

Head Material: Cast iron

Block Material: Cast iron

Compression Ratio: 17.3:1

Emissions Systems: Cooled exhaust gas recirculation, diesel oxidation catalyst, and diesel particulate filter

6.6L Duramax LMM

Displacement: 6.6L (403ci)

Layout: V-8

Power: 365 hp at 3,200 rpm

Torque: 660 lb-ft at 1,600 rpm

Bore x Stroke: 4.06x3.90 inches (103x99mm)

Valvetrain: OHV four valves per cylinder

Fuel Injection: High-pressure common-rail with Bosch CP3 pump

Induction: Garrett variable-geometry turbocharger

Head Material: Cast aluminum

Block Material: Cast iron

Compression Ratio: 16.8:1

Emissions Systems: Cooled exhaust gas recirculation, diesel oxidation catalytic converter, and diesel particulate filter

6.4L Power Stroke

Displacement: 6.4L (390ci)

Layout: V-8

Power: 350 hp at 3,000 rpm

Torque: 650 lb-ft at 2,000 rpm

Bore x Stroke: 3.87x4.13 inches (98x105mm)

Valvetrain: OHV with four valves per cylinder

Fuel Injection: High-pressure common-rail with Siemens K16 pump

Induction: BorgWarner series sequential variable-geometry and fixed turbochargers

Head Material: Cast iron

Block Material: Cast iron

Compression Ratio: 17.5:1

Emissions Systems: Cooled exhaust gas recirculation, diesel oxidation catalyst, and diesel particulate filter

2010

6.7L Cummins

Displacement: 6.7L (408ci)

Layout: I-6

Power: 350 hp at 3,013 rpm

Torque: 650 lb-ft at 1,500 rpm

Power: 350 hp at 3,013 rpm (manual transmission)

Torque: 610 lb-ft at 1,500 rpm (manual transmission)

Bore x Stroke: 4.21x4.88 inches (107x124mm)

Valvetrain: OHV with four valves per cylinder

Fuel Injection: High-pressure common-rail with Bosch CP3 pump

Induction: Holset variable-geometry turbocharger

Head Material: Cast iron

Block Material: Cast iron

Compression Ratio: 17.3:1

Emissions Systems: Cooled exhaust gas recirculation, diesel oxidation catalyst, and diesel particulate filter

6.6L Duramax LMM

Displacement: 6.6L (403ci)

Layout: V-8

Power: 365 hp at 3,200 rpm

Torque: 660 lb-ft at 1,600 rpm

Bore x Stroke: 4.06x3.90 inches (103x99mm)

Valvetrain: OHV four valves per cylinder

Fuel Injection: High-pressure common-rail with Bosch CP3 pump

Induction: Garrett variable-geometry turbocharger

Head Material: Cast aluminum

Block Material: Cast iron

Compression Ratio: 16.8:1

Emissions Systems: Cooled exhaust gas recirculation, diesel oxidation catalytic converter, and diesel particulate filter

Displacement: 6.4L (390ci)

Layout: V-8

Power: 350 hp at 3,000 rpm

Torque: 650 lb-ft at 2,000 rpm

Bore x Stroke: 3.87x4.13 inches (98x105mm)

Valvetrain: OHV with four valves per cylinder

Fuel Injection: High-pressure common-rail with Siemens K16 pump

Induction: BorgWarner series sequential variable-geometry and fixed turbochargers

Head Material: Cast iron

Block Material: Cast iron

Compression Ratio: 17.5:1

Emissions Systems: Cooled exhaust gas recirculation, diesel oxidation catalyst, and diesel particulate filter

2011 – All-New Ford 6.7L Scorpion, New 6.6L Duramax LML, and Cummins

Torque Bump

After parting ways with Navistar International, Ford came out with its own completely new engine that used the code name Scorpion during development. Unlike the all-iron 6.0L and 6.4L engines, the 6.7L used a compacted graphite iron (CGI) block and reversed aluminum heads to send exhaust directly into a single-sequential turbocharger, which has two compressor wheels mounted back to back on a shaft that's turned by a single turbine wheel. The engine also included the injection of diesel exhaust fluid to meet emissions requirements. It initially debuted with 390 hp and 735 lb-ft of torque, but that was soon increased to 400 hp and 800 lb-ft of torque with a

free factory programming upgrade. For 2011, Ram used a software upgrade that greatly increased the torque output of the 6.7L Cummins to 800 lb-ft. The same year, GM introduced the 6.6L Duramax LML with DEF injection that made 397 hp and 765 lb-ft of torque.

6.7L Cummins

Displacement: 6.7L (408ci)

Layout: I-6

Power: 350 hp at 3,013 rpm

Torque: 800 lb-ft at 1,600 rpm

Power: 350 hp at 3,013 rpm (manual transmission)

Torque: 610 lb-ft at 1,500 rpm (manual transmission)

Bore x Stroke: 4.21x4.88 inches (107x124mm)

Valvetrain: OHV with four valves per cylinder

Fuel Injection: High-pressure common-rail with Bosch CP3 pump

Induction: Holset variable-geometry turbocharger

Head Material: Cast iron

Block Material: Cast iron

Compression Ratio: 17.3:1

Emissions Systems: Cooled exhaust gas recirculation, diesel oxidation catalyst, and diesel particulate filter



Photo 8/9 | 2011 Duramax

6.6L Duramax LML

Displacement: 6.6L (403ci)

Layout: V-8

Power: 397 hp at 3,000 rpm

Torque: 765 lb-ft at 1,600 rpm

Bore x Stroke: 4.06x3.90 inches (103x99mm)

Valvetrain: OHV four valves per cylinder

Fuel Injection: High-pressure common-rail with Bosch CP4.2 pump

Induction: Garrett variable-geometry turbocharger

Head Material: Cast aluminum

Block Material: Cast iron

Compression Ratio: 16.0:1

Emissions Systems: Cooled exhaust gas recirculation, diesel oxidation catalytic converter, diesel particulate filter, and selective catalytic reduction with diesel exhaust fluid

6.7L Power Stroke

Displacement: 6.7L (406ci)

Layout: V-8

Power: 400 hp at 2,800 rpm

Torque: 800 lb-ft at 1,600 rpm

Power: 390 hp at 2,800 rpm (initial power rating)

Torque: 735 lb-ft at 1,600 rpm (initial torque rating)

Power: 400 hp at 2,800 rpm (after programming update)

Torque: 800 lb-ft at 1,600 rpm (after programming update)

Bore x Stroke: 3.90x4.25 inches (99x108mm)

Valvetrain: OHV with four valves per cylinder

Fuel Injection: High-pressure common-rail with Bosch CP4.2 pump

Induction: Garrett single-sequential variable-geometry turbocharger

Head Material: Cast aluminum

Block Material: Compacted graphite iron (CGI)

Compression ratio: 16.2:1

Emissions Systems: Cooled exhaust gas recirculation, diesel oxidation catalytic converter, diesel particulate filter, and selective catalytic reduction with diesel exhaust fluid

2012

6.7L Cummins

Displacement: 6.7L (408ci)

Layout: I-6

Power: 350 hp at 3,013 rpm

Torque: 800 lb-ft at 1,600 rpm

Power: 350 hp at 3,013 rpm (manual transmission)

Torque: 610 lb-ft at 1,500 rpm (manual transmission)

Bore x Stroke: 4.21x4.88 inches (107x124mm)

Valvetrain: OHV with four valves per cylinder

Fuel Injection: High-pressure common-rail with Bosch CP3 pump

Induction: Holset variable-geometry turbocharger

Head Material: Cast iron

Block Material: Cast iron

Compression Ratio: 17.3:1

Emissions Systems: Cooled exhaust gas recirculation, diesel oxidation catalyst, and diesel particulate filter

6.6L Duramax LML

Displacement: 6.6L (403ci)

Layout: V-8

Power: 397 hp at 3,000 rpm

Torque: 765 lb-ft at 1,600 rpm

Bore x Stroke: 4.06x3.90 inches (103x99mm)

Valvetrain: OHV four valves per cylinder

Fuel Injection: High-pressure common-rail with Bosch CP4.2 pump

Induction: Garrett variable-geometry turbocharger

Head Material: Cast aluminum

Block Material: Cast iron

Compression Ratio: 16.0:1

Emissions Systems: Cooled exhaust gas recirculation, diesel oxidation catalytic converter, diesel particulate filter, and selective catalytic reduction with diesel exhaust fluid

6.7L Power Stroke

Displacement: 6.7L (406ci)

Layout: V-8

Power: 400 hp at 2,800 rpm

Torque: 800 lb-ft at 1,600 rpm

Bore x Stroke: 3.90x4.25 inches (99x108mm)

Valvetrain: OHV with four valves per cylinder

Fuel Injection: High-pressure common-rail with Bosch CP4.2 pump

Induction: Garrett single-sequential variable-geometry turbocharger

Head Material: Cast aluminum

Block Material: Compacted graphite iron (CGI)

Compression Ratio: 16.2:1

Emissions Systems: Cooled exhaust gas recirculation, diesel oxidation catalytic converter, diesel particulate filter, and selective catalytic reduction with diesel exhaust fluid

2013 – 6.7L Cummins Finally Gets DEF

Since Ram Trucks (no longer under the Dodge banner) had built up credits with the EPA by meeting 2010's emissions standards by 2007, it was able to delay the use of DEF in its trucks until 2013. While many people decried the addition of DEF, the Cummins engine helped prove that it could be an advantage by allowing the engineers to program the engine to make more power while producing fewer emissions and needing fewer mpg-killing DPF regenerations. With the addition of the heavy-duty Aisin AS69RC six-speed automatic transmission, the Cummins' maximum ratings increased to 385 hp and a class-leading 850 lb-ft of torque. The 6.7L Power Stroke and 6.6L Duramax LML engines retained the same power and torque ratings.

6.7L Cummins

Displacement: 6.7L (408ci)

Layout: I-6

Power: 370 hp at 2,800 rpm (68RFE automatic transmission)

Torque: 800 lb-ft at 1,700 rpm (68RFE automatic transmission)

Power: 385 hp at 2,800 rpm (Aisin AS69RC automatic transmission)

Torque: 850 lb-ft at 1,700 rpm (Aisin AS69RC automatic transmission)

Power: 350 hp at 2,800 rpm (manual transmission)

Torque: 660 lb-ft at 1,500 rpm (manual transmission)

Bore x Stroke: 4.21x4.88 inches (107x124mm)

Valvetrain: OHV with four valves per cylinder

Fuel Injection: High-pressure common-rail with Bosch CP3 pump

Induction: Holset variable-geometry turbocharger

Head Material: Cast iron

Block Material: Cast iron

Compression Ratio: 17.3:1

Emissions Systems: Cooled exhaust gas recirculation, diesel oxidation catalyst, diesel particulate filter, and selective catalytic reduction with diesel exhaust fluid

6.6L Duramax LML

Displacement: 6.6L (403ci)

Layout: V-8

Power: 397 hp at 3,000 rpm

Torque: 765 lb-ft at 1,600 rpm

Bore x Stroke: 4.06x3.90 inches (103x99mm)

Valvetrain: OHV four valves per cylinder

Fuel Injection: High-pressure common-rail with Bosch CP4.2 pump

Induction: Garrett variable-geometry turbocharger

Head Material: Cast aluminum

Block Material: Cast iron

Compression Ratio: 16.0:1

Emissions Systems: Cooled exhaust gas recirculation, diesel oxidation catalytic converter, diesel particulate filter, and selective catalytic reduction with diesel exhaust fluid

6.7L Power Stroke

Displacement: 6.7L (406ci)

Layout: V-8

Power: 400 hp at 2,800 rpm

Torque: 800 lb-ft at 1,600 rpm

Bore x Stroke: 3.90x4.25 inches (99x108mm)

Valvetrain: OHV with four valves per cylinder

Fuel Injection: High-pressure common-rail with Bosch CP4.2 pump

Induction: Garrett single-sequential variable-geometry turbocharger

Head Material: Cast aluminum

Block Material: Compacted graphite iron (CGI)

Compression Ratio: 16.2:1

Emissions Systems: Cooled exhaust gas recirculation, diesel oxidation catalytic converter, diesel particulate filter, and selective catalytic reduction with diesel exhaust fluid

"With the addition of the heavy-duty Aisin AS69RC six-speed automatic transmission, the Cummins' maximum ratings

increased to 385hp and a class-leading 850 lb-ft of torque"

2014

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2015 – Second-Gen 6.7L Power Stroke and 865-lb-ft Cummins

The second generation of the 6.7L Power Stroke swapped the dual-compressor turbocharger for a large, single variable-geometry turbo, upgraded injector tips, and a new “cobra head” downpipe to increase output to a class-leading 440 hp and 860 lb-ft of torque. Not to be outdone, Ram upped the maximum torque rating of the 6.7L Cummins to 865 lb-ft of torque for trucks with the Aisin transmission. Meanwhile, General Motors continues to offer the LML with 397 hp and 765 lb-ft of torque, but there are rumors a significantly redesigned Duramax engine could debut as soon as 2016.

6.7L Cummins

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converter, diesel particulate filter, and selective catalytic reduction with diesel exhaust fluid



Photo 9/9 | 2015 Power Stroke

6.7L Power Stroke

Displacement: 6.7L (406ci)

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Head Material: Cast aluminum

Block Material: Compacted graphite iron (CGI)

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Emissions Systems: Cooled exhaust gas recirculation, diesel oxidation catalytic converter, diesel particulate filter, and selective catalytic reduction with diesel exhaust fluid

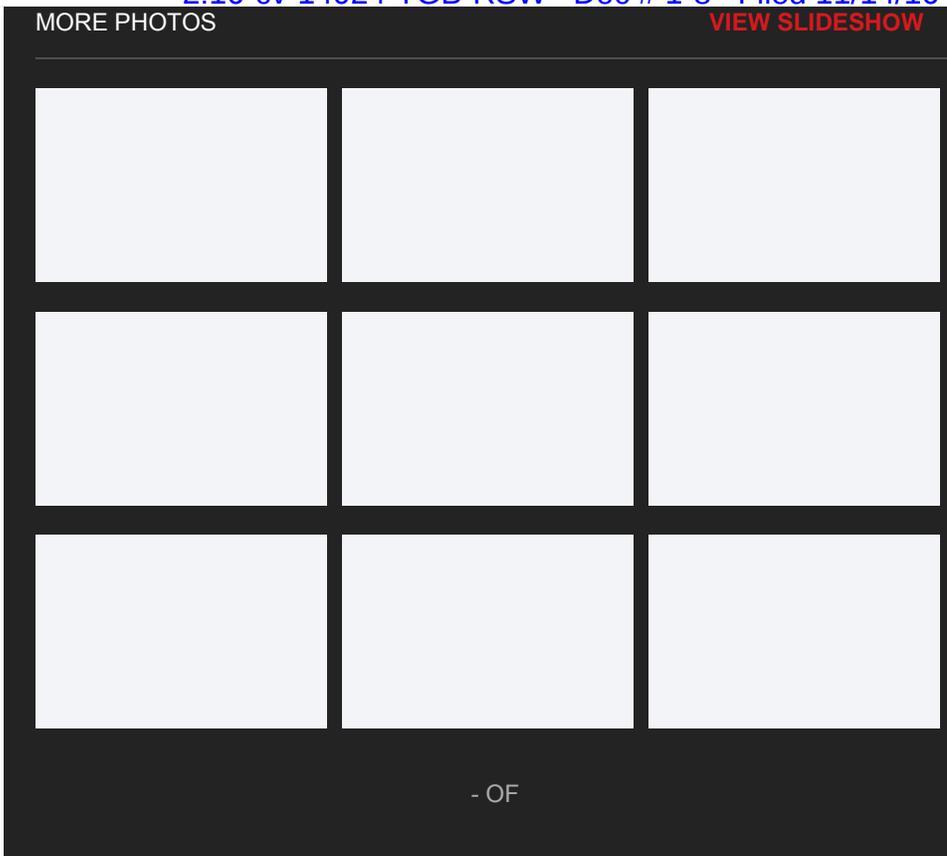
Sources

Ford Motor Company
Dearborn, MI 48126
800-392-3673
www.ford.com

Chevrolet
Detroit, MI 48323
www.chevrolet.com

Ram Trucks
Auburn Hills, MI 48321
800-726-4636
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888-988-7267
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EXHIBIT 8

PRODUCT REGISTRATION

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Cummins History

NEARLY 100 YEARS OF DEPENDABILITY AND PERFORMANCE

Cummins roots are planted in soil nourished by innovation, persistence and a commitment to community. Founded in Columbus, Indiana, in 1919 as Cummins Engine Company, for its namesake Clessie Lyle Cummins, the fledgling firm was among the first to see the commercial potential of an unproven engine technology invented two decades earlier by Rudolph Diesel.

Fortunately for Clessie Cummins, a self-taught mechanic and inventor, his vision was shared by someone

with the financial resources to make it a reality: William Glanton (W.G.) Irwin, a successful local banker and investor, who already had provided financial backing



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Sitemap

for Cummins' auto mechanic operation and machine shop.

The Start of Something Special

After a decade of fits and starts, during which time the diesel engine failed to take hold as a commercial success, a stroke of marketing genius by Clessie Cummins helped save the Company. Cummins mounted a diesel engine in a used Packard limousine and on Christmas day in 1929 took W.G. Irwin for a ride in America's first diesel-powered automobile. Irwin's enthusiasm for the new engine led to an infusion of cash into the Company, which helped fuel a number of speed and endurance records in the coming years - including a grueling 13,535-mile run at the Indianapolis Motor Speedway in 1931. Such feats earned Cummins' foothold as an engine supplier to the trucking industry.

Still, publicity alone could not carry the Company; Cummins needed reliable products and a sound business organization. In 1933, the company released the Model H, a powerful engine for transportation that launched the company's most successful engine family. J. Irwin Miller, great-nephew of W.G. Irwin, became general manager in 1934 and went on to lead the company to international prominence over the next four decades. By marketing high-quality products through a unique nationwide service organization, the Company earned its first profit in 1937. Three years later, Cummins offered the industry's first 100,000-mile warranty.

Fueled by Opportunity

By the 1950s, America had embarked on a massive interstate highway construction program, with Cummins engines powering much of the equipment that built the roads and thousands of the trucks that began to roll down them. Truckers demanded economy, power, reliability, and durability, and Cummins responded. By combining lab-based research and field-based trials, including dramatic performances at the Indy 500 races, Cummins achieved technological breakthroughs, including the revolutionary PT (pressure-time) fuel injection system of 1954. By the late 1950s, Cummins had sales of over \$100 million and a commanding lead in the market for heavy truck diesels.

Going Global

As Cummins continued to grow its business in the United States, the Company also began looking beyond its traditional borders. Cummins opened its first foreign manufacturing facility in Shotts, Scotland, in 1956 and by the end of the 1960s, Cummins had expanded its sales and service network to 2,500 dealers in 98 countries. Today, Cummins has more than 5,000 facilities in 197 countries and

territories.

Cummins, led by the visionary leadership of J. Irwin Miller, forged strong ties to emerging countries such as China, India and Brazil, where Cummins had a major presence before most other U.S. multinational companies. Cummins has grown into one of the largest engine makers in both China and India, and for the past three years approximately half of the Company's sales have been generated outside the United States.

A Powerful Presence

Cummins is no longer just an engine business, but a global power leader with more than \$13 billion in sales in 2010. We are a family of inter-related, yet diversified businesses that create or enhance value as a result of doing business with each other or having those relationships.

Cummins is organized around four business segments - Engine, Power Generation, Components Business and Distribution – and provides products and service to customers in more than 150 countries.

Cummins is a technology leader in the diesel engine market, with our employees working relentlessly to provide cutting-edge solutions to the increasingly difficult challenge of producing cleaner-running engines. For example, Cummins was the only company in the industry to meet the 2010 EPA standards for NOx emissions with the release in early 2007 of its new 6.7-liter turbo diesel for the Dodge Ram Heavy Duty pickup.

Clessie Cummins' spirit of innovation and commitment to quality lives on nearly a century later in the nearly 40,000 Cummins employees who work to design, make and sell products that can be found in nearly every type of vehicle imaginable.

EXHIBIT 9

DieselNet: Emission Standards

United States

[Regulatory Authorities](#)

[Regulated Engines and Vehicles](#)

[Vehicle Weight Classes](#)

[Auxiliary Emission Control Devices and Defeat Devices](#)

Regulatory Authorities

Federal Standards. US federal emission standards for engines and vehicles, including emission standards for greenhouse gas (GHG) emissions, are established by the US Environmental Protection Agency ([EPA](#)). The EPA authority to regulate engine emissions—and the air quality in general—is based on the *Clean Air Act* (CAA), most recently amended in 1990.

Fuel economy standards are developed by the National Highway Traffic Safety Administration (NHTSA), an agency within the US Department of Transportation ([DOT](#)).

The development of engine emission standards occurs according to the procedures of the US rulemaking process. New regulations are first published as proposed rules. Following a period of public discussion, the new rule is finalized and signed into law. New regulatory proposals and regulations are published in the [Federal Register](#). Consolidated regulations become a part of the [Code of Federal Regulations](#) (CFR).

California Standards. The State of California has the right to adopt its own emission regulations, which are often more stringent than the federal rules. Engine and vehicle emission regulations are adopted by the California Air Resources Board ([ARB](#)), a regulatory body within the California EPA.

California is the only state vested with the authority to develop its own emission regulations. Other states have a choice to either implement the federal emission standards, or else to adopt California requirements (CAA section 177).

Regulated Engines and Vehicles

Emission Standards for New Engines and Vehicles

The following categories of new engines and/or vehicles are subject to emission standards in the USA:

- [Cars and Light Trucks: Tier 1 | Tier 2 | Tier 3 | California](#)
- [Heavy-Duty Truck and Bus Engines](#)
- [Mobile Nonroad Diesel Engines](#)
- [Railway Locomotives](#)
- [Marine Engines](#)
- Small spark ignited (SSI) engines (≤ 19 kW)

- Large spark ignited (LSI) engines (> 19 kW)
- [Stationary Engines: SI NSPS | CI NSPS | NESHP](#)

GHG & Fuel Economy

Fuel economy in new light-duty vehicles has been regulated since the 1970's by [CAFE standards](#) administered by the National Highway Traffic Safety Administration (NHTSA), an agency within the Department of Transportation (DOT).

The first greenhouse gas regulations for motor vehicles were adopted in 2002 in [California](#). At the federal level, [GHG emission standards](#) and harmonized CAFE legislation for light-duty vehicles were adopted in joint regulatory actions by the EPA and the NHSTA in 2010 and 2012. GHG/fuel economy regulation for [heavy-duty trucks](#) was adopted in 2011.

On-Board Diagnostics (OBD)

On-Board Diagnostic requirements—[California](#) and [federal](#)—apply to light-duty vehicles, as well as to increasing number of categories of heavy-duty engines. OBD regulations ensure compliance with emission standards by setting requirements to monitor selected emission system components (e.g., catalytic converters) or in-use emission levels, and to alert the driver/operator—such as by a dashboard-mounted malfunction indicator light—when a problem is detected.

In-Use Engine Regulations

In addition to new engine emission regulations, there is a growing number of programs—mandatory or incentive-based—to reduce emissions from in-use diesel engines. These initiatives are being implemented by all levels of government: federal, state, and local. We provide an overview of the following diesel programs:

- [California Diesel Risk Reduction Program](#)
- [Urban Bus Retrofit Rebuild \(UBRR\) Program \(1995\)](#)
- [Diesel Occupational Health Regulations](#)

Vehicle Weight Classes

Some of the commonly used US vehicle weight classifications are summarized in the following tables.

Table 1
Vehicle weight classifications by the US FHA and US Census Bureau

Gross vehicle weight rating (lbs)	Federal Highway Administration		US Census Bureau
	Vehicle Class	GVWR Category	VIUS Classes
≤ 6,000	Class 1: ≤ 6,000 lbs	Light Duty ≤ 10,000 lbs	Light Duty ≤ 10,000 lbs
10,000	Class 2: 6,001-10,000 lbs		
14,000	Class 3: 10,001-14,000 lbs	Medium Duty 10,001-26,000 lbs	Medium Duty 10,001-19,500 lbs
16,000	Class 4: 14,001-16,000 lbs		
19,500	Class 5: 16,001-19,500 lbs		
26,000	Class 6: 19,501-26,000 lbs		
33,000	Class 7: 26,001-33,000 lbs	Heavy Duty ≥ 26,001 lbs	Light Heavy Duty 19,501-26,000 lbs
> 33,000	Class 8: > 33,000 lbs		Heavy Duty ≥ 26,001 lbs

Table 2
Vehicle weight classifications by the US EPA

Gross vehicle weight rating (lbs)	EPA Emissions Classifications			
	Heavy Duty Vehicles and Engines			Light Duty Vehicles
	HD Trucks	HD Engines	General trucks	Passenger Vehicles
≤ 6,000	Light Duty Trucks 1 & 2: ≤ 6,000 lbs	Light Light Duty Trucks: ≤ 6,000 lbs	Light Duty Trucks ≤ 8,500 lbs	Light Duty Vehicles ≤ 8,500 lbs
8,500	Light Duty Trucks 3 & 4: 6,001-8,500 lbs	Heavy Light Duty Trucks: 6,001-8,500 lbs		
10,000	Heavy Duty Vehicle 2b: 8,501-10,000 lbs	Light Heavy Duty Engines: 8,501-19,500 lbs	Heavy Duty Vehicle Heavy Duty Engine ≥ 8,500 lbs	Medium Duty Passenger Vehicles 8,501-10,000 lbs
14,000	Heavy Duty Vehicle 3: 10,001-14,000 lbs			
16,000	Heavy Duty Vehicle 4: 14,001-16,000 lbs			
19,500	Heavy Duty Vehicle 5: 16,001-19,500 lbs			
26,000	Heavy Duty Vehicle 6: 19,501-26,000 lbs			
33,000	Heavy Duty Vehicle 7: 26,001-33,000 lbs	Medium Heavy Duty Engines: 19,501-33,000 lbs		
60,000	Heavy Duty Vehicle 8a: 33,001-60,000 lbs	Heavy Heavy Duty Engines Urban Bus: ≥ 33,001 lbs		
> 60,000	Heavy Duty Vehicle 8b: ≥ 60,001 lbs			

Auxiliary Emission Control Devices and Defeat Devices

Under some operating conditions, components of the emission control system can be shut-off or deactivated. This is usually done for reasons including: ensuring engine start-up, protection of the vehicle against damage or accident and preventing the unwanted shut-down of emergency vehicles or equipment. Deactivating components of the emission control system is carried out using what is called an Auxiliary Emission Control Device (AECD). EPA regulations define an AECD as:

any element of design which senses temperature, vehicle speed, engine RPM, transmission gear, manifold vacuum, or any other parameter for the purpose of activating, modulating, delaying, or deactivating the operation of any part of the emission control system.

The EPA definition for emission control system covers all components that are used to control emissions including: aftertreatment devices, engine modifications, sensors, actuators, EGR system and so on.

A *defeat device* is an AECD that reduces the effectiveness of the emission control system under conditions which may reasonably be expected to be encountered in normal vehicle operation and use. Defeat devices are prohibited. In order for manufacturers to certify their vehicles and engines, during the application for certification, they must submit a list of AECDs, justify their use, explain how they work and demonstrate that the AECDs are not defeat devices.

While there are some differences, the definitions of AECD, emission control system and defeat device as well their approval is relatively consistent for light-, medium- and heavy-duty vehicles and engines as well as nonroad engines.

EXHIBIT 10



FOR IMMEDIATE RELEASE
ENR
TUESDAY, JUNE 16, 1998
(202) 514-2008
TDD (202) 514-1888

JUSTICE DEPARTMENT SUES MACK TRUCK INC. UNDER CLEAN AIR ACT

Company Charged With Illegal Emissions From Diesel Engines

WASHINGTON The Justice Department, on behalf of the Environmental Protection Agency, yesterday sued Mack Trucks Inc., one of the leading U.S. manufacturers of heavy duty diesel engines, for violating standards designed to limit emissions of dangerous air pollutants under the Clean Air Act.

"The American people deserve clean air to breath," said Lois Schiffer, Assistant Attorney General in charge of the Environment and Natural Resources Division. "Those who break the law will pay a high price. This lawsuit is another example of the federal government's determination to ensure full compliance with the Clean Air Act."

On Monday, the Department filed suit in U.S. District Court in Washington, D.C. to respond to the company's termination of settlement negotiations by filing its own lawsuit against the federal government.

The suit alleges that Mack has been selling unlawful heavy duty diesel engines equipped with devices that defeat the engines' emissions control system, resulting in the emission of illegal amounts of oxides of nitrogen (NOx).

NOx is an air pollutant that contributes to smog, acid rain, and increased levels of lung disease. Heavy duty diesel engines are used in tractor trailers and other large trucks.

The suit asks the court to prohibit Mack from selling engines with defeat devices, to order Mack to recall and fix those engines currently on the road, and to require Mack to take additional steps to offset the harm caused to public health and the environment. The suit also seeks civil penalties for the violations.

"Mack's use of defeat devices had and will continue to have a significant adverse impact on the public, resulting in an estimated 700,000 tons of excess harmful nitrogen oxide emissions and more than \$1 billion in extra health care costs over the life of the engines," said Steve Herman, EPA Assistant Administrator for Enforcement and Compliance Assurance. "By filing the lawsuit, we are taking action to ensure that the company does not compromise clean air and the public health now and in the future."

"There simply is no excuse for circumventing federal laws aimed at protecting and preserving our natural resources," said Wilma A. Lewis, United States Attorney for the District of Columbia. "This lawsuit is the result of a collaborative effort among the Environmental Protection Agency, the Environmental and Natural Resources Division of the Department of Justice and the U.S. Attorney's Office, and demonstrates our continuing commitment toward enforcing the Clean Air Act."

According to the charges, the company's engine software controls the timing of fuel injection into the combustion chamber, causing the engine to emit excessive amounts of NOx while the truck is running on the open road. However, the company's engine software is designed in such a way so that these emission levels do not show up on the federal test. Changing the timing of fuel injection can increase fuel economy, but at the expense of much higher emissions of NOx.

The suit also alleges that these engines are not covered by

Under the Clean Air Act, a manufacturer is prohibited from selling or offering for sale any new motor vehicle or motor vehicle engine equipped with any device designed to defeat the engines' emission control system.

The government estimates that the affected engines, if not fixed, could result in total increases in NOx emissions in excess of 700,000 tons over the life of the engines.

Oxides of Nitrogen combine with volatile organic compounds in the presence of sunlight to form ozone, one of six criteria pollutants for which EPA has established National Ambient Air Quality Standards. An abundance of ozone near the earth's surface is harmful to humans, agricultural crops and plants. In addition, oxides of nitrogen can cause acid rain, which is harmful to fish, and high levels of nitrates in drinking water, which is a human health hazard, especially for infants.

Last week, the Department settled allegations that American Honda Motor Co. Inc. and Ford Motor Company violated the Clean Air Act by selling vehicles with disabled emission control diagnostic systems and illegally installing defeat devices, respectively.

Mack's failure to disclose to EPA the existence of these defeat devices on its engines obstructed the EPA's ability to protect public welfare and the environment before the engines were sold.

###

98-281

EXHIBIT 11

How The EPA Won \$1 Billion From Diesel Cheaters Long Before VW



Raphael Orlove

9/21/15 4:05pm · Filed to: DIESELGATE

171

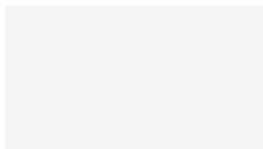
15



Volkswagen's [current diesel disaster](#) is not the first time the Environmental Protection Agency has discovered that a vehicle manufacturer had been cheating on their diesel emissions tests. Here's how the U.S. government won \$1 billion from diesel cheaters

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Your Guide To Dieselgate: Volkswagen's Diesel Cheating Catastrophe

Yes, it's a catastrophe. There's no other way to describe the allegations from the Environmental...

[Read more](#)

That VW's small diesel passenger car engines were spewing out significantly more toxic NOx than law allowed is, quite surprisingly, not extremely remarkable in the world of governing the auto industry. In the past nine years alone, Europe has gone through not one but two major scandals with diesel engines producing way too much NOx.

These issues were called "cycle beating," where an automaker builds a car that passes emissions tests only during the test itself and never anytime else. They surfaced both in 2006 ([read the full report right here](#)) and in 2014 ([read the full report on this in German here](#)). Both may yet weigh on VW's case here in 2015.

But there was another case that precedes VW's current issues right here in America, again with diesels, again even with defeat devices. And there's bad news for VW: the EPA won.

The drama unfolded in 1998 when [the Justice Department on behalf of the EPA](#) straight up sued every major diesel engine manufacturer in the United States. The suit alleged these companies' heavy trucks were "equipped with devices that defeat the engines' emissions control system, resulting in the emission of illegal amounts of oxides of nitrogen."

Sponsored

The engines met the requirements when run on the EPA's 20-minute test procedure, but had three times the legal NOx emissions in highway driving.

Sound familiar?

As the EPA recounts, the suit named Caterpillar, Inc., Cummins Engine Company, Detroit Diesel Corporation, Mack Trucks, Inc., Navistar International Transportation

Corporation, Renault Vehicules Industriels, s.a., and the Volvo Truck Corporation.

A critical story in the libertarian-minded policy journal *The Independent Review* detailed the case just as it had been settled, elaborating the ‘absurdity’ of the EPA suing engine producers for making engines that technically passed all of their tests.

In other words, one man’s cheat was another man’s way of just passing a test.

In a good example of the regulatory doublespeak common at the EPA, the engine controllers were said to have “defeated” the emissions standards by ensuring that the engines met precisely the EPA standards using EPA’s tests.

Because the EPA’s engine test focused only on simulating urban driving conditions, however, meeting the test standard allowed the engine controllers to focus on mileage rather than on emissions under highway driving conditions. In effect, the EPA sued the engine manufacturers because the engine makers had not designed their engines to meet a test procedure EPA had not created.

Despite the legal absurdity of the EPA’s position, in 1998 the firms and the EPA signed a \$1 billion settlement that tightens the previous regulatory standards and specifies how the industry will regulate emissions of nitrogen oxides (NOx).

The companies were forced to spend a collective *one billion dollars* in total, including an \$83.4 million civil penalty, at the time the largest ever for violation of environmental law.

(I sincerely hope somebody at the EPA held a pinkie up to their mouth Dr. Evil style when they made the announcement. Indeed, *Austin Powers* came out in 1997, so it would still be fresh in their minds. You do feel old reading that.)

Now, as *The Independent Review* pointed out, it does seem strange that the EPA was punishing companies for passing the EPA’s own tests. The engine makers made this exact point when they argued against their regulators, as the *New York Times* reported. You might think the onus would be on the EPA at that point for making a bad test, but the EPA was having none of that.

Then again, if the tests are designed to simulate real-world conditions and how the trucks

perform in regular driving, and the goal of the regulation is to make sure we have clean air, you can see the issue.

“These defeat devices are really deceit devices,” EPA administrator Carol Browner [said at the time](#). “They defeat important public health protections and deceive the American people.”

If you go and look up the full text of the Clean Air Act and search for ‘defeat,’ you will come up with this very clear explanation explicitly states under the ‘Prohibited Acts’ section, that is it prohibited “for any person to manufacture or sell, or offer to sell, or install, any part or component intended for use with, or as part of, any motor vehicle or motor vehicle engine, where a principal effect of the part or component is to bypass, defeat, or render inoperative any device or element of design installed on or in a motor vehicle or motor vehicle engine in compliance with regulations under this subchapter, and where the person knows or should know that such part or component is being offered for sale or installed for such use or put to such use.”

This note on defeat devices is exactly what left diesel engine manufacturers at a loss. If you’re wondering why they all settled, this section of the Clean Air Act looks like the key reasoning. The EPA [has said as much themselves to VW](#).

This 1998 case is startling because it almost exactly mirrors the drama that VW is going through at the moment. Yes, VW’s diesels passed all of the EPA’s tests while the EPA was testing them.

But this case from 1998 (along with the wording of the Clean Air Act it affirms) set the precedent that if you use a defeat device to do exactly as the EPA tells you, don’t expect to pay less than nine figures.

Photo Credit: [Getty Images](#) (Diesel trucks are pictured here marching on Washington, if you can call it that, protesting high diesel prices. The photo was taken in the year 2000.)

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Monday, February 22, 2010

Cummins Inc. Agrees to Pay \$2.1 Million Penalty for Diesel Engine Clean Air Act Violations

WASHINGTON—Cummins Inc., a major motor vehicle engine company based in Columbus, Ind., will pay a \$2.1 million penalty and recall 405 engines under a settlement agreement resolving alleged violations of the Clean Air Act, the Justice Department and U.S. Environmental Protection Agency (EPA) announced today.

According to a complaint filed simultaneously with the settlement in federal court in the District of Columbia, between 1998 and 2006 Cummins shipped more than 570,000 heavy duty diesel engines to vehicle equipment manufacturers nationwide without pollution control equipment included, in violation of the Clean Air Act. This equipment, known as exhaust after-treatment devices (ATDs), controls engine exhaust emissions once the emissions have exited the engine and entered the exhaust system. Typical ATDs include catalytic converters and diesel particulate filters.

Engine manufacturers must prove through testing that their engine designs meet EPA's emissions standards and seek certificates of conformity. According to the complaint, Cummins tested the engines with the ATDs to meet the standards, but failed to include the ATDs with the engines when Cummins shipped the engines to the vehicle manufacturers. Instead, Cummins relied upon the vehicle manufacturers to purchase and install the correct ATDs. The United States alleges that the shipment of engines to vehicle manufacturers without the ATDs violates the Clean Air Act's prohibition on the sale of engines not covered by certificates of conformity.

The settlement requires Cummins to recall approximately 405 engines that were found to have reached the ultimate consumers without the correct ATDs in order to install the correct ATDs.

"This settlement assures that the environment suffers no ill effects because it requires that Cummins not only install the proper pollution control devices but also mitigate the effects of the harmful emissions released as a result of its actions," said Ignacia S. Moreno, Assistant Attorney General for the Justice Department's Environment and Natural Resources Division.

"Reliable and effective pollution control systems are essential to protect human health and the environment from harmful engine emissions," said Cynthia Giles, Assistant Administrator for

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EPA's Office of Enforcement and Compliance Assurance. "These requirements are a critical part of EPA's program to reduce air pollution and secure clean air so that all Americans can breathe easier."

EPA estimates that Cummins actions resulted in approximately 167 excess tons of nitrogen oxides and hydrocarbon emissions, and 30 excess tons of particulate matter emissions over the lifetime of the non-conforming engines. Cummins will mitigate the effects of excess emissions from its non-conforming engines through permanent retirement of emission credits equal to the excess tons of pollution.

Over half the air pollutants in America come from "mobile sources" of air pollution, such as cars, trucks, buses, motorcycles, construction, agricultural and lawn and garden equipment, marine vessels, outboard motors, jet skis and snowmobiles. Mobile source pollutants include smog-forming volatile organic compounds and nitrogen oxides, toxic air pollutants such as cancer-causing benzene, and particulate matter or "soot." These pollutants are responsible for asthma and other respiratory illnesses.

The state of California Air Resources Board will receive \$420,000 of the civil penalty under a separate settlement agreement with Cummins, continuing a federal government practice of sharing civil penalties with states that participate in clean air enforcement actions.

The Cummins settlement was lodged today in the U.S. District Court for the District of Columbia, and is subject to a 30-day public comment period. A copy of the consent decree is available on the Justice Department Web site at http://www.justice.gov/enrd/Consent_Decrees.html.

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10-173

Environment and Natural Resources Division

Updated September 15, 2014

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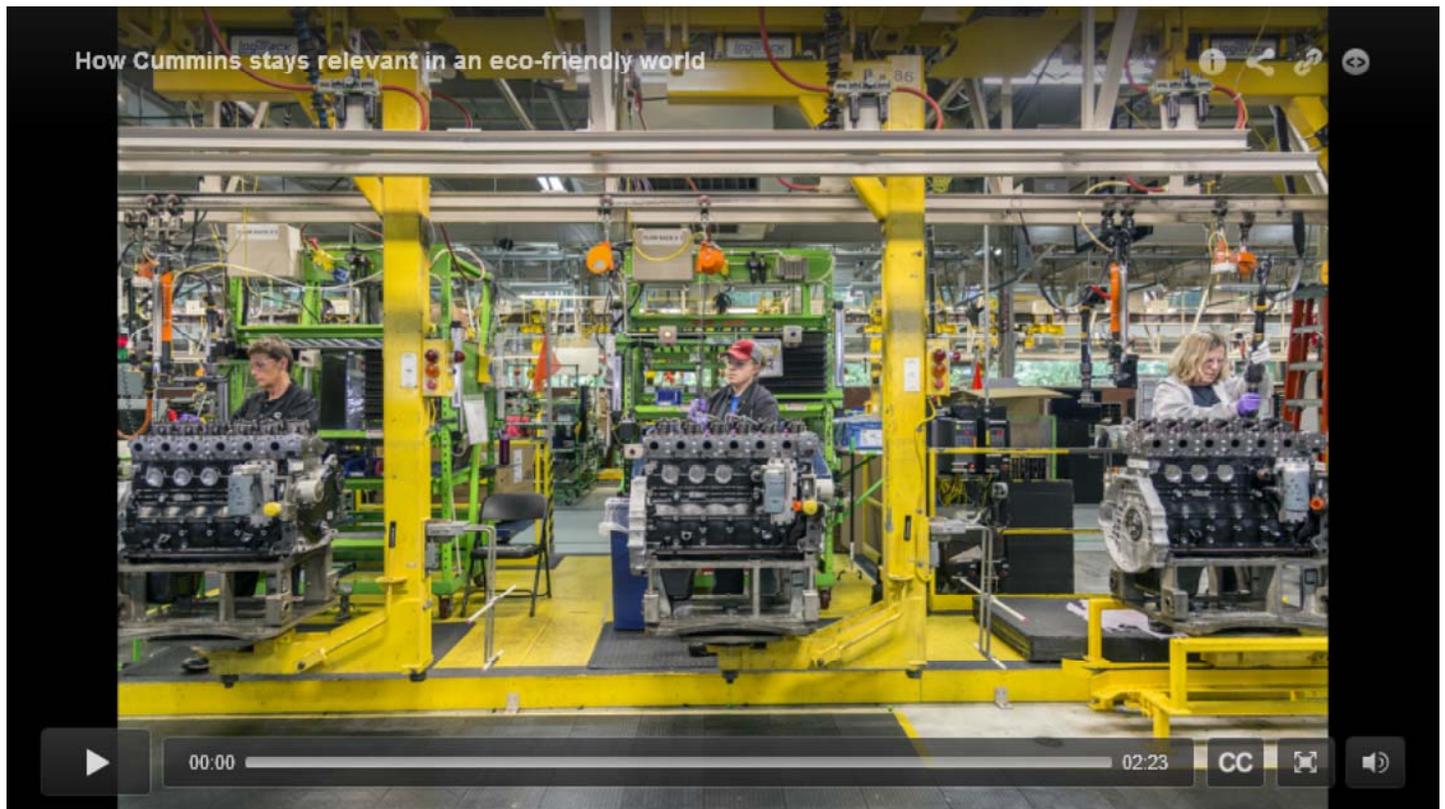
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Cummins: An engine maker bets on clean air—and wins

by Clay Risen JUNE 8, 2015, 8:00 AM EST



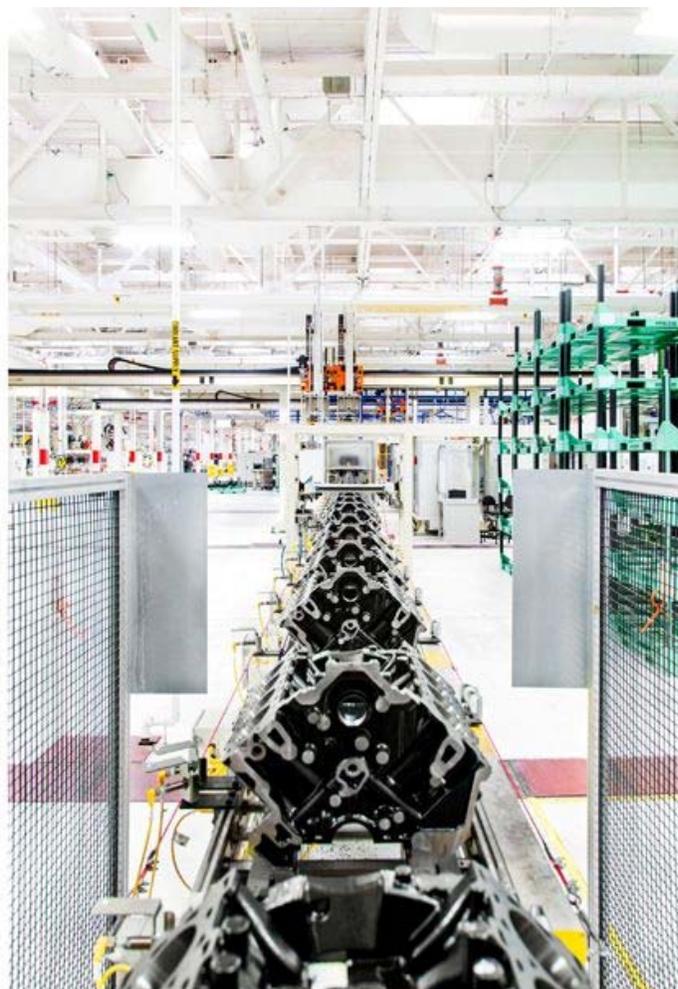
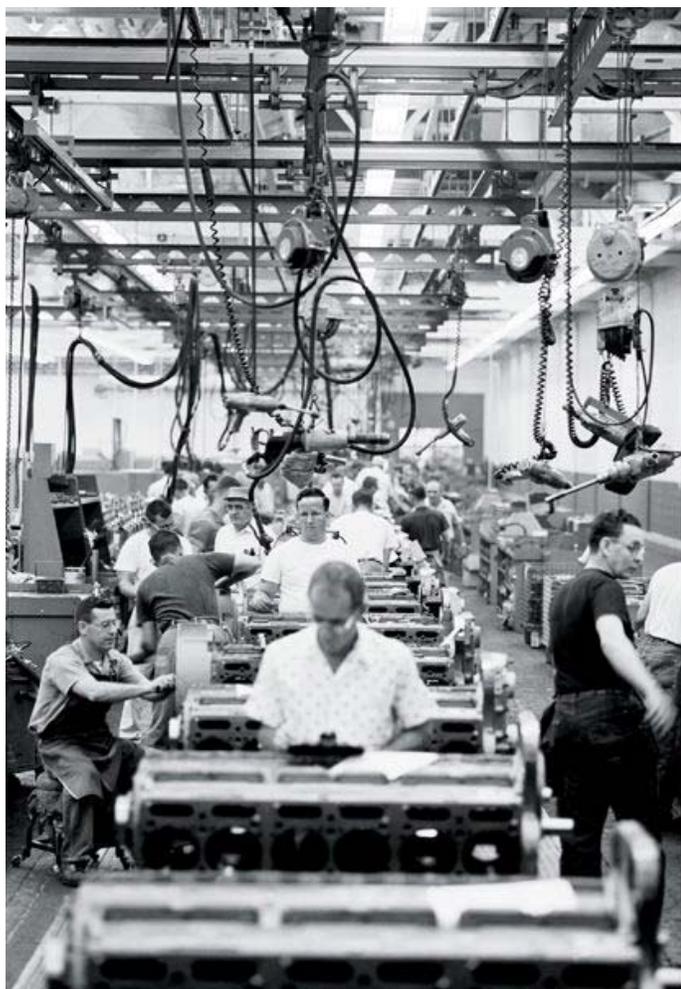
The Indiana diesel giant has thrived, thanks to smart investments in emissions-control technology and overseas partnerships.

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Drive across the Midwest, and you'll see the same scene in town after town: shuttered factories, Main Streets full of empty storefronts, workforces hollowed out by the steep decline in the once-mighty American manufacturing sector. So you may find yourself doing a double-take when you get to Columbus, Ind., pop. 46,000, the home of **Cummins** (▲) **CMI 1.07%**, the country's leading diesel-engine manufacturer. You'll see a thriving downtown, weekend street fairs, and crowds flocking to trendy cafés and restaurants. With 17% of the local workforce employed directly by Cummins, Columbus is a one-business town—and business is good. The local economy is at 4.4% unemployment, compared with 5.8% for Indiana as a whole. "When I was growing up, my hometown of Anderson, an hour north of here, had 20,000 **GM** (▲) **GM 4.94%** employees, and 30 years later it has none," says Jason Hester, executive director of the Columbus Economic Development Board. "Right now, in this community, if you want a job, you're hired." For that you can thank diesel engines—bulky, unglamorous machines that may make you think of battered pickups and lumbering semis, or maybe of Europe, where diesel passenger cars are the norm. And yet in an American economy driven by tech startups and high finance, Cummins has not only survived but thrived in heavy industry. Driven by global demand for its energy-efficient, low-emission engines, the company's sales have popped since the end of the Great Recession; revenues jumped from \$10.8 billion in 2009 to \$19.2 billion in 2014. It operates in 90 countries, with almost 50% of its 2014 sales coming from overseas. In the U.S. and many other markets, it's the company to beat in diesel. Says Larry De Maria, an analyst with William Blair: "Cummins arguably makes the best engines in the world."

Cummins and Columbus, from Past to Present: In 1958, *Architectural Forum* magazine hired Ezra Stoller to photograph the home of Cummins CEO J. Irwin Miller in Columbus, the company's hometown. That encounter led to more commissions, between 1962 and 1971, for which Stoller shot pictures of Cummins's factories and Columbus itself. Here, his vintage photos are paired with new images captured for *Fortune* by Ryan Donnell.



On the line, then and now: Cummins workers put the finishing touches on engines in a Columbus factory in 1962 (left); engine blocks destined for Nissan pickups await machining in that same factory today.

Vintage Photo: Ezra Stoller—Esto; Photograph by Ryan Donnell For Fortune

Cummins first found success riding the postwar boom; it's one of only 57 companies that have appeared on the *Fortune 500* every year since 1955. But more impressive is how the company has sustained that success in a tumultuous time for U.S. industry. When many manufacturers fled to cheaper overseas labor, Cummins took a more sophisticated tack, investing in its domestic workforce and facilities while establishing fifty-fifty joint ventures abroad. And when many automotive companies fought Washington on clean-air regulations, Cummins embraced them—and then used its mastery of clean-tech diesel to build a moat around itself. “We like things where the business is hard to do,” says Rich Freeland, Cummins’s president and chief operating officer. “Only a few people can get there, and we think we can.”

2014 COMPANY PROFILE

Rank in <i>Fortune</i> 500:	154
Revenues:	\$19.2 billion
Profits:	\$1.65 billion
Employees:	54,600
Total Return to Shareholders (2004-2014 Annual Rate):	23.1%

That sort of confidence, along with a corporate culture that emphasizes investing in employees and their communities, has helped Cummins evolve into something truly unusual. It's a multi-national, technology-driven, very contemporary company that retains some qualities of an Eisenhower-era, take-care-of-your-workers industrial giant—a business model so traditionally American that it now seems practically un-American. It's a combination that has Cummins poised to continue capitalizing on the growing global trucking industry, and one that could keep it firing on all cylinders for many years to come.

Though you would never confuse Cummins with [Apple](#) (▼) **AAPL -2.75%** or [HP](#) (▲) **HPQ 0.77%**, it, too, got its start in a garage. In 1919, Clessie Lyle Cummins, an auto mechanic and chauffeur in Columbus, persuaded his boss, a local banker named William G. Irwin, to invest in an exotic engine technology developed by the German engineer Rudolf Diesel.

At the time, few Americans had heard of diesel, and those who had heard of it figured the bulky design was best suited for generators and farm equipment. But Cummins saw the possibility of using it on the highway, and through the 1920s and '30s his eponymous company churned out increasingly powerful, sophisticated engines, with the goal of serving the burgeoning commercial trucking sector.





Assembling engines for Dodge Ram trucks at a Cummins plant today; workers on one of the company's original assembly lines in 1962.

Photograph by Ryan Donnell for Fortune; Vintage photograph: Ezra Stoller—Esto

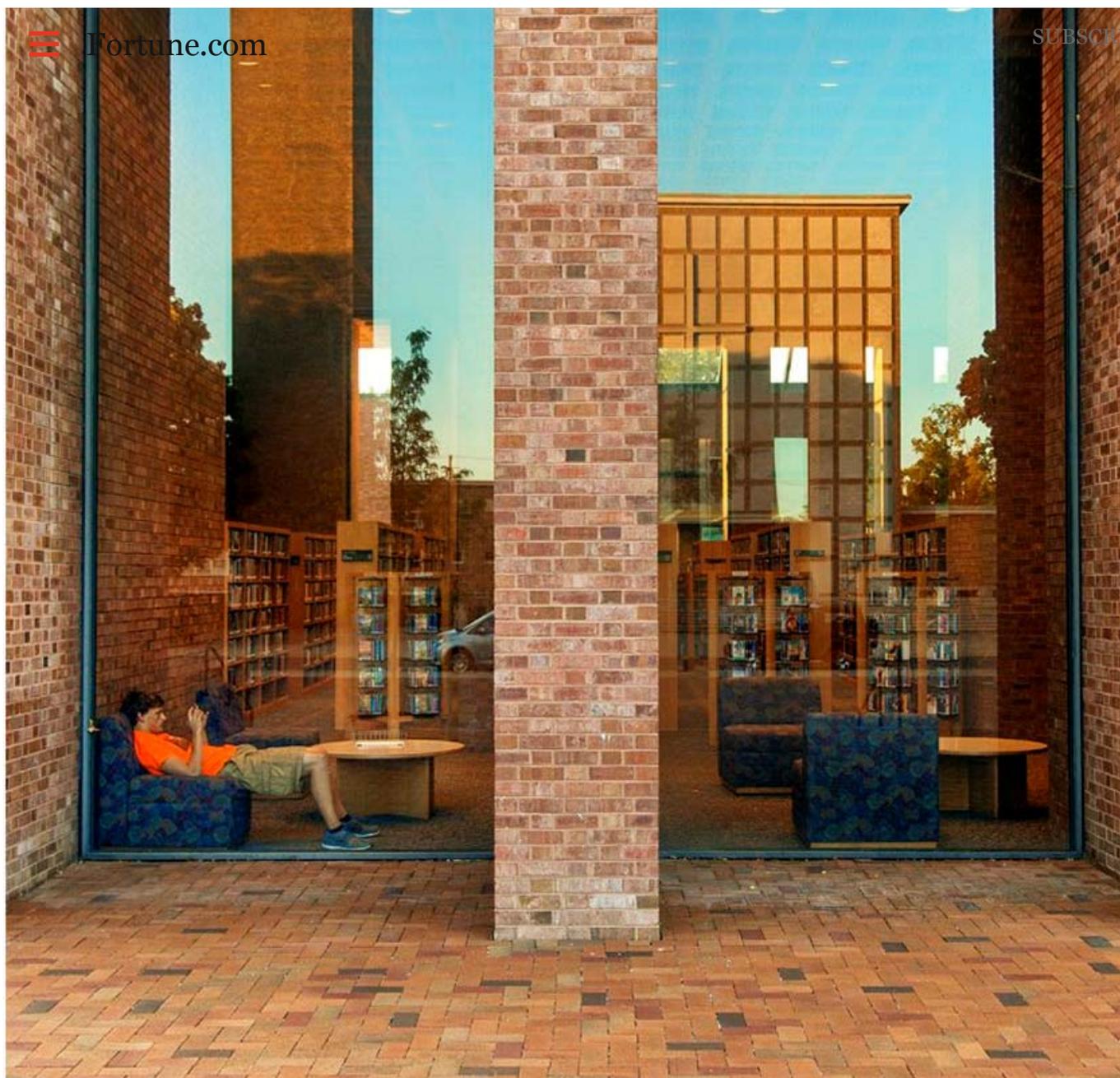
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The advent of World War II and the postwar expansion of the highway system and the interstate trucking industry created an unquenchable demand for immensely powerful engines, and diesel was unmatched in that category. Under the leadership of Irwin's nephew, J. Irwin Miller, the company grew from \$26 million in gross sales in 1944 to \$1.26 billion in 1977—14-fold growth after adjusting for inflation.

If Clessie Cummins was responsible for creating the company, Miller deserves credit for making it a global powerhouse. He was an unlikely candidate for the role of industrial magnate: Born into wealth, he went to Yale and Oxford, where he played classical violin, rowed crew, and gravitated toward circles of architects and artists. Once in place at Cummins, though, Miller proved to be a natural executive. He understood the long-term potential of overseas growth, so even as Cummins made a mint on domestic trucking, it began to expand internationally. Miller opened Cummins's first overseas factory in 1956 in Scotland; six years later he formed a fifty-fifty joint venture to build heavy-duty engines in Pune, India—decades before most American firms dared invest in that country. In 1975, Miller was one of the first American executives to visit China after President Richard Nixon normalized relations.

Miller paid equal attention to the company's hometown. To attract top-flight engineering and management talent to rural Indiana, he had the corporate philanthropy, the Cummins Foundation, sink millions into local schools. And he offered to pay the architect's fees for any public building project that agreed to choose from a list of firms he provided; as a result, Columbus has one of the greatest concentrations of modern architecture in the country. I.M. Pei designed the public library. Eero Saarinen did a local church. Richard Meier designed a school; Robert A.M. Stern, a hospital. "It's a matter of enlightened self-interest," says Hester at the local economic development board. "Cummins can attract employees who but for these amenities would not come here."





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One of Cummins's major architectural commissions in Columbus, Eliel Saarinen's First Christian Church, is shown here reflected in a window of another, I.M. Pei's Cleo Rogers Memorial Library.

Photograph by Ryan Donnell for Fortune

Miller's public activism extended beyond Columbus, as Charles Rentschler, a former Cummins executive, documents in *The Cathedral Builder*, a new biography of Miller. In 1960 he became the first lay president of the National Council of Churches, and he used his business and religious ties to push Midwestern congressmen to support the Civil Rights Act of 1964. He was strongly pro-union and fought against Indiana's right-to-work law when it was first introduced. "I wouldn't know how to run a big company without a strong union," he told a *Fortune* reporter in 1957. (Even today about 40% of Cummins's global workforce is unionized.)

Though Miller died in 2004, the company continues to reflect his philosophy of serving stakeholders beyond its shareholders—including customers, employees, and the community. In 2012, after the Columbus city council rejected a plan to provide universal curbside recycling, Cummins led a consortium of local firms to pay for the program's capital costs, including trucks and totes, a \$500,000 commitment. "I meet other mayors who say I'm lucky to be mayor of Columbus," says

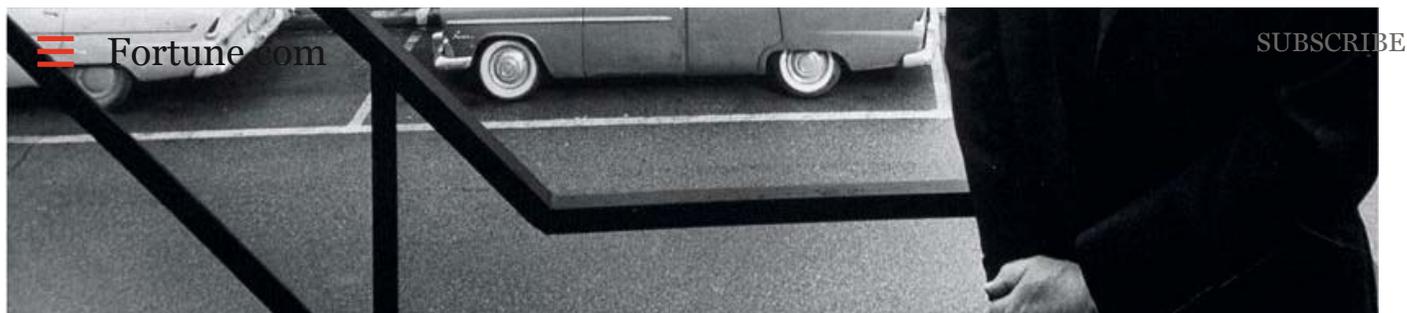
Kristen Brown, a sixth-generation resident—and a daughter of a lifetime Cummins employee—who was elected in 2011. “They say, ‘I’d love to have a Cummins.’”

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Miller’s legacy was put to the test in 1997, when the Environmental Protection Agency began investigating whether special shutoff switches in the company’s engines could be used to disable emissions controls. They could, apparently to the surprise and dismay of Cummins engineers. The next year the EPA forced Cummins and several other manufacturers to agree to reprogram the devices and sign an \$83.4 million consent decree, the highest civil penalty in environmental enforcement to date. The EPA then moved forward the deadline for new, lower-emission engines from 2004 to October 2002.





CEO J. Irwin Miller funded big civic architecture projects—including this Eero Saarinen–designed bank—to help Cummins lure talent to Columbus.

Photo: Frank Scherschel—The LIFE Picture Collection/Getty Images

Some at Cummins wondered whether a company built on dirty, heavy-duty diesel could survive the EPA’s order, says Freeland, the president and COO, who has been with the company since 1979. Cummins’s leadership considered suing, but eventually cooler heads prevailed, and rather than fight the EPA, Cummins decided to work with it. “We said we’d double down, because we thought there was a way to be different,” Freeland says. Cummins was, after all, the leader in diesel technology. If it could quickly meet the EPA’s new standards, it stood to reap enormous benefits.

Under Theodore M. Solso, who was chairman and chief executive from 2000 to 2011 and is now chairman of General Motors, Cummins set out to become the first diesel company to hit the EPA targets. “The whole industry said there was no way anyone could meet it,” Solso now recalls. But Solso made meeting the goal a centerpiece of a bigger internal revolution. In the early 2000s he implemented Six Sigma management systems and ended the wildly popular (but profit-reducing) practice of offering discounts on most sales. Above all, he poured money into research and development, traditionally a weak spot for diesel makers. From 2002 to 2007, Cummins boosted annual R&D spending by 60%, to \$321 million, with almost a quarter dedicated to meeting future EPA engine standards. That emphasis yielded important new technologies, including advances in “deep spray” injection, a process that reduced engines’ emissions without sacrificing efficiency by pushing fuel farther into the cylinder.

Cummins did indeed hit the EPA’s standards first, and saw it pay off almost immediately. By 2010, **Caterpillar** (▲) **CAT 3.05%** and Detroit Diesel, its two largest domestic rivals, had bowed out of the on-highway heavy-duty diesel market, which Cummins now dominates with a 39% share. Annual revenues have more than tripled since 2002, when that EPA deadline kicked in, and experts within and outside the company say Cummins’s early commitment to a low-emissions strategy will help it maintain its lead as regulations ratchet up over coming decades.





Technicians at work on a prototype engine in 1962; a present-day prototype at rest in the Technical Center.

Vintage Photograph: Ezra Stoller—Esto; Photograph by Ryan Donnell for Fortune

“The on- and off-highway emissions standards were the best thing that ever happened to Cummins,” says Mike Brezonick, editor-in-chief of *Diesel Progress* magazine. “They make such better engines now. It was the equivalent of the Manhattan Project.” The company also controls about 41% of the North American market for after-market components that lower emissions on other companies’ engines, a huge new source of revenue. “You hear in the news that pollution controls are hurting jobs,” says John Wall, the chief technology officer. “For us it’s the exact opposite.” Last year the components business brought in \$5.1 billion, or a little over a quarter of total revenues.

Cummins continues to work closely with the EPA on the next generation of standards. Wall, coincidentally, had been meeting with agency officials the day before giving an interview to *Fortune*. “We’ll take [regulators] through technologies being developed, explain how long it will take to get them to market,” Wall says, hoping that the industry’s needs are on their minds when the rules are finally written. That kind of cooperation has made Cummins a poster child for emissions controls; Solso and his successor, current CEO Tom Linebarger, have both stood beside President Obama as he announced rounds of clean-air standards.

Cummins’s clean-engine investments mesh in important ways with its other major strategic initiative of the past decade and a half: its rapid growth overseas. Under Solso the company opened dozens of new foreign joint ventures and deepened its investments in East Asia and Latin America. By 2005, China and India alone were generating \$1.9 billion in sales, almost 23% of Cummins’s total. Today, of its 54,600 employees, 63% work outside the U.S., up from about 50% a decade ago.



Cummins engineers working at drafting tables in 1963; doing similar work with the help of computer-aided design software at the Cummins Technical Center.

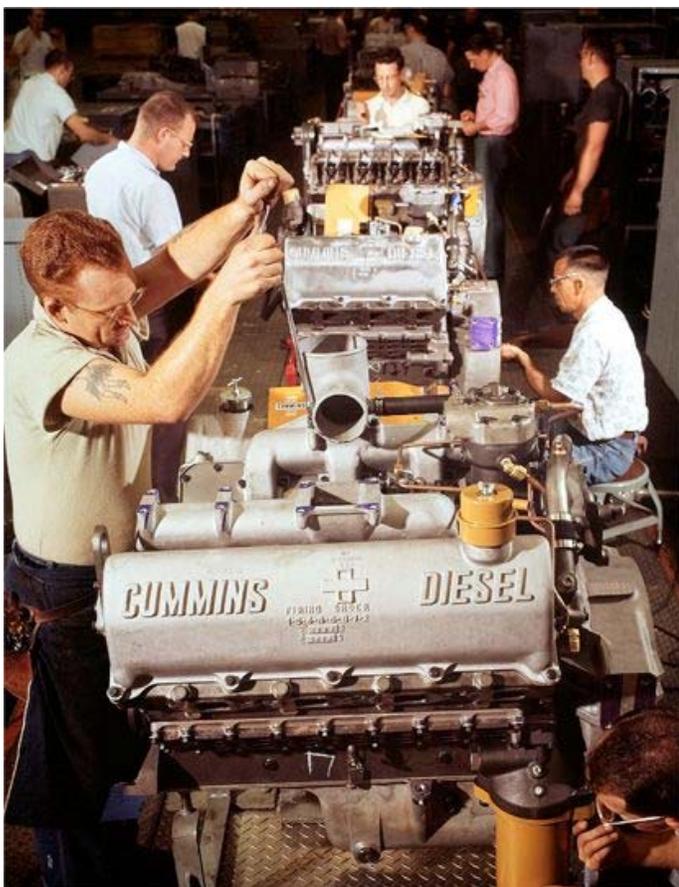
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As developing nations improve their own clean-air standards, Cummins's lead in meeting U.S. rules could leave it well positioned to take advantage. And its diversity, both in product lines and markets, has already bolstered Cummins enormously by severing it from the chains of cyclicity in the diesel-engine industry. During the downturn of the late 1990s and early 2000s, Cummins struggled and had unprofitable years, but it emerged from the Great Recession relatively unscathed, thanks to its broad exposure to the developing world.

The benefits of global breadth were on display in Cummins's most recent quarterly earnings call. The company forecast big dropoffs in truck engine sales in China and Brazil, but it also said that U.S. demand would be more than strong enough to offset the declines, and investors shrugged off the news. Cummins stock is up 105% over the past five years, compared with 95% for the S&P 500, and it remains an analyst darling.



Blue-collar technicians and white-collar engineers often team up on Cummins assembly lines, as in this 1962 photo. Today, a digital clock tracks the time spent on particular tasks.

Vintage Photograph: Ezra Stoller—Esto; Photograph by Ryan Donnell for Fortune

Cummins is far from the only U.S. manufacturer to have expanded overseas, of course. But unlike many big companies that fly solo, Cummins insists on splitting ownership fifty-fifty, and it stocks its overseas offices with local talent. Going half-and-half has allowed Cummins to get into tough markets, like China, that might resist a company that tried to force its own terms. And it means that Cummins gets a better sense of local conditions more quickly. China in particular is littered with the hulks of failed ventures by U.S. companies that didn't understand the territory. In 2013, for example, Caterpillar, one of Cummins's rivals, had to write down \$580 million after it gobbled up a Chinese mining-equipment company, Siwei. Caterpillar said it

had discovered, months after the deal closed, that Siwei's value had been inflated by "accounting misconduct" at the Chinese company.

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As it expands globally, Cummins looks to local talent to boost not just its rank and file but also its management. Its leadership development program, an 18-month executive education program, trains 15 promising employees from other countries—including China, India, and Brazil—to become leaders either in their own countries or in other regions where Cummins operates. "It's part of our belief in building capability locally," Freeland says. "We're not there to extract value."



The offices and printing plant of the Columbus Republic newspaper designed by Myron Goldsmith of Skidmore, Owings & Merrill, shown shortly after completion in 1971, and today. Appropriately enough for a factory-town paper, its bright-yellow printing press was visible to the public.

Vintage photograph: Ezra Stoller—Esto; Photograph by Ryan Donnell for Fortune

Developing local talent is also important because of the way Cummins tackles overseas product development. Instead of taking products made for the U.S. and tweaking them (or "de-contenting" them, in industry lingo) to fit local needs, the company approaches each region as a blank slate and develops engines and other products to match it. That's more expensive upfront, but it means a better and more profitable fit in the long run. It's also a running source of ideas and products that might find export markets of their own. For example, Cummins's ISF 2.8-liter engine was designed for the Chinese commercial truck market, where engines tend to be smaller and lower in power than in the U.S. and Europe. But it turns out that for the U.S. market, the ISF works perfectly in pickup trucks. Last year Nissan presented a concept version of its Frontier pickup, with a Cummins ISF 2.8, at the Chicago Auto Show.

Cummins also invests heavily in the overseas communities it enters, in projects that show how corporate citizenship and a strategy for the company's future can complement each other. Among its initiatives: an engineering college for women in India, which now enrolls about 1,800 students, many of whom the company hopes will help it meet its goal of a 50% female workforce in that country. Efforts like these follow the example that Irwin Miller set decades ago in Indiana, Wall says: "We take this model with us all around the world." Brezonick of *Diesel Progress* also sees a little bit of Columbus in the company's global investments. "When push comes to shove," he says, "they're a straight-shooting Indiana company." Albeit one with employees in Pune, Xiangyang, and São Paulo.

A version of this article appears in the June 15, 2015 issue of Fortune magazine with the headline 'An Engine Maker's High-Tech Makeover.'

Clarification, June 9, 2015: An earlier version of this article said that Nissan would soon offer a version of the Cummins ISF 2.8 in its Frontier pickup; Nissan used the engine in a concept version of the truck in 2014, but has opted not offer it in production versions.

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LOBBYING REPORT

Lobbying Disclosure Act of 1995 (Section 5) - All Filers Are Required to Complete This Page

1. Registrant name Cummins Inc.			
2. Address <input type="checkbox"/> Check if different than previously reported 601 Pennsylvania Avenue, NW North Building, Suite 625 Washington DC 20004 USA			
3. Principal place of business (if different than line 2) City: _____ State/Zip or Country: _____			
4a. Contact Name Mr. Steve May	b. Telephone number 202-393-8585	c. E-mail steve.may@cummins.com	5. Senate ID # 11470-12
7. Client Name <input checked="" type="checkbox"/> Self Cummins Inc.			6. House ID # 33632000

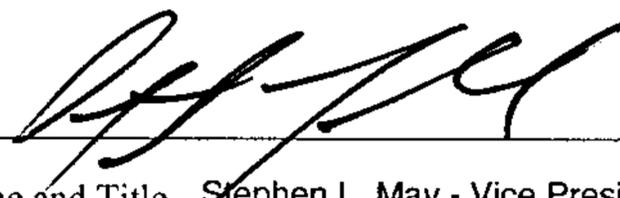
TYPE OF REPORT 8. Year 2006 Midyear (January 1-June 30) OR Year End (July 1-December 31)

9. Check if this filing amends a previously filed version of this report

10. Check if this is a Termination Report ⇨ Termination Date _____ 11. No Lobbying Activity

INCOME OR EXPENSES - Complete Either Line 12 OR Line 13	
<p>12. Lobbying Firms</p> <p>INCOME relating to lobbying activities for this reporting period was:</p> <p>Less than \$10,000 <input type="checkbox"/></p> <p>\$10,000 or more <input type="checkbox"/> ⇨ \$ _____</p> <p>Provide a good faith estimate, rounded to the nearest \$20,000, of all lobbying related income from the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).</p>	<p>13. Organizations</p> <p>EXPENSES relating to lobbying activities for this reporting period were:</p> <p>Less than \$10,000 <input type="checkbox"/></p> <p>\$10,000 or more <input checked="" type="checkbox"/> ⇨ \$ <u>720,000</u></p> <p>14. REPORTING METHOD. Check box to indicate expense accounting method. See instructions for description of options.</p> <p><input checked="" type="checkbox"/> Method A. Reporting amounts using LDA definitions only</p> <p><input type="checkbox"/> Method B. Reporting amounts under section 6033(b)(8) of the Internal Revenue Code</p> <p><input type="checkbox"/> Method C. Reporting amounts under section 162(e) of the Internal Revenue Code</p>

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Signature  Date 8/14/2006
Printed Name and Title Stephen L. May - Vice President, Government Relations

00000192356

Registrant Name Cummins Inc. Client Name Cummins Inc.

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. **Using a separate page for each code,** provide information as requested. Attach additional page(s) as needed.

15. General issue area code TRA - Transportation (one per page)

16. Specific lobbying issues

Development of diesel technology for heavy and light duty trucks and other applications (H.R.5427) Emissions standards, fuel regulations and enforcement for on-road vehicles; Diesel Emissions Reduction Act (DERA) funding (H.R.5386).

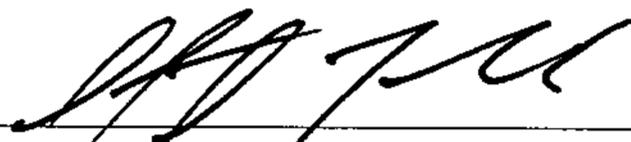
17. House(s) of Congress and Federal agencies contacted None House Senate Other

House of Representatives; Senate; Department of Energy; Environmental Protection Agency; Office of Management and Budget; Department of Transportation; Council on Environmental Quality.

18. Name of each individual who acted as a lobbyist in this issue area

Name	Covered Official Position (if applicable)	New
Steve May		<input type="checkbox"/>
Catherine Van Way		<input type="checkbox"/>
Louis Renjel		<input type="checkbox"/>
Tina Vujovich		<input type="checkbox"/>
Joe Loughrey		<input type="checkbox"/>
Mike Cross		<input type="checkbox"/>
Amy Boerger		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>

19. Interest of each foreign entity in the specific issues listed on line 16 above Check if None

Signature  Date 8/14/2006

Printed Name and Title Stephen L. May - Vice President, Government Relations

00000192557

Registrant Name Cummins Inc. Client Name Cummins Inc.

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. **Using a separate page for each code**, provide information as requested. Attach additional page(s) as needed.

15. General issue area code BUD - Budget/Appropriations (one per page)

16. Specific lobbying issues

FY07 Energy & Water appropriations, energy efficiency and emissions R&D programs (H.R.5427); FY07 Interior appropriations (H.R.5386); FY07 Department of Defense appropriations (H.R.5631).

17. House(s) of Congress and Federal agencies contacted None House Senate Other

House of Representatives; Senate; Department of Energy; Environmental Protection Agency; Office of Management and Budget.

18. Name of each individual who acted as a lobbyist in this issue area

Name	Covered Official Position (if applicable)	New
Steve May		<input type="checkbox"/>
Catherine Van Way		<input type="checkbox"/>
Louis Renjel		<input type="checkbox"/>
Vinod Duggal		<input type="checkbox"/>
Emily Foster		<input type="checkbox"/>
Tom Linebarger		<input checked="" type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>

19. Interest of each foreign entity in the specific issues listed on line 16 above Check if None

Printed Name and Title Stephen L. May - Vice President, Government Relations

00000192358

Registrant Name Cummins Inc. Client Name Cummins Inc.

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. **Using a separate page for each code**, provide information as requested. Attach additional page(s) as needed.

15. General issue area code CAW - Clean Air & Water (Quality) (one per page)

16. Specific lobbying issues

Vehicle emissions, fuel regulations and enforcement issues - no bill; FY07 Interior appropriations (H.R. 5386); Diesel Emissions Reduction Act (DERA) funding (H.R.5386).

17. House(s) of Congress and Federal agencies contacted None House Senate Other

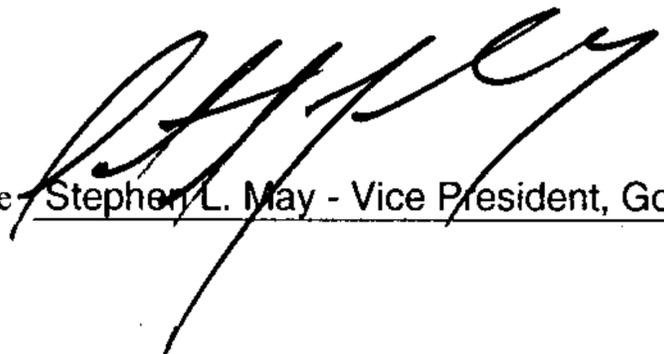
House of Representatives; Senate; Department of Energy; Environmental Protection Agency; Office of Management and Budget; Department of Transportation; Council on Environmental Quality.

18. Name of each individual who acted as a lobbyist in this issue area

Name	Covered Official Position (if applicable)	New
Steve May		<input type="checkbox"/>
Catherine Van Way		<input type="checkbox"/>
Tina Vujovich		<input type="checkbox"/>
Louis Renjel		<input type="checkbox"/>
Joe Loughrey		<input type="checkbox"/>
Amy Boerger		<input type="checkbox"/>
Mike Cross		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>

19. Interest of each foreign entity in the specific issues listed on line 16 above Check if None

Printed Name and Title Stephen L. May - Vice President, Government Relations



00000192359

Registrant Name Cummins Inc. Client Name Cummins Inc.

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. **Using a separate page for each code,** provide information as requested. Attach additional page(s) as needed.

15. General issue area code ENG - Energy/Nuclear (one per page)

16. Specific lobbying issues

FY07 Energy & Water appropriations (H.R.5427); Standardized generator interconnection activities - no bill; Deep ocean drilling issues (H.R.4761, S.3711).

17. House(s) of Congress and Federal agencies contacted None House Senate Other

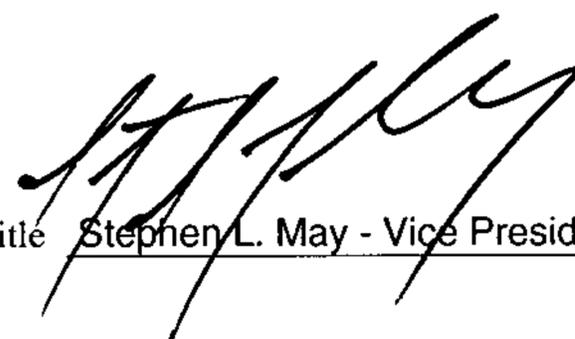
House of Representatives; Senate; Department of Energy; Environmental Protection Agency; Office of Management and Budget; Federal Energy Regulatory Commission (FERC).

18. Name of each individual who acted as a lobbyist in this issue area

Name	Covered Official Position (if applicable)	New
Steve May		<input type="checkbox"/>
Catherine Van Way		<input type="checkbox"/>
Louis Renjel		<input type="checkbox"/>
Tom Linebarger		<input type="checkbox"/>
Eric Wong		<input type="checkbox"/>
Thad Ewald		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>

19. Interest of each foreign entity in the specific issues listed on line 16 above Check if None

Printed Name and Title Stephen L. May - Vice President, Government Relations



00000192360

Registrant Name Cummins Inc. Client Name Cummins Inc.

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. **Using a separate page for each code,** provide information as requested. Attach additional page(s) as needed.

15. General issue area code TAX - Taxation/Internal Revenue Code (one per page)

16. Specific lobbying issues

Incentives for combined heat and power and distributed generation projects, Incentives for diesel emissions reduction technologies and fuel efficient vehicles and engines; R&D tax credit extension (H. R.4297, H.R.2830, S.1783).

17. House(s) of Congress and Federal agencies contacted None House Senate Other

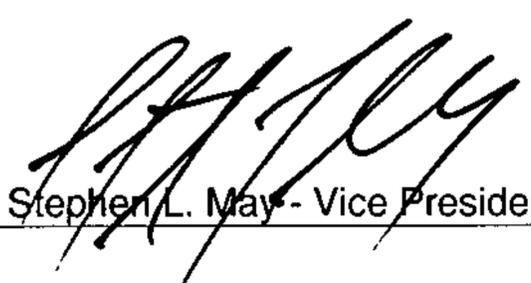
House of Representatives; Senate; Department of Energy; Environmental Protection Agency; Office of Management and Budget; Department of Treasury; Department of Commerce.

18. Name of each individual who acted as a lobbyist in this issue area

Name	Covered Official Position (if applicable)	New
Steve May		<input type="checkbox"/>
Catherine Van Way		<input type="checkbox"/>
Louis Renjel		<input type="checkbox"/>
Vince Akers		<input type="checkbox"/>
Thad Ewald		<input type="checkbox"/>
Tom Linebarger		<input type="checkbox"/>
Emily Foster		<input checked="" type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>

19. Interest of each foreign entity in the specific issues listed on line 16 above Check if None

Printed Name and Title Stephen L. May - Vice President, Government Relations



00000192361

Registrant Name Cummins Inc. Client Name Cummins Inc.

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. **Using a separate page for each code,** provide information as requested. Attach additional page(s) as needed.

15. General issue area code TRD - Trade (Domestic & Foreign) (one per page)

16. Specific lobbying issues

China trade/export promotion/China "catch all" regulations - no bill; Iraq reconstruction activities - no bill; foreign trade barriers - no bill; export promotion activities, multiple countries - no bill.

17. House(s) of Congress and Federal agencies contacted None House Senate Other

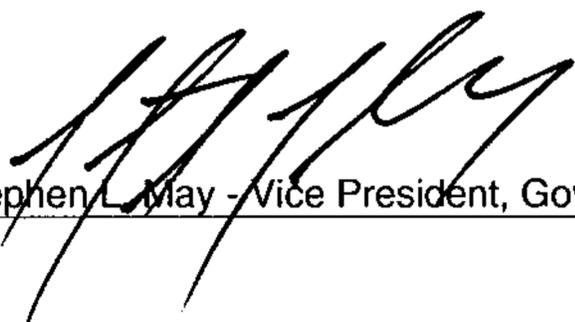
House of Representatives; Senate; Department of Commerce; Department of State; U.S. Trade Representative; Office of Management and Budget; U.S. Agency for International Development; Department of the Treasury; Department of Defense; Environmental Protection Agency; Department of Energy.

18. Name of each individual who acted as a lobbyist in this issue area

Name	Covered Official Position (if applicable)	New
Steve May		<input type="checkbox"/>
Catherine Van Way		<input type="checkbox"/>
Tom Linebarger		<input type="checkbox"/>
John Oliver		<input type="checkbox"/>
Steve Chapman		<input type="checkbox"/>
John Watkins		<input type="checkbox"/>
Marya Rose		<input type="checkbox"/>
Ed Pence		<input type="checkbox"/>
Louis Renjel		<input type="checkbox"/>

19. Interest of each foreign entity in the specific issues listed on line 16 above Check if None

Printed Name and Title Stephen L. May - Vice President, Government Relations



00000192362

Registrant Name Cummins Inc. Client Name Cummins Inc.

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. **Using a separate page for each code**, provide information as requested. Attach additional page(s) as needed.

15. General issue area code DEF - Defense (one per page)

16. Specific lobbying issues

Army vehicle and Navy ship programs (H.R.5122, S.2766); FY07 Department of Defense appropriations (H.R.5631); FY07 Department of Homeland Security appropriations (H.R.5441).

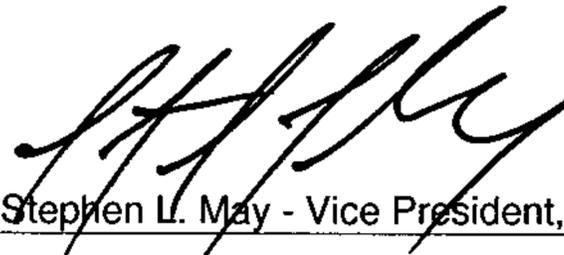
17. House(s) of Congress and Federal agencies contacted None House Senate Other

House of Representatives; Senate; Department of Defense; Department of Homeland Security; Office of Management and Budget.

18. Name of each individual who acted as a lobbyist in this issue area

Name	Covered Official Position (if applicable)	New
Steve May		<input type="checkbox"/>
Catherine Van Way		<input type="checkbox"/>
Louis Renjel		<input type="checkbox"/>
Mike Guthrie		<input type="checkbox"/>
		<input type="checkbox"/>

19. Interest of each foreign entity in the specific issues listed on line 16 above Check if None

Printed Name and Title  Stephen L. May - Vice President, Government Relations

00000192364

Registrant Name Cummins Inc. Client Name Cummins Inc.

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. **Using a separate page for each code**, provide information as requested. Attach additional page(s) as needed.

15. General issue area code RET - Retirement (one per page)

16. Specific lobbying issues

Pension reform legislation (H.R.2830; S.1783); Deficit Reduction Act of 2005 (H.R.4241, S.1932).

17. House(s) of Congress and Federal agencies contacted None House Senate Other

House of Representatives; Senate; Department of the Treasury; Department of Labor; National Economic Council.

18. Name of each individual who acted as a lobbyist in this issue area

Name	Covered Official Position (if applicable)	New
Steve May		<input type="checkbox"/>
Catherine Van Way		<input type="checkbox"/>
Louis Renjel		<input type="checkbox"/>
Emily Foster		<input type="checkbox"/>
Kelly Higgs		<input type="checkbox"/>
Joe Loughrey		<input type="checkbox"/>
Jill Cook		<input type="checkbox"/>
Steve Greenlee		<input type="checkbox"/>
		<input type="checkbox"/>

19. Interest of each foreign entity in the specific issues listed on line 16 above Check if None



Printed Name and Title Stephen L. May - Vice President, Government Relations

00000192365

Registrant Name Cummins Inc. Client Name Cummins Inc.

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. **Using a separate page for each code**, provide information as requested. Attach additional page(s) as needed.

15. General issue area code HOM - Homeland Security (one per page)

16. Specific lobbying issues

Homeland Security, critical infrastructure - no bill; port security issues - no bill; FY07 Homeland Security appropriations (H.R.5441).

17. House(s) of Congress and Federal agencies contacted None House Senate Other

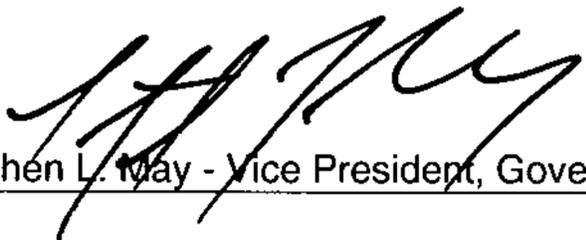
House of Representatives; Senate; Department of Defense; Department of Homeland Security; Office of Management and Budget.

18. Name of each individual who acted as a lobbyist in this issue area

Name	Covered Official Position (if applicable)	New
Steve May		<input type="checkbox"/>
Catherine Van Way		<input type="checkbox"/>
Louis Renjel		<input type="checkbox"/>
Tom Linebarger		<input type="checkbox"/>
		<input type="checkbox"/>

19. Interest of each foreign entity in the specific issues listed on line 16 above Check if None

Printed Name and Title Stephen L. May - Vice President, Government Relations



00000192366

Registrant Name Cummins Inc. Client Name Cummins Inc.

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. **Using a separate page for each code**, provide information as requested. Attach additional page(s) as needed.

15. General issue area code IMM - Immigration (one per page)

16. Specific lobbying issues

Immigration polices and issues - no bill; The Border Protection, Antiterrorism, and Illegal Immigration Control Act of 2005 (H.R.4437); Comprehensive Immigration Reform Act of 2006 (S.2611); Visa processing concerns - no bill.

17. House(s) of Congress and Federal agencies contacted None House Senate Other

House of Representatives; Senate; Department of Labor; Department of State; Department of Homeland Security; Department of Commerce.

18. Name of each individual who acted as a lobbyist in this issue area

Name	Covered Official Position (if applicable)	New
Steve May		<input type="checkbox"/>
Catherine Van Way		<input type="checkbox"/>
Louis Renjel		<input type="checkbox"/>
Emily Foster		<input type="checkbox"/>
John Watkins		<input type="checkbox"/>
Steve Chapman		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>

19. Interest of each foreign entity in the specific issues listed on line 16 above Check if None

Printed Name and Title Stephen L. May, Vice President, Government Relations

00000192367

Registrant Name Cummins Inc.

Client Name Cummins Inc.

Information Update Page - Complete ONLY where registration information has changed.

20. Client new address

21. Client new principal place of business (if different than line 20)

City

State/Zip

22. New general description of client's business or activities

LOBBYIST UPDATE

23. Name of each previously reported individual who is **no longer** expected to act as a lobbyist for the client

Louis Renjel

Molly Cue

ISSUE UPDATE

24. General lobbying issues that **no longer** pertain

TOR

AFFILIATED ORGANIZATIONS

25. Add the following affiliated organization(s)

Name	Address	Principal place of Business (city and state or country)

26. Name of each previously reported organization that is **no longer** affiliated with the registrant or client

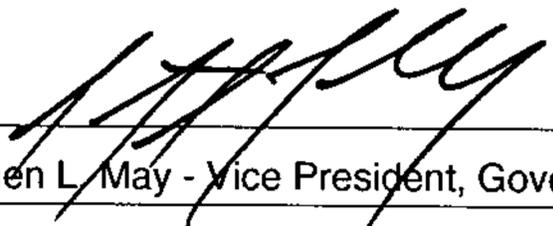
FOREIGN ENTITIES

27. Add the following foreign entities

Name	Address	Principal place of business (city and state or country)	Amount of contribution for lobbying activities	Ownership percentage in client
				%

28. Name of each previously reported foreign entity that **no longer** owns, **or** controls, **or** is affiliated with the registrant, client or affiliated organization

Signature



Date

8/14/2006

Printed Name and Title

Stephen L. May - Vice President, Government Relations

00000192358

EXHIBIT 15

Dodge Introduces Cleaner, Quieter and More Powerful 6.7-liter Cummins Turbo-Diesel Engine at State Fair of Texas

Engine available in January on new 2007 Dodge Ram 2500/3500 models

* Increased output with 350 horsepower and 650 lb.-ft. of torque * New,

fuel-saving six-speed automatic transmission features best-in-class

gear-ratio spread; standard Electronic Range Select (ERS) * First-ever

integrated exhaust brake available direct from the factory * 50-percent

quieter engine; 3 Dba reduction in cabin sound levels * Life-to-major

overhaul intervals of 350,000 miles, providing more than a 100,000-mile

advantage over the competition

Sep 28, 2006, 01:00 ET from Chrysler Group (<http://www.prnewswire.com/news/chrysler-group>)



DALLAS, Sept. 28 /PRNewswire-FirstCall/ -- The war among America's diesel-powered pickup trucks rumbles into a new round with Dodge announcing more horsepower, torque, refinement and a host of advanced towing features.

Today at the State Fair of Texas, Dodge will reveal more details about the 2007 Dodge Ram Heavy Duty's new 6.7-liter Cummins turbo-diesel engine, which replaces the current 5.9-liter engine. Producing 350 horsepower at 3,000 rpm and 650 lb.-ft. of torque at 1,500 rpm, the 6.7-liter engine features an all-new six-speed automatic transmission that delivers improved fuel economy and performance.

The engine will be available in 2007 Dodge Ram 2500 and 3500 models beginning January 2007. A commercial-use 6.7-liter Cummins turbo-diesel engine was introduced in early 2006 with the all-new Dodge Ram Chassis Cab, which is available now.

"The 2007 Dodge Ram Heavy Duty's new 6.7-liter Cummins turbo-diesel engine sets the performance standard with an outstanding combination of horsepower, torque, refinement and emissions-reducing technology," said Scott Kunselman, Chief Engineer - Dodge Ram. "Providing superior trailer towing, acceleration, throttle response and drivability, the new 6.7-liter engine is not only more powerful, it's also cleaner with B5 biodiesel compatibility and a reduction in particulates and nitrogen oxide (NOx) that comply with the 50-state 2007 heavy-duty emission standards."

Based on the proven DNA of the 5.9-liter Cummins turbo-diesel engine, the new 6.7-liter engine is 50-percent quieter, while featuring a 107mm bore by 124mm stroke (versus 102mm bore by 120mm stroke for the 5.9-liter engine). The new engine retains more than 40 percent of its components from the 5.9-liter engine and shares more than 80 percent of its components with the new Dodge Ram chassis cab.

The high-performance 408-cubic-inch inline-six intercooled turbo-diesel is clean and quiet, and meets all 2007 U.S. federal and state emission requirements, which require a 90-percent reduction in particulate matter and 50-percent reduction in NOx.

Offered for the first time in Dodge Ram Heavy Duty trucks are features including an integrated exhaust brake, standard Electronic Range Select (ERS) and "Smart" tow/haul controls that provide customers flexibility and increased safety when towing heavy loads.

Improved Performance, Durability and Emissions

Dodge Ram Heavy Duty's new 6.7-liter turbo-diesel engine features improved performance, durability and significantly reduced emissions.

Enhancing diesel-powered performance of 2007 Dodge Ram Heavy Duty trucks is an electronically-controlled Variable Geometry Turbocharger (VGT), which precisely matches boost pressure with the engine's needs. The 6.7-liter engine's VGT utilizes 16 fixed vanes and a sliding yoke, providing variable geometry, as well as an electric valve. The VGT produces optimum combustion control, reduced emissions and a quiet and lag-free throttle response.

Decreasing NOx emissions is a next-generation cooled Exhaust Gas Recirculation (EGR) system. The Cummins 6.7-liter engine's EGR system is water cooled, with the air reintroduced into the intake system, keeping turbo and intercooler components clean, which increases the engine's durability.

Within the 6.7-liter Dodge Ram Heavy Duty exhaust system, reducing particulate matter is achieved through a self-cleaning Diesel Particulate Filter (DPF). The muffler is isolated from the emissions control system, therefore customers may remove the muffler without violating emissions compliance. The emissions system is designed for a government-certified 120,000 miles.

As durable as it is powerful, the Cummins 6.7-liter turbo-diesel engine has life-to-major overhaul intervals of 350,000 miles, providing more than a 100,000-mile advantage over the competition.

Quiet and Refined Driving Experience

In addition to improving emissions and durability, occupant comfort is central to the 2007 Dodge Ram Heavy Duty. The new 6.7-liter turbo-diesel engine incorporates several new features that contribute to a 50-percent quieter engine and a 3 DbA reduction in cabin sound levels, increasing the vehicle's overall refinement.

New engine mounts, a constrained-layered oil pan, intake silencer and engine-block shield create a quiet cabin environment inside the 2007 Dodge Ram Heavy Duty. In addition, an over-running alternator pulley eliminates sounds generated from the diesel engine shut down process, and machined crankshaft counter weights significantly contribute to quiet acceleration.

First-ever Optional Exhaust Brake

For the first time in a Dodge Ram Heavy Duty truck, an integrated exhaust brake is available direct from the factory. Utilizing the 6.7-liter Cummins turbo-diesel engine's new turbocharger, the exhaust brake significantly improves control when towing heavy applications, such as pulling RV fifth wheels and horse trailers, providing added control and brake savings by transforming horsepower into braking power.

"Towing and hauling capability is critical for our customers, as more than 90 percent of Dodge Ram Heavy Duty customers tow with their truck," said Kunselman.

Benefits of the exhaust brake include:

- * Increased vehicle control to provide the owner additional peace of mind when towing
- * Enhanced safety by reducing overheating and fading of brakes on downhill grades
- * Lower cost of ownership, extending brake life by as much as three times
- * Capability for faster cold-weather cab warming

The 2007 Dodge Ram Heavy Duty's 6.7-liter Cummins turbo-diesel engine's VGT is capable of creating the maximum exhaust restriction through a wide range of operating speeds, improving braking performance at low and high engine speeds. Testing has shown more than a 30 percent improvement in retarding torque at 2000 rpm compared with traditional brake exhaust methods.

Six-speed Automatic Transmission with Electronic Range Select (ERS)

Mated to the 6.7-liter Cummins turbo-diesel engine is a new six-speed 68RFE automatic transmission, which delivers optimum fuel economy and performance. A new Electronic Range Select (ERS) system is integrated with the transmission, enabling customers to select desired gears that match driving conditions.

The new six-speed automatic transmission features a best-in-class gear ratio spread of 5.16:1, allowing for superior launch capability. The sixth gear, also known as the second overdrive gear, provides an extremely low rpm at highway speeds, improving Dodge Ram Heavy Duty's fuel economy and passenger comfort. In addition, an added compounder and two clutches provide optimal shift quality, improved quietness and durability.

The transmission's new ERS system complements the 2007 Dodge Ram Heavy Duty's tow/haul mode, allowing for driver-actuated gear selection with a shifter-mounted switch. ERS provides greater control in unique driving conditions, such as towing heavy loads on severe inclines. The system includes electronic safeguards to prevent shifting that could cause engine damage.

Towing/Hauling

In addition to more horsepower and torque, Dodge Ram Heavy Duty boasts towing capability of 16,400 lbs., a payload of 5,020 lbs. and Gross Combined Weight Rating (GCWR) and Gross Vehicle Weight Rating (GVWR) of 23,000 lbs. and 12,200 lbs., respectively.

The 2007 Dodge Ram Heavy Duty provides a combination of standard and optional features that make towing easier, such as a Class IV hitch receiver with a seven-circuit wiring harness, 750-amp battery, heavy-duty engine cooling and an auxiliary transmission oil cooler.

Distinctive trailer-tow mirrors featured on Dodge Ram Heavy Duty trucks offer a large rear-viewing area that may be customized to drivers' needs and preferences. Mirrors provide two views on both sides: close-up and wide-out. In addition, mirrors flip up 90 degrees for viewing beyond wide trailers.

Chrysler Group Diesel-Powered Models

In the United States, current diesel-powered models include the Dodge Ram Heavy Duty, Dodge Sprinter and the new 3.0-liter V6 diesel Jeep Grand Cherokee, which hits the market in early 2007. In 1988, the Chrysler Group made a significant impact with the introduction of the Cummins 5.9-liter I-6 in heavy duty applications. Customer recognition is still exceptional and will continue with the new Cummins 6.7-liter turbo diesel.

In Europe, diesel-powered models account for more than half of Chrysler Group sales. The Chrysler 300C, Chrysler PT Cruiser and Dodge Caravan models continue to be popular.

Advanced diesel technology is part of the Chrysler Group's advanced propulsion technology umbrella, which also includes efficient gasoline engines, hybrids, flex-fuel vehicles and biodiesel capability.

Dodge Brand

With a U.S. market share of 7 percent, Dodge is the Chrysler Group's best-selling brand and the fifth largest nameplate in the U.S. automotive market. In 2005, Dodge sold more than 1.4 million vehicles in the global market. Dodge continues to lead the minivan market with a 19 percent market share in the U.S. In the highly competitive truck market, Dodge has a 16 percent market share. This year, Dodge enters key European volume segments.

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, 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 produces the diesel for the Dodge Ram 2500 and 3500 series.

2007 Dodge Ram Heavy Duty Cummins 6.7-liter Turbo-diesel Engine Details

Engine

6.7L 107mm bore x 124mm stroke
High swirl (2.4 DCS) combustion system
17.2:1 Compression ratio
Machined crankshaft counter weights
Viscous vibration damper

Air Handling

VGT - sliding nozzle (16 vane to eliminate turbine blade pass whistle)
Cooled EGR with cold-side EGR valve
Air inlet throttle
EGR cooler bypass
CCV with coalescing filter

Oil system

Tested with low ash oil API CJ4 (PC10)
Drain interval - 7500 miles
Total capacity - 13 qts on initial fill
Sump capacity - 9 qts low, 11 qts high
Typical oil change capacity - 12 qts
Dump to sump to provide oil pressure quicker
Constrained layer oil pan to reduce transmitted noise

Fuel system

Bosch 3rd generation common rail system
7 micron spin on filter
Tested with ultra low sulfur fuel - 15 ppm
Approved for bio-diesel fuel

Cooling system

Molded composite impeller for improved coolant flow

Electronics

CM2100 ECM
Double the CPU processing speed (40 to 80 MHz)
40% increase in memory

NVH

Constrained layer oil pan
Over running alternator pulley (eliminate shut down squeal)
Intake silencer
Machined crankshaft counter weights
Combustion system (multi injection events)

Block shields
 Pulleys modified to reduce 'speaker' effect
 Stuffer between transmission adapter and pan
 Viscous vibration damper

Specifications

ENGINE: 6.7-LITER HIGH OUTPUT CUMMINS TURBO DIESEL I-6

Availability ---- Opt. - 2500, 3500; available Jan. 1, 2007

Type and Description ---- Six-cylinder, inline, liquid-cooled,
 turbocharged, intercooled

Displacement ---- 408 cu. in. (6690 cu. cm)

Bore x Stroke ---- 4.21 x 4.88 (107 x 124)

Valve System ---- OHV, 24 valves, solid lifters

Fuel Injection ---- Electronic high-pressure common rail

Construction ---- Cast-iron block and head

Compression Ratio ---- 17.3:1

Power (SAE net) ---- 350 bhp (261 kW) @ 3,000 rpm

Torque (SAE net) ---- 650 lb.-ft. (881 N*m) @ 1,500 rpm w/6-spd.
 automatic;

610 lb.-ft. (827 N*m) @1,400 rpm w/6-spd. manual

Maximum High-idle Engine Speed ---- 3,500 rpm

Fuel Requirement ---- Ultra Low Sulfur Diesel

Oil Capacity ---- 12 qt. (11.3L) with filter

Coolant Capacity ---- 29.5 qt. (28.0L)

Emission Controls ---- Exhaust after-treatment systems and internal engine
 features

TRANSMISSION: 68RFE ORION-AUTOMATIC, SIX-SPEED

Availability ---- Opt. with 6.7L turbo diesel engine; available Jan. 1,
 2007

Description ---- Three planetary gear sets, one overrunning clutch, full
 electronic control, electronically controlled converter
 clutch

Gear Ratios

1st ---- 3.231

2nd ---- 1.837

3rd ---- 1.410

4th ---- 1.0

5th ---- 0.816

6th ---- 0.625

Reverse ---- 4.444

Overall Top Gear Ratio ---- 2.33 with 3.73 axle ratio; 2.56 with 4.10 axle
 ratio

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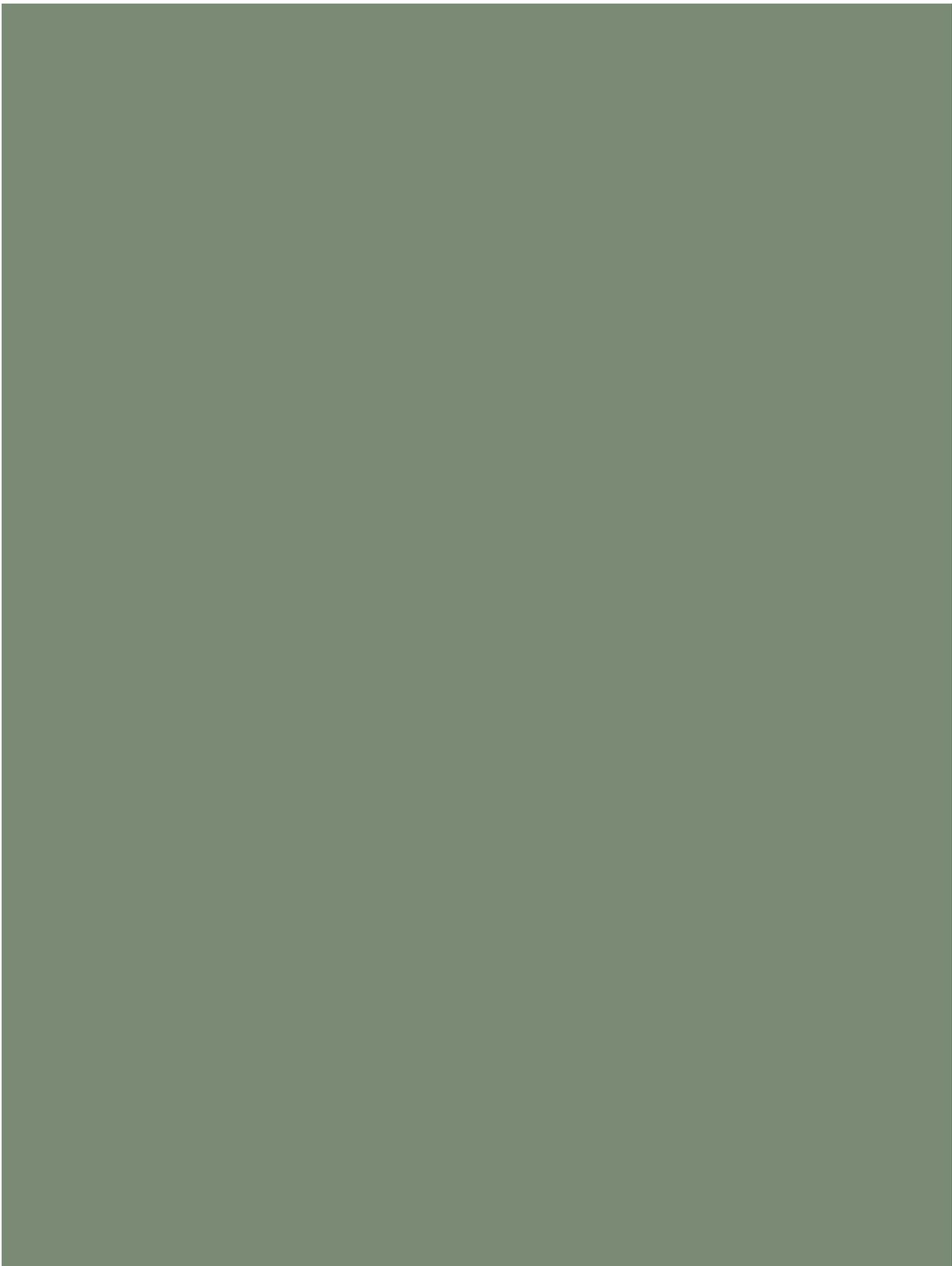
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EXHIBIT 16

Cummins Inc.

2007 Sustainability Report





2007 Sustainability Report

I am Cummins.

I know what my company stands for. I am ready to carry out its mission of returning value to our customers, shareholders and communities—and to be a good steward of the environment along the way. I bring my unique perspective to work every day, as do thousands of my colleagues around the world. Together we create a rich diversity of cultures and views. I understand my company's vision includes all the communities we serve around the globe, not just my own. And I believe my success will contribute to the success of everyone we serve, everywhere. I am Cummins. You can depend on me.



Cummins Inc.

About this Report

The information in this report is presented in the spirit of the guidelines set by the Global Reporting Initiative (GRI). The aim of the GRI is to develop a consistent way for companies around the world to voluntarily report on the economic, environmental and social components of their business.

Started in 1997 by the Coalition for Environmentally Responsible Economies (CERES), the GRI became independent in 2002 and today works in collaboration with the United Nations Environment Program (UNEP) and the UN Secretary-General's Global Compact.

We are proud of the positive impact Cummins products and the people who manufacture them have on our society. We look forward to the opportunity to make a difference, not just today, but for future generations as well.

Contacts

Marya M. Rose, Vice President,
General Counsel
One American Square, Suite 1800
Indianapolis, IN 46282

Christine M. Vujovich, Vice President,
Marketing and Environmental Policy
500 Jackson Street
Columbus, IN 47201

Mark D. Land, Director of Public Relations
One American Square, Suite 1800
Indianapolis, IN 46282
Telephone: 317-610-2456
Mark.D.Land@cummins.com

2007 Sustainability Report

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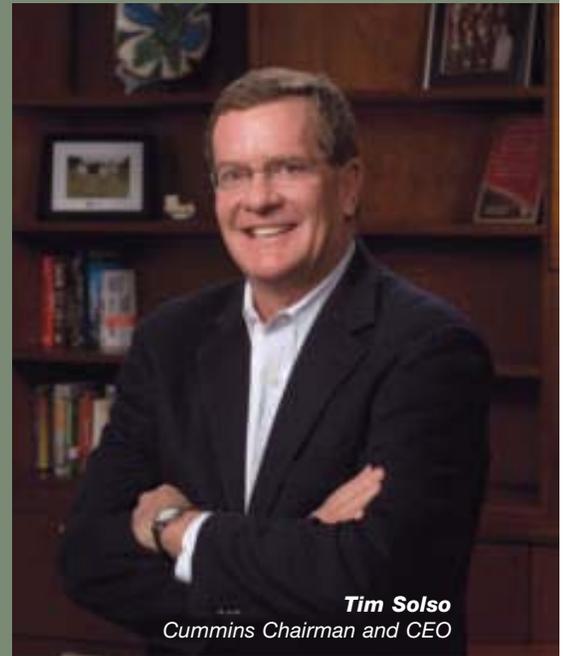
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Letter from the Chairman



Tim Solso
Cummins Chairman and CEO

“Corporate responsibility and working toward a cleaner, healthier, safer environment are primary components of Cummins’ commitment to sustainability.”

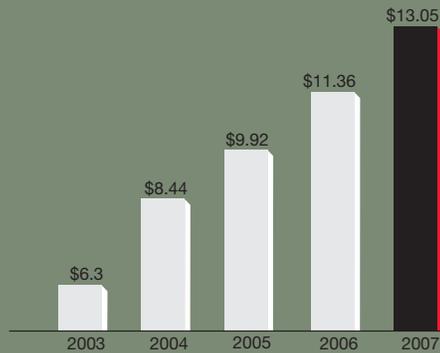
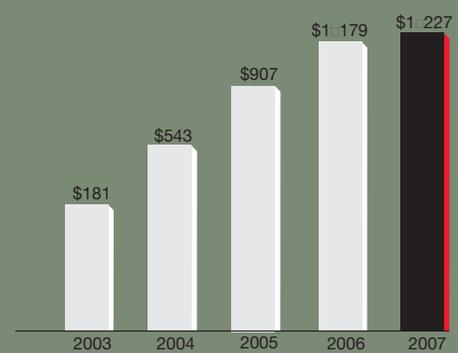
Throughout its history, Cummins has been committed to corporate responsibility and the goal of improving the communities where our employees live and work. The primary driver behind this ongoing effort is the enthusiasm of thousands of individuals who have donated countless hours of their personal time to projects and programs that make people’s lives better.

Employees also have an ongoing interest in the environment and global climate change. While Cummins is a leader in developing new products to meet tough emission standards, I am equally impressed by the work people in our plants are doing to reduce energy usage and focus on the prudent use of our natural resources. Not

only is it the right thing to do, but it makes good business sense for the Company.

Corporate responsibility and working toward a cleaner, healthier, safer environment are primary components of Cummins’ commitment to sustainability. We are also very serious about our obligations to the Company’s stakeholders, including shareholders, employees, customers and suppliers. We have had a number of achievements on their behalf since our last Sustainability Report. Highlights of our efforts include:

- Our fourth straight year of record financial performance and a five-year average annual total shareholder return of 58 percent.

Net Sales (\$ in billions)**EBIT (\$ in millions)**

- The launch of exciting new products in 2007, including engines that meet tough global emissions standards.
- Expansion of our Customer Support Excellence initiatives to all parts of the corporation.
- Recognition of technological innovation for many Cummins products.
- Awards for excellence in corporate governance and business ethics.
- The revamping of our Code of Business Conduct for employees.
- Acknowledgment of our leadership in diversity and our employment of Asians and Asian-Americans.

- Recognition as one of the top companies for leaders.
- Inclusion in the Dow Jones Sustainability Index for the third straight year.

Now more than ever, we understand that operating with an eye toward sustainability is not only vital to our society and our environment, it also nourishes us as a company, enabling our growth today and in the future.

Tim Solso

Chairman and Chief Executive Officer
Cummins Inc.
April 2008

Our Profile

The power of our Company is not just our products, but the ideas, energy and passion of our employees.

Vision and Strategy

Our Vision

Making people's lives better by unleashing the power of Cummins.

That simple statement is the framework for Cummins Inc. and its employees worldwide. The Company takes pride in manufacturing high quality products that serve the needs of our customers. But the power of our Company is not just our products, but the ideas, energy and passion of our employees. That passion fuels employee energy and commitment, making it possible for Cummins to maintain a leadership position in the markets it serves.

Cummins also recognizes that with its role as a corporate leader comes the responsibility to make positive contributions in the communities in which employees work and live. Accordingly, Cummins'

corporate mission and values reflect its desire to return value to its customers, employees, shareholders and communities.

Mission

- To motivate people to act like owners working together
- To exceed customers' expectations by always being first to market with the best products
- To partner with our customers to ensure their success
- To demand that everything we do leads to a cleaner, healthier, safer environment
- To create wealth for all our stakeholders



Values

Integrity

We strive to do what is right and what we say we will do.

Innovation

We will apply the creative ingenuity necessary to make us better, faster, first.

Deliver Superior Results

Our goal is to consistently exceed expectations.

Corporate Responsibility

We will serve and improve the communities in which we live.

Diversity

We embrace the diverse perspectives of all people and honor both with dignity and respect.

Global Involvement

We seek a world view and to act without boundaries.

Strategic Principles

Cummins has five key elements to its business strategy. This strategy has not changed in recent years. What has changed is our improved performance and our continued ability to deliver on commitments.

Being a low cost producer

Cummins realizes that to successfully compete in the marketplace, it must offer the best products at the best prices. To do that, we leverage our innovative technology, economies of scale, global presence and customer partnerships.

The Six Sigma quality program, launched in 2000, is an integral part of that strategy. Since the program's inception, Cummins has completed almost 9,000 Six Sigma projects and 7,000 "belts" have been trained in Six Sigma tools.



“On any given day, there are approximately 12,000 people in our workforce involved in Six Sigma projects – helping us work smarter, produce better products and making our customers more successful.”

George Strodbeck

The Company estimates this program generates savings of approximately 2 percent of annual revenue per year, while infusing quality into every process. Cummins also has expanded the program to include processes with customers, suppliers, distributors and corporate social responsibility with positive results.

Cummins pursues cost leadership in other ways: through global sourcing, global research and development access, sharing development costs with original equipment manufacturer (OEM) partners and technical productivity, including the use of computer design and modeling instead of building expensive physical prototypes.

Profitable growth

The Company will continue to focus its growth initiatives on related businesses where it can use its existing investments in products or technology, leading brand names or market presence to establish a competitive advantage. The focus is on ventures that complement its capital-intensive and cyclical core businesses, for example, the production of light-duty diesel engines in an existing Cummins facility that will introduce Cummins to a new consumer customer base.

Creating shareholder value

Return on capital—specifically return on average net assets (ROANA) and return on equity (ROE)—is our primary measure of financial performance. Each of our business segments uses ROANA targets and the Company, as a whole, has an ROE target.

Cummins has dramatically improved its return on capital in recent years; for example, since 1999 (the last peak in the heavy-duty truck cycle), ROE has increased from 10 percent to 20.8 percent in 2007. ROANA in 2007 was 28.9 percent.

Complementary businesses that work together to create value

Increasingly, Cummins looks for ways to leverage the synergies among its four business segments. These synergies capitalize on shared capabilities including technology, distribution systems, common customers (cross selling), joint venture partners for global growth and cost reduction through the larger scale of shared services.

Creating the right environment

At Cummins, creating the right environment for success means an inclusive, learning environment that is reinforced by a performance ethic that attracts, develops and retains high-quality talent. We measure our success through strategic skill and competency mapping, leadership development outcomes and participation in tailored individual development and training programs.



Cummins employees share information about their award-winning projects at the annual Six Sigma Expo.

Who We Are

Cummins roots are planted in soil nourished by innovation, persistence and a commitment to community. Founded in Columbus, Ind., in 1919 as the Cummins Engine Company, for its namesake Clessie Lyle Cummins, the fledgling firm was among the first to see the commercial potential of an unproven engine technology invented two decades earlier by Rudolph Diesel.

The Company has grown to be a global power leader. Today, half of Cummins 37,800 employees and half the Company's sales are from outside the United States.

Since the early part of the decade, we have reshaped the Company into what we are calling a "New Cummins" – a company that is less cyclical, more diversified, more results-oriented and committed to turning a greater share of its sales into profits. We have adapted to changes in the competitive landscape by vertically integrating through partnerships with

original equipment manufacturers (OEMs) and establishing ourselves as a global technology leader in a constantly changing emissions environment.

All Cummins businesses and products are united under the Cummins name, with the Company's earliest historical colors, red and black, representing it along with the large Cummins "C" in contrasting white or black.

Our brand is the sum total of all our years in business. From the beginning, when the Company's founders first stood behind the products they sold to the ongoing growth of our diversified business, Cummins has maintained a reputation for integrity. In terms of a brand, that translates into a single vision: dependability. We want stakeholders to know they can depend on Cummins. And we want employees to be able to unify around the Cummins brand to create value and a competitive advantage.

As of the end of 2007, Cummins was participating in 57 joint ventures in 18 countries.

Cummins is at its core a family of four interrelated, yet diversified business segments that create or enhance value as a result of those relationships and doing business with one other. These four business segments are Engine, Power Generation, Components and Distribution.

Cummins products can be found in nearly every type of vehicle, from the heavy-duty diesel-powered trucks that travel the world's highways, to tractors that till the soil, large trucks that carry natural resources from the mine and ships that travel the world's waterways. Cummins-built generators supply both prime and auxiliary power around the globe. Filters and related components help engines run cleaner and more efficiently. A network of distributors provide repair and maintenance service for customers worldwide.

Cummins Engine

Cummins Engine manufactures and markets a complete line of diesel and natural gas-powered engines for on-highway and off-highway use. Its markets include heavy- and medium-duty truck, bus, recreational vehicles, fire truck and emergency vehicles, light-duty automotive and a number of industrial applications, including power generation, agricultural, construction, mining, marine, oil and gas, rail and government equipment. Cummins also provides a full range of new parts and services and remanufactured parts and engines through an extensive distribution network.

Cummins engines range in size from 31 to 3,500 horsepower and from 1.4 liters to 91 liters.

Cummins Power Generation

Cummins Power Generation is a global provider of power generation systems, components and services in standby power, distributed power generation, as well as auxiliary power in mobile applications to meet the needs of a diversified customer base. Cummins Power Generation also provides a full range of services and solutions, including long-term operation and maintenance contracts and turnkey and temporary power solutions.

Cummins Power Generation products include diesel and alternative-fueled electrical generator sets from 2.5 to 2,700 kilowatts, alternators from 0.6 kilovolt-amps to 30,000 kilovolt-amps, automatic transfer switches from 40 amps to 4,000 amps, paralleling switchgear and generator set controls.

Cummins Components

Cummins Filtration designs, manufactures and distributes air, fuel, hydraulic and lube filtration, chemicals and exhaust system technology products for diesel and gas-powered equipment.

Cummins Turbo Technologies designs and manufactures turbochargers and related products on a global scale for diesel engines above 3 liters.

Cummins Emission Solutions develops and supplies Cummins and other engine manufacturers with catalytic exhaust systems and related products for the medium- and heavy-duty diesel engine markets. The exhaust systems include packaging of catalytic exhaust systems, engineered aftertreatment components and system integration services for engine



Driver Dave Evans, mechanic Jiggee Johnson, with Don and Clessie Cummins (in suits), prepare to qualify for the 1934 Indy 500

manufacturers, as well as catalytic exhaust products for retrofit of engines in the existing population.

Cummins Fuel Systems designs, develops and manufactures new fuel systems and remanufactures electronic control modules in the United States. In Mexico, it assembles new Cummins fuel systems and also remanufactures Cummins fuel systems as well as fuel systems from other manufacturers. This business serves engines ranging from 8 to 78 liters.

Cummins Distribution

Cummins Distribution drives a comprehensive global distribution strategy and channel management. Capitalizing on synergies in parts and services, this business helps Cummins by providing outstanding support to our customers, while growing a less cyclical and less capital intensive business.

Distribution operates within this network with 17 company-owned and 15 joint venture distributors in approximately 300 locations in

more than 70 countries and territories. Company-owned distributors are located in key geographic markets such as China, India, Russia, Japan, Korea, South East Asia, Australia, Europe, Africa, the Middle East and Latin America.

Joint Ventures

Cummins has entered into a number of joint venture agreements and alliances with business partners and affiliates in various areas of the world to increase market penetration, expand product lines, streamline supply chain management and develop new technologies. As of the end of 2007, Cummins was participating in 57 joint ventures in 18 countries.



“Cummins can create an advantage over our competitors when we understand our customer’s feelings and provide a positive experience for him or her.”

Jose Parra-Morzan

Commitment to Stakeholders

Cummins recognizes that its duty goes beyond the bottom line. While the Company must deliver value to shareholders, it also strives to responsibly and effectively serve all stakeholders – customers, employees, business partners and the communities in which it operates.

The Company actively engages all stakeholders, seeking feedback and doing its best to keep them informed of Cummins’ actions and performance. The Company’s policies reflect a commitment to financial excellence, environmental stewardship, workplace equity, corporate responsibility and fair competition.

Our activities related to the community are detailed in the Corporate Responsibility section of this book, which begins on Page 90.

Customers

Cummins is dedicated to exceeding the expectations of its customers, making products and providing support that give customers a competitive advantage in the marketplace.

Cummins works with key customers during development and production to ensure that products are manufactured to the customers’ satisfaction. Increasingly, Cummins is using Six Sigma tools to help its customers and suppliers reduce costs and improve quality.

The Company’s goal for using Six Sigma with customers is to create the shared belief that Cummins cares as much about

the customer’s business as the customers themselves. Cummins currently has approximately 220 active customer-focused Six Sigma projects and has completed nearly 640 projects since 2005.

In some cases, Cummins has sent Six Sigma “belts” to work directly with a customer to solve a specific challenge. In other instances, Cummins has trained and provided support to belts working for our customers. Some recent examples of Cummins’ customer-focused Six Sigma efforts:

- Reducing a customer’s soot filter field issues without an adverse effect on the aftertreatment system.
- Increasing the fuel filter change interval on certain heavy-duty trucks from 30,500 miles to 34,500 miles.
- Increasing a co-generation plant’s average monthly availability to 90 percent and meeting all emissions requirements of the operating permit.

Customer Care

One of the biggest challenges for Cummins in our extremely competitive global business environment is becoming and staying the first choice of customers. That is why Cummins launched its Customer Support Excellence (CSE) initiative.

As a company, we realize it is not enough to develop the most innovative technology or build the most dependable engines. Our customers have to believe, and we must show them, we care as much about their



The Dodge Ram 3500 heavy-duty pickup achieves 2010 emission standards.

The Dodge Ram: An Environmental Winner

The Cummins Dodge Ram pickup heavy-duty engine received top honors among the 2007 winners of Chrysler's environmental awards. Cummins was a winner in the Product Related Environmental Protection category.

In 2007, new heavy-duty diesel engine emission regulations took effect in the United States that required the diesel-powered Dodge Ram to make dramatic reductions in oxides of nitrogen (NOx) and particulate matter (PM) emissions. The new 2007 Dodge Ram heavy-duty engine uses a diesel particulate filter to virtually eliminate PM emissions and a NOx adsorber catalyst to reduce NOx by as much as 90 percent from 2006 levels.

In presenting the award, Chrysler noted the following: "Working in a close partnership, Chrysler and Cummins achieved remarkable results in meeting and exceeding both regulatory requirements and customer needs. The new Dodge Ram 2500 and 3500 are the first vehicles to achieve the stringent NOx 'phase-in' emission standard in all 50 States, and to do so three years early. The 6.7-liter Cummins Turbo Diesel maintains fuel efficiency as compared to the 2006 model. It also maintains the diesel engine's 30 percent fuel economy savings over gasoline engines, and thus lower CO2 emissions."

Cummins uses a voice of the customer approach to drive improvement, and we strive to execute critical customer work flawlessly.

success as they do. Cummins uses the voice of the customer to drive improvement and we strive to execute critical customer work flawlessly.

Each business unit has a leader responsible for developing projects to meet the needs of its customers. Also, each business unit is charged with developing customer-focused Six Sigma projects that tackle the issues and problems facing individual customers.

Customers are noticing. In fact, Knight Transportation, a key national trucking company in the southwestern U.S., asked to join Cummins in the Company's Six Sigma training. Working together, Knight and Cummins have been able to focus on a specific customer need – elimination of billing errors and instituting more reliable processes – that saved the customer more than \$300,000 a year.

Cummins has developed several corporate-wide initiatives to improve the level of customer support across the Company. Notable is the CSE training, which includes a different approach to meeting customer needs by looking at an issue through the customer's perspective.

Since the program started, more than 19,000 employees have received CSE awareness training in 17 different countries, with 57 groups implementing customer-focused projects. We are now moving beyond Cummins employees and are reaching out to independent distributors.

By focusing on making measurable improvements in the things that matter most to customers, we move closer to our objective of becoming the first choice of customers.

The Cummins Operating System

The Cummins Operating System (COS) helps develop common practices and approaches designed to improve customer satisfaction and profitability. The COS is designed to reduce waste, improve quality, increase responsiveness and develop people.

The COS consists of 10 operating practices that are common across the Company. It is supported by nine common functions, each with a Functional Excellence framework. The Functional Excellence framework at Cummins provides standards, measures, skills requirements and an individual work plan so each function in the Company can provide service or support at world-class levels. Employees are trained on the COS and Functional Excellence approaches and their importance to Cummins future success.

A key aspect of the Functional Excellence approach at Cummins involves promoting leadership across all business units and groups. Leaders at Cummins are measured on their ability to:

- Drive the organization toward the Vision by accomplishing the Mission
- Live and foster the Cummins core values of integrity, innovation, delivering superior results, diversity, global involvement and corporate responsibility
- Focus on customer success and deliver results
- Create an environment in which people can develop and flourish, and where championship teams flourish.

In 2006, Cummins began conducting COS assessments. These assessments allow us to demonstrate that the 10 COS practices are embedded in our key processes. They also allow us to identify improvement opportunities and develop an improvement plan to close the gaps.

Employees

Cummins has a long history of being an employer of choice. That reputation continues to this day and is reinforced by the Company's competitive salary and benefits offerings, training and career development opportunities and positive work environment.

Cummins employees enjoy a full slate of benefits, including innovative and competitively priced health-care coverage; pension and retirement programs; generous tuition reimbursement benefits for continuing education; access to world-class child development centers; flexible work schedules; employee assistance programs and more. These benefits also were made available to non-spousal domestic partners in 2000.

Cummins places a premium on its workers treating one another with respect and dignity. Treatment of others at work is a key component of the Company's Code of Business Conduct and is the subject of mandatory training for all new hires. Training and career development opportunities also play a crucial role in Cummins' success and in the Company's efforts to attract and retain a talented workforce.

All new hires must attend mandatory training courses covering treatment of others, diversity, information and physical security, sexual harassment issues, the Cummins performance management system and the Cummins Operating System. In addition, the Company's Powertrain program offers on-line training on a variety of subjects, ranging from business software applications to project management skills to interpersonal and communications skills to presentation and leadership skills.



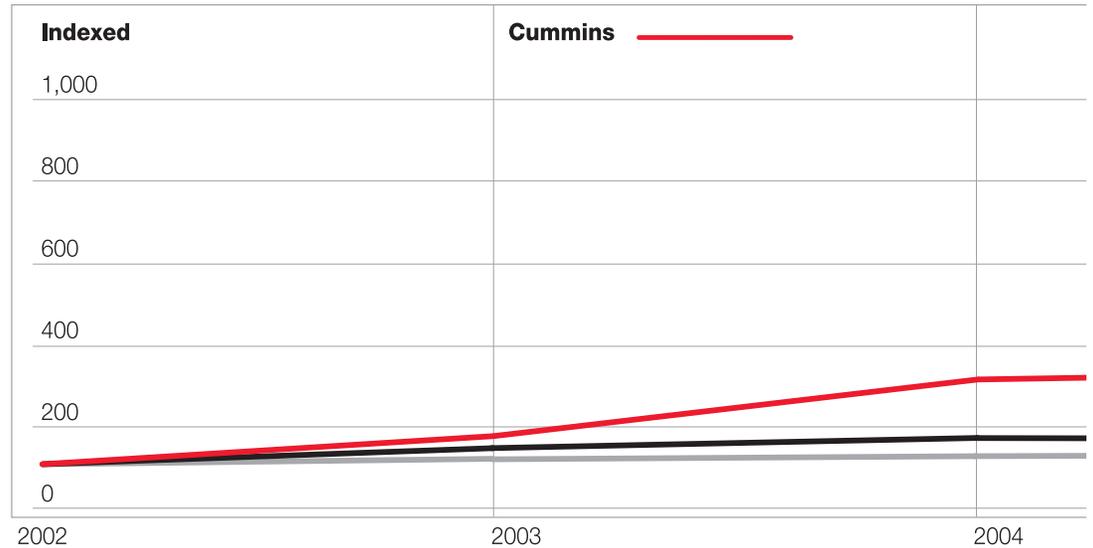
*Nekedia Gaillard, Assembly Technician,
Cummins Turbo Technologies*

Employees' performance and development plans are reviewed through the Cummins performance management system called OnTrack. Through OnTrack, employees work with their supervisors to create challenging work plans that reflect the goals of the Company and its individual performance cells. Employees receive formal feedback from supervisors and peers quarterly, in addition to a comprehensive annual evaluation.

Cummins also offers its employees opportunities for growth within the Company as their skills and interests dictate. Cummins has a strong history of "growing its own" leaders, and employees regularly move freely from one part of the Company to another.

Employees are encouraged to seek out new challenges and to continually broaden their skill sets. High-potential employees are identified and offered comprehensive leadership training as part of the Company's ongoing efforts to develop its leaders from within.

Five-Year Total Shareholder Return at Year-End 2007



Cummins has launched a focused effort to ensure the Company's most critical suppliers are committed to improvement through Six Sigma.

Business Partners

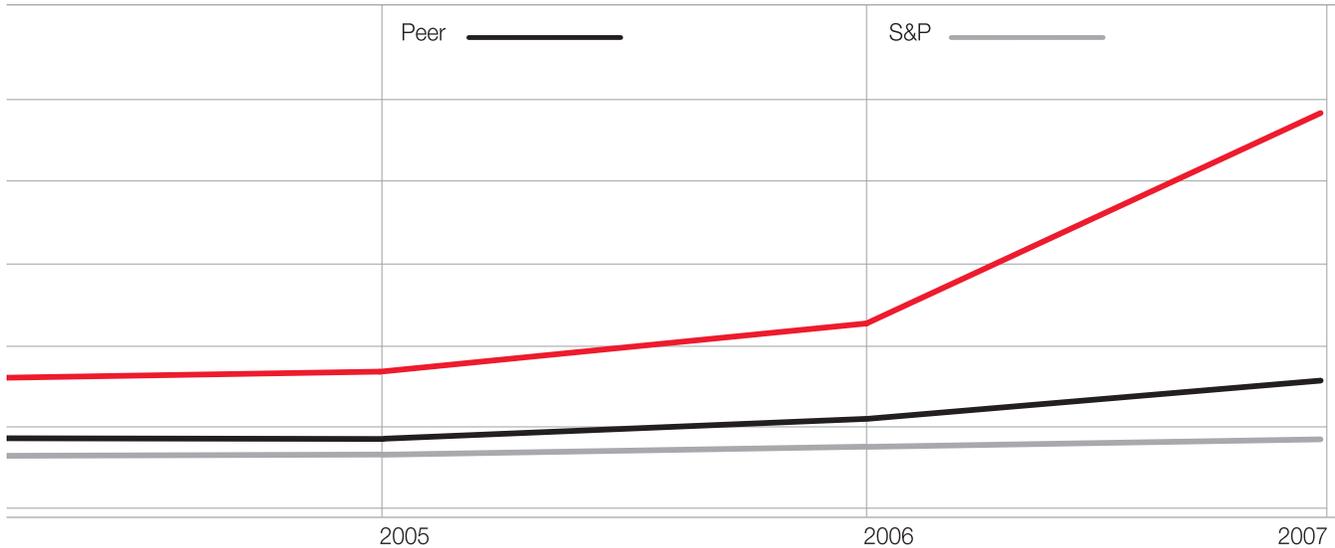
Cummins has working relationships with distributors and suppliers across the world. Similarly, the Company acts as a supplier of components to a number of equipment manufacturers, and has been able to build strong bonds with its business partners.

The Company is proud of its efforts to earn "preferred supplier" status with customers. For example, Eicher Motors Limited recently recognized Tata Holset, one of our joint ventures in India that manufactures turbochargers, as Best Supplier for outstanding contribution to supply chain management in the category of proprietary items. Judging criteria for best vendor included parts per million (PPM) level, quality certification, adherence to schedule, on-time delivery, cost reduction, response time and service support.

Suppliers

Cummins has launched a focused effort to ensure that the Company's most critical suppliers are committed to improvement through Six Sigma. Critical suppliers to Cummins must meet particular Six Sigma performance requirements. Cummins' quality is heavily dependent on the quality of our suppliers' products. Our experience is that Six Sigma is a reliable approach to quality improvement.

Columbus Components Group, a minority-owned Cummins supplier located in Columbus, Indiana, has been recognized for its use of Six Sigma tools to assess quality control and create an overall quality improvement plan. Columbus Components Group closed its first Six Sigma project, which resulted in a significant improvement in quality for components supplied to the



Cummins Jamestown Engine Plant. This improvement was a significant factor in awarding Columbus Components Group additional business for the model year 2007 Dodge Ram pickup engine.

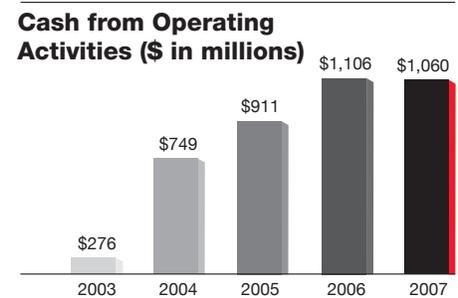
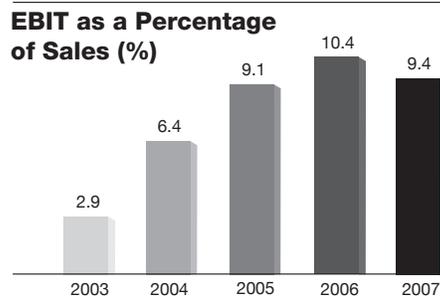
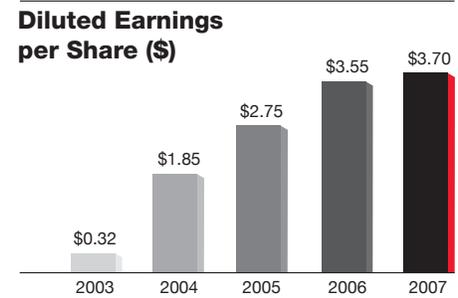
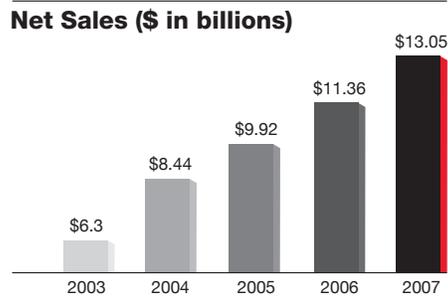
Shareholders

Returning value, in terms of profits, rising stock prices and dividends, is a primary measure of a company's commitment to its shareholders. Beyond returning financial value, Cummins believes it owes investors a transparent window into its financial workings.

Cummins goes to great lengths to keep the investing community up-to-date on its performance and future outlook. Top executives hold quarterly teleconferences with industry analysts to discuss financial results. Company representatives also host or attend a number of investor conferences during the year, and meet or talk directly with individual analysts and investors on nearly a daily basis.

Cummins' positive corporate governance practices on behalf of the shareholders include the following:

- The full board of directors is elected annually.
- The audit, compensation and nominating committees are made up of independent outside directors.
- The company has a designated lead director.
- Executive and directors are subject to stock ownership guidelines.
- All stock-based incentive plans have been approved by shareholders.



We continuously work with customers to develop new products to improve the performance of their vehicles, equipment or systems at competitive cost levels.

Economic Performance

Cummins' financial performance in 2007 was the best in its history. Sales exceeded \$13 billion – a 15 percent increase over 2006. Earnings before interest and taxes were \$1.2 billion – or 9.4 percent of sales. Net earnings were \$739 million, compared to \$715 million for the previous year.

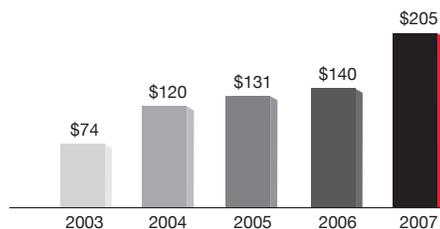
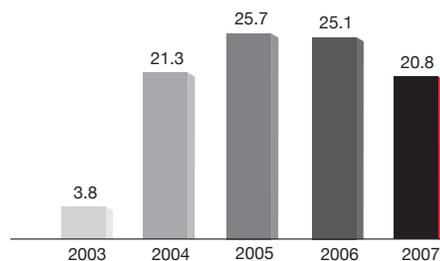
This fourth straight year of record sales and profits reinforces our value promise to shareholders. As of the end of 2007, Cummins investors have enjoyed a five-year average annual total return of 58 percent.

Along with this outstanding performance, we have increased our dividends by 67 percent and purchased almost \$500 million in stock over the last two years. In December, we announced plans to buy back another \$500 million worth of shares. We also executed a pair of two-

for-one stock splits, one during 2007 and the other in early 2008.

Cummins has benefited from strong demand across a number of our more cyclical markets, and our focus on execution has delivered excellent bottom-line results. We are seeing margin expansion and profitable market share growth with disciplined pricing, a focus on cost reduction and superior product performance in existing and emerging markets. And we are building a core base of stable, diversified earnings that will continue to provide increased stability in our financial performance.

Our extended effort to build relationships and infrastructure in China and India and other emerging markets has positioned us to capture significant growth opportunities

JV Income (\$ in millions)**Return on Equity (%)**

JV income is recorded as Investee Equity, Royalty and Other Income in regulatory filings.

EBIT is a non-GAAP measure, defined as earnings before interest expense, income taxes and minority interests.

The return on equity calculation is a non-GAAP measure as it excludes pension and other post-retirement benefit amounts in shareholders' equity.

in those markets. Several new product platforms also offer us great profitable growth opportunities across all of our business units. However, our future success is directly dependent on our ability to build the infrastructure and operating system, create excellent customer support worldwide and recruit the diverse talent necessary to get this done.

Detailed financial information can be found in the Investors and Media section of the Company's website, www.cummins.com. The Cummins' Fact Book, also found on the web site, provides a brief summary of the Company and contains income statement and balance sheet trends for the past 10 years.

Competitive Strengths

We believe the following competitive strengths are instrumental to our success:

Leading Brand. Our product portfolio includes products and services marketed and branded under various trademarks and trade names, primarily Cummins, throughout the world.

During 2006, we successfully re-branded our major operating business units to reflect the Cummins name and brand to further our overall branding strategy. In part, as a result of this investment, we also are gaining additional recognition across our markets.

Customers and Partners. To maintain technology leadership and a global presence in a cost-effective manner, we have established strategic alliances with a number of our leading



“We rely on our core values to guide us through difficult issues, including the daily challenges of conducting business in a complex, global marketplace.”

Inness Liu

customers. These partnerships provide us with a knowledge and understanding of our customers’ technology and business needs and enable us to develop products and services that better meet their requirements at lower costs.

For example, we have both customer and supplier arrangements with Komatsu, Ltd., including manufacturing joint ventures and a product development joint venture that has led to the development of several engines. We are also the exclusive supplier of engines for Komatsu mining equipment.

In addition, we have been the exclusive diesel engine supplier to Chrysler for its Dodge Ram truck since 1988. We have long-term agreements with Volvo and International Truck and Engine Corporation for the supply of heavy-duty truck engines and with PACCAR for the supply of both heavy-duty and medium-duty engines.

These agreements afford us long-term price stability and eliminate certain dealer and end-user discounts, while offering closer integration on product development.

Global Presence. We have a strong global presence including a worldwide distribution system, manufacturing and engineering facilities and a network of global supply sources. Our worldwide presence has enabled us to take advantage of growth opportunities in international markets, with sales outside the U.S. growing from 43 percent of total consolidated net sales in 2000 to 54 percent of total consolidated net sales in 2007.

Leading Technology. We have an established reputation for delivering high-quality, technologically advanced products. We continuously work with customers to develop new products to improve the performance of their vehicles, equipment or systems at competitive cost levels. We are a leader in developing technologies to reduce diesel engine emissions, a key concern of our customers and regulators around the world.

We were able to meet the EPA’s 2007 heavy-duty on-highway emissions standards that went into effect on January 1, 2007, and we announced in January 2007 that our Dodge Ram 6.7-liter Turbo Diesel engine meets the EPA’s 2010 emissions standards a full three years ahead of the requirements.

We have also developed low-emission, high-performance natural gas engines as an alternative-fuel option for the on-highway, industrial and power generation markets. Our technology leadership in filtration, exhaust aftertreatment, air handling and fuel systems allows us to develop integrated product solutions for the on-highway, off-highway and power generation markets.



The Zeus highly advanced propulsion system offers up to 30 percent better fuel economy and unsurpassed handling at high and low speeds. In addition, a Zeus-equipped vessel delivers precise turning and tight maneuvering even in strong currents and windy conditions.

Leading Technology; Driven by Zeus

Cummins has produced dependable marine engines since the 1920s, but it recently took an innovative new approach when, as part of a joint venture, it created an advanced propulsion system called Zeus.

Zeus delivers up to 30 percent better fuel economy, up to 550 horsepower, a proven level of safety and unsurpassed handling at high and low speeds. The system was 15 years in development at Cummins MerCruiser Diesel, Brunswick and Mercury Marine.

Zeus incorporates a familiar looking, yet totally new pod with counter-rotating stainless steel, rear-facing propellers and a through-hub exhaust. Independent vectoring for each pod delivers dramatically improved high-speed handling. Docking is easier than ever.

These steerable pods, along with an advanced joystick control system, deliver precise turning and tight maneuvering, keeping a Zeus-equipped vessel on a fixed heading within a tight area, even in strong currents and windy conditions. An intelligent station-keeping system reads GPS coordinates and keeps the boat in position without the captain having to touch the wheel or controls.

And safety is engineered in the product. If the pod strikes debris or bottom, the gear case and skeg (the fin at the stern of the boat) protect the propellers. In the event of a catastrophic collision above the depth of the keel, the gear case is designed to shear away and remain water tight so there is no compromise of hull integrity.

“Zeus-powered boats track true and respond instantly to helm commands,” said *Motor Boating* magazine in its 2007 review. The first orders for the system were taken early in 2007.



Governance

Going back to its earliest days, Cummins has been as much about people as products.

Corporate Governance

Over the past nearly 90 years, Cummins has developed a reputation as a company that places a premium on the well-being of its employees and that strives to improve the communities in which it operates.

Going back to its earliest days, when the founding family kept the company afloat during difficult times because it felt a responsibility to provide jobs to the young men of Columbus, Indiana, Cummins has been as much about people as products. That legacy was built by longtime former Cummins Chairman J. Irwin Miller and is carried out today through the leadership of Cummins' senior executives and 38,700 employees worldwide.

Cummins' management and its employees around the world continue to work as partners today, building leading-edge products in clean, safe

environments, while working together to strengthen the community. "Creating a great place to work" is one of Cummins' strategic business principles. At the core of that approach are the Company's efforts to engage employees and other stakeholders in understanding and living the Company's values, as well as playing an active role in pursuing continuous improvement across the Company.

That engagement and commitment to ethical behavior takes many forms, some of which are discussed in the pages that follow.

Cummins' Revised Code of Business Conduct

Cummins updated its Code of Business Conduct in early 2008 for the first time



since early this decade, with an emphasis on making the Code easier to find, read and understand.

The updated Code, which was approved by senior leadership and the Cummins Board of Directors, is built around 10 “Statements of Ethical Principles” that provide the foundation for ethical behavior at Cummins. The principles are backed by Corporate Policies and other key documents that give specific guidance on topics and issues addressed by the statements.

The 10 Statements of Ethical Principles are:

- We will follow the law everywhere.
- We will embrace diverse perspectives and backgrounds, and treat all people with dignity and respect.
- We will compete fairly and honestly.

- We will avoid conflicts of interest.
- We will demand that everything we do leads to a cleaner, healthier and safer environment.
- We will protect our technology, our information and our intellectual property.
- We will demand that our financial records and processes are accurate and that our reporting processes are clear and understandable.
- We will strive to improve our communities.
- We will communicate with honesty and integrity.
- We will create a culture where all employees take responsibility for ethical behavior.

Work on the updated Code began in 2007 and the effort included feedback from Cummins employees around the world. Rollout of the



“Cummins has created an environment that fosters ethical behavior and a commitment to honesty that characterizes our dealings with each other, as well as those from outside the Company.”

Martha Whiteman

Cummins Compliance Training

Course		Languages Offered	Subscriptions	Completed	Completion Rate
Code of Conduct	Professional and Office	American and International English, Spanish, Portuguese, French, German, Chinese	15,805	15,191	96.1%
Treatment of Each Other	Professional and Office	American and International English, Spanish, Portuguese, French, German, Chinese	14,835	13,186	88.9%
Export Controls	SG 8/25 and above	American and International English, Spanish, Portuguese, French, German, Chinese	8,159	7,517	92.1%
FCPA*	SG 8/25 and above	American and International English, Spanish, Portuguese, French, German, Chinese	8,245	7,531	91.3%
Antitrust	SG 8/25 and above and all Sales and Marketing	American English	3,306	3,257	98.5%
EU** Competition	SG 8/25 and above	American and International English, Spanish, Portuguese, French, German, Chinese	801	721	90.0%

Code will continue well into 2008 as the Code is translated into multiple languages and employee training materials are updated.

New to this version are question and answer sections to illustrate each of the principles in action, enhanced contact information and a section on “living the Code.” The Code features a set of “FAQs” to help employees find other resources related to the Code and for reporting ethical concerns. The Company also has increased its commitment to updating the Code by creating a process to annually review and solicit employee feedback on the Code and supporting policies and information.

(To view the current Cummins Code of Business Conduct, go to www.cummins.com and click on the link from the home page.)

Compliance Training

Cummins is committed to ensuring that its employees, and those with whom it does business, follow all applicable laws in the locations we do business.

Since late 2005, Cummins has introduced six online compliance training courses targeted at the appropriate employee groups. This training includes:

- Code of Business Conduct
- Treatment of Each Other at Work
- Export Controls
- Federal Corrupt Practices Act*
- Antitrust
- European Union Competition**

These courses are made in multiple languages where necessary and employee completion is tracked. Altogether, more than 51,000 training subscriptions have been offered to employees since late 2005

Ethics Cases – Quarterly Days-to-Close Trend

(many employees must take more than one course due to the nature of their work) with a 93 percent completion rate. The Company expects to offer nearly 45,000 training subscriptions to its employees in 2008, and is working to improve its reporting system to ensure closer to 100 percent compliance.

In addition, Cummins in 2007 began offering training courses to key employees at its Distributors in many locations outside the United States, and has plans to expand the compliance training offerings to these groups in 2008.

Ethics Violations, Reporting and Investigations

Cummins employees are encouraged to report suspected violations of the Company's Code of Business Conduct or any type of misconduct, and are given several different means of sharing their concerns.

The Company's third-party reporting system, EthicsPoint, allows employees around the globe

to report concerns either on-line or through toll-free numbers in multiple languages. Employees can report concerns anonymously where allowed by law. Still, more than half of all complainants in 2007 identified themselves, showing a large degree of trust in the Company's ethics investigation process. Those who report about any topic are protected under the Company's anti-retaliation policy.

Cummins has a global team of trained Master Investigators who investigate complaints and ensure that appropriate action is taken in a timely fashion. In 2007, Cummins investigated 541 ethics-related complaints, compared to 264 in 2006. The numbers grew because of increased training and promotion of the reporting process. Of the cases investigated in 2007, 46 percent resulted in a finding that the complaint had some merit – and of those 28 percent (61) resulted in employee termination.

Complaints of unprofessional behavior and those grouped into the Human Relations category accounted for more than half the total ethics cases investigated in 2007.

In 2007, Internal Audit issued more than 130 audit reports and audit memos covering functions and businesses around the globe.

In 2007, the Company completed a Six Sigma quality project aimed at reducing the time necessary to close investigations. As a result, the average time to close fell from more than 60 days at the end of 2006 to just under 20 days at the end of 2007, despite an increased number of investigations over that period.

The Company's reporting system and its commitment to investigate, take action and protect those who raise concerns help us bring our Code of Business Conduct to life.

Ethics Certification Process

In 2007, more than 10,000 Cummins employees completed an Ethics Certification in which they certified their compliance with the Company's Code of Business Conduct and underlying policies and reported any exceptions to Company policy. Internal Audit and the Cummins Law Department reviewed all exceptions to ensure they were handled correctly under Company policy.

Diversity Audits

Rigorous diversity audits have been conducted at Cummins' facilities for more than a decade and are today a central component of our efforts to ensure that employees enjoy a positive, safe and productive work environment.

The process began in 1997, led by the Cummins Law Department, and is focused on making sure that our locations are in compliance with the laws, are operating in a way consistent with our commitment to diversity and equal opportunity, and are taking the right steps to provide employees

with a great place to work. In that time, the Company has conducted 56 diversity audits at 30 sites in the United States and Europe.

The audits are conducted by teams of four to eight employees with diverse backgrounds who have no direct connection to the site being audited. The team tours the facility and also examines satisfaction surveys, training records, personnel files and other documents to ensure full legal compliance and assess the work environment. The audit also examines the diversity of employees and the site's commitment to creating an inclusive and representative workforce.

A key component of the audit involves team members conducting confidential one-on-one interviews with a randomly selected cross section of approximately 10 percent of the site's workforce. Employees are asked a variety of questions regarding their work environment, knowledge of workplace policies and procedures, and their perceptions as to whether local management is committed to the Company's values, most notably our Code of Business Conduct, Treatment of Each Other at Work policy and diversity.

Results of the audits are shared with local management and with the Company's senior leadership. If issues are discovered, the site must create an action plan to address issues. Currently, the Company conducts audits at its facilities in the United States and Europe and is exploring how to expand the program to locations in other parts of the world.



Yancey Jones, a Cummins new hire, meets with a member of his diverse group. On his immediate work team, there are people representing four of the seven continents around the globe.

Supplier Code of Conduct

Cummins places a premium on doing business with companies that share its values and that treat their employees with dignity and respect. In 2005, Cummins created a Supplier Code of Conduct, which it has rolled out to more than 2,800 suppliers representing nearly all the Company's supplier spending.

The Code spells out standards of employee treatment to which it expects its suppliers to adhere, including provisions banning child or forced labor and those which encourage suppliers to provide a safe workplace their employees.

Suppliers were asked to establish a process ensuring compliance with the intent of the code and to provide a means for workers to anonymously report violations without fear of retribution.

At the end of 2007, Cummins had received a 99.5 percent response rate, with 99.6 percent of those responding indicating that they were in compliance with every element of the code. In certain regions

where Cummins conducts a significant part of its business, including India and China, response and compliance rates reached 100 percent. Cummins is working with those suppliers who have not responded to attain our goal of 100 percent participation.

An examination of the self-reported non-compliance information revealed no significant variance to the intent of the policy. In addition, Cummins has begun a process to assess compliance with the Supplier Code while on visits to customers in China and Japan.

Internal Audit

Cummins has a robust global Internal Audit department that provides the Board of Directors and management with independent, objective information on the performance of the Company's control environment.

The Executive Director — Internal Audit reports to the Audit Committee of the Board of Directors and helps the Audit Committee ensure the integrity of the



“Cummins leverages the expertise of its supplier partnerships to receive and deliver high quality results.”

Madhavi Gosalia

Company’s financial statements and financial reporting, identify operational efficiency improvement opportunities, as well as the Company’s compliance with ethics policies and legal and regulatory requirements.

In 2007, Internal Audit issued more than 130 audit reports and audit memos covering functions and businesses around the globe. Internal Audit also has a formal implementation plan follow-up process to ensure management has addressed identified risks and implemented corrective actions. When a function or business receives an “Unacceptable” audit grade, the Business Unit leadership must present the corrective action plans to the Audit Committee of the Board of Directors.

Joint Venture Relationships

Cummins does business around the world through a number of joint venture agreements and alliances with business partners to increase our market penetration, expand our product lines, streamline our supply chain management and develop new technologies. Regardless of whether Cummins directly manages the joint venture entity, we take appropriate steps to ensure that the joint ventures share our values.

First, we carefully screen potential partners and only create joint ventures with partners we know and trust. Through our employees’ participation on the Boards of these entities, we make sure that Cummins values are embodied in the joint venture.

We are taking new steps to ensure that our joint venture entities treat their employees in a fair and equitable fashion. By the end of 2008, all of our North American joint venture partners and distributors will have

adopted our Code of Business Conduct or a substantially similar code that embodies the same principles. We also have begun an audit of the existing codes in place at all our international joint venture partners, and will ensure that such entities have or adopt codes in line with our own.

In 2007, we developed a training package to orient Cummins employees who serve as directors of our joint ventures to their responsibilities. The training emphasizes the internal review processes that we use in selecting a joint venture partner. This training focuses on the role of the Cummins director in the management of the joint venture and stresses the support available to the directors from Cummins specialists in the areas of finance, human resources, operations, safety, environmental and other functions. The training also stresses the establishment and maintenance of a favorable relationship with the JV partner as an aid in resolution of disputes that arise.

During 2007, six training sessions were conducted in Indiana, India, China and England. Approximately 100 JV directors, general managers and financial leaders have been trained. The training will continue in 2008 in Brazil and Central Indiana with an additional four-to-six training events.

In addition to this face-to-face training, Cummins also has launched a pilot program to deliver some of its on-line compliance and ethics courses – such as courses on anti-bribery and export controls – to employees of JVs. This program has been launched with the joint venture distributor network in North American and also is being rolled out to targeted international joint ventures.



Cummins rewrote its export policy to prohibit all sales into the Sudan, except for humanitarian purposes approved under strict guidelines.

Addressing a Pressing Human Rights Concern Head-on

In June 2006, Cummins received a letter from Amnesty International indicating that the group had evidence that “Cummins engines” were being used to power military trucks owned by the Sudan government, which is engaged in an ongoing civil war.

The Company immediately launched an investigation into the matter and discovered that a small number of engines manufactured by a Cummins joint venture in China had been sold by our partner to its truck-making subsidiary, which then sold the trucks to Sudan. Cummins had no knowledge of the final destination of those engines and the sale violated no U.S. laws.

Still, Cummins was intent on doing what was right and not just following the letter of the law. The Company sent its top U.S.-based executive with responsibility for China to discuss the matter with our partners to persuade them to ensure that products made by the joint ventures don’t end up in Sudan.

Cummins also rewrote its export control policy toward Sudan in late 2006 to prohibit all sales into the country from any Cummins location in the world, except for humanitarian purposes approved under a strict set of guidelines. The policy goes well beyond existing U.S. law and includes stronger controls to safeguard against sales to Sudan. In addition, thousands of Cummins employees have been trained on export controls issue in the past year.

Cummins’ actions prompted the Sudan Disinvestment Task Force to remove the Company from its watch list in August 2007 and to publicly commend Cummins for its aggressive response to the situation.

The primary mission of the Board of Directors is to represent and protect the interests of the Company's stakeholders.

Cummins Board of Directors

Cummins is governed by a nine-member Board of Directors. Among the directors, only Cummins Chief Executive Officer Theodore (Tim) M. Solso and Cummins President Joe Loughrey are current employees of the Company. Board members are:

Theodore (Tim) M. Solso – Chief Executive Officer and Chairman of the Board at Cummins since 2000, after serving as Company President since 1995.

Robert J. Darnall – Retired Chairman and Chief Executive Officer of Inland Steel Industries and a Cummins director since 1989.

Robert K. Herdman – Managing Director of Kalorama Partners LLC, a Washington D.C.-based consulting firm, appointed in 2008.

Alexis M. Herman – Chairman and Chief Executive Officer of New Ventures Inc. and a director since 2001.

F. Joseph (Joe) Loughrey – Named President and Chief Operating Officer in May 2005 and to the Board in July 2005, after serving as Executive Vice President and President – Engine Business for more than five years.

Georgia R. Nelson – President and CEO of PTI Resources, LLC. She joined the Cummins Board in 2004.

William I. Miller – Chairman and CEO of Irwin Financial Corp. and a director since 1989.

Carl Ware – President and Chief Operating Officer of Ware Investment Properties, LLC. He was named a director in 2004.

J. Lawrence Wilson – Retired Chairman and Chief Executive Officer of Rohm and Haas Co. and a director since 1990.

Corporate Governance Principles for the Board

The primary mission of the Board of Directors is to represent and protect the interests of the Company's stakeholders. In so doing, the Board has the legal responsibility for overseeing the affairs of the Company, and has certain specified powers and authorities with respect to corporate action provided by Indiana statutes.

The Board's oversight function is exercised through the election and appointment of competent officers. The Board relies on the integrity, expertise and competency of these officers in carrying out its oversight function.

The Board's responsibilities include the following:

- Adopt corporate governance principles consistent with the Company's Vision, Mission and Values.
- Exercise sound and independent business judgment with respect to significant strategic and operational issues, including major capital expenditures, diversifications, acquisitions, divestitures and new ventures.
- Advise senior management.
- Monitor:
 - › The performance of the Company
 - › The performance of senior management



Ravi Pandit (right), KPIT Cummins Chairman and Group CEO, accepts India's prestigious Golden Peacock Award for Excellence in Corporate Governance 2007.

- › The effectiveness of internal controls and risk management practices
- › Compliance with all applicable laws and regulations
- › Communications and relationships with stakeholders

In discharging its fiduciary duties to act in the best interests of the Company, the Board considers the effect of its actions on shareholders, employees, suppliers, customers, communities and the interests of society as represented by our regulators. The Board has seven standing committees: Executive Committee, Audit Committee, Compensation Committee, Governance and Nominating Committee, Finance Committee, Technology and Environment Committee and Proxy Committee. The responsibilities of the Audit, Compensation, Governance and Nominating, Finance and Technology and Environment committees are set forth in written committee charters approved by the Board.

The Company complies with all NYSE and regulatory requirements concerning the membership of certain committees, including the requirements with respect to independence and financial expertise. The Governance and Nominating Committee reviews the committee structures of the Board and the membership of the various committees annually, and makes recommendations for any changes to the Board.

Managing Risks

Controlling Exports

As an international Company, Cummins faces a complex set of export controls. The United States frequently imposes trade embargoes against certain countries and places restrictions on items that can be shipped to certain other countries.

Cummins follows all applicable U.S. export laws, but goes further in some instances. For example,



“Every employee at Cummins should feel valued, because there is a recognition that it takes all of us working together to make this a great company.”

Tamica Wright

the Company bars transactions with any person or organization where the end destination of a Cummins product is Sudan or Myanmar (Burma); or where any Cummins product or service would be used in a military application in Syria, Libya, North Korea or Iran.

Cummins’ policy on exports is comprehensive, but can be summed up in the following manner: We will know which countries are subject to sanctions. We will know our customers and business partners. We will know our products and be aware of their export control status. We will obtain necessary licenses where warranted and will strictly follow their conditions. We believe our reputation for ethical and responsible conduct is our most important and valuable asset, and we encourage employees to raise compliance concerns to the highest levels of the Company.

All Cummins employees who complete the Annual Ethics Certification must certify their compliance with our most recent Export Control Policy.

Crisis Communications

Making sure that Cummins is prepared if a crisis occurs is a key Company responsibility. To assist facility managers and others involved in emergency planning, Cummins routinely updates its Crisis Communications Plan. The plan includes vital information for facilities on how to communicate effectively during a crisis, as well as templates and forms to assist employees in gathering and updating information.

Cummins also has developed business continuity plans for each business unit or critical function within the business unit.

Managing Travel Risks

Cummins serves customers in more than 70 countries and territories, so global travel is part of many employees’ jobs. Travel always involves an element of risk, but in today’s world it is especially important to manage that risk to the best of our ability.

We found ourselves working with numerous travel agencies across the world as Cummins’ business expanded globally, which made data gathering and reporting difficult. In 2007, we moved to a single, global travel agency that could not only measure up in terms of economics, but also capability, systems and emergency reporting. Cummins used Six Sigma tools to develop the bid package and sign the best agency for the job.

A world map tool is available to Cummins management, enabling the instant location of Cummins personnel worldwide.

Pandemic Planning

Over the past several years, reports of avian flu outbreaks have made headlines around much of the world. Much has been made about the consequences of a possible pandemic should the avian flu virus gain the ability to easily spread via human-to-human contact.

At Cummins, the well-being of our employees is extremely important. As such, the Company has taken steps to ensure the health and safety of employees should a flu pandemic occur.

The Company formed a Pandemic Planning Team with individuals representing medical, safety, risk management, human resources, facilities,

communications, business continuity and other key areas to help create a strategic response plan in the event of a pandemic.

The team has identified key components of the Company's response should a pandemic occur. Our plans take into account the full range of our stakeholders – employees, customers, investors, suppliers, vendors and the communities in which we live and work. A critical part of successfully managing a situation such as this one is providing open lines of communication to those stakeholders. Employees at Cummins receive regular updates on the avian flu and on our efforts to keep them and our facilities safe.

Should a widespread outbreak of flu affect Cummins operations, the Company is prepared to deal with the issue.

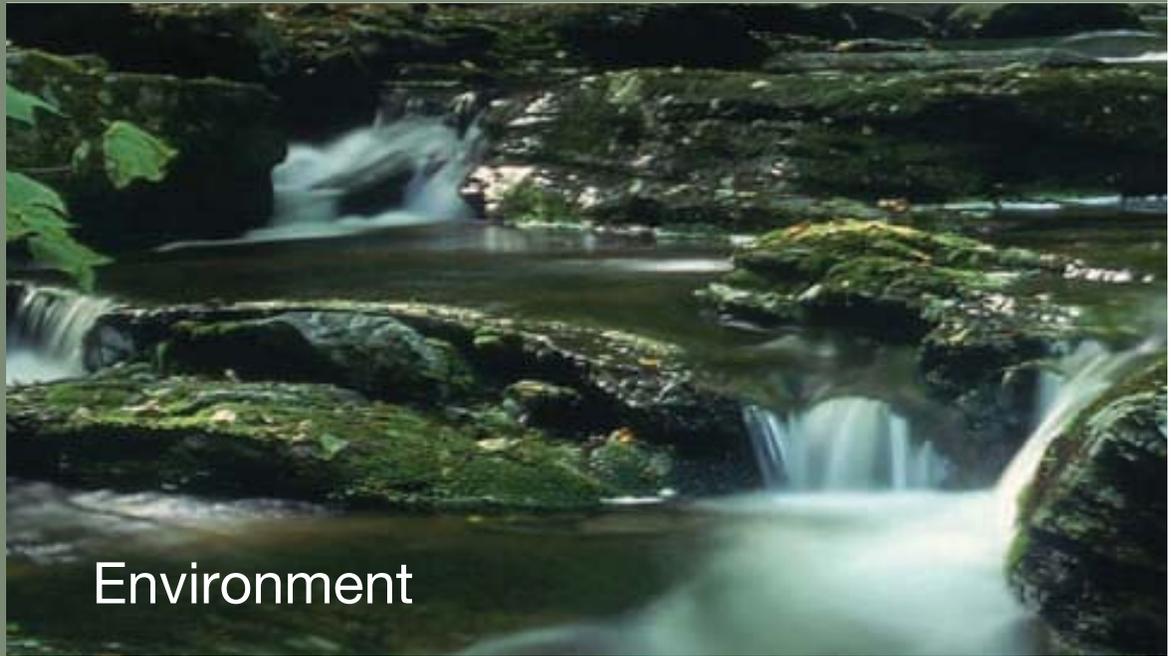
Government Relations

In August 2001, Cummins opened an office in Washington, D.C. to coordinate government relations activities for the corporation. The Washington office provides strategic insight and advice to Cummins business leaders on emerging government issues and activities, provides top level access to government officials and key policymakers, develops and implements government relations strategies to achieve business objectives and advances business marketing objectives relative to government programs.

The office elevates government issues to senior management, ensures alignment with Cummins businesses and objectives, and identifies and aggressively resolves key government issues for the corporation. Specific areas of activity include energy policy, environment, tax, trade, transportation, government research and development, government markets, workplace and human resources issues, defense and homeland security, and facility and infrastructure programs.

In 2007, the office worked closely on the energy bill with Congress and other engine companies to create a new fuel efficiency program for medium and heavy-duty trucks. In addition to increasing Corporate Average Fuel Economy (CAFE) standards for cars, the legislation increases the use of renewable fuels substantially, prompting the office to focus on providing for the responsible growth of biodiesel, such as requiring labeling so that consumers know what they are putting in their engines and ensuring the adoption of broad quality standards. The Washington office also championed provisions that promote the installation of energy efficiency technologies, including clean and efficient combined heat and power projects, at industrial sites across the country.

Cummins continued to collaborate with a broad group of environmental, industry and public groups for funding of the Diesel Emissions Reduction Act, a national grant program to promote the retrofit of older diesel engines with emission reduction technologies. For the first time in FY2008, our efforts successfully secured funding for this program and resulted in a seven-fold increase in retrofit funding over the previous year. Cummins also secured increased funding for Department of Energy research and development programs that promote energy efficiency in stationary and transportation applications.



Environment

As a result of our outstanding technology, Cummins Heavy Duty monthly market share averaged above 40 percent for the last two-thirds of the year.

Managing Carbon Emissions

Cummins Climate Strategy

Governments, companies, consumers and Cummins customers around the world are exploring ways to curb their energy consumption, and by so doing, reduce the creation of greenhouse gases such as carbon dioxide. Cummins is actively engaged in creating solutions to this global concern.

Why is Cummins involved in this? First of all, it is a natural fit with our mission to demand that everything we do lead to a cleaner, healthier, safer environment. Making energy improvements is good business because it gives Cummins the opportunity to improve the efficiency of our facilities and drive cost reduction. It's also good for our customers because we work with them to get best fuel economy out of our products.

As part of our continued commitment to sustainable practices, Cummins is participating in the U. S. Environmental Protection Agency's (EPA) Climate Leaders program.

Launched in February 2002, EPA Climate Leaders is an industry-government partnership that works to develop long-term comprehensive corporate climate change strategies. Climate Leaders Partners set a corporate-wide greenhouse gas reduction goal, inventory their emissions to measure progress and report that data to the EPA.

As a result of our involvement, Cummins has pledged to reduce its corporate-wide greenhouse gas (GHG) emissions intensity by 25 percent by 2010, against a base year of 2005. The Company will track greenhouse gas emissions at Cummins-managed facilities worldwide. The GHG



reduction goal is in addition to the 20 percent reduction in GHG intensity that Cummins has already achieved.

The Climate Change Team

Early in 2007, Cummins formed a Climate Change team to take both a holistic and tactical view of climate change and sustainability at Cummins. The team's members are from across business units and functions and represent facilities, product planning, corporate strategy, environmental policy and government relationship, among others.

The team looks at issues that range in complexity from domestic and international energy policy and fuel economy standards to simpler challenges, such as buildings best suited for occupancy sensors and daylight harvesters.

Collaborating with Customers

Cummins' efforts to reduce carbon intensity encompass both our products and our collaborative efforts with customers.

Engines

Cummins has numerous initiatives in this area, with key ones focused on the management of automotive heavy-duty engine idle, cruise control and speed.

Idle management features supported within the Electronic Control Modules (ECMs) of our engines can help our customers reduce fuel consumption by shutting off the engine after a specified amount of time at idle or allowing the fleet manager/owner to make decisions about "rewarding" drivers with slightly more cruise control maximum set speed if they have minimized their idle time. Customers can allow a driver a little more speed but retain a positive balance on fuel saved — and fuel saved is fuel not burned and therefore less carbon released.



“We believe we can’t be successful unless we focus on working toward a cleaner, healthier, safer environment. This is a core value at Cummins.”

Peter Jensen-Muir

The second aspect of reducing/managing the carbon risks involves our fuel economy features. We have a long list of features within our ECMs that are specifically designed to help customers minimize the amount of fuel they burn. Again, this ultimately becomes a means of minimizing carbon.

Some of these features are:

Road Speed and Cruise Control Governor:

The feature limits the maximum vehicle speed with the driver’s foot on and off the throttle. Power required, and therefore fuel burned, is directly proportional to vehicle speed.

Smart Torque: By allowing high torque in the top two gears, you can minimize the number of down shifts required to maintain speed on the highway. By avoiding a downshift, overall engine speed is lowered and a lower engine speed generally equates to less fuel burned.

In addition to these “active” features, Cummins engines also have a number of “information features” where “trip” or “duty cycle” information is stored. By reviewing these data, a fleet manager can look for variations between drivers or trucks, look for trends and use the data for driver coaching or to schedule maintenance.

Engine Testing

Cummins is working to reduce energy consumption, lower pollution levels and reduce costs through initiatives to reduce engine testing in product development and in manufacturing. These initiatives encompass design, the verification of manufacturing quality and the advanced diesel engine quality verification process.

Power Generation

A typical long-haul truck spends an average of 2,000 hours a year idling with the base engine fuel consumption of one gallon per hour at idle. A product developed by our Power Generation business, the Cummins ComfortGuard Auxiliary Power Unit (APU), mounts to the frame of the tractor and can provide heating and air conditioning while using only about 0.2 gallons of fuel per hour.

In addition, the APU can keep the main engine heated in cold ambient conditions so it will start when needed. All of these requirements can be achieved with the APU as an alternative to running the main engine. Use of the APU can reduce the fuel consumption of a typical long-haul truck fleet by 1,600 gallons of diesel fuel per truck each year.

Combined Heat and Power Applications

Cogeneration, or Combined Heat and Power (CHP), is the production of two kinds of energy – usually electricity and heat – from a single source of fuel. Cogeneration can replace the traditional method of supplying energy from multiple sources, e.g., purchasing electricity from the power grid and burning natural gas or oil separately in a furnace to produce heat or steam. These methods can waste up to two-thirds of the energy in the original fuel – losses that translate into high utility rates.



Carbon Disclosure Project and the Dow Jones Sustainability Index

Cummins seeks to partner with groups that help us be a better steward of the environment.

In 2006 and 2007, we participated in the Carbon Disclosure Project (CDP), an institutional investor consortium that seeks to encourage greater environmental reporting among companies. On behalf of investors representing \$31 trillion in assets under management, CDP asks companies to provide details on their carbon emissions, their positioning in response to the impact of climate change on their markets and regulatory environment, their use of energy and planning for the future.

The Company was named to the Dow Jones World Sustainability Index for the third year in row, being recognized again for its economic, environmental and social leadership. This index represents the top 10 percent of the world's largest 2,500 companies in these corporate sustainability metrics.

In addition, Cummins is a member of the Business Round Table Climate RESOLVE (Responsible Environmental Steps, Opportunities to Lead by Voluntary Efforts), whose members have voluntarily committed to reduce or offset greenhouse gas (GHG) emissions. Cummins also is a member of the Global Environmental Leadership Council of the Pew Center on Climate Change and Resources for the Future Climate Forum.

Performance Indicators: Products

The Right Technology for Reducing Emissions

Leadership in combustion research, fuel systems, air-handling systems, electronics, filtration and aftertreatment allows Cummins to maintain its goal of maximizing customer value by providing the most appropriate emissions control for each market served.

Cummins' diverse product portfolio meets or exceeds all emissions requirements, and at the same time, delivers on customer needs for fuel economy, performance, reliability and durability.

In the fall of 2007, Cummins announced its technology approach for on-highway engines to meet the more stringent 2010 U.S. Environmental Protection Agency's diesel emissions standards. The Company will use an evolution of its proven 2007 solutions to maintain power and torque with comparable fuel economy and maintenance intervals the same as today. Cummins will offer a complete lineup of on-highway engines to meet the near-zero 2010 emissions standards.

Heavy-Duty Solutions

Key ingredients of the Cummins 2010 Heavy-Duty lineup include:

- NOx reduction will be achieved by an integrated technology solution comprised of the XPI High Pressure Common Rail (HPCR) fuel system, next-generation cooled Exhaust Gas Recirculation (EGR), advanced electronic controls, proven air handling and the Cummins Particulate Filter.

- Cummins will expand the Heavy-Duty X platform in North America to three displacements with the introduction of an 11.9L engine and a 16L engine to complement its flagship 15L product.

The engines will share a common architecture including the XPI HPCR fuel system. The expansion will enable Cummins to meet a broader array of customer needs, and marks the first time in nearly 20 years the Company has had a common architecture across its industry-leading Heavy-Duty products.

Having the ability to meet a broader range of customer needs with an expanded product line using Cummins' proven technology is our formula for success in 2010 and beyond. Designing and producing the best-in-class Heavy-Duty diesel requires expertise in combustion, air handling, fuel systems, electronic controls and exhaust aftertreatment. That expertise and the ability to balance customer and environmental needs drive Cummins' innovation.

The next-generation cooled EGR is key to reducing emissions and oxides of nitrogen (NOx). EGR technology will not add complexity to the vehicle; and power, torque, fuel economy and maintenance intervals will stay the same. Cummins presently leads the U.S. on-highway truck market with cooled-EGR technology.

Cummins also will continue to use its proven Variable Geometry Turbocharger (VG Turbo), which bolsters total engine performance from power output to response to superior engine braking,

Having the ability to meet a broader range of customer needs with an expanded product line using Cummins proven technology is our formula for success in 2010 and beyond.



This Cummins-powered boat uses biodiesel fuel to take people to view killer whales in their natural habitat.

Cummins Mercruiser Diesel Powers Efficiency and Economy on Puget Sound

Ivan Reiff's childhood memories of life with a fisherman father in Florida led him to Washington State's Puget Sound, where he found little San Juan Island and a wonderful profession.

In 2003, he and his wife, Jacquelyn, bought the Western Prince II, a 46-foot fiberglass boat used to take people to see orcas, the beautiful mammal commonly known as killer whales, in their natural habitat.

The Reiffs have been careful to maintain an environmentally responsible operation out of concern for the future of the whales. They are members of the Northwest Whale Watcher Operators Association and adhere to that group's guidelines for operating power boats in the vicinity of whales. On their own, they also began burning biodiesel fuel in the boat's two-cycle main engines. Recently, they replaced the Western Prince's aging engines with a pair of Cummins' new Tier II compliant QSL9-405 MCD engines from Bellingham's Tri-County Diesel.

These 400 bhp 9-litre 6-cylinder engines have evolved to meet the stringent emissions requirements of the EPA. A high-pressure common rail fuel system virtually eliminates start-up white smoke and black smoke, improves fuel economy and significantly reduces noise.

While the Cummins QSL9 meets the Tier II emission requirements, it also has other significant advantages for a boat like the Western Prince II, which routinely takes 30 passengers on natural history tours. By incorporating the latest engine technology, the new engines add to passenger comfort while generating bottom-line savings.

Cummins has
worldwide
experience
and leadership
with a wide
range of proven
technologies.

while working in tandem with the cooled-EGR subsystem.

The Cummins Particulate Filter, designed and manufactured by Cummins Emission Solutions and introduced in 2007, will be the only aftertreatment required for Heavy-Duty engines in 2010. The engine and aftertreatment work together to further reduce particulate emissions.

MidRange Engine Evolution

Cummins will enhance its MidRange on-highway product performance and reliability by adding Selective Catalytic Reduction (SCR) to its existing product to meet the near-zero 2010 emissions standards. SCR is the right technology for Cummins medium-duty truck, bus and specialty-vehicle customers who want a simple and proven solution to meet their diverse power and duty cycle needs.

Cummins MidRange engines are known for their exceptional value. With the MidRange engines, SCR enables Cummins to extend its power range while maintaining excellent fuel economy, maintenance intervals and overall low cost of ownership. This translates to even better value for MidRange customers in 2010.

SCR technology uses a chemical called urea and a catalytic converter to significantly reduce NOx emissions. SCR technology is not new to Cummins. In 2006, Cummins launched its MidRange engines certified to the Euro 4 standard using SCR for commercial vehicle applications in Europe.

Competitive Advantages

Across its entire lineup of on-highway engines, Cummins is able to meet increasingly stringent emissions regulations

with speed and efficiency, due primarily to two competitive advantages.

First, Cummins benefits from an integrated business structure that enables it to tap the core competencies of Cummins Emission Solutions, Cummins Turbo Technologies, Cummins Fuel Systems and Cummins Filtration. These businesses work together to bring to market technologically superior, fully integrated systems.

Second, Cummins has worldwide experience and leadership with a wide range of proven technologies. Cummins continues to execute its carefully planned product strategy, anticipating changes and investing in the research and development necessary to meet customer needs and environmental goals.

All Cummins U. S. on-highway engines will be fully certified and compliant to the near-zero EPA 2010 emissions standards.

Controlling Emissions in the Off-Highway Market

Cummins captured the attention of the off-highway equipment industry as the first to announce a technology path to meet Tier 4 emission regulations. The EPA Tier 4 Interim and equivalent European Stage IIIB off-highway emission standards take effect across the 174-hp to 751-hp (130-560 kW) powerband in 2011.

The core technology will be Cummins Particulate Filter and cooled EGR system as part of an integrated technology solution extending from air intake to exhaust aftertreatment.

Cummins is taking a lead role in the industry because of its unique in-house technology



From left:
Mike Osenga
from *Diesel
Progress*,
Joe Loughrey,
Cummins
President, John
Wall, Cummins
Chief Technical
Officer, and
Mike Brezonick,
Diesel Progress,
at the
presentation
ceremony.

Cummins Named Newsmaker of the Year

Cummins received the highly acclaimed *Diesel Progress* Newsmaker of the Year award during a ceremony at the Cummins Corporate Office Building (COB) in Columbus, Indiana in December 2007. The ceremony was attended by representatives from *Diesel Progress* and Cummins and included a presentation of the award, followed by remarks from Mike Osenga, Publisher of *Diesel Progress*, and Cummins officials.

Osenga complimented Cummins' ability to consistently communicate engine technology in a thoughtful and timely manner, which has raised the industry standard for communications. Cummins has long enjoyed a strong relationship with *Diesel Progress* and was delighted to celebrate this achievement with members of the marketing, sales, engineering and various other employees.

The 2007 award highlights three significant Cummins technology announcements: the launch of the 2007 Dodge Turbo Diesel, the first engine to meet the 2010 heavy-duty diesel regulations; the Company's Heavy Duty and MidRange solutions for the North American EPA 2010 emission standards and the solution to meet the Tier 4 Interim/Stage IIIB regulations, which will take effect in 2011.

The award, started in 1997, honors the company, person, product, technology, market or industry subject that made the most news during the year. Cummins first received the award in 2002. *Diesel Progress* is the leading publication in the diesel industry.



“We believe the right technology matters and that nobody is better than we are at creating emissions-compliant products that meet our customers’ expectations.”

Virendra Kumar

and system integration. Our Tier 4 solution is driven by the need to deliver the lowest cost of ownership and most productive power solutions for operators. The 2011 off-highway regulations require a 90 percent reduction in PM and a 45 percent reduction in NOx emissions.

While meeting these stringent reductions, Cummins Tier 4 QSB to QSX products will offer enhanced performance and improved fuel efficiency compared to our current Tier 3 engines.

Integrating Tier 4 engine and aftertreatment into a wide variety of off-highway equipment types will be challenging, but Cummins’ application engineering expertise will enable us to design and pre-engineer all the key subsystems in-house.

For Tier 4, Cummins will offer standardized engine, aftertreatment and air intake packages, speeding up installation work and realizing space-saving advantages for our OEM customers.

The 2010 EPA Emissions and Fuel Rule

Looking ahead to 2010, emission requirements will change dramatically for heavy-duty trucks over this period. Both NOx and PM will be reduced by 90 percent from 2004 levels.

The EPA has allowed for a NOx phase-in from 2007 through 2009. During this time, 50 percent of the engines produced must meet the stricter, 2007 NOx standard, while 50 percent may continue to meet the 2004 standard.

The PM requirement was not phased in, and, as a result, all engine production was

required to be in compliance with the new standard by January of 2007.

By 2010, all heavy-duty diesel engines are expected to meet the NOx standard of 0.20 grams per brake-horsepower hour (g/bhp-hr) and the PM standard of 0.01g/bhp-hr.

Also by 2010, regulations will require the phase-in of advanced on-board diagnostics with additional sensors to monitor the effectiveness of emission-control systems on the engine, which will alert the driver if a failed emission-reduction device needs to be repaired.

Ultra-Low Sulfur Diesel Fuel (ULSD)

In addition to the new exhaust emission standards, the EPA is lowering the limit for diesel sulfur fuel from 500 parts per million (ppm) to 15 ppm. The new fuel standard began to be phased in October 2006 and will be completed by September 1, 2010 (100 percent participation).

Cummins has publicly expressed its support of ultra-low sulfur fuel. ULSD has several benefits. It produces less particulate matter from combustion, so it is a particulate matter control strategy for all equipment in use. In addition, ultra-low sulfur fuel enables the use of advanced aftertreatment control systems.

Biodiesel Fuels Now in Use

Biodiesel is a clean-burning alternative fuel made from renewable resources like soybeans, vegetable oils and even algae. It creates about 60 percent less carbon dioxide than petroleum fuels, biodegrades as quickly as sugar, and is less toxic than



The Cummins filter is an integral part of the Cummins engine, as shown on this Whole Foods Market truck in Indianapolis, Indiana. Whole Foods has been using biodiesel in its 25 Midwestern territory fleet for more than two years, covering 7 million miles and using 800,000 gallons of biodiesel fuel.

table salt. Biodiesel fuel is free from the aromatics and sulfur found in traditional fuels and is one of the few alternative fuels registered with the Environmental Protection Agency for sale and distribution.

Unfortunately, few engines today can safely use biodiesel in its pure form (called B100) without alterations. Many manufacturers will not warrant an engine for use with more than a 5 percent blend of biodiesel (B5).

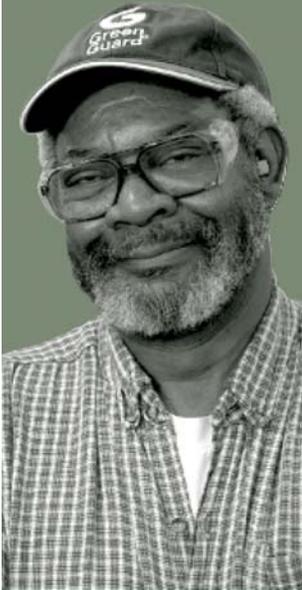
Early in 2007, Cummins completed extensive tests on five of its largest on- and off-highway engines, and announced that Cummins customers may operate any such emissions-compliant engine made after 2002 with confidence using 20 percent (B20) biodiesel fuel.

The popularity of biodiesel fuel continues to climb. Estimates are that 1.2 billion gallons will be produced in the U. S. in 2008, and more than a dozen states have passed favorable biodiesel legislation, making it a financially viable alternative.

Cummins has pledged to continue its efforts to ensure that future products will be compatible with biodiesel fuels and will continue to participate in industry efforts to develop consistent quality throughout the biodiesel industry.

Cummins Filtration and the Environment

As the global leader in providing filtration, exhaust, coolant and chemical technology for diesel and gas-powered equipment worldwide, Cummins Filtration takes its environmental responsibility seriously. With more than 525 active global patents for innovative technology, Cummins Filtration continues to provide environmental leadership by designing products for the future that extend service life, lower emissions and eliminate harmful toxins. Cummins Filtration products continually meet or exceed global emissions and noise regulations, reduce disposal issues and support extended maintenance.



“We take pride in our work and are committed to producing high-quality products that provide outstanding value to our customers.”

Jerry Lawson

The Company has developed a specific line of environmentally safer products to ensure:

- Reduced environmental impact
- Lower operating costs and increased vehicle uptime
- Excellent performance

To achieve these results, Cummins Filtration offers an integrated system approach for equipment maintenance with environmentally friendly product choices for all major engine systems. This stable of green products includes the following state-of-the-art technologies:

Open Crankcase Ventilation

The Fleetguard line of Open Crankcase Ventilation meets global emission standards for 2007 and protects the environment by:

- Reducing blow-by oil emissions to the atmosphere by more than 65 percent
- Lowering PM emissions
- Reducing oily residues on the back of vehicles
- Reducing oil drip by 99 percent, eliminating oil dripping onto roads, crops, bodies of water, garages and driveways
- Reducing oil waste and clean-up costs
- Minimizing engine downtime and lowering maintenance costs

Oil and Fuel Modules with Incinerable Replacement Cartridges

For more than ten years, Cummins Filtration has partnered with our OEM customers to create oil and fuel modules for heavy-duty applications. Originally, the modules were 100 percent metal, and the replacement cartridges were complex with multiple metal pieces. Today’s modules contain less metal and continue to progress toward increased sustainability. This continued evolution benefits the environment through:

- Increased integration of composite materials in the housings, improving recyclability and decreasing weight
- Replacing the need for heavy spin-on filters by using lighter-weight replacement cartridges
- Reducing the number of components in the replacement cartridges
- Removing metallic components from replacement cartridges for rust-free storage
- Eliminating adhesives, paint and cured paper from the cartridges for reduced Volatile Organic Compounds
- Reducing space in landfills with fully incinerable cartridges



Fabiola Guadalupe Alonso Zapata works in the Generator Technologies plant in San Luis Potosi, Mexico.

San Luis Potosi Gets Energized, Helps Protect Environment

The San Luis Potosi (SLP) facility hosted the city mayor and the Ministry of Ecology staff, as they delivered 2,000 kilograms of used batteries to the SLP plant for proper disposal in the summer of 2007. The batteries were collected by the municipality during the program called "Energize Yourself."

This program encouraged the correct disposal of batteries to prevent contamination of the environment, especially the subsoil. Cummins is the only authorized storage center in the state to provide such disposal.

During the event, Mayor Jorge Lozano Armengol emphasized the importance of this program and thanked Cummins employees for their participation. SLP Plant Director Miguel Kindler also stressed the importance of supporting the environment through correctly disposing batteries.

Allen Pierce, General Manager of Parts and Service Manufacturing, received the batteries from the mayor in a symbolic act to emphasize that Cummins is committed to advancing the community and protecting the environment.



“Being a low-cost producer is essential to the Company’s business tactics, and Six Sigma, with its relationship to all Cummins’ business activities and processes, remains key to this strategy.”

Rong Sun

Industrial Pro™ Diesel Fuel Filtration

The FH 4 Series Industrial Pro™ diesel fuel filtration system is standard on all Cummins 2007 high-horsepower engines. The all-in-one fuel filter, fuel/water separator and fuel heater combines EleMax™ filter technology and multi-layered StrataPore™ media to provide higher fuel/water separation efficiency over time and reduced restriction to flow. Other outstanding features and benefits include:

- 5-minute maintenance with self-priming port
- Clear cover showing users when NOT to change filter
- Seeing is Believing® patented technology with superior water and contaminant removal

Sea Pro® Marine Diesel Fuel Processor

The FH 4 Series Sea Pro® 5 diesel fuel processor is standard on all Cummins 2007 Tier II marine engines and may be used on other manufacturers’ new and existing engines. Sea Pro® 5 includes fuel filtration, fuel/water separation, water-in-fuel sensors, and proprietary StrataPore™ media. Its unique features provide competitive benefits while protecting the environment with:

- Remote mount design allows 5-minute, no-mess filter change
- Highly durable, corrosion-resistant shell

- Superior fuel/water separation and reduced restriction
- Longer service intervals with three times the life of conventional similar-sized cellulose filters

ES Compleat™ Glycerin Premix Long-Life Antifreeze/Coolant – Sustainability and Performance

Cummins Filtration has long supported the importance of greener solutions through all product development.

In early 2008, the company announced the release of Fleetguard ES Compleat™ Glycerin Premix coolant to the global marketplace. Fleetguard ES Compleat is an innovative heavy duty engine antifreeze/coolant that uses glycerin in lieu of traditional ethylene glycol (EG) or propylene glycol (PG). Glycerin is derived from renewable sources and is the primary byproduct of the biodiesel manufacturing process.

Supporting sustainability with a glycerin coolant that also offers excellent protection is very important to the Company mission.

Cummins Filtration conducted extensive testing and field trials of the glycerin-based antifreeze. All tests confirmed that ES Compleat Glycerin Premix provides the anti-freeze, anti-boil, heat transfer and corrosion protection required of today’s fully formulated, heavy-duty antifreeze coolants and meets or exceeds the performance specifications of all heavy-duty engine OEMs.



Shuttle buses pick up employees for the daily commute, helping reduce traffic and pollution in Wuxi, China.

Busing Through Wuxi

Wuxi, near the southeast coast of China, is one of the fastest growing cities in the world. Cummins has turbocharger and alternator plants nearby, employing hundreds of workers who must make their way from the city into work every day.

To help cut back on the traffic and pollution that so often accompany industrial expansion, Cummins in 2007 introduced Suzhou Kinglong shuttle buses equipped with Cummins Euro III engines. The buses pick up employees for their daily commute and return them to the city at the end of a shift.

Among their strongest supporters are the drivers who operate the buses every day. As one remarked, "The bus is strong and powerful. It makes starting and stopping on crowded city roads so much easier. Compared to other buses I've driven, it has excellent fuel economy, low engine noise and best of all, no black smoke from the back."

With the new buses, Wuxi Holset is meeting the environmental policies of the Wuxi Government authorities.

Emission Solutions offers exhaust aftertreatment systems that control harmful emissions.

With extended service intervals of 150,000 miles (250,000 km or 4000 hrs), ES Compleat Glycerin Premix offers freeze protection to -32 Degrees F and offers ultimate liner pitting, corrosion, aluminum and solder protection for longer system life. The coolant is compatible with gaskets, elastomers and other non-metallics in the engine and is suitable for all diesel, gasoline and natural gas engines.

Aftermarket: Emission Solutions

Cummins has leveraged its research, product development and technology expertise to create businesses such as Emission Solutions. This Components Group business is a market-leading global designer, manufacturer and distributor of exhaust aftertreatment systems and devices for the on and off highway medium duty, heavy duty and high horsepower engine markets.

With key operations in Indiana, Wisconsin, the United Kingdom and South Africa, Cummins Emission Solutions products serve both OEM and retrofit customers.

Emission Solutions specializes in exhaust products and systems for diesel engines. Emission Solutions offers exhaust aftertreatment systems that control harmful emissions such as CO, HC, NOx and PM.

Emission Solutions products reduce PM and NOx to 99 percent less than unregulated levels. With retrofit and first-fit options, Emission Solutions has integrated service solutions to help customers understand local air quality regulations and identify sources of funding for specific emission reduction efforts. Cummins

Emission Solutions has established a leadership position in the North American school and urban bus markets with its retrofit and "neofit" aftertreatment products.

The Technology Advantage

Cummins has long been a pioneer in emission research and development, investing in critical technologies to achieve future emission standards while meeting the needs of our customers. The Company's emissions solutions are the result of a technology plan set in motion in the early 1990s. This plan will carry Cummins through 2010 and beyond.

At the core of this road map is a strategic decision to develop the right technology for each application and market served. Different operating conditions and factors can influence the technology path for each market. And while developing multiple emission solutions has required a significant investment in research and development, the Company believes it will guarantee Cummins' customers optimum performance and reliability at the lowest possible cost of operation.

More than half of the \$2.4 billion spent by Cummins on research and development in the last 10 years has been invested in emission reduction technologies.

Nothing the Company does is more important. Through our technical productivity initiatives, we have reduced our cost of research and engineering from 5 percent of sales to less than 3 percent of sales, while growing market share and extending our product lines.



It takes about 85 percent less energy to remanufacture an engine than to make one from new parts.

ReCon: Going Green, Going Global

“Reduce, reuse, recycle.” That’s a key slogan for environmentalists everywhere. At Cummins, we have an additional term: ReCon. ReCon is the name Cummins uses for its line of genuine, factory-remanufactured products. It takes about 85 percent less energy to remanufacture a product than to make one from new parts.

Reusing an engine block, for example, saves energy at every step along the way in mining, ore processing, transportation, casting and machining.

Materials reclaimed through ReCon are estimated to result in energy savings sufficient to power 10,000 homes in the U. S. Since most of that energy is fossil-fuel based, the savings also add up to greenhouse gas (GHG) reductions. Cummins reuses or recycles over 48 million pounds of material each year, with a corresponding GHG reduction of about 200 million pounds.

As good as ReCon is for the environment, it also is good for business. The countercyclical nature of the remanufactured parts business gives Cummins another opportunity to demonstrate long-term, stable earnings for shareholders. And customers like the fact that ReCon effectively extends the life of their equipment. Most ReCon products are available immediately, reducing customer wait time for a component or engine rebuild.

Cummins has had a ReCon business in the U. S. since the 1960s, but now is locating world-class remanufacturing sites in India and China. As we increase our global ReCon footprint, we will increase revenues through remanufacturing and add greater global diversification to our portfolio.



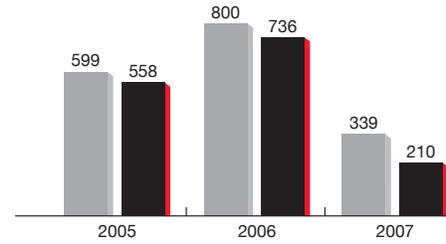
“The best way to have great employees is to provide a work environment that challenges them to do their best.”

Alberta Green

One part of this strategy involves process improvement tools such as Six Sigma and Analysis-Led Design (using computer analysis and simulation tools to optimize designs analytically and eliminate expensive prototype testing). Another is to involve OEMs and joint venture partners as early as possible in the development and integration process.

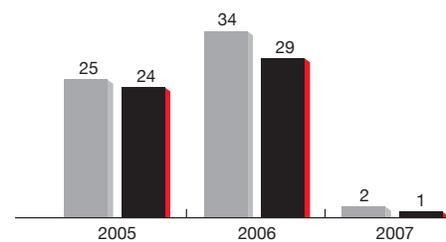
This open exchange of information and technology has been – and will continue to be – instrumental in developing high-performance products that deliver optimum performance and reliability at the lowest total cost.

Total Automotive Useful Life Emissions Nitrogen Oxides (NOx) in 1,000 Tons



■ EPA Allowed
■ Cummins Produced

Total Automotive Useful Life Emissions Particulate Matter (PM) in 1,000 Tons



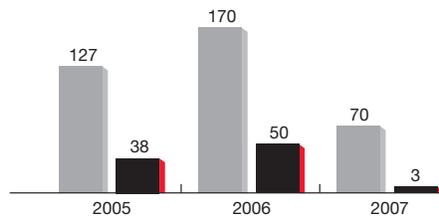
Emission Regulations and Cummins Product Goals

Since the 1970s, Cummins on-highway engines have been regulated by the EPA and similar regulatory agencies around the world for combustion emissions, including NOx, carbon monoxide (CO), hydrocarbons (HC) and PM, also known as soot.

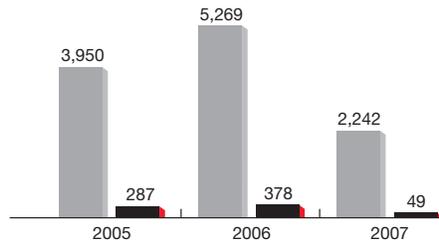
Cummins works closely with regulatory bodies to seek aggressive, but technologically feasible, emission reductions that also allow us to continue to make products that meet the exacting needs of our customers.

When compared to emissions from unregulated engines — i.e. before EPA standards became effective in 1973 — today’s on-highway diesel engines emit 90 percent less PM and nearly 90 percent less NOx. Cummins and other engine-

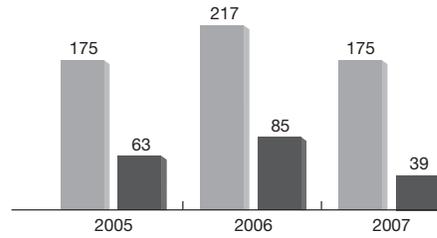
Total Automotive Useful Life Emissions Hydrocarbons (HC) in 1,000 Tons



Total Automotive Useful Life Emissions Carbon Monoxide (CO) in 1,000 Tons



On-Highway Diesel Engine Volumes (k)



Midrange (3-9 liters)
Heavy-Duty (10-15 liters)

For 2005, the emission tons calculation was updated to correctly reflect EPA regulated useful life since last report.

makers are required by the end of the decade to further reduce PM and NOx to levels 99 percent lower than the unregulated levels.

Off-highway engines produced by Cummins also are subject to stringent emission standards. While the combustion process for off-highway engines is fundamentally the same as for on-highway engines, the emission control strategies are not interchangeable because of the broad horsepower range, unique applications and the wide variety of duty cycles typical of off-highway products.

Between 1995 and 2006, off-highway engine emissions for NOx and PM have been reduced by 80 percent and 85 percent, respectively. And from 2010 to 2014, off-highway engines will be controlled to essentially the same level of emissions as their on-highway engine counterparts. By 2014, NOx and PM emissions from off-highway engines will be 98 percent lower than they were in 1995.

The charts on these and subsequent pages depict Cummins' commitment to the environment by demonstrating that the Company's engines often exceed U. S. emissions standards. The on-road charts for North America compare the estimated maximum allowable emissions by EPA standards versus Cummins' estimate of its engines' actual emissions for the past three years. Estimates are based on the number of engines, both heavy-duty and midrange, manufactured in the United States for on-highway use per year.

Cummins engines have released far less hydrocarbon and carbon monoxide into the environment than the maximum allowed by the EPA.

And even by the tough NOx and PM measures, Cummins has been under the standards.

The figures in the non-road charts are based on the number of midrange, heavy-duty and high-horsepower engines produced for non-road engines produced to EPA standards. As with Cummins



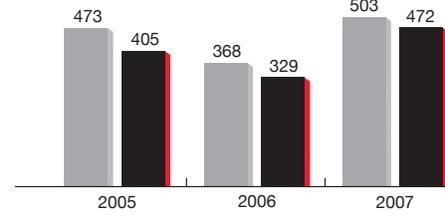
“Cummins’ future is based on how well we develop and apply technology to our products. As an independent engine and components manufacturer, we are committed to being the best at doing this.”

Bob McIlree

on-road engines, these non-road engines release far less HC and CO into the environment than the maximum allowed by regulatory agencies. Likewise, NOx and PM actual emission levels are under the applicable standards.

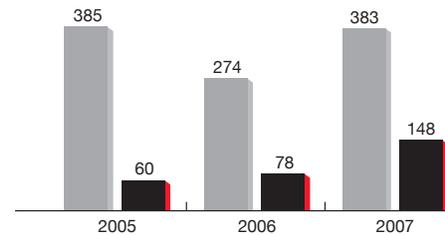
Cummins also participates in a regulatory program called Averaging, Banking and Trading (ABT). This program allows emission credits to be generated and “banked” by a company whose products generate emissions that are lower than the regulated level. These banked credits may be applied to other engines whose emissions are higher than the standard. However, some credits are discounted by a certain percentage depending on engine type and ABT program rules. As a result of this discounting process, a portion of the emissions credits go unused by the Company, and are thus an additional benefit to the environment.

Total Non-road Useful Life Emissions Nitrogen Oxides + Hydrocarbons (NOx + HC) in 1,000 Tons



EPA Allowed
 Cummins Produced

Total Non-road Useful Life Emissions Carbon Monoxide (CO) in 1,000 Tons

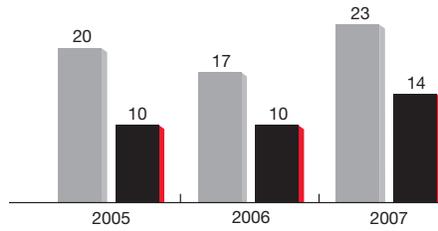


Going Beyond Requirements in Other Countries

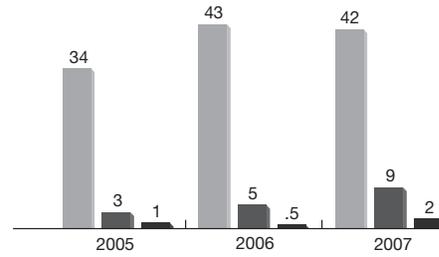
Cummins meets or exceeds emission regulations in every country that it operates. In South Africa, where there are no emission regulations for existing types, Cummins sells EPA certified 1998/1999 engines. Standards in South Africa commence in 2010. Similarly, in Taiwan, emissions regulations require EPA 1994 standards, yet Cummins sells EPA 1999 certified engines. In Mexico, the Company sells EPA 2004 certified engines, although the law requires EPA 1999 certified engines.

Cummins has worked closely with the Chinese government and OEMs to introduce “green engines” to China. Cummins is committed to bringing in advanced, low-emission environmental products to Chinese customers

Total Non-road Useful Life Emissions Particulate Matter (PM) in 1,000 Tons



Non-road Diesel Engine Volumes (k)



For 2005, the emission tons calculation was updated to correctly reflect EPA regulated useful life since last report.

concurrently with international markets, including the United States and Europe.

Cummins and its joint venture partner, Dongfeng Automotive, started limited production of Euro III diesels in late 2006 and reached volume production in the second quarter of 2007 in advance of the Chinese Government's requirements.

In addition to local production of Euro III engines, Cummins is the first foreign diesel maker to invest in the local manufacturing of key sub-systems, including fuel system and after-treatment products. This initiative supports Chinese partners and OEM customers as they work to meet future emission standards, including Euro III, Euro IV and above. Cummins Fuel Systems plant in Wuhan and Cummins Emission Solutions plant in Beijing will both start production in 2008.

A Green Leader in China

Cummins has a history of being a "green leader" in China. In 1999, Cummins was the first foreign diesel maker to power the large-scale Euro II transit fleet in South China's Shenzhen City, two years before China implemented the Euro I standards. The same year in Beijing, Cummins launched Euro II compressed natural gas engines, which were later branded through Cummins' joint venture with Westport in Canada. Beijing Public Transit is now the world's largest CNG fleet, with close to 3,000 Cummins Westport Euro II and Euro III natural gas engines installed to date.

In 2001, Cummins began introducing Euro III diesel engines into the China market. Currently, more than 20,000 Cummins Euro III diesels power transit buses and coaches across the country, making Cummins the top Euro III diesel supplier in China.

In preparation for the Beijing Olympics, Cummins started introducing Euro IV engines into Beijing

The Cummins Science and Technology Advisory Council members regularly discuss the future of the internal combustion engine and the use of alternative power sources.

Public Transit in 2005. This summer, 2,750 transit buses in China's Capital City will be powered by Cummins Euro IV diesels and will be in use for transportation related to the Olympic Games.

Although China does not currently have a nationwide emission standard for off-road equipment, Cummins has been working closely with local OEMs to introduce emission-compliant industrial engines at the same time as the European and U.S. markets. All of the imported engines we sell for China's construction market are either Tier 2 or 3 compliant, with local production presently moving to Tier 2.

At the 2008 ConExpo in Las Vegas, Cummins formed strategic alliances with leading Chinese construction OEMs to power their export equipment with Cummins Tier 4 interim/Stage IIIB low emission off-road diesel engines. In addition, Cummins' Chinese engineers helped the local EPA draft the first generation of China's off-road emission standards.

Counsel in Developing Products and Meeting Standards

In developing products to meet various standards, as well as the demands of its customers, Cummins seeks advice and counsel from its Science and Technology Advisory Council and the Technology and Environment Committee of its Board of Directors.

Cummins Science and Technology Advisory Council, formed in 1993, has given the Company access to some of the country's leading scientific thinkers and policymakers from the worlds of academia, industry and government.

The Cummins Science and Technology Advisory Council members regularly discuss the future of the internal combustion engine and the use of alternative power sources. As an example, Cummins already has pursued alternative energy options, including clean natural gas bus engines and power generation units that harness waste gases such as methane available in landfills.

The Cummins Science and Technology Advisory Council members are:

Frank S. Bates

Chairman, Chemical Engineering and Materials Science Department, University of Minnesota.

Dr. Harold Brown, Counselor

Center for Strategic and International Studies, retired Cummins Director, former Secretary of Defense and President of CalTech.

Phil Sharp

President of Resource for the Future, Washington, D.C.

Dr. Sophie V. Vandebroek

Chief Technical Officer and President, Xerox Innovation Group for Xerox Corporation, Stamford, Connecticut. Fellow of the Institute of Electrical & Electronics Engineers and served as an elected member on the IEEE Administrative Committee. Fulbright Fellow and a Fellow of the Belgian-American Educational Foundation.

Dr. George M. Whitesides

Mallinckrodt Professor of Chemistry at Harvard University.



John Sadtler (left), Second Shift Operator on the XPI nozzle production line for Fuel Systems, speaks with visiting U.S. Commerce Secretary Carlos Gutierrez at the Fuel Systems plant in Columbus, Indiana.

Dr. Gerald L. Wilson

Professor of Electrical Engineering and Mechanical Engineering, Massachusetts Institute of Technology, formerly Dean of Engineering at MIT.

The Technology and Environment Committee of the Cummins Board of Directors advises top management and the technical leadership of Cummins regarding:

- Technology strategy and planning
- Significant research and technology projects and tools
- Major new product programs
- Environmental policy and strategy within the public arena as well as maintaining an internal action plan.

Its membership includes the following Directors: Alexis M. Herman, Georgia R. Nelson, William I. Miller and Carl Ware.

The committee also encourages collaboration between Cummins and the external technical and environmental community and reviews the technology plans of the Company.

Performance Indicators: Facilities

Doing our part to promote a healthy environment goes beyond producing the cleanest possible products. Cummins' facilities have a large role to play in helping create a safe and sustainable environment for today and in the future.

Minimizing workplace injuries, reducing facility emissions and waste and conserving natural resources are fundamental to Cummins' commitment to the communities in which we work and live. These efforts also have a direct positive impact on the profitability of our business.

Cummins' approach to facilities management acknowledges the importance of protecting the environment and conserving our natural resources, and includes our formal commitment to the long-term sustainability of our operations. As we continue to meet our regulatory obligations, we also will work to identify opportunities for improvement and reduce the environmental impact of our operations.

Safety and Environmental Council

Cummins Corporate Health, Safety and Environmental (HSE) Council was established in 2003 and continues to strengthen today. The HSE Council brings together manufacturing, safety and environmental leaders from across the Company's business units, along with corporate staff and the General Counsel. The Council meets quarterly with the objective of building a best-in-class safety and environmental organization across Cummins worldwide entities.

The Council meeting is the forum for developing HSE policies and strategic initiatives and is where company-wide objectives and targets are established. Among the Council's initiatives in support of performance improvement objectives are a focus on facility registration to the Enterprise Safety and Environmental Management Systems, building good HSE practices into the Company's growth strategy and organizational and individual functional excellence development.

Health, Safety and Environmental Management Systems

Cummins' safety and environmental policy drives the global Safety and Environmental Management Systems, which provide the platform for setting key objectives and ongoing monitoring of our HSE performance. Cummins has incorporated the elements of the ISO 14001 Standard and the OHSAS 18001 Safety Guidelines into the two systems and has committed to registration by an independent third-party. Cummins has taken a multi-site "enterprise" approach to registration of these management systems, rather than a customary individual site registration. This global, single registration employs a centralized management review process that captures key HSE performance data for analysis at every level in the organization. This approach allows Cummins to leverage superior environmental and safety management programs and practices for implementation worldwide. The enterprise allows for flexibility in development of a management system within a framework

By the end of 2007, Cummins had 42 manufacturing facilities and the corporate entity registered to the ISO 14001 Standard.

Environmental Management System Registrations to ISO 14001

Site	Reg. Year	Location	Business Unit
Cummins – Daventry Engine Plant	2001	UK	Engine
Cummins Filtration – Quimper	2001	France	Components
Cummins Turbo Tech. – Huddersfield	2001	UK	Components
Cummins – Darlington Engine Plant	2002	UK	Engine
Emissions Solutions – Mineral Point	2001	USA	Components
Cummins – San Luis Potosi	2002	Mexico	Engine
Cummins Filtration – Viroqua	2002	USA	Components
Cummins Filtration – Arcadia	2002	USA	Components
Cummins Filtration – Wautoma	2002	USA	Components
Cummins Industrial Center/Cummins Komatsu Engine Co.	2002	USA	Engine
Cummins Generator Tech. – Stamford	2002	UK	Power Gen
Cummins Turbo Tech. – Charleston	2002	USA	Components
Dongfeng Cummins Engine Co. Ltd/ Cummins Xiangfan Machinery Co. Ltd	2002	China	Engine
Tata Cummins Limited	2003	India	Engine
Cummins – Fuel Systems Plant	2003	USA	Components
Cummins Brazil Ltd.	2003	Brazil	Engine
Cummins – MidRange Engine Plant	2003	USA	Engine
Cummins Filtration – Lake Mills	2003	USA	Components
Cummins Filtration – Black River Falls	2003	USA	Components
Cummins – Corporate	2003	Worldwide	Corp
Cummins Filtration – Bloomer	2003	USA	Components
Cummins Filtration – Neillsville	2003	USA	Components
Cummins Turbo Tech. – Dewas	2004	India	Components
Cummins Filtration – Findlay	2004	USA	Components
Cummins Turbo Tech. – Wuxi	2004	China	Components
Consolidated Diesel Company	2004	USA	Engine
Cummins – Jamestown Engine Plant	2004	USA	Engine
Cummins Power Generation – Fridley	2004	USA	Power Gen
Diesel ReCon – Juárez/El Paso	2004	USA/Mexico	Engine
Cummins Generator Tech. – San Luis Potosi	2005	Mexico	Power Gen
Cummins Filtration – San Luis Potosi	2005	Mexico	Components
Diesel ReCon – Memphis	2005	USA	Engine
Cummins Power Generation – Kent	2005	UK	Power Gen
Cummins Filtration – Brazil	2006	Brazil	Components
Cummins Filtration – Cookeville	2006	USA	Components
Cummins – Columbus Engine Plant	2006	USA	Engine
Cummins Power Generation – Beijing	2007	China	Power Gen
Cummins Power Generation – Singapore	2007	Singapore	Power Gen
Cummins Generator Tech. India	2007	India	Power Gen
Cummins Generator Tech. Wuxi	2007	China	Power Gen
Cummins India Ltd.	2007	India	Engine
Cummins Sales and Service	2007	India	Distribution

Highlighted sites represent enterprise registrations



"I am honored to work at a company where success is defined by more than how much money the corporation makes."

Linda Shi

that facilitates implementation of a common health, safety and environmental management system (HSEMS) when new manufacturing locations are commissioned.

The two systems have now been successfully integrated at the corporate level, supported by the development of integrated audit protocols. These efforts are paving the way for the future development of a combined HSEMS enterprise.

Environmental Management System

The Enterprise EMS was first registered by an independent third-party registrar in 2004, when a total of four sites participated. In 2007, Cummins recertified the enterprise EMS for another three-year period. By the end of 2007, Cummins had 42 manufacturing facilities and the corporate entity registered to the ISO 14001 Standard.

Auditor Certification Program

The program was launched to support Cummins' efforts to develop more consistently robust auditing capabilities and develop employee functional excellence. Audit trainees are called on to participate with HSE Council leaders in site audits that are conducted to support new HSEMS registrations and satisfy Cummins' annual internal audit requirement. Through successful participation as a team member in several audits and a supervised event as a lead auditor, audit trainees themselves become certified as lead auditors.

Not only has this initiative bolstered subject matter expertise and reduced Cummins' dependence on contractors, it has substantially facilitated the sharing of best practices. Auditors observe first-hand

the effective practices in place at the audited site and bring a fresh perspective to the auditee by sharing their own winning environmental management strategies. Lead auditors are recognized at Cummins annual HSE Awards Banquet. Selected auditors with both safety and environmental responsibilities and expertise are being certified within both disciplines to support the integration of these systems and the continued development of a HSEMS.

Environmental Objectives and Targets

Each year, the HSE Council sets objectives and targets for the organization to ensure the continual improvement of Cummins' environmental performance. The business units supplement these with initiatives of special importance and interest to their respective businesses. The Enterprise EMS is the mechanism for driving these improvements, which can take any form that supports the Company's efforts to address our environmental policy commitments. The Engine Business has reaped significant environmental benefits from their focus on paint reformulations. Also, all businesses were engaged in the work necessary to develop our greenhouse gas emissions (GHG) inventory and the setting of an emissions reduction goal as part of an overall objective to reduce our carbon footprint.

Sites worldwide have completed innovative environmental projects – such as reducing packaging waste, recycling solvents and coolants and capturing rain water for re-use. Recent objectives and targets have included



Cummins' joint venture with Westport Innovations Inc. has resulted in cutting-edge technologies that allow engines to operate on natural gas, hydrogen and hydrogen-enriched natural gas. About 1,500 C Gas Plus engines are in service in transit buses for major U.S. fleets, including this one in Tacoma, Washington.

Introducing the Next Generation of Clean, Natural Gas Engines

In June 2007 Cummins Westport introduced the next generation of heavy-duty natural gas engines, the ISL G. The ISL G includes a maintenance-free, three-way catalyst aftertreatment and Cummins proven exhaust gas recirculation, enabling it to meet Environmental protection Agency 2010 on-road NOx standards today. It also confirms Cummins Westport and Cummins as leaders in reliable, efficient power with the cleanest emissions.

Both Orange County and Sacramento California, Cummins Westport's biggest market, have already ordered the ISL G for use in transit applications.

"While we're at 2010 emissions today, the real traction for our product in the marketplace is the emerging economic benefits, and those are driven by the price differential of the fuel," said Gordon Excel, Vice President and General Manager, Americas. Available in ratings from 250 to 320 hp, the ISL G is also an ideal engine for refuse, street sweepers, medium-duty trucks and shuttle applications.



“Working for a winning organization and a company with outstanding financial performance like Cummins are significant factors in keeping employee morale high.”

Tina DeMaio

improvements of the tools and processes that support collection and reporting of key environmental performance indicators, auditor training and other functional excellence initiatives. Addressing water conservation and emphasis on pollution prevention opportunities will continue to be focus areas as well.

Cummins Launches Energy Efficiency Initiative

To meet one of our key climate change objectives, a Cummins global Energy Efficiency Team conducted energy assessments at the largest Cummins' sites. They identified more than 500 capital projects alone at the first 15 sites in the United States. Information from these energy assessments was used to set an investment strategy and define an improvement approach based on energy-use categories. These categories, such as heating and cooling, capturing waste energy and improved lighting are driving improvements in our facilities.

Grassroots energy champions, working with the Energy Efficiency Team, also are engaging employees to initiate and participate in energy conservation projects.

For example, at the Consolidated Diesel Company, Cummins' joint venture in Rocky Mount, North Carolina, a project was launched to reduce the amount of electricity used by the plant's lighting. As a result, more than 800 standard lights were replaced with fluorescent T5 fixtures. This led to a reduction in electrical costs of 40 percent and a savings of 2.4 million kilowatt hours a year.

Manufacturing Operations

For perspective on our areas of environmental focus at the facility level, a general description of the manufacturing operations by business unit follows.

Cummins Engine: Within the Cummins Engine Business, manufacturing facilities employees conduct product design, research and development, engine manufacturing and engine and component reconditioning. Engine assembly facilities perform engine block and component machining, assembly, painting, alkaline bath parts washing and engine performance testing. Product design and engine testing are the primary operations in the research and development technical centers where production processes are limited.

Engine testing is conducted in stationary test stands or cells, where product performance information is measured as engines run at various duty cycles. Test cells also are used for certification testing to ensure products meet emissions requirements. Rebuild/reconditioning facilities perform engine tear-down and reassembly, using alkaline parts washing processes.

Cummins Components:

The Components Group includes four separate business units; Cummins Filtration, Cummins Fuel Systems, Cummins Turbo Technologies and Cummins Emission Solutions. Facility operations primarily involve filtration and exhaust product design, research and development, filter and exhaust component assembly, and product distribution and warehousing. Key operations conducted among the Components Group divisions

include filter, fuel systems, turbocharger and exhaust component assembly, metal stamping, tube bending, component machining, welding, product assembly, painting and performance testing.

Cummins Power Generation: Cummins Power Generation Business facility operations primarily involve product design, research and development, alternator manufacturing, assembly of generator sets, switchgear and controls and product testing. Alternator manufacturing facilities perform component machining, lamination stamping, rotor and stator winding, resin impregnation and alternator assembly.

Assembly facilities perform housing fabrication, genset assembly, switchgear and controls assembly, painting, alkaline bath parts washing and genset performance testing. Product design and performance testing are conducted in the research and development technical centers. Genset testing is conducted in stationary test stands/cells, where product performance information is measured while gensets are run at various duty cycles. Test cells also are used for certification testing to ensure products meet emissions requirements.

Waste Streams

The primary waste streams generated at Cummins manufacturing facilities include waste paint and associated materials, paint and other filter media, wastewater sludge and filter cake, machine coolant, used oil and resins. Metals and metal parts that cannot be reconditioned for re-use in Cummins products are salvaged for off-site recycling, as are used oils. Other waste streams include filter media and resins. At most facilities, machine coolant is recycled until ineffective and ultimately added to the wastewater stream for pretreatment prior to discharge to public treatment works.

Environmental Performance Measures

Reporting Sites

Cummins has collected key environmental sustainability measures from our facilities for many years, focusing on operations with the greatest potential environmental impact. Performance measures were originally gathered and reported internally in an effort to identify environmental performance improvement opportunities. Data has subsequently been aggregated for inclusion in Cummins' Sustainability Report and other reporting initiatives.

Because of Cummins' participation in the EPA's Climate Leaders Program and its comprehensive GHG inventory scope requirements, the number of sites taking part in data gathering has broadened significantly. In 2008, all of Cummins-controlled sites worldwide will provide data for all applicable sustainability indicators irrespective of facility size and operational scope. For the purposes of this report, performance data have been compiled from two different data sets, which are indicated in the following sections of this report.

The full complement of sustainability metrics, including water use, recycled materials, commodities consumed and wastes, as well as fuels and electrical power usage and their associated direct and indirect emissions included herein were derived from manufacturing and large non-manufacturing sites. These include several large joint venture facilities that are not under Cummins' operational control. Fuels, electricity and other GHG sources and emissions were collected from all facilities, irrespective of size or function, where Cummins maintains operational control and therefore are in scope of our Climate Leaders GHG reduction commitment. The 2007 population of sites in scope of Climate Leaders is 233 facilities. Greenhouse gas and other fuel/energy related emissions from Cummins' unconsolidated joint venture businesses are not included in this report.

Materials

Category	2005	2006	2007
Materials Other Than Water			
Diesel Fuel/Fuel Oil (Gallons)	8,706,939	9,771,249	9,634,265
Natural Gas (Cubic Feet)	1,342,803,937	1,381,792,175	1,312,025,265
Propane (Cubic Feet)	13,869,356	15,848,347	16,630,595
Oil (Gallons)	1,686,505	2,403,690	2,323,739
Paint (Gallons)	293,802	501,743	460,860
Coolant (Gallons)	825,214	1,430,599	975,424
Solvent (Gallons)	99,250	160,759	219,593
Total Water Use			
Total Water Use (Gallons)	958,525,983	2,031,633,771	1,302,703,844
Significant Discharges to Water (Gallons)	770,551,878	1,805,807,888	1,121,493,491
Total Amount of Waste by Type			
Industrial Waste (Metric Tons)	2,074	2,698	2,543
General Refuse (Metric Tons)	10,351	13,619	14,136
Recycled Materials			
Iron (Metric Tons)	99,298	114,960	113,114
Aluminum (Metric Tons)	978	874	666
Copper & Brass (Metric Tons)	326	551	1,396
Cardboard (Metric Tons)	6,601	8,431	9,757
Paper (Metric Tons)	281	358	453
Wood (Metric Tons)	9,541	16,510	21,834
Plastic (Metric Tons)	255	398	735
Reused Liquid Waste (Gallons)	2,750,151	1,086,218	3,222,670
Number of Reporting Sites — Fuels	229	229	233
Number of Reporting Sites — All Other Metrics	38	54	75

Other Significant Direct Air Emissions

Category (Metric Tons)	2005	2006	2007
NOx	2,565	2,863	2,816
CO	566	631	620
PM10	172	193	190
VOC	791	2,537	848
Number of Reporting sites — NOx, CO and PM10	229	229	233
Number of Reporting sites— VOCs	38	53	75

Data for NOx, CO, PM and CO₂ for 2005 and 2006 were developed from the 229 sites reporting fuels and electricity for the GHG inventory. Totals for VOC for these same years are based on data from the manufacturing and larger non-manufacturing sites, of which, 38 reported in 2005 and 53 in 2006.

Emissions from diesel fuel used in product testing applications and No. 2 fuel oil, propane and natural gas used in boilers and furnaces were derived using EPA AP-42 Compilation of Air Pollutant Emission Factors, 1996.

AP-42 emissions conversions used for large diesel engines are based on obsolete technology, so emissions data is overstated.

Materials

Cummins' materials data collection includes process compounds commonly used in the Company's manufacturing processes. In addition, quarterly data is reported and compiled for wastes, recycled materials, utilities and other key measures.

Cummins has increased the population of facilities reporting sustainability metrics substantially over the last several years. The population of reporting sites in 2006 represents essentially all of the most significant manufacturing and non-manufacturing operations in the company. In 2008 and beyond, all controlled sites will systematically report all metrics, which will simplify data trend analysis.

An additional 16 facilities reported data in 2006 versus 2005. The substantially larger data set, better measurement processes and continued company growth are collectively responsible for the increases for all metrics in 2006. Reductions in diesel and natural gas were experienced in 2007 as

compared to the prior year, as well as for oil, paint and coolant. These measures are likely due in part to reduction in engine production volumes over the same timeframe. Natural gas use is tied closely to weather and may be in part explained due to overall milder winter temperatures in the regions in which Cummins operates. Increases in quantities of recycled materials generally reflect improvements in supporting processes worldwide.

Totals for recycled paper, plastic and wood are understated because at several locations load weights are unavailable. Significant discharges to water also are estimated because these are not directly measured at all worldwide locations.

Re-used liquid wastes represent estimated quantities of industrial process wastes reclaimed for re-use or otherwise returned to process as feedstock in cement kilns or blended fuels. These include oil, coolants, solvents and thinners and residual fluids primarily from painting processes.

Energy and Fuels/Greenhouse Gas Emissions

Category	2005	2006	2007
Direct (Gigajoules)			
Fuel Oil/Diesel	1,258,524	1,412,362	1,392,562
Natural Gas	1,487,520	1,540,257	1,453,473
Propane	36,401	41,595	43,648
Indirect			
Electricity (Gigajoules)	2,599,207	2,623,729	2,727,567
Electricity (KwH)	722,001,873	728, 813, 588	757,657,400

The above table lists direct and indirect energy consumption calculated on the basis of use of fuels and electricity over the reporting timeframe.

Greenhouse Gas List

Cummins' inventory includes CO₂, CH₄, N₂O emissions from electricity and fuel consumption, HFC emissions from refrigerant use, and CO₂ and SF₆ emissions from manufacturing process use. Cummins has no emissions of PFCs.

Direct Emission Sources

Direct Sources

Electricity use is the most significant source of GHG emissions associated with Cummins' operations. In addition, as an organization that manufactures and assembles diesel engines and related components, a substantial portion of Cummins' overall GHG emissions are a direct result of the engine

testing operations related to production and research and development. Many of the Cummins facilities in the various businesses employ processes that use natural gas-fired or electric industrial ovens or other heat treatments and related processes.

The Energy Solutions Business (ESB) is a business of Cummins Power Generation that sells the natural gas and biogas-fueled generator sets as well as cogeneration and other power plant equipment. ESB commercializes these sets through sales, design and construction of turnkey power plant solutions and, in some cases, operates the plant after construction and maintains some equity ownership in the project.

Cummins measures the fuel consumption and emissions in support of the Climate

Direct Emission Sources

Emissions Type	Emissions Sources
Stationary Combustion Sources	<ul style="list-style-type: none"> Industrial Boilers (Natural Gas and Diesel Fuel) Industrial Furnaces (Natural Gas and Electric) Engine Test Cells (Natural Gas, Diesel Fuel, Gasoline and Propane) Generator Sets (Diesel Fuel) Process ovens/heating units (Natural Gas and Electric) Electricity generating systems at customer sites
Mobile Sources	<ul style="list-style-type: none"> Company owned/leased vehicles (Diesel Fuel and Gasoline) Forklift Vehicles (Propane and Diesel Fuel) Corporate Aviation (Jet Fuel)
Process / Fugitive Emissions	<ul style="list-style-type: none"> Manufacturing process – SF₆ Welding operations – CO₂ Air conditioning equipment – HFCs

This table identifies the sources of direct GHG emissions that are associated with Cummins' manufacturing, assembly and distribution operations.

Leaders initiative where the Company manages the complete operations and maintenance services.

Historically, fugitive GHG emissions were generated at the Findlay, Ohio facility through the process of injection of sulfur hexafluoride (SF₆) into sealed gas bags, which were sold as product. This process was discontinued in mid-2008. Other fugitive emissions are associated with use of CO₂ gas as a welding shield systems and refrigerant loss typical through use of heating, ventilation and air-conditioning systems.

Indirect Sources

The inventory includes consumption of electricity, which is used by all facilities. It also includes purchased steam consumption from one facility in China and purchased hot water consumption from one facility in Romania.

Greenhouse Gas Emissions Calculations

Indirect emissions calculations from electricity use take into account the carbon intensity of the fuel and technology used to generate the power. A determination of the electricity emissions in the U.S. was made using emission factors from the EPA eGRID emissions database. All other greenhouse gas emissions are calculated using emission quantification methodologies taken from the Climate Leaders Greenhouse Gas Inventory Protocol: Core Module Guidance documents for the appropriate emissions sources. These factors are kept up to date by reviewing any revisions to Climate Leaders guidance documents.

U.S. and Non U.S. Greenhouse Gas Emissions Inventory – CO₂-eq. (metric tons)

U.S. Emissions	2005	2006	2007
Direct Emissions			
Stationary Combustion Sources	108,455	114,775	104,395
Mobile Combustion Sources*	7,868	9,115	9,160
Process / Fugitive	117,353	127,594	161,978
Total Direct Emissions	233,676	251,483	275,533
Indirect Emissions			
Purchased and Used Electricity	348,280	346,399	354,379
Total Indirect Emissions	348,280	346,399	354,379
Direct + Indirect			
Total U.S. Emissions	581,956	597,882	629,911

Non U.S. Emissions	2005	2006	2007
Direct Emissions			
Stationary Combustion Sources	55,836	62,805	68,105
Mobile Combustion Sources*	14,557	14,557	14,693
Process / Fugitive	2,514	2,595	3,129
Total Direct Emissions	72,907	79,956	85,927
Indirect Emissions			
Purchased and Used Electricity	99,243	101,389	116,614
Purchased and Used Steam*	65	65	65
Purchased and Used Hot Water*	531	531	531
Total Indirect Emissions	99,839	101,985	117,210
Total Non-U.S. Emissions	172,746	181,941	203,138

Total U.S. and Non-U.S. Emissions	2005	2006	2007
Direct Emissions			
Stationary Combustion Sources	164,291	177,580	172,500
Mobile Combustion Sources*	22,425	23,672	23,853
Process / Fugitive	119,867	130,188	165,108
Total Direct Emissions	306, 583	331,440	361,461
Indirect Emissions			
Purchased and Used Electricity	447,523	447,787	470,992
Purchased and Used Steam*	65	65	65
Purchased and Used Hot Water*	531	531	531
Total Indirect Emissions	448,119	448,383	471,588
Total Worldwide Emissions	754,701	779,823	833,049

* Estimates

Significant emissions reductions have been accomplished at Cummins through increased efficiencies resulting from Six Sigma projects.

Total GHG Emissions in Metric Tons CO₂e

Emissions Source	2005	2006	2007
Electricity	447,523	447,787	470,992
Stationary combustion	164,291	177,580	172,500
Fugitive SF6, CO2	114,426	124,638	159,080
Mobile sources, other	28,462	29,818	30,477
Total	754,701	779,823	833,049

Ozone Depleting Substances

In 1995, Cummins implemented a policy that stationary equipment using chlorofluorocarbons (CFCs) would no longer be purchased by Cummins. Equipment already in place would be considered for conversion or replacement depending on its age and repair costs. As a result of this policy, Cummins has replaced an estimated 60 percent of its equipment containing ozone-depleting substances.

- Failure to mark used oil piping with the words “used oil”;
- Failure to ensure containers of hazardous waste remained closed;
- Failure to manage universal waste in closed containers.

The facility implemented the necessary corrective measures and submitted evidence of those measures to the Environmental Protection Agency. No monetary penalties were imposed.

Interactions with Regulatory Agencies**Cummins Filtration – Lake Mills**

On June 20, 2006, the U.S. Environmental Protection Agency (EPA) inspected the Cummins Filtration facility in Lake Mills, Iowa. As a result of the inspection, the EPA issued a Notice of Preliminary Findings (NOPFs) that included the following details:

Cummins Filtration – Cookeville

On September 13, 2006, the Tennessee Division of Solid Waste Management conducted a compliance evaluation at the Cummins Filtration facility in Cookeville, Tennessee. As a result of the inspection, a Notice of Violation (NOV) was received by the plant on October 6, 2006, for failing to manage the frames from the silk screen printing



“We view our vendors and suppliers as partners, and we understand that their success will help us achieve our goals.”

Rachel Quisenberry

process as a hazardous waste. Immediately following the September 13, 2006, inspection, Cummins Filtration implemented all of the necessary corrective measures. On March 9, 2007, Cummins Filtration paid \$1,258.88 in damages and \$9,100.00 in Civil Penalties to the State of Tennessee.

Cummins Filtration – Cookeville

On June 13, 2007, the Cummins Filtration facility in Cookeville, Tennessee received a NOV letter from the Tennessee Department of Environment and Conservation, that was related to the failure of the facility to submit a Title V Semi-Annual report within sixty days of the June 30, 2006, due date. Cummins Filtration immediately implemented the necessary corrective measures and no further action was taken by the State of Tennessee.

Cummins Inc. – Olympic Testing Facility

On November 9, 2006, the Indiana Department of Environmental Management (IDEM) issued a NOV letter stating they had not received the Title V Annual Compliance Certification Report due from the facility on July 1, 2006. Although Cummins had mailed the report via certified mail in March of 2006, IDEM was unable to locate the report and Cummins was unable to produce the receipt. As a result, Cummins was ordered to pay a fine of \$2,750.00, which was received by IDEM on January 8, 2007.

Environmental Clean-Up Efforts

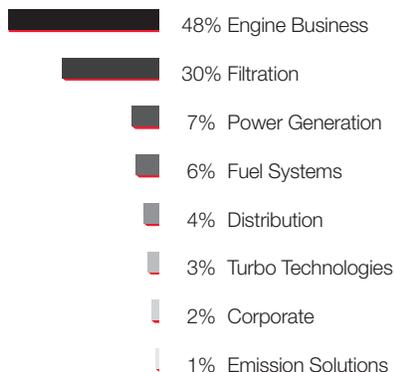
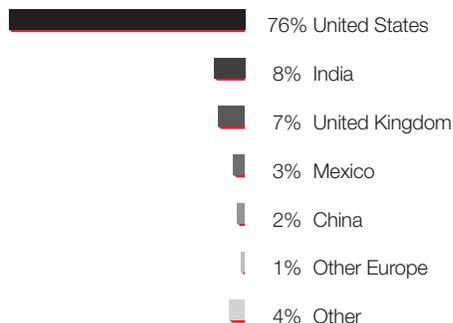
Cummins has also been identified as a PRP at 17 waste disposal sites under federal and state environmental statutes, three of which we expect could result in expenditures in excess of \$100,000 or more based upon our estimated proportional volume of waste disposed at these sites.

These sites and our estimated exposure are as follows: the Operating Industries, Inc. Site in Monterey Park, California (\$211,000), the Casmalia Site in Santa Barbara, California (\$150,000) and the Double Eagle Refinery Site in Oklahoma City, Oklahoma (\$100,000).

Finally, Cummins has environmental remediation projects ongoing under the auspices of local regulatory agencies at our plant in Brazil; our plant in Memphis, Tennessee, and a former facility in Canton, South Dakota; and at one of our plants in the United Kingdom. The cost of each of these projects may exceed \$100,000. Cummins does not believe that the aggregate liability for resolution of the Superfund Sites or the plant remediation projects will be material for 2008.

Cummins MidRange Engine Plant Recognized for Environmental Leadership

IDEM recently recognized Cummins Columbus Midrange Engine Plant (CMEP) for its commitment to minimizing environmental impacts. In a ceremony at the plant in April, 2008. IDEM Commissioner Thomas W. Easterly

2007 GHG Emissions by Business Unit**2007 GHG Emissions by Country**

These charts illustrate the relative share of 2007 emissions by business unit and by country.

and Assistant Commissioner Rick Bossingham announced Cummins' acceptance into of Indiana's Environmental Stewardship Program (ESP). Engine Business President Jim Kelly, CMEP Plant Manager Andy Cesarski and the CMEP environmental team were on hand to receive the award.

IDEM invited Cummins to join ESP because of the Company's compliance record, implemented environmental management system and its commitment to continual improvement in the environmental arena. CMEP's successful reduction of volatile organic compound emissions resulting from the substitution of a solvent-based paint to a water-based paint for the engines it produces was highlighted.

"Cummins Columbus MidRange Engine Plant has earned its place as a new ESP member," said Easterly. "Indiana wins when

companies like Cummins use sound business practices to demonstrate their core value of environmental protection."

ESP is a voluntary, performance based leadership program designed to recognize and reward Indiana regulated entities for going above and beyond current environmental regulations. Regulatory flexibility incentives earned by members are designed to provide business value, reduce regulatory oversight, allow a shift in resources from compliance driven to achieving results and provide the member with increased operational flexibility.

The Columbus Engine Plant and the Columbus Fuel Systems Plant have also been accepted into the Indiana ESP.

Normalized GHG Emissions Goal Tracking

2005 to 2007 Greenhouse Gas Emissions, Normalized to Revenue

	2005	2006	2007	2005-2007 % change
Total emissions (metric tons CO ₂ -equivalent)	754,701	779,823	833,049	10.4%
Gross revenue (\$ millions)	\$9,917.80	\$11,362.40	\$13,048.00	31.6%
Inflation-adjusted Revenue (constant 2005 \$ millions)	\$9,917.80	\$10,935.90	\$12,157.50	22.6%
Normalized Emissions (tCO ₂ e per 2005 \$ millions)	76.10	71.31	68.52	-10.0%

Greenhouse gas emissions increased by 6.8% from 2006 to 2007 and 10.4% as compared to the base year 2005. Sales increased 15% year over year over the same timeframe — equating to an overall increase in sales of 31.6%. After an adjustment for inflation to 2005 dollars, Cummins has achieved a normalized reduction of 10% over the timeframe.

Operational Methods that Improve Energy Use

Continual Improvement and Six Sigma

Six Sigma is the key problem-solving tool used by Cummins for environmental improvement projects. From a facilities perspective, Cummins has implemented a number of projects to address sustainability issues, including natural resource conservation and pollution prevention. Both of these have been a continual improvement focus at Cummins for several years.

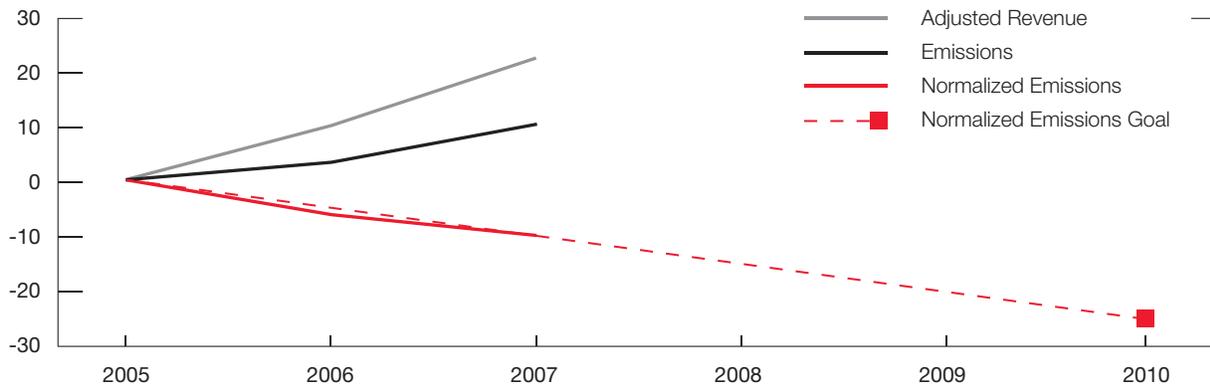
A good example of our Six Sigma efforts includes the work Cummins Filtration did with paint suppliers to reformulate coatings applied to exhaust products to significantly

reduce the metals content. Successful reformulations were developed, which met product quality requirements and resulted in a more environmentally-friendly coating. As a result of the largely metal-free formulation, hazardous wastes generated at six Wisconsin exhaust component manufacturing plants were reduced by 70 percent. In addition, each of the six participating plants reduced their hazardous waste generator status from large quantity to that of a small quantity generator.

Analysis-Led Design

In analysis-led design, computer simulations replace traditional hardware testing, which involves building and testing many expensive prototypes. Instead, a “virtual engine” is built and then tested in a computer simulation that allows us to look at more designs in a shorter time.

Normalized GHG Emissions Change from 2005 to 2007 (%)



This graph depicts Cummins' progress against its stated reduction goal of 25% normalized to sales, and shows that the Company is on the path to achieving its goal. This goal tracking graph will be updated and revisited as the Company implements the many energy efficiency projects that have been identified.

Using analysis-led design on our recent product launches has allowed us to increase the number of analysis hours by as much as 200 percent, while cutting total program costs by more than 20 percent. In one engine family alone, more than 10,000 hours of testing was avoided – along with the prototypes that go along with it.

The process yields better designs faster, at a lower cost and with substantial reductions in test cell time and the fuel use and its associated emissions.

Verification of Manufacturing Quality

Engine attribute testing requirements have been reduced on certain product lines because in-process verification allows the identification of potential problems upstream of the test cell process. This product quality initiative promotes the concept of "Right First Time," a more effective means of testing a component and engine system, with an associated environmental benefit.

Energy Conservation and Cost Containment at Cummins Facilities

Cummins' energy costs are increasing, although we try to minimize the financial impact of these increases by informed and competitive buying strategies in areas where we have manufacturing operations.

Cummins' consumption of fossil fuels and electric power represented significantly less than 1 percent of sales in 2005 and in 2006. With the forward contract purchases of utilities in selected regions, we are able to postpone or lessen the impact of rising energy costs on our facilities worldwide.

In early 2006, Cummins' European Operations contracted for delivery of 63 million kWh of electricity, generated from 'Good Quality Combined Heat and Power' (GQCHP), which was delivered in the fall of 2006 for one year. This represented 97 percent of Cummins' U.K. requirements for the contract year.

GQCHP is the simultaneous generation of electricity and useful heat from a single fuel source, and is a generation technology that significantly reduces carbon dioxide emissions to the atmosphere. It is recognized as a 'green' generation source by the U.K. government and, as such, is exempted from the U.K. Government's 'Climate Change Levy' charge.

Electrical power procured for U.K. manufacturing sites for a year-long contract beginning in October 2007 not only allowed for cost reductions of 31 percent, but with an added bonus of 100 percent 'true green' power sources. The technologies that provide the power yield zero GHG emissions.

Cummins' suppliers of zero emissions power include the following technologies:

- 1300MW of "Run of the River" hydro-electric power from the North of Scotland
- 238MW from wind farms
- Tidal power under trial in Orkney, Scotland
- Biomass fueling of thermal power

The environmentally-friendly U.K. power purchase in 2007 will have saved an estimated 27,000 metric tons of CO₂ emissions associated with Cummins' U.K. operations.

In addition, electricity for Cummins' operations in Mechelen, Belgium includes 1.005MW of 100 percent Norwegian hydro power procured at a competitive price. This power source also yields zero GHG emissions.

And, once again, power generation capability at two of our U.K. sites allowed us to sell some excess energy back into the U.K. distribution network, although on a lesser scale than in previous years.

Natural gas procurement for all U.K. sites from mid-year 2007 to 2008 allowed for cost reductions at all entities with an average savings of 41.5 percent.

The outlook for 2008/2009 for both electricity and natural gas is not very optimistic, with significant increases in cost anticipated across Europe.



The User-Friendly Filter: A Sustainability Success Story Follow-Up

In our previous Sustainability Report, we featured the new User-Friendly Filter. Its success is continuing to grow.

At the 2007 Technology and Maintenance Council (TMC) meeting in Tampa, Fla., the Technical Writers of North America (TWNA) recognized Cummins Filtration's Fleetguard user-friendly line of fuel and oil filters as the top Technical Achievement for 2006.

Among an impressive group of finalists, the Fleetguard user-friendly filters were the unanimous choice of the selection committee for the achievement award. The selection committee said the Fleetguard filter was "a shining example that innovation is everywhere."

Other awards received by Cummins Filtration for the user-friendly filters are Equipment World's Top 5 Most Innovative Products, Heavy Duty Trucking's Nifty Fifty Award and Construction News' Top 100 Award.

The filter has significantly less environmental impact than a steel filter; requiring a third less in material cost and presenting unprecedented design serviceability for customers, including ribbed "grips" for easy installation.

In 2007, Cummins replaced 650,000 filters with user-friendly filters, saving 350 gallons of paint annually and an associated reduction in volatile organic compounds emissions (VOCs) of 1,250 pounds.

In addition, the reformulated paper filter media for this product line, with the "no cure" plant process, further reduced VOCs by an additional 4,500 pounds. Finally, eliminating plastisol adhesive in approximately 1.1 million plastic and metal filters has reduced another 1,200 pounds of VOCs.



Safety

Our goal is to make Cummins a best-in-class company when it comes to safety.

Providing a Safe Working Environment

By many measures, Cummins does a good job of providing clean, safe and healthy workplaces for its employees. For example, the company-wide incidence rate in 2007 was 1.26 – better than the target of 2.0 and significantly better than our industry average. We had 30 sites go the entire year without a single reportable incident. Likewise, a severity rate of 0.58 was below the target of 1.0, while lost work days rate was just a bit above target.

These are positive signs that Cummins takes this issue seriously and is doing many of the right things. Still, we had too many major safety incidents in 2007 – including two deaths and a serious injury late in the year. Even a single major safety incident is one too many, and obviously a work-related death in our facilities is simply intolerable.

The majority of those incidents can be directly traced to a lack of standard

operating procedures in facilities or failure to enforce safety procedures, followed by workers being injured as a result of poor quality equipment.

The most severe injuries have occurred when workers were performing non-routine work on manufacturing equipment without first following the necessary Lock Out, Tag Out procedures. Additionally, analysis has shown that contract workers in our facilities are less informed and less trained on our safety practices, resulting in a greater risk of injury to those workers.

In addition to some specific actions aimed at improving safety in our China facilities, which suffered two fatalities late in 2007, Cummins will be implementing a number of actions and process changes across the Company. These changes are aimed at better educating our employees on key safety practices, identifying and implementing best



practices and uncovering gaps in our safety efforts – and then closing them as quickly as possible.

They include:

- Implementing standard Lock Out, Tag Out procedures worldwide
- Improving safety training for contract workers
- Improving materials handling practices
- Implementing a leadership safety and awareness and accountability program
- Implementing a driver safety program

In addition, we will strengthen our reporting and auditing processes around safety, provide clearer safety policies at our JV operations and recommit to our zero tolerance policy for safety violations.

As part of this effort, we also are tightening our safety targets companywide. The new targets will be: Incidence rate – 1.0 (vs. 2.0 in 2007); Severity case rate – 0.5 (vs. 1.0); Severity lost work days rate – 6.0 (vs. 8.0).

Our goal is to make Cummins a best-in-class company when it comes to safety.

Safety Management System

The Cummins Safety System is one way Cummins can ensure safety programs like those mentioned above become ingrained as a way of working, managing and operating at Cummins. Cummins Safety System is based on the Occupational Health and Safety Assessment Series (OHSAS) 18001 specification, an international occupational health and safety management system. The purpose of the specification is to enable the organization to control its occupational health and safety risks and improve its safety performance. Registration of the Corporate



“The safety and well-being of our employees is a primary concern of Cummins, and we are renewing our efforts to enhance performance in this critical area.”

Karl Mindeman

and three site systems meeting the OHSAS 18001 specification was completed in 2007, with aggressive growth planned in 2008.

The following sites have been successfully registered to the OHSAS 18001 specification:

- Cummins Filtration, Viroqua
- Cummins Parts and Service, SLP, Mexico
- Cummins Generator Technologies, SLP, Mexico

Cummins Safety System (CSS Audits)

The CSS Audit is based on the 10 Cummins Operating System statements, and defines within its eight criteria statements the minimum safety requirements for the Company. Audit scores enable Cummins facilities globally to benchmark themselves against each other and against the Company’s standards. Sites whose previous year performance did not meet the Incidence Rate (iR) and SLWR targets are required to participate in the CSS Audit program.

CSS Audits are conducted in three phases:

Pre-Audit: A pre-audit is performed to identify the gaps between current site practices and the system requirements. The pre-audit is conducted three to six months before the formal audit.

Formal Audit: A formal audit is conducted with the participation of corporate lead auditors, to determine level of conformance to CSS criteria. The site must have participated at least in the formal audit stage to be eligible for the Company’s internal Health and Safety recognition program.

Verification Audit: A verification audit is performed following the formal audit when the site needs to demonstrate safety

system performance has been maintained or improved.

Safety and Environmental Awards

In order to recognize outstanding performance, the Health, Safety and Environmental Council presents awards to those Cummins entities that best demonstrated excellence in one or both of these areas. Through their efforts, these sites are instrumental in helping Cummins meet the commitments of the Company’s Vision and Mission. The Council evaluated the performance of each entity, using the following criteria:

- Benefit to environment and safety
- Level of management and employee commitment
- Economic efficiency
- Innovation
- Ability to serve as a model for use by others

The environmental awards focus on projects and initiatives that promote sustainability, emissions reductions and the conservation of natural resources. Bonus points are awarded for site recognition in government and non-governmental organizations’ environmental stewardship programs.

Entities are recognized at four distinct levels; Chairman, Business Unit/HSE Council, Director and Best Practice. The HSE Council also honored several individuals, including facility HSE leaders and plant managers, for their personal commitment and efforts to improve safety and environmental performance.



Mark Dhennin (second from left) was honored in 2007 for his safety leadership in the Power Generation business. Over the last two years, Power Generation's overall safety incident rate, lost day's rate and severity case rate have improved by 20-40 percent.

Fridley's Safety Secrets

Fridley, Minnesota serves as headquarters for Cummins Power Generation and as a manufacturing center for Cummins generator sets and electronic controls. In 2007, the Fridley plant reached a new goal of more than 2 million work hours without a lost time injury.

An ever-evolving safety program at Fridley has resulted in a steady decline in safety incidents over the past six years. The secret stems from two simple, but effective practices.

First, "near-hit" reviews have become a standard practice. While every recordable injury is investigated, far more common is the "near-hit" review. A near-hit includes a condition or act that could have resulted in injury or property damage. Any employee may report a near-hit to the Safety department. The number of near-hit reviews has outnumbered recordable reviews by more than 6-to-1 over the past few months, resulting in a wide range of proactive fixes.

The second practice is the weekly safety orientation that details available plant safety resources, safety practices and a review of facility standards and expectations. A scan of recordable injury data revealed that more than one third of Fridley's recordable injuries involved new employees or those who had recently moved to a different department. Safety orientation now occurs every Monday and is attended by all new hires and contingent employees before they even step into their departments.

To recognize achievements in areas where Cummins has widened its environmental focus, we have now established awards for the following categories:

- Design for Environment
- Chairman's Awards for Energy Efficiency
- Chairman's Award for Green Building

The Jamestown, New York Engine Plant was awarded the Chairman's Award for Environment in 2006. JEP was selected for this award based on a three-year project to switch the eight colors of production paint used at the plant from solvent-based paint to water-borne paint. The project began as a Six Sigma effort, integrating a product quality enhancement with an environmental management system focus on reduction of emissions of volatile organic compounds. This product change resulted in:

- 56 percent reduction of VOCs emitted per engine
- 77 percent decrease in hazardous waste per engine, and
- Eliminated the use of toluene solvent, avoiding 42 tons of volatile emissions while saving the Company more than \$300,000 in 2006.

This is another fine project that underscores the concept that the work we do to decrease our environmental impact is also good for the bottom line.

Another Chairman's Awards winner for environment is the Columbus Engine Plant. The plant is currently undergoing substantial renovations to prepare for the installation of the Light-Duty Diesel Engine assembly operations. The CEP environmental management team took recycling to another level by diverting demolition wastes from the landfill.

Among the would-be wastes was demolished concrete, which was re-used as rip-rap in a Bartholomew County, Indiana erosion control project. A total of 15,588 tons of rubble in 870 tri-axle truck loads were re-used on the project. Office equipment and supplies, from projectors to staplers, were donated to the United Way and the "Little Red Schoolhouse Too" program, the latter serving as a resource for area teachers to obtain school supplies at no cost. In addition, lumber collected from demolition activities and shipping containers was either given to project contractors for re-use or donated to the City of Columbus, which chipped the material for re-use as landscaping mulch.

The environment award winners were:

Chairman

- Jamestown Engine Plant
- Columbus Engine Plant

Business Unit/HSE Council

- Cummins Turbo Technologies, Huddersfield
- Columbus MidRange Engine Plant
- Cummins Fuel Systems Plant, Columbus
- Cummins Power Generation, Stamford

Director

- Cummins Turbo Technologies Limited, India
- Emission Solutions, Mineral Point
- Cummins Power Generation, Fridley
- Daventry Engine Plant



Cummins has partnered with Cardiac Science to install automated external defibrillators and train responders at plants and other facilities.

Lifesaving Cardiac Care Equipment On Site

On January 16, 2007, Sy Rooney, a 39-year employee working at Cummins' Fridley, Minnesota facility, was assembling switchgear in the Systems Department.

"The last thing I remember," he said, "was feeling very weak and short of breath, so I sat down." Sy suddenly collapsed, a victim of cardiac arrest. More than 300,000 persons die each year from sudden cardiac arrest in the U.S. alone. Restoring circulation as fast as possible improves one's chances of survival.

Sy's co-workers immediately began cardiopulmonary resuscitation and called for the plant's emergency response team. First responders quickly arrived, followed by the plant's emergency medical technician, equipped with an automated external defibrillator (AED).

Cummins had partnered with Cardiac Science to install AEDs and train responders at all global manufacturing plants, research facilities, and any other sites with 100 employees or more. (By the end of 2008, all facilities with 10 employees or more will be so equipped.)

Sy's condition by now was critical—unconscious, no breathing and no pulse; his face blue in color. So the EMT immediately applied the AED electrodes; the instrument automatically analyzed Sy's condition and delivered a life-saving shock.

Five weeks after the incident, Sy was back at his normal job. "Now I take the world day by day ... I didn't even know we had AEDs, but they saved my life," he said. "How can you put a price on that?"



“Creating a great place to work is not only one of Cummins’ strategic business principles, it’s at the core of the Company’s future business success.”

Andrea Litz

Best Practice

- Columbus MidRange Engine Plant

Design For Environment

- Filtration Business Design Team: “User Friendly Filter Project”

Chairman’s Award for Green Building

- Cummins Generator Technologies, India

Chairman’s Award for Energy Efficiency

- Cummins Mexico Components Plant

Cummins Health and Safety Recognition Program

Sites are eligible for Health and Safety recognition at three performance levels; Chairman’s Award, Business Unit (BU) Award and Director’s Award. In addition, awards are given by the business units in recognition of best practices the sites have implemented.

The Corporate Health and Safety 2007 Recognition is based upon the following performance criteria:

Chairman’s Award: To be eligible for this award, a site must achieve an IR of 0.0 to 0.5 and a minimum CSS Formal or Verification Audit level 3, with 95 points.

Business Unit Award: To be eligible for this award, a site must achieve an IR of 0.6 to 1.0 and a minimum CSS Formal or Verification Audit level 3, with 85 points. The site may not win this award in successive years, as we strive for improvements.

Director’s Award: To be eligible for this award, a site must achieve the corporate health and safety targets: IR less than 2.0 and a minimum CSS Formal or Verification Audit level 3, with 70 points. The site may not win this award in successive years.

The Health and Safety Performance Award winners for 2007 are:

No sites qualified for Chairman’s Award or HSE Council’s Award for safety in 2007.

Director

- Columbus MidRange Engine Plant
- Cummins Filtration, Neillsville
- Consolidated Diesel Co.
- Cummins Generator Technologies, Brazil
- Cummins Turbo Technologies, Brazil
- Cummins Turbo Technologies
- Jamestown Engine Plant
- Parts and Service Memphis Plant
- Cummins Power Generation, Fridley
- Tata Cummins Limited

Best Practice

- Cummins Filtration South Africa
- Cummins South Pacific
- Fuel Systems Plant Juarez
- Cummins Power Generation, Brazil
- Parts and Service San Luis Potosi



Cummins Pilots Ray Rising (left) and Chris Raskob review a preflight safety checklist.

Aviation Safety

Cummins Corporate Aviation Department has achieved the International Standard Business Aviation Operations (IS-BAO) registration, an accomplishment that means the Company met the rigorous safety standards of the global organization.

The IS-BAO registration was introduced by the International Business Aviation Council, an association of corporate aviation departments, to promote the highest safety standards in the industry. Dozens of corporations, from Coca-Cola to Cardinal Health, have met the standards.

Achieving the registration required Cummins to revise the flight operations manual, document procedures and incidents, and make some other changes to promote safety. For example, the door from the hangar to the lobby is now locked, preventing late passengers from running onto the runway to catch a flight, and passengers are asked to show their IDs before boarding.

Safety has always been a priority for Corporate Aviation. But to meet the IS-BAO standards the department underwent an audit that revealed areas for improvement.

Corporate Aviation has 14 pilots, flies four aircraft – including three eight-passenger planes and one 19-passenger shuttle – flies 18-24 flights per week and ferries 130-140 passengers each week.



Treating Others with Dignity and Respect

“Every person must be treated with dignity and respect, and be provided fair pay and benefits for the work they do...”

“We have a far better chance of attracting and retaining the best talent available if we create a work environment that encourages talented people to join us and, once here, to contribute to their full potential. To do so means that every person must be treated with dignity and respect, and be provided fair pay and benefits for the work they do...”

Tim Solso

Cummins Chairman and CEO

“In the search for character and commitment, we must rid ourselves of our inherited, even cherished, biases and prejudices ... When we indulge ourselves in such irrational prejudices, we damage ourselves most of all and ultimately assure ourselves of failure in competition with those more open and less biased.”

J. Irwin Miller

Former Cummins Chairman and CEO



The words of two Cummins chairmen – spoken years apart – demonstrate that Cummins’ commitment to diversity has not wavered with the passage of time or a change in leadership. At Cummins – which does business around the world – the message is powerful:

From a business perspective, the Company believes that successfully managing diversity strengthens relationships with an increasingly diverse customer base. Beyond that, a diverse work force – in terms of race, ethnicity, age, gender, sexual orientation and educational background – ensures a variety of perspectives to best address the Company’s business needs. Cummins’ diversity initiatives include the following:

- All employees complete a comprehensive diversity training program designed exclusively for Cummins. Second generation (advanced diversity management topics) training is a mandatory part of career development for leaders.
- In all, 48 Local Diversity Councils (LDCs) have been created to address diversity issues in the communities in which Cummins does business. In addition, the LDCs focus on recruiting, retention and cultural differences in the workplace. Affinity groups, or employee resource groups, have been instrumental in Cummins’ diversity journey. Currently, we have affinity groups for African and African- Americans, Asians, Chinese, Latino, new hires and lesbian, gay, bisexual and transgender employees.
- Cummins’ long-standing commitment to use qualified minority-owned suppliers has yielded good results in recent years. In 2006, Cummins spent \$298.8 million with small business and minority-owned suppliers. In 2007, Cummins spent \$453.8 million with small business and minority-owned suppliers.



“Being a successful company means that we have to embrace diverse cultures, and attract the most talented employees regardless of where they live.”

Deborah Jones

- Cummins offers health care and other benefits to non-spousal domestic partners. In making these benefits available to employee life partners, Cummins recognizes that it must provide attractive and flexible programs to all employees.
- Cummins has received a perfect score on the Human Rights Campaign’s Corporate Equality Index every year since 2005.
- Cummins has won the prestigious Australian Government Business Achievement Award for the advancement of women in the workplace. Cummins was also a finalist for the Outstanding Initiative/Result for the Advancement of Women, presented by Australian government’s Equal Opportunity for Women in the Workplace Agency.
- Cummins Parts and Service is participating in a university program in which students intern locally and at our international remanufacturing locations. This program helps increase cultural awareness and diversity appreciation, and enables the next generation workforce to function effectively in our increasingly global enterprise.
- Cummins India Foundation (CIF) and Cummins College of Engineering for Women (CCEW) recently launched a four-year Mechanical Engineering Division, which opened in August 2007 with 60 students in Pune, India. CCEW was established in 1991 as the result of a significant contribution from CIF. It was the first college of engineering for women in India and is the first to offer a mechanical engineering major to aspiring women engineers.

Cummins’ concept of diversity in the workplace has two parts. The first is

creating a diverse workplace in terms of the representation of people from many different backgrounds. The second is creating an environment that manages people’s differences effectively and, in doing so, inspires innovative ideas and solutions. Making sure that everyone has a voice can lead to creative solutions that address real-time problems.

The Company relies on the insight that comes from a diverse workforce to enter new markets and geographies. The Company depends on the varied talents of its people, systems and organizational knowledge to solve complex problems, reduce costs, and create differentiated products and services that delight customers.

Diversity provides Cummins with a competitive advantage in the following areas:

New markets and new businesses:

Sales in markets outside of the United States currently are growing faster than in the U.S. Nearly all world growth to 2050 is projected to occur in Africa, Asia and Latin America. The best way to grow into new businesses and more geographic regions is to have employees who understand the culture or are part of it.

Customer requirements: Purchasing materials and services from a diverse supply base puts Cummins in a position to take advantage of all opportunities to be the low-cost producer. Cummins’ customers demand we create economic opportunity for all parts of society, especially those under-represented in today’s economy.

Changing demographics: Successful companies understand how the world’s population is being transformed by immigration and changing birthrates. The population of Latinos, people of African



Cummins employees serve as volunteers at the annual Indiana Black Expo, which attracts more than 350,000 people and celebrates African-American heritage and culture.

Cummins Participation Grows at Indiana Black Expo

Black Expo began in 1971 in Indianapolis and has grown to become the largest African-American event in the United States. Today, more than 350,000 people attend the 11-day Black Expo Summer Festival, which includes business workshops, a focus on health and wellness, employment opportunities, exhibits, youth activities and entertainment.

Local and national celebrities, along with individuals, families and members of the corporate community, join in celebration of the African-American heritage and culture.

Cummins' involvement in the Black Expo Summer Festival has grown significantly over the last three years. Volunteers for the Cummins booth have increased from 34 to 54. In 2007, a Six Sigma workshop was added to the program. In addition, eight more groups from various Company organizations participated in Expo-related activities, bringing the total to 17, including employees from the Company's Tennessee and Minnesota operations. As a result of our involvement in the Black Expo employment fair, a total of nine new hires have joined Cummins.

Cummins also sponsored several IBE events, including the Employment Opportunity Fair, where a record 52 percent of resumes routed to hiring managers were requested for interviews.



Cummins Named Among Top 50 Companies for Diversity

In 2007, Cummins was named to the list of the Top 50 companies for diversity by *DiversityInc* magazine, a publication that educates businesses about the benefits of promoting diversity in the work place.

This marks the first time that Cummins has been named to *DiversityInc's* Top 50 list, now in its seventh year. Cummins also earned the No. 1 spot on the magazine's top work places for Asian-Americans, the same position it held in 2005.

"It is an honor to be named to the Top 50 Companies for Diversity and be recognized for our efforts to make Cummins an inclusive work place," said Jill Cook, Vice President, Human Resources. "At Cummins, we believe that our workforce should reflect the communities where our employees live. We want a work environment where people can be creative and innovative because that is what makes us a stronger, more successful Company."

Cummins was ranked No. 38 by *DiversityInc* after responding to a detailed survey answering questions that included the commitment of the chief executive officer to diversity, human capital, corporate communications and supplier diversity. Any company that does not offer domestic partner benefits is automatically excluded from the list.



Creating a great place to work means having a diverse group of employees whose varied experiences, background and ethnicity can stimulate new ideas and innovation and bring different perspectives to the workplace.

“Cummins is much different from the average corporation; it is a true champion of diversity,” said Luke Visconti, partner and co-founder of *DiversityInc*, a monthly business magazine and daily Website. “A total of 317 companies competed for a spot, a 100 percent increase in corporate participation in the Top 50 competition over the last three years.”

Cummins has a history of commitment to diversity. The Company was named to *Fortune* magazine’s list of 50 best places for minorities in 2000 and has been listed on *CRO* magazine’s “Best Corporate Citizen” list nine years in a row.





“At Cummins, we strive to foster an environment where employees are encouraged to challenge traditional thinking and ways of doing business in the search for better answers.”

Aisha Goens

Having a diverse workforce enables a company to solve complex problems, innovate and otherwise adapt more quickly in a competitive environment.

descent and Asians is growing and more women occupy positions of authority in business and government. Companies that understand and adapt to these demographic changes will thrive in the economy of the future.

Competitive performance: Having a diverse workforce enables a company to solve complex problems, innovate and otherwise adapt more quickly in a competitive environment.

Attracting and retaining

the best people: Employees who feel welcome and valued in the workplace will be more innovative, act as owners and engage customers to provide superior products and service.

A company that promotes diversity in hiring and increases an understanding and appreciation of differences will reap the following benefits:

- A positive work environment where all people can perform at the highest levels
- Increased employee engagement and creativity
- Attraction and retention of the best talent
- A positive reputation in the community
- Improved decision-making capabilities provided by more viewpoints and choices
- Improved problem resolution
- Doing the right thing – A company is only as healthy as the environment and communities in which its employees work and live. It is in Cummins’ self-interest, not selfish interest, to create an environment in which people treat others as they want to be treated. This is consistent with the Company’s core values.



The MLK Memorial Ground breaking Ceremonies occurred on Nov. 13, 2006. Among those in attendance were Presidents Bush and Clinton and Dr. King's children Yolanda, Martin III and Bernice.

Cummins Contributes to King Memorial

Cummins has pledged \$1 million to help create the Martin Luther King Jr. Memorial in Washington D.C. as a way to honor both Dr. King and the legacy of former Cummins Chairman J. Irwin Miller.

The monument, on the National Mall, is being created by the National Memorial Project Foundation to commemorate the life and work of Dr. King, and to honor his contributions to world peace through nonviolent social change.

Cummins' contribution to the project will be in the name of J. Irwin Miller, who worked closely with Dr. King during the height of the U.S. civil rights movement and who was tireless in his support for equality.

"Dr. King and Mr. Miller shared many of the same values — equality, fairness, racial harmony and compassion among them — and this monument provides Cummins the opportunity to honor the memories and legacies of two great men," said Tracy Souza, Executive Director, Corporate Social Responsibility.

The four-acre site of the Memorial is on the northeast corner of the Tidal Basin in Washington D.C., north of the Franklin D. Roosevelt Memorial and on a direct line between the Lincoln and Jefferson memorials. The location was chosen to create a visual 'line of leadership' from the Lincoln Memorial, where Dr. King gave his famous "I Have a Dream" speech, to the Jefferson Memorial.



Corporate Responsibility

Cummins' focus on corporate responsibility supports our business and philosophical commitment to serving and improving the communities in which we live and work.

Making a Difference

Now more than ever, corporations – with their significant resources and expertise – have the ability to create social impact on a substantial scale.

This opportunity to “do the right thing” is more than an exercise in philanthropy. The positive change that results from a well-defined and strategic approach to corporate responsibility makes good business sense.

The actions a company takes to “make a difference” can benefit shareholders, communities, customers, employees, business partners and other company stakeholders, as well.

Nearly 40 years ago, J. Irwin Miller, former Chairman and CEO of Cummins, captured the value of a thoughtful approach to corporate responsibility in remarks delivered

to the National Industrial Conference Board Public Affairs Conference in New York City.

“Business has a very large stake in the quality of the society within which it operates,” he said. “We flourish only as we are rooted in a society which is healthy, orderly, just, and which grants freedom and scope to individuals and their lawful enterprises.”

Mr. Miller’s words ring true today. Cummins’ focus on corporate responsibility also supports our business and philosophical commitment to integrity, diversity, global involvement and serving and improving the communities in which we live and work. These values are especially critical at this time in the Company’s history when we are looking at significant growth both globally and in the U.S.



Because Cummins believes it is only as healthy as the communities in which it operates, the Company and its employees are actively engaged in improving people’s lives in the areas where they live and work.

A good example of this philosophy in action was the decision to use the Columbus (Indiana) Engine Plant (CEP) as the production facility for its new family of light-duty, clean-diesel engines. In deciding to refurbish this under-used facility, Cummins did more than just select a manufacturing location. Cummins chose Columbus in large part because of a strong package of educational programs offered by the state to ensure a robust and skilled workforce in southeastern and central Indiana.

For example, the Indiana Department of Workforce Development – in alignment with Ivy Tech Community College – offered up to \$1.5 million to support advanced manufacturing training. The

Department of Workforce Development committed \$2 million to grow awareness and interest in advanced manufacturing careers. That total included funds to cover the start-up costs for the “Dream It. Do It.” careers campaign created by the Manufacturing Institute of the National Association of Manufacturers. The goal of this program is to educate young adults and their parents on the career opportunities available in advanced manufacturing.

The Company also encourages employees to get heavily involved in the communities where they live and work. Volunteer efforts among its employees are a supplement to Cummins’ corporate giving program, which makes funds available to worthwhile community causes – with an emphasis on education, employment, health issues and the environment.

As a result of the Company’s commitment to living its vision and mission, Cummins has been named

“While some still argue that business has no social responsibility, we believe that our survival in the very long run is as dependent upon responsible citizenship in our communities and in the society, as it is on responsible technological, financial and production performance.”

Cummins 1972 Annual Report

From raking leaves to reading to children, from painting to stocking food pantries, Cummins employees have participated in a wide range of projects through the annual EEEEC program.

among the top 100 corporate citizens by *CRO* magazine, formerly known as *Business Ethics* magazine. Cummins is one of a few companies to be named to the “top 100” list every year for the last nine years. The 2008 rankings are limited to the Russell 1000 – companies that represent the largest impact on business-to-business and consumer markets.

Companies were ranked on eight categories: climate change, employee relations, environment, financial, governance, human rights, lobbying and philanthropy. *CRO* determined the final ranking as a weighted average of these eight categories.

Every Employee, Every Community

Throughout its 89-year history, Cummins has made corporate responsibility a fundamental part of who we are and how we do business. Cummins has several

ways of promoting this essential value in our global communities. A Corporate Responsibility Department oversees strategies and programs to encourage community involvement and responsible citizenship.

The Cummins Foundation plays a role in promoting and developing programs or processes that enable the Company to perform well. However, the most important work is done by Cummins employees through its Community Involvement Teams and record-breaking United Way participation.

One of our newer initiatives, Every Employee, Every Community (EEEC), allows employees to give back to their communities by volunteering on Company time. Each Cummins site around the world has the flexibility to schedule community service projects according to local needs, their facility and employee work schedules.



Each year, Cummins Mechelen (Belgium) holds a breakfast in support of a Rwandan orphanage to help purchase uniforms, pencils and other school equipment for the children, ages 6 to 14. Some 600 orphans attend the school, and their education costs about \$30 Euros (US \$41) per year per student.

From raking leaves to reading to children, from painting to stocking food pantries, Cummins employees have participated in a wide range of projects through the annual EEEEC program.

More than 9,000 employees contributed more than 38,000 hours of community service through the EEEEC program in 2007 – a 60 percent increase in both participation and hours over 2006.

At Cummins, corporate responsibility has three major areas of focus: community involvement, corporate donations and the Cummins Foundation. When special needs arise, Cummins has several avenues through which to provide assistance.

Community Involvement Teams

Community Involvement Teams (CITs) are employee-led committees that represent the diversity of the workforce and all levels of management. They are driven by the philosophy that a company cannot function without a healthy community.

Each team establishes a work plan, a budget and a focus area for community service. Every two years, these teams are audited against a set of Functional Excellence criteria. The audit process ensures that corporate responsibility remains an important business objective across all business units, provides a measurement and recognition process and identifies areas for development over the next two-year cycle.

Community Involvement Teams have the responsibility of developing an annual plan, organizing volunteer activities, responding to community requests for donations and developing proposals for the Cummins Foundation.

Here are some recent examples of CIT involvement around the globe:

- Employees from Cummins Business Services (CBS) Mexico volunteered their time and hands to paint and plumb the Family Development Centre located at the Colonia Satellite, a community of San Luis Potosi, Mexico. The Centre's mission is focused on productive education through training and



“Six Sigma is an indispensable improvement methodology and toolset at Cummins that has permanently changed the culture.”

Sameer Samudra

development of skills among people who live in Colonia Satellite and surrounding areas.

More than 190 students are benefiting from elementary and high school classes at this Centre. English, computing, cooking, artistic chocolates and handcrafts are just a few of the many courses students can take.

- The Mechelen (Belgium) Community Involvement Team, made up of Parts and Service and Filtration, worked with the Belgian organization Les Enfants du Père Martin to collect \$2,500 in support of an orphanage in Rwanda where children ages 6 to 14 attend primary school classes. The support goes toward the purchase of uniforms that are made locally, as well as school books, pencils and other school equipment. Some 600 orphans attend the school.
- During 2006 and 2007, the Darlington Engine Plant (DEP) supported Action for Blind People (AFBP), a national charity. Employees' efforts included both fund raising, as well as direct employee engagement. DEP volunteers have been instrumental in helping AFBP develop an Actionaires Club that gives visually impaired children – between the ages of 4 and 16 – the opportunity to participate in different sports and leisure activities.
- In late July 2007, torrential rains, lightning strikes and mudflows battered cities in central and southern China, resulting in the worst flooding in more than 100 years. More than 1 million people were left homeless. The rains left the Chongqing Cummins (CCEC) plant and the homes of many local employees water-soaked and covered with mud.

In response to the needs, the local Corporate Social Responsibility (CSR) committee worked tirelessly to provide short-term housing, food and support. Additionally, the national CSR team initiated the “One Family” flood relief fundraising campaign for reconstruction of local employee homes and shared community infrastructure.

Corporate Donations

Donations provide a means for Cummins to participate in community events that are more appropriately funded by the Company than the Foundation. These activities include memberships, sponsorships, dinners or other events. Cummins made approximately \$2.9 million in corporate donations to charitable causes in 2006 and \$3.4 million in 2007.

The Cummins Foundation

The Cummins Foundation is one of the oldest corporate charitable foundations in the United States. The Foundation serves to improve the communities in which Cummins does business by providing the tools and means for people living on the edge of society to overcome the barriers they face. The Foundation's President serves as Cummins' Executive Director of Corporate Social Responsibility, providing leadership and coordination to all the Company's social work. Cummins also has formed foundations in Mexico and India over the last decade.

The Foundation focuses on embracing the diverse perspectives of all people, seeking innovative ways to address societal needs by emphasizing partnerships and



Cummins Business Services Mexico helped with painting and plumbing the Family Development Centre in San Luis Potosi, Mexico. More than 190 students benefit from classes at the Centre.

leveraging people, money, products and services to make a difference. The Foundation awarded grants totaling \$5.4 million in 2007.

The Cummins Foundation sets aside an innovation grant fund which is available to Cummins Community Involvements teams that conduct a community needs assessment, identify a need that is not being adequately addressed and propose a creative way to address that need. Teams may apply for grants of up to \$25,000. In 2007, 10 communities were awarded community innovation grants. A few examples of innovation grants include:

- In Minneapolis, Minnesota, Cummins teamed up with the Amherst Wilder Foundation on an Elderly Falls Prevention Project. This study identified leading causes for falls among seniors and developed a tool kit to address the most serious issues. This toolkit can be shared in all the Cummins communities, with the goal of helping keep seniors leading independent lives as long as possible.
- Cummins employees in Melbourne, Australia teamed up with Concern Australia on the Hand Brake Turn Program, which provides disadvantaged 15 to 19-year-olds with educational mentoring and job training opportunities. This program is specifically designed to provide participants with a certificate in engine mechanics.
- Charleston, South Carolina employees identified hunger among children attending schools near our manufacturing facilities as a community concern. They teamed up with the Low Country Food Bank as a partner as well as the Back Pack Buddy Program, which confidentially provides nutritious snacks for elementary and middle school children to take home over the weekend.

The Cummins Foundation Report

Cummins Foundation Directors and Committees

Foundation Management

Directors of the Foundation

Tim Solso, Chairman
Tracy Souza, President
Jean Blackwell, Secretary/Treasurer
Mark Gerstle, Board Member
Tom Linebarger, Board Member
Joe Loughrey, Board Member
Will Miller, Board Member

Audit Committee

Marsha Hunt, Committee Chair
Luther Peters
James Guilfoyle

Investment Committee

Richard Harris, Committee Chair
Nadeem Ali
Marsha Hunt

Domestic Committees

Columbus, IN Committee

Joe Loughrey, Committee Chair
Rich Freeland
Ignacio Garcia
Mark Gerstle
Jim Kelly
Will Miller
Tracy Souza
Don Trapp
Tina Vujovich
John Wall

Indianapolis, IN Committee

Jean Blackwell, Committee Chair
Susan Hanafee
Marya Rose
Tim Solso
Tracy Souza

International Committees

C3-Cummins Community Connection – Central Area

Raymond Eyres, Committee Chair

Cummins Community Cares – South Pacific

Gino Butera, Committee Chair
Csilla Csorba, Manager

Cummins India Foundation

Anant Talaulicar,
Chairman of Foundation

Asociacion Filantropica de Cummins AC

Rafel Dorador,
Chairman of Foundation
Edgar Freeman Rubio, Director

The Cummins Foundation Inc.

Statements of Financial Position

Assets	December 31, 2007	December 31, 2006
Cash and cash equivalents	\$4,580,212	\$ 2,708,329
Contributions Receivable	-	-
Program-related investments	12,167,632	10,990,444
Other assets	500	9,915
	\$16,748,344	\$13,708,688
Liabilities and Net Assets		
Liabilities		
Grants payable	\$5,113,215	\$1,028,441
Total Liabilities	5,113,215	1,028,441
Unrestricted net assets:		
Undesignated	5,059,737	2,433,104
Board-designated grant fund	50,000	192,643
Board-designated Columbus committee fund	248,992	54,500
Board-designated architecture fund	1,276,400	5,000,000
Board-designated reserve fund	5,000,000	5,000,000
	11,635,129	12,680,247
	16,748,344	13,708,688

The Cummins Foundation – 2007 Grants

Grantee	Community	Purpose	Amount
ABC – Stewart School	Columbus, IN	Scholarship Support	\$15,000.00
Adult Day Care Corporation	Columbus, IN	General Support	\$2,000.00
Court Appointed Advocates for Children	Columbus, IN	Program Expansion Support	\$22,500.00
American Indian College Fund	Denver, CO	General Support	\$2,500.00
American Red Cross	Clovis, NM	Tornado Relief Effort	\$10,000.00
American Red Cross International Response Fund	Peru, South America	Earthquake Relief	\$10,000.00
American Wind Symphony Orchestra	Mars, PA	General Support	\$25,000.00
Amherst H. Wilder Foundation	Fridley, MN	Elderly Falls Prevention	\$25,000.00
Ashoka Innovators for the Public	Arlington, VA	Youth Ventures	\$39,800.00
Asociacion Filantropica Cummins, A.C.	San Luis Potosi, Mexico	Tabasco Flood Relief	\$10,000.00
ATLCF Collections Inc.	Atlanta, GA	MLK Papers	\$250,000.00
Autism Speaks	New York	Kickoff for a Cure	\$25,000.00
Bartholomew Area Legal Aid, Inc.	Columbus, IN	General Support	\$5,000.00
Bartholomew Consolidated School Foundation	Columbus, IN	Diversity Initiatives	\$5,500.00
Bartholomew Consolidated School Foundation	Columbus, IN	Transportation Safety Training Facility	\$50,000.00
Bloomer Fire Department	Stoughton, WI	Fire Safety Prevention	\$1,500.00
CAF Australia	Australia	Hand Brake Turn Program	\$25,000.00
CAF Australia	Australia	Shop 16 Project	\$33,000.00
Clovis-Carver Public Library	Clovis, NM	Summer Reading Program	\$1,000.00
Clovis-Carver Public Library	Clovis, NM	General Support	\$5,500.00
CASA of Chautauqua County	Jamestown, NY	General Support	\$8,000.00
CASA/GAL of Hancock County	Findlay, OH	Volunteer Training	\$2,500.00
Cedar Grove Elementary School	Nashville, TN	Playground Accessibility	\$2,500.00
Central Indiana Community Foundation	Indianapolis, IN	Cultural Trail	\$100,000.00
Central Indiana Corporate Partnership	Indianapolis, IN	Conexus Indiana	\$100,000.00
Charleston Orphan House, Inc.	Charleston, SC	Youth Leadership Program	\$6,100.00
Children's Museum of Indianapolis	Indianapolis, IN	Power of Children: Making a Difference Exhibit	\$50,000.00
City of Columbus	Columbus, IN	Urban Design Plan	\$17,740.06
City of Columbus	Columbus, IN	Parking Garage Design	\$500,186.17
City of Stoughton	Stoughton, WI	Youth Programs	\$2,500.00
Columbus Area Arts Council	Columbus, IN	UnCommon Cause Gala	\$5,000.00
Columbus Area Arts Council	Columbus, IN	CNHS Presentation	\$500.00
Columbus Area Arts Council	Columbus, IN	Columbus Indian Film Lover's Association	\$4,000.00
Columbus Area Arts Council	Columbus, IN	General Support	\$20,000.00
Columbus Area Chamber of Commerce Foundation	Columbus, IN	Connected Community Partnership	\$10,000.00
Columbus Area Chamber of Commerce Foundation	Columbus, IN	Speaker Fee	\$2,000.00
Columbus Indiana Architectural Archives	Columbus, IN	Symposium	\$5,000.00
Columbus Indiana Architectural Archives	Columbus, IN	Staff Support	\$100,000.00
Columbus Symphony Orchestra	Columbus, IN	Family Concert	\$1,500.00
Cummins India Foundation	Pune, India	Mechanical Engineering Program at Cummins College of Engineering for Women	\$1,000,000.00
Decatur County United Fund, Inc.	Indiana	General Support	\$6,938.00
DePauw University	Greencastle, IN	Student Honors Ethics Symposium	\$50,000.00
Duke University	Durham, NC	US-Southern Africa Center for Leadership and Public Values-Emerging Leaders Program	\$40,000.00

Grantee	Community	Purpose	Amount
Ecumenical Assembly of Bartholomew County Churches	Columbus, IN	Emergency Assistance Fund	\$20,000.00
Edgecombe County Public Schools	Rocky Mount, NC	Playground Renovation for Phillips Middle School	\$25,000.00
Fathers and Families Center	Indianapolis, IN	General Support	\$5,000.00
Findlay Area Chamber of Commerce Foundation	Findlay, OH	Park Enhancement	\$5,000.00
Findlay Hope House for the Homeless Inc.	Findlay, OH	Revolving Loan Fund	\$25,000.00
Food Allergy & Anaphylaxis Network (FAAN)	Indianapolis, IN	General Support	\$2,500.00
Franklin Boys & Girls Club	Franklin, IN	General Support	\$25,000.00
Franklin College	Franklin, IN	Cummins Lectures on Ethical Leadership	\$25,000.00
Gleaners Food Bank	Indianapolis, IN	General Support	\$5,000.00
The Greater Indianapolis Progress Committee	Indianapolis, IN	Mindtrust	\$150,000.00
Greater Twin Cities United Way	Fridley, MN	General Support	\$164,918.00
Hartley House	Clovis, NM	Refurbish Safe House	\$25,000.00
Heritage Fund of Bartholomew County	Columbus, IN	EOS Maintenance Fund	\$2,000.00
Heritage of Hope, Inc.	Hope, IN	General Support	\$10,000.00
Hospice of South Central Indiana, Inc.	Columbus, IN	Facility Improvement	\$41,507.50
Human Services, Inc.	Columbus, IN	Horizon House Homeless Shelter	\$5,000.00
Indiana Achievement Awards	Indianapolis, IN	Program Sponsor	\$1,000.00
Indiana Commission on the Social Status of Black Males	Indianapolis, IN	National Conference	\$1,000.00
Indiana Grantmakers Alliance	Indianapolis, IN	Fall Conference	\$3,000.00
Indianapolis Opera	Indianapolis, IN	Education Sponsorship	\$10,000.00
Indianapolis Symphony Orchestra	Indianapolis, IN	Support for Educational Programs	\$3,000.00
Jackson County United Fund	Indiana	General Support	\$46,737.00
Jefferson County United Way	Indiana	General Support	\$2,848.00
Jennings County Senior Resource Center	Indiana	Food Bank	\$3,100.00
Jennings County United Way	Indiana	General Support	\$16,794.00
Kids Voice of Indiana	Indianapolis, IN	Parent Child Visitation Program	\$5,000.00
Kuaba Humanitarian Foundation	Indianapolis, IN	Shipment of Donations to Zimbabwe	\$10,000.00
Lake Mills Ambulance Service	Lake Mills, IA	AED Support	\$5,000.00
Lake Mills Community School	Lake Mills, IA	Literacy	\$25,000.00
Lakeside Baptist Church	Rocky Mount, NC	Meals on Wheels	\$5,000.00
Legal Momentum	Columbus, IN	General Support	\$1,500.00
LeMoyné-Owen College	Memphis, TN	General Support	\$200,000.00
LeMoyné-Owen College Community Development Corporation	Memphis, TN	Teen Mothers Program	\$5,150.00
LeMoyné-Owen College Community Development Corporation	Memphis, TN	General Support	\$5,000.00
Lowcountry Food Bank	Charleston, SC	Back Pack Buddy Program	\$25,000.00
McFarland School District	Stoughton, WI	Project Lead the Way Program	\$5,000.00
Metro United Way of Clark County	Indiana	General Support	\$1,657.00
Metro United Way of Floyd County	Indiana	General Support	\$288.00
The Minneapolis Foundation	Fridley, MN	I35W Bridge Collapse	\$2,678.00
Minnesota Indian Women's Resource Center	Fridley, MN	Native American Parenting Traditions Revisited Program	\$104,855.00
The Oasis - Children's Advocate Center	Clovis, NM	General Support	\$3,500.00

Grantee	Community	Purpose	Amount
Parental Stress Center	Stoughton, WI	General Support	\$25,000.00
Rocky Mount Area United Way	Rocky Mount, NC	General Support	\$154,915.00
Rocky Mount Children's Museum	Rocky Mount, NC	Planetarium	\$100,000.00
School on Wheels Corp.	Indianapolis, IN	Parents as Partners Program	\$25,000.00
Senior Services of Northern Kentucky	Covington, KY	General Support	\$25,000.00
Shelby County United Fund, Inc.	Indiana	General Support	\$3,396.00
St. Vincent Jennings Hospital Foundation	North Vernon, IN	Golf Tournament	\$10,000.00
Stoughton Area Resource Team	Stoughton, WI	General Support	\$2,500.00
Su Casa Columbus Inc.	Columbus, IN	Spanish Newspaper	\$1,800.00
Su Casa Columbus Inc.	Columbus, IN	General Support	\$5,000.00
Tarboro Community Outreach Inc.	Rocky Mount, NC	Homeless Shelter	\$5,000.00
Trident United Way	Charleston, SC	General Support	\$57,073.00
United Communities Ministries	Rocky Mount, NC	Homeless Shelter	\$5,000.00
United Fund of Dearborn County	Indiana	General Support	\$72.00
United Negro College Fund	Indianapolis, IN	Annual Campaign	\$25,000.00
United Way of Bartholomew County	Columbus, IN	General Support	\$670,618.00
United Way of Bartholomew County	Columbus, IN	Youth Fest	\$5,000.00
United Way of Bartholomew County	Columbus, IN	Capacity Building Project	\$10,000.00
United Way of Bartholomew County	Columbus, IN	Childhood Connections	\$50,000.00
United Way of Bloomington & Monroe County, Inc.	Indiana	General Support	\$4,383.00
United Way of Central Indiana	Indianapolis, IN	General Support	\$53,261.00
United Way of Dane County, Inc.	Stoughton, WI	General Support	\$38,501.00
United Way of Eastern New Mexico, Inc.	Clovis, NM	General Support	\$8,136.00
United Way of El Paso County	El Paso, TX	General Support	\$2,536.00
United Way of Fayette County	Indiana	General Support	\$48.00
United Way of Greater Cincinnati Northern Kentucky	Florence, KY	General Support	\$10,432.00
United Way of Hancock County	Findlay, OH	General Support	\$8,987.00
United Way of Johnson County	Indiana	General Support	\$55,550.00
United Way of Metropolitan Nashville	Nashville, TN	General Support	\$75,716.00
United Way of North Central Iowa	Lake Mills, IA	General Support	\$23,241.00
United Way of Putnam County	Cookeville, TN	General Support	\$23,506.00
United Way of Scott County	Indiana	General Support	\$2,834.00
United Way of South Central Indiana	Indiana	General Support	\$576.00
United Way of Southern Chautauqua County	Jamestown, NY	General Support	\$111,982.00
United Way of the Central Savannah River Area, Inc.	Waynesboro, GA	General Support	\$16,040.00
United Way of the Mid-South	Memphis, TN	General Support	\$33,375.00
Vance Avenue Youth Development Center	Memphis, TN	General Support	\$5,000.00
West Ohio Food Bank	Findlay, OH	General Support	\$5,000.00
WFYI TelePlex	Indianapolis, IN	Communities Building Community Series	\$5,000.00
Women On Maintaining Education & Nutrition	Nashville, TN	HIV/AIDS Awareness	\$2,500.00
World Vision USA	Sichuan Province, China	Construction of Beimiao Primary School	\$43,200.00
Y-Med, Inc.	Columbus, IN	Consultant	\$35,000.00
Youth for Christ USA	Lake Mills, IA	After School Program	\$5,000.00
Youth Leadership Bartholomew County	Columbus, IN	Student Leadership Seminar	\$300.00
YWCA	Jamestown, NY	General Support	\$2,000.00
Total Grants			\$5,378,274.73

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Cummins Inc.

500 Jackson Street
Columbus, IN USA
(812) 377-5000

www.cummins.com



Bulletin Number 4986066

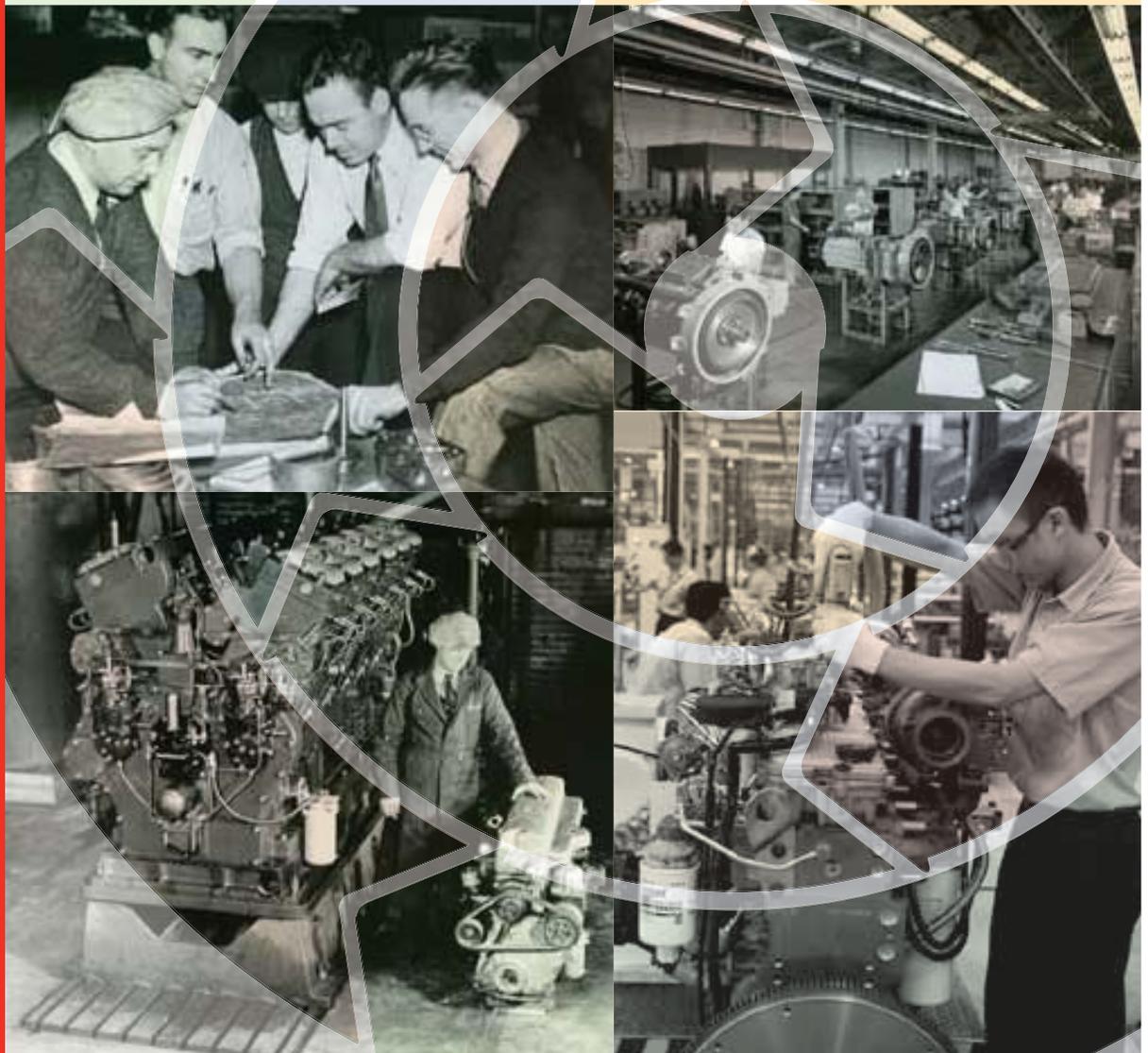
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Sustainability Report

A Legacy of Dependability and Responsibility

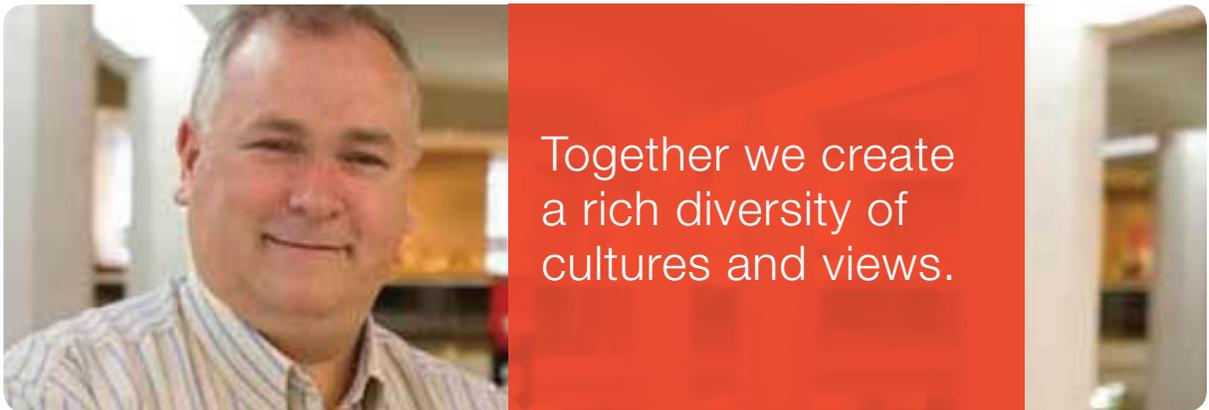
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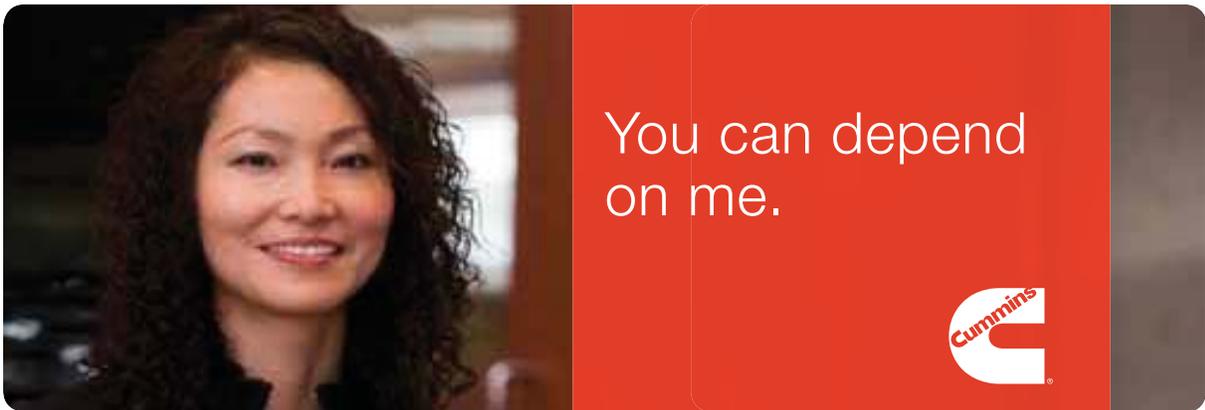
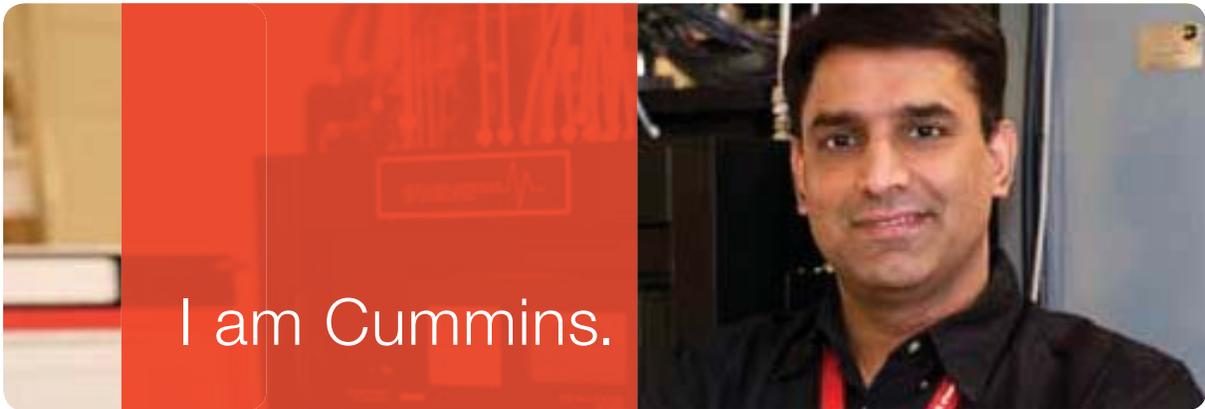
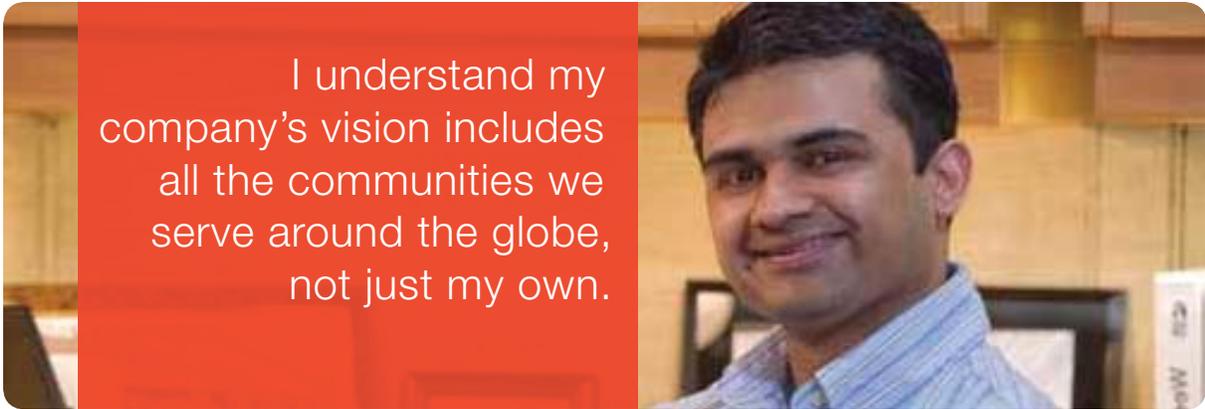






2009 marks the 90th anniversary of Cummins Inc. Over the last nine decades, the Company has grown into a global leader in the production of diesel and natural gas engines, power generation systems and related components. Our commitment to customers, employees and communities is rooted in our heritage and has made us Cummins. Dependable. Since 1919.





About This Report

The information in this report is presented in the spirit of the guidelines set by the Global Reporting Initiative (GRI). The aim of the GRI is to develop a consistent way for companies around the world to voluntarily report on the economic, environmental and social components of their business. Started in 1997 by the Coalition for Environmentally Responsible Economies (CERES), the GRI became independent in 2002 and today works

in collaboration with the United Nations Environment Program (UNEP) and the UN Secretary-General's Global Compact. We are proud of the positive impact Cummins products and the people who manufacture them have on our society. We look forward to the opportunity to make a difference, not just today, but for future generations as well.

Contacts

Jean Blackwell

Executive Vice President, Corporate Responsibility
Chief Executive Officer of The Cummins Foundation
One American Square, Suite 1800
Indianapolis, IN 46282

Marya M. Rose

Vice President
General Counsel
One American Square, Suite 1800
Indianapolis, IN 46282

Mark D. Land

Executive Director, Corporate Communications
One American Square, Suite 1800
Indianapolis, IN 46282
Telephone: 317-610-2456
Mark.D.Land@cummins.com

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Letter from the Chairman

The global economic situation has changed significantly since we published our Sustainability Report last year. At Cummins, we began to feel the effects of the recession in most of our markets late in 2008. Our current business climate will continue into next year, making 2009 and 2010 very challenging years.

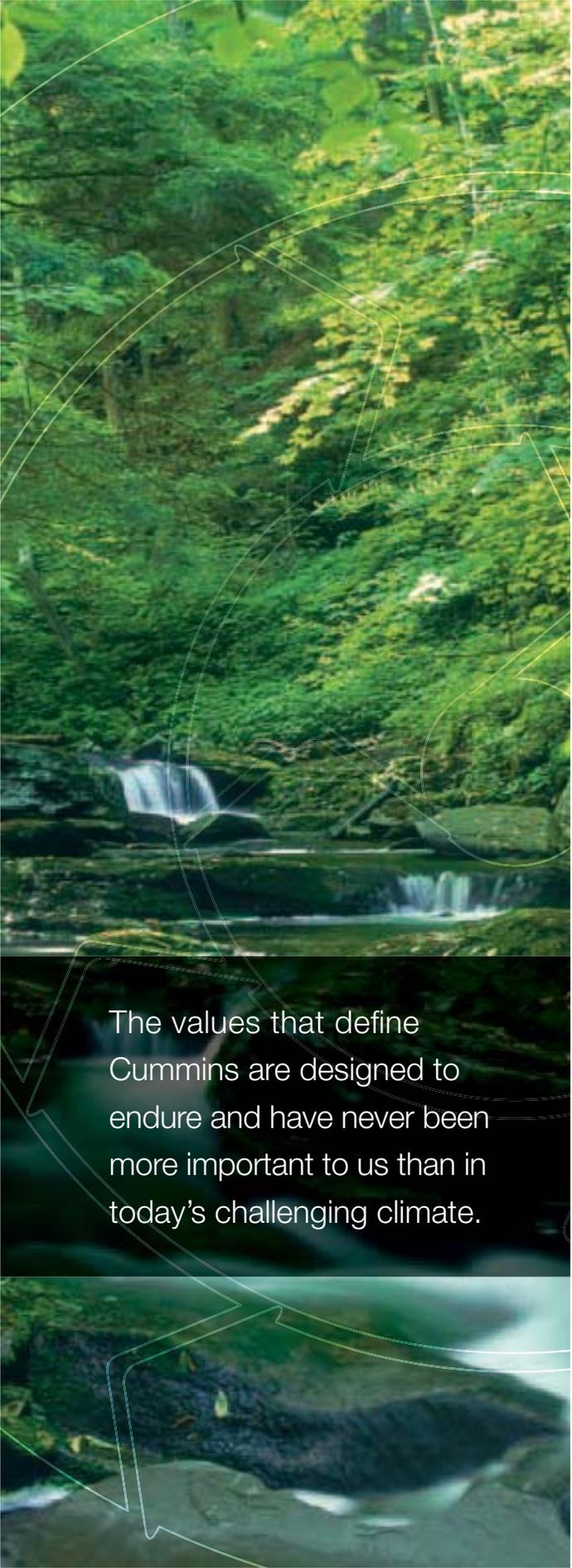
Cummins has devoted significant time and energy to ensuring that our company remains strong during the recession and emerges well-positioned to resume our profitable growth once the recovery begins.

At the same time, a critical determinant of Cummins' success over the long term is our ability to create an organization that is focused on delivering on our commitments to the full range of stakeholders we serve. The values that define Cummins are designed to endure and have never been more important to us than in today's economic climate.

Acting with integrity. Doing our part to improve the communities where we live and work. Embracing diversity. Operating with a global vision. Striving to always exceed the expectations of our customers. Being first to market with innovative products and services.

These statements represent Cummins' core values and I am proud to say that our more than 35,000 employees worldwide continue to demonstrate their commitment to bringing these words to life every day. Cummins' sixth annual Sustainability Report highlights the progress we have made in the past year around several of these values, particularly corporate responsibility and our commitment to the environment.

Our approach to corporate responsibility is grounded in a stakeholder model articulated nearly 40 years ago by then-Chairman J. Irwin Miller, who believed that businesses have a responsibility to help to create healthy communities. The tools and actions that define our work to remain a responsible company may have changed over the years, but the underlying principles have not.



The values that define
Cummins are designed to
endure and have never been
more important to us than in
today's challenging climate.



Our commitment to corporate responsibility also contains an element of self-interest. Cummins operates under the philosophy that corporate responsibility contributes directly to the long-term financial health of our company.

Building successful, vibrant communities leads to stronger markets for our products. Being seen as a company that cares about all its stakeholders, in addition to generating strong financial return for shareholders, is essential to our efforts to attract the most talented workers from around the world. Creating a culture that encourages employees to become active in their communities is central to our goal of creating a great place to work, which is the best way we know to retain those talented workers.

In the past year, Cummins has strengthened its commitment to corporate responsibility and we are in the midst of some exciting changes that will make our efforts in this area more global, more focused and more effective. A full discussion of our work, including details of the goals and vision of our recently created Corporate Responsibility organization, can be found starting on page 88 of this report.

Ensuring that everything we do leads to a cleaner, healthier and safer environment has been part of the Cummins Mission statement for many years. In practice, that means we are unwavering in our commitment to producing the cleanest diesel engines in the world and in reducing the Company's environmental footprint.

Since our last Sustainability Report, Cummins has raised the stakes on both fronts. We have invested significantly in new products and technologies designed to further lower exhaust emissions from our products and are in the final stages of preparing for the most extensive new product launch in our history. At the same time, we have increased our commitment to addressing the global impact of climate change.

Early this year, we introduced our first set of 10 climate change principles. These principles address ways that Cummins plans to become a greater part of the solution and also articulates the Company's positions on key public policy issues surrounding climate change. They are:

Company directed principles

- Improve product efficiency
- Grow and develop new businesses
- Collaborate with suppliers and customers
- Make work spaces green spaces
- Harness the energy of employees
- Support community efforts

Public policy principles

- Develop responsible regulations
- Promote technology development
- Accelerate progress through incentives
- Create a balanced global approach

This work, which seeks to leverage the interest and expertise of our employees around the world, is the next step in an ongoing effort that has seen Cummins decrease waste, improve energy efficiency and lower its greenhouse gas emissions significantly in recent years. A detailed description of our key environmental initiatives can be found starting on page 39 of this report.

At Cummins, we have long worked under the premise that our strength as a company is dependent on the health of the communities in which we operate and where our products are sold. From that perspective, the notion of sustainability is not a luxury, but rather a critical component to our long-term success.

I hope you will read our current Sustainability Report and learn more about our work to remain a responsible corporate citizen that is responsive to the needs of all our stakeholders.

A handwritten signature in black ink that reads "Tim Solso". The signature is written in a cursive, flowing style.

Tim Solso
Chairman and Chief Executive Officer
Cummins Inc.

Who We Are

Cummins Inc. was made possible by the two men who dominated its early years—Clessie Cummins, who wanted to build engines, and W.G. Irwin, whose family fortune backed the venture.

The Irwin family settled near Columbus, Indiana, about 1821, with its members soon playing key roles in the religious, political, business and cultural affairs of their community. Irwin family enterprises tended to blend the search for profits with a sense of community mission and a desire to help local entrepreneurs.

Clessie Cummins, a local man with a lifelong fascination for machines, served as W.G. Irwin's driver and mechanic. With W.G.'s permission, Clessie opened an auto repair shop in a vacant forge building. That venture, started in 1913, developed into a machine shop that employed 50 people and performed a variety of Army and Navy ordnance jobs during W.W. I.

The Cummins Engine Company was born 14 weeks after the end of W.W. I, when postwar need and opportunity came together with Clessie's willingness to devote his considerable mechanical and promotional talents to diesel technology. Just as important was the willingness of W.G. Irwin to finance the enterprise with family resources.

In 1947 J. Irwin Miller was elected president of Cummins Engine Company. Miller, a grand-nephew of W.G. Irwin who was educated at both Yale and Oxford, had been involved in the company's operations for more than a decade. As he took up the reins, Miller brought a new sense of strategic planning to

the company along with a more assertive philosophy of corporate responsibility. As he said in the Cummins 1972 Annual Report,

While some still argue that business has no social responsibility, we believe that our survival in the very long run is as dependent upon responsible citizenship in our communities and in the society, as it is on responsible technological, financial and production performance.

It was under Mr. Miller's watch that Cummins took on the properties that characterize it in the minds of so many today: environmental consciousness, integrity, diversity, global involvement, and service and improvement to the communities in which we live and work. It was also under Mr. Miller that Cummins sought and found overseas markets and operations.

Our commitment to corporate responsibility continues to shape our business decisions today. The Company has grown to be a global power leader, with more than half of its employees and sales from outside the United States. Most recently, the Company has been reshaped into the "new Cummins"—a company that is less cyclical, more diversified, more results-oriented and committed to turning a greater share of its sales into profits. But the star we continue to steer by mandates that everything we do leads to a cleaner, healthier, safer environment.

As we have since 1919, Cummins has made it our obligation to meet the needs of both our customers and the communities where we work and live. The ultimate goal is always the same: create sustainable wealth and well-being for all our stakeholders.



All Cummins businesses are united under the Cummins name, with the Company's earliest historical colors, red and black.

Our brand is the sum total of all our years in business. From the beginning, when the Company's founders first stood behind the products they sold to the ongoing growth of our diversified business, Cummins has maintained a reputation for integrity. In terms of a brand, that translates into a single vision: dependability. We want stakeholders to know they can depend on Cummins. And we want employees to be able to unify around the Cummins brand to create value and a competitive advantage.

Cummins is a family of four interrelated, yet diversified business segments that create or enhance value as a result of those relationships and doing business with each other. These four business segments are Engine, Power Generation, Components and Distribution.

Cummins products can be found in nearly every type of vehicle, from the heavy-duty diesel-powered trucks that travel the world's highways, to tractors that till the soil, large trucks that carry natural resources from the mine and ships that travel the world's waterways. Cummins-built generators supply both prime and auxiliary power around the globe. Filters, turbochargers, fuel systems, exhaust aftertreatment and related components help engines run cleaner and more efficiently. A comprehensive network of distributors provide repair and maintenance service for customers worldwide.

Cummins has entered into a number of joint venture agreements and alliances with business partners and affiliates in various areas of the world to increase market penetration, expand product lines, streamline supply chain management and develop new technologies. As of the end of 2008, Cummins has 55 joint ventures in 18 countries, 45 of which are unconsolidated.



Cummins' first diesel was the 1.5 and 3 hp HVID used by farmers for powering pumps. Founded by Clessie Cummins and W.G. Irwin, the Company is located in Columbus, Indiana.

1919

Mission

- To motivate people to act like owners working together A record year for Six Sigma in savings and projects launched p. 13

- To exceed customers' expectations by always being first to market with the best products First to meet EPA's stringent on-highway 2010 emission standards p. 46

- To partner with our customers to ensure their success Customer-focused fuel economy projects save millions of gallons of fuel p. 42

- To demand that everything we do leads to a cleaner, healthier, safer environment An energy use challenge saves nearly \$1 million and 7,000 tons of GHGs p. 41

- To create wealth for all our stakeholders Fifth consecutive year of record sales and profits and No. 10 in the Fortune 500 in earnings per share growth p. 14 and 22

Making people's lives better by unleashing the power of Cummins.

That simple statement is the framework for Cummins and its employees worldwide. The Company takes pride in manufacturing high quality products that serve the needs of our customers. But the power of our Company is not just our products, but the ideas, energy and passion of our employees. That passion fuels employee energy and commitment, making it possible for Cummins to maintain a leadership position in the markets it serves.

Cummins also recognizes that with its role as a corporate leader is a responsibility to make positive contributions in the communities in which employees work and live. Accordingly, Cummins' corporate mission and values reflect its desire to return value to its customers, employees, shareholders and communities.

Values

- Integrity:** We strive to do what is right and what we say we will do. 2,800 major suppliers comply with our Supplier Code of Conduct p. 28

- Innovation:** We will apply the creative ingenuity necessary to make us better, faster, first. Innovative filter has environmental and customer-friendly design p. 49

- Deliver Superior Results:** Our goal is to consistently exceed expectations. 133 percent increase in the dividend since 2006 p. 22

- Corporate Responsibility:** We will serve and improve the communities in which we live. Employees give financial aid to earthquake and flood victims p. 97

- Diversity:** We embrace the diverse perspectives of all people and honor both with dignity and respect. National recognition for Darlington's (U. K.) activities and initiatives designed to increase gender diversity p. 15

- Global Involvement:** We seek a world view and to act without boundaries. Since 2000, non-U.S. sales have grown from 43 percent to 60 percent p. 23

Strategic Principles

Cummins has five key elements to its business strategy. This strategy has not changed in recent years. What has changed is our improved performance and our continued ability to deliver on commitments.

Being a low cost producer

Cummins realizes that to successfully compete in the marketplace, it must offer the best products at the best prices. To do that, we leverage our innovative technology, economies of scale, global presence and customer partnerships.

The Six Sigma quality program, launched in 2000, is an integral part of that strategy. Cummins belts launched 4,100 projects in 2008, with closed projects saving \$500 million.

And here is what 10 years of Six Sigma has meant for Cummins:

- Projects successfully completed: 13,367
- Total savings: \$2.5 billion
- Green belts trained: 9,320
- Green belts certified: 1,492
- Black belts certified: 465

The Company estimates this program generates savings of approximately 2 percent of annual revenue per year, while infusing quality into every process. Cummins also has expanded the program to include processes with customers, suppliers, distributors and our communities with positive results.

Cummins pursues cost leadership in other ways: through global sourcing, global research and development access, sharing development costs with original equipment manufacturer (OEM) partners and technical productivity, including the use of computer design and modeling instead of building expensive physical prototypes.

Profitable growth

Despite the recessionary environment that exists today, the Company will continue to focus its growth initiatives on related businesses where it can use its existing investments in products or technology, leading brand names or market presence to establish a competitive advantage. The focus is on ventures that complement its more capital-intensive and cyclical core businesses.

Creating shareholder value

Return on capital—specifically return on average net assets (ROANA) and return on equity (ROE)—is our primary measure of financial performance. Each of our business segments uses ROANA targets and the Company, as a whole, has an ROE target. Cummins has dramatically improved its return on capital in recent years; for example, since 1999 (the last peak in the heavy-duty truck cycle), ROE has increased from 10 percent to 20 percent in 2008. ROANA in 2008 was 28 percent.

Complementary businesses that work together to create value

Increasingly, Cummins looks for ways to leverage the synergies among its four business segments. These synergies capitalize on shared capabilities including technology, distribution systems, common customers (cross selling), joint venture partners for global growth and cost reduction through the larger scale of shared services.

Creating the right environment

At Cummins, creating the right environment for success means an inclusive, learning environment that is reinforced by a performance ethic that attracts, develops and retains high-quality talent. We measure our success through strategic skill and competency mapping, leadership development outcomes and participation in tailored individual development and training programs.

Recognition of Good Works

Governance, Ethics and Sustainability

■ For the fourth consecutive year, Cummins was named to the Dow Jones World Sustainability index, which recognizes the top 10 percent of the world's largest 2,500 companies in economic, environmental and social leadership.

■ Cummins was named one of the "World's Most Ethical Companies" for 2009 by the Ethisphere Institute, an organization

"dedicated to the research, creation and sharing of best practices in ethics, compliance and corporate governance among its membership companies." In all, 99 companies were honored as "most ethical."



■ Cummins received in 2008 an overall global rating of 10 – the highest award – for best-in-class corporate governance standards. The rating from GovernanceMetrics International was based on research of nearly 4,200 companies. Cummins was one of only 43 companies that achieved this rating.

■ Cummins China was among 48 companies named as a top corporate citizen for its corporate responsibility activities and its substantial contribution to the public good. The award was presented by the China Corporate Citizen Committee and China Central Television.

■ The company was ranked No. 10 in Fortune 500 EPS growth last five years.

■ Cummins was No. 1 in Fortune 500 Industry Group Total Shareholder Return last 10 years.

■ Cummins has been notified that it meets the FTSE4Good Human and Labor rights standards in full.



The 104 Power Shovel from Northwest Engineering was one of the very earliest tracked earth movers available with diesel power as an alternative to steam. With a 12.5 hp 4-cylinder Model F, the shovel was the first land-based mobile equipment powered by Cummins.

1926



Social Issues, Diversity and People

- Cummins was ranked 42nd in the 2009 DiversityInc Top 50 Companies for Diversity.
- Cummins Power Generation in Fridley, Minn., was named Minnesota's Outstanding Philanthropic Organization in 2008 by the Association of Fundraising Professionals (AFP).
- The Company earned a 100 percent rating for the fourth consecutive year from the largest U.S. advocacy group for gay, lesbian, bisexual and transgender employees.
- Cummins South Pacific was named 2008 Employer of Choice for Women, one of only 99 organizations in Australia to receive the award from the Australian Government's Equal Opportunity for Women in the Workplace Agency. It was the second consecutive year the unit has won the award.
- Cummins was selected as one of the "100 Best Places to Work in IT" by IDG Computerworld. This is the second consecutive year the Company has made the list.
- Cummins was awarded the 2008 Circle of Excellence Award by the Indiana Minority Supplier Development Council for its commitment to supplier diversity.
- Cummins received the "Amigo Estrella Award" from the National Society of Hispanic MBAs Indianapolis chapter in 2008 for a second consecutive year.
- Cummins Darlington (U.K.) Engine Plant won the Institution of Mechanical Engineers/ U.K. Resource Centre for Women in Science, Engineering and Technology Award for Diversity and Inclusion in June 2008 for superior diversity programs and policies.

Products

- Cummins received the leadership in Lifting Equipment and Aerial Platforms (LLEAP) Gold Award for Design Leadership for Tier 4 QSB6.7 for both the engine and particulate filter.
- Cummins was recognized as "best in class" for Enterprise Quality Management by Aberdeen Group, a research and market intelligence organization. The Company was cited for top performance in operational metrics and reducing the cost of quality.
- The Power Generation unit of Cummins India Limited won the Confederation of Indian Industry (CII) National Award for Excellence in Energy Management in the category of "Innovative Energy Saving Product / Service" for the third successive year. Cummins received the award for its Power Quality and Adequacy Analysis service, which checks source and load compatibility.
- Cummins received the PACE Award for significant product innovation for the 6.7L Turbo Diesel Engine from Automotive News.
- In December, Cummins Power Generation was named the recipient of the 2008 Frost & Sullivan North American Generator Set Product Quality Leadership of the Year Award.
- Cummins Generator Technologies India Ltd., of Ranjangaon, Pune, received the Greentech Environmental Excellence Award in recognition of its commitment to environmental management. CGT was cited for the design of the new plant at Ranjangaon, which combined outstanding design with environmental management principles.

Operating Segments

<p>Engines</p> <p>SALES \$8.8 billion</p> <p>EBIT Margin 6.1%</p>	<p>Mid-Range Engines Diesel engines for on-highway applications from 120 – 425 horsepower. Natural gas- and LPG-fueled version from our Cummins Westport joint venture. Mid-range engines for off-highway of 31-365 horsepower</p> <p>Heavy-Duty Engines Diesel engines for on-highway applications from 280 – 600 horsepower and off-highway applications from 290 – 630 horsepower</p>	
<p>Power Generation</p> <p>SALES \$3.5 billion</p> <p>EBIT Margin 10.7%</p>	<p>Commercial Power Systems Generator sets, control systems and power electronics for a wide range of power requirements primarily powered by diesel and natural gas engines. Turn-key systems, combined heat and power installations, rental power, and plant operation and maintenance services</p> <p>Consumer Systems High performance diesel, LPG, natural gas and gasoline fueled generator sets with associated control systems from 2 to 99 KW for use as auxiliary power in a range of consumer, mobile, and specialty equipment</p>	
<p>Components</p> <p>SALES \$3.2 billion</p> <p>EBIT Margin 5.4%</p>	<p>Filtration Air, fuel, hydraulic, coolant and lube filtration, crankcase ventilation, chemical and exhaust system technology products for all engine powered systems</p> <p>Aftertreatment Catalytic exhaust systems and related products, including packaging of catalytic exhaust systems, engineered aftertreatment components, and system integration services for engine manufacturers</p>	
<p>Distribution</p> <p>SALES \$2.2 billion</p> <p>EBIT Margin 11.4%</p>	<p>Engines and Power Generation Wholesale and retail distribution of Cummins engines, generator sets and related components. Application Engineering and assembly of Cummins products into packages per customer needs for: Marine and RV applications, Small original equipment manufacturers, and standby and prime Power Generation systems</p> <p>Geographic Breadth: The segment consists of 18 company-owned and 18 joint venture distributors in 300 locations in more than 70 countries and territories</p>	

Note: Sales figures exclude intercompany sales



High-Horsepower Engines

Diesel and natural gas engines from 380 – 3,500 horsepower

Aftermarket Support

New and reconditioned parts distribution and service support for customer, distributors, and dealers worldwide

Customers and Markets

- Light-duty automotive, RV, medium-duty truck, specialty vehicle, bus, heavy-duty truck, agriculture, construction, mining, marine, rail, defense, logging, power generation, oil and gas markets
- Original Equipment Manufacturers (OEMs) who install Cummins engines in their vehicles and equipment
- Global dealer and distributor network



Alternators

Newage Stamford, AVK, and Markon synchronous AC alternators from 0.6 to 30,000 kVA. Variable speed alternators, converters and control systems

Engines

Cummins diesel engines engineered for use in generator sets

Customers and Markets

- Customers needing standby power, distributed power or auxiliary power
- Public and investor-owned utilities, telecommunication providers, manufacturing and industrial facilities, mining and petrochemical sites, healthcare, retail and financial facilities, water treatment plants, and residential homes
- RV, specialty vehicle, and marine pleasure craft OEMs
- Generator set assemblers



Turbochargers

Holset turbochargers and related products, including variable geometry and wastegate turbochargers, high-pressure ratio and multi-stage solutions, for Engines ranging from 3 to 25 liters

Fuel Systems

Diesel fuel pumps, injectors, and components, high pressure common rail fuel systems for diesel engines, controls for diesel fuel systems. Reconditioned diesel pumps, injectors and electronic control modules

Customers and Markets

- Original Equipment Manufacturers (OEMs) who manufacture vehicles and equipment for all fuel powered systems
- OEMs and Aftermarket distributors, dealers, and end users who serve all engine powered systems
- Light-duty automotive, RV, medium-duty truck, bus, heavy-duty truck, agriculture, construction, mining, marine, small engines, rail, oil and gas and stationary industrial markets



Service and Parts

Sales and distribution of parts, components and related consumables. Repairs, overhaul, maintenance of all Cummins products. Develop and support a servicing dealer network to meet customers needs in their local market place

Solutions

Comprehensive business solutions using Cummins powered equipment, including rental, operation and maintenance, cost-per-hour contracts

Customers and Markets

- Customers who use Cummins-powered equipment in their business endeavors
- Dealers
- Local and regional OEMs producing lower volumes

Commitment to Stakeholders

Cummins recognizes that its duty goes beyond the bottom line. While the Company must deliver value to shareholders, it also strives to responsibly and effectively serve all stakeholders – customers, employees, business partners and the communities in which it operates.

The Company actively engages all stakeholders, seeking feedback and doing its best to keep them informed of Cummins' actions and performance. The Company's policies reflect a commitment to financial excellence, environmental stewardship, creating a great place to work, corporate responsibility and fair competition.

Our activities related to the community are detailed in the Corporate Responsibility section of this book, which begins on page 88.

Customers

As a company, we realize it is not enough to develop the most innovative technology or build the most dependable engines. Our customers have to believe, and we must show them, we care as much about their success as they do.

Cummins works with key customers during development and production to ensure that products are manufactured to customers' satisfaction. Increasingly, Cummins is using Six Sigma tools to help its customers and suppliers reduce costs and improve quality.

The Company's goal for using Six Sigma with customers is to create the shared belief that Cummins cares as much about the customer's business as the customer itself. Cummins currently has approximately 270 active customer-focused Six Sigma projects underway and has completed more than 880 projects since 2005.

Each business unit has a leader responsible for developing projects to meet the needs of its customers. Also, each business unit is charged with developing customer-focused Six Sigma projects that tackle the issues and problems facing individual customers.

Cummins has developed several corporate-wide initiatives to improve the level of customer support across the Company. Notable has been the Customer Support Excellence (CSE) training, which includes a different approach to meeting customer needs by looking at an issue through the customer's perspective.

The CSE program has made great progress since its inception in 2005. More than three-quarters of our employees say they clearly understand how their jobs impact the customer experience, while nearly one quarter are involved in Customer Focused Six Sigma projects

Our "Through the Lens of the Customer" initiative to date has trained 26,000 employees in 12 countries. The Net Promoter Score® (NPS) program and training are beginning to be rolled out globally. The NPS is a simple way to create a clear measure of a company's performance in its customers' eyes. NPS also creates a link between the quality of a company's customer relationships and its profitable growth.

The Cummins Operating System

The Cummins Operating System (COS) helps develop common practices and approaches designed to improve customer satisfaction and profitability. The COS is designed to reduce waste, improve quality, increase responsiveness and develop people.

The COS consists of 10 operating practices that are common across the Company. It is supported by nine common functions, each with a Functional Excellence framework. The Functional Excellence framework at Cummins provides standards, measures, skills



requirements and an individual work plan so each function in the Company can provide service or support at world-class levels. Employees are trained on the COS and Functional Excellence approaches and their importance to Cummins' future success.

In 2006, Cummins began conducting COS assessments. These assessments allow us to demonstrate that the 10 COS practices are embedded in our key processes. They also allow us to identify improvement opportunities and develop an improvement plan to close the gaps.

Employees

As of December 31, 2008, approximately 36 percent of our employees worldwide were represented by various unions under collective bargaining agreements that expire between 2010 and 2014.

Cummins has a long history of being an employer of choice. That reputation continues to this day and is reinforced by the Company's competitive salary and benefits offerings, training and career development opportunities and positive work environment.

Cummins employees enjoy a full slate of benefits. In the U.S., for example, we offer innovative and competitively priced health-care coverage; disease management and wellness programs; flexible spending accounts for medical and dependent care; pension and retirement programs; access to world-class child development centers; flexible work schedules; employee assistance programs and more. These benefits also were made available to non-spousal domestic partners in 2000. We offer employees similar programs at all of our locations around the world.

Cummins places a premium on its workers treating one another with respect and dignity. Treatment of others at work is a key component of the Company's Code of Business Conduct and is the subject of mandatory training for all new hires. Training and career development opportunities also play a crucial role in Cummins' success and in the Company's efforts to attract and retain a talented workforce.

The company provides to new employees training courses covering treatment of others, diversity, information and physical security, sexual harassment issues, the Cummins performance management system and the Cummins Operating System. In addition, the Company's Powertrain program offers on-line training on a variety of subjects, ranging from business software applications to project management skills to interpersonal and communications skills to presentation and leadership skills.

Employees' performance and development plans are reviewed through the Cummins performance management system called OnTrack. Through OnTrack, employees work with their supervisors to create challenging work plans that reflect the goals of the Company and its individual performance cells. Employees receive formal feedback from supervisors and peers quarterly, in addition to a comprehensive annual evaluation.

Cummins also offers its employees opportunities for growth within the Company as their skills and interests dictate. Cummins has a strong history of "growing its own" leaders, and employees regularly move freely from one part of the Company to another. Employees are encouraged to seek out new challenges and to continually broaden their skill sets. High-potential employees are identified and offered comprehensive leadership training as part of the Company's ongoing efforts to develop its leaders from within.

Business Partners

Cummins has working relationships with distributors and suppliers across the world. Similarly, the Company acts as a supplier of components to a number of equipment manufacturers, and has been able to build strong bonds with its business partners.

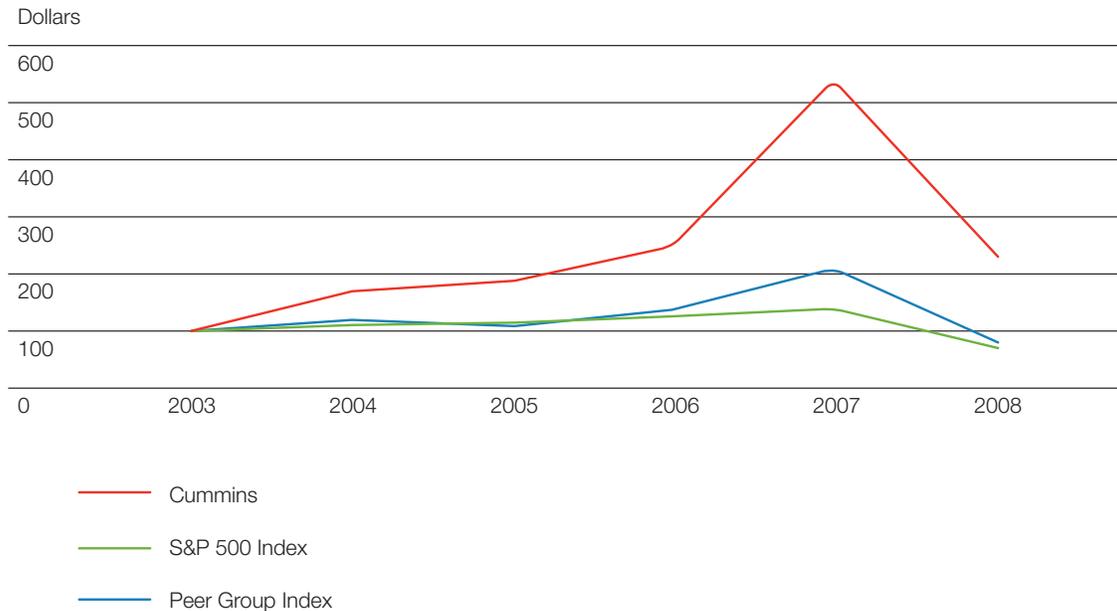
One of the Cummins Operating System principles is to treat preferred suppliers as business partners. In China, that practice is best exemplified by Cummins' relationship with Yinlun, a supplier of oil coolers. All four Cummins engine joint ventures in China are supplied by Yinlun, and Cummins' China International Purchasing Organization exports more than \$20 million in Yinlun products annually to Cummins engine plants around the world.

Yinlun in turn has embraced several Cummins practices, including Six Sigma and Lean Manufacturing. Yinlun has invested in agents and joint ventures globally to ensure that quality work and service support are available in the U.S., U.K. and Brazil. One outcome of its excellent, ongoing performance is a series of awards for cost reduction, quality, delivery, technical innovation, service and leadership given by Cummins joint ventures in China.

Suppliers

Cummins has launched a focused effort to ensure that the Company's most critical suppliers are committed to improvement through Six Sigma. Critical suppliers to Cummins must meet specific Six Sigma performance requirements. Cummins' quality is heavily dependent on the quality of our suppliers' products. Our experience is that Six Sigma is a reliable approach to quality improvement.

Comparison of 5-Year Cumulative Total Return at Year-end 2008



Cummins' Jamestown Engine Plant, which produces the heavy-duty engines that power Class 8 trucks, relies on metal components and sub-assemblies supplied by outside manufacturers. One such supplier was experiencing high rejection rates early in 2008, causing disruptions on the factory floor. A supply-focused Six Sigma project declared a goal of reducing this rejection rate by more than 93 percent. We found that failures resulted from three basic problems for which the supplier was not inspecting. With new procedures, this supplier has now reduced its failure rate by 98 percent, improving its reputation as a precision manufacturer and increasing efficiency at the Jamestown Engine Plant.

Shareholders

Returning value, in terms of profits, rising stock prices and dividends, is a primary measure of a company's commitment to its shareholders. Beyond returning financial value, Cummins believes it owes investors a transparent window into its financial workings.

Cummins goes to great lengths to keep the investing community up-to-date on its performance and future outlook. Top executives hold quarterly teleconferences with industry analysts to discuss financial results. Company representatives also host or attend a number of investor conferences during the year, and meet or talk directly with individual analysts and investors on nearly a daily basis.

Cummins' corporate governance practices on behalf of the shareholders include the following:

- The full board of directors is elected annually.
- The audit, compensation and nominating committees are made up of independent outside directors.
- The company has a designated independent lead director.
- Executives and directors are subject to stock ownership guidelines.
- All stock-based incentive plans have been approved by shareholders.

Economic Performance

Cummins reported its fifth consecutive year of record sales and profits in 2008, despite significant global economic challenges that negatively affected fourth quarter performance.

For the year, sales increased 10 percent to \$14.3 billion, compared to \$13.05 billion in 2007. Net income rose 2 percent to \$755 million, or \$3.84 per share. Earnings Before Interest and Taxes (EBIT) were \$1.2 billion, or 8.5 percent of sales.

As of the end of 2008, Cummins investors have enjoyed a five-year average annual total return of 18 percent. The Company also has increased dividends by 133 percent since July 2006. We also executed a pair of two-for-one stock splits; one during 2007 and the other in early 2008. Cummins increased its dividend for the third time since July 2006 and repurchased 2.3 million shares of stock worth \$128 million as part of its \$500 million repurchase program announced in December 2007.

During the fourth quarter of 2008, the Company took several steps, including a significant workforce reduction, to respond to what has become the worst global recession since World War II. The Company's goal is to maintain a solid profit level through the downturn and to preserve our ability to grow profitability in the future.

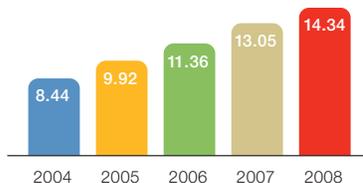
Still, we expect 2009 to be extremely challenging. The recession almost certainly will last through the end of this year, and we are assuming it could take until 2011 for the global economy to fully recover.

We remain confident that the Company is well positioned to achieve its long term growth targets once our global markets improve. But for the short term our focus will be on:

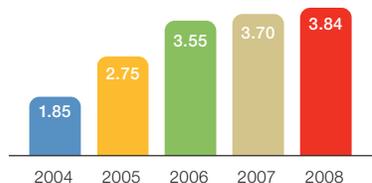
- Reducing costs and manufacturing capacity to align them with demand.
- Managing the business to ensure that we are generating positive cash flow.
- And, strategically investing in critical technologies and products for 2010 and beyond.

Detailed financial information can be found in the Investors and Media section of the Company's website, www.cummins.com. The Cummins' Fact Book, also found on the web site, contains income statement and balance sheet trends for the past 10 years.

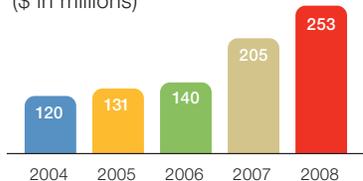
Net Sales (\$ in billions)



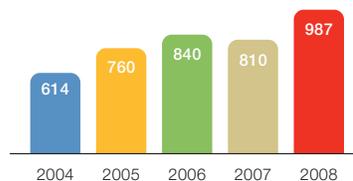
Diluted Earnings per Share (\$)



Investee Equity, Royalty and Other Income (\$ in millions)



Cash from Operating Activities (\$ in millions)



Competitive Strengths

We believe the following competitive strengths are instrumental to our success:

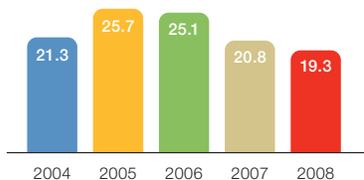
Strong balance sheet. Cummins has worked hard over the past several years to strengthen its balance sheet. The company has a low debt-to-capital ratio of 17 percent and access to nearly \$2 billion in liquidity. Despite a sharp decline in the financial markets in 2008, Cummins pension fund experience less of a decline than other large funds and is still funded at 85 percent.

Technology leadership. The Company's leadership in combustion research, fuel systems, air handling, turbochargers, electronics, filtration and aftertreatment plays a critical role in helping us meet emissions regulations and reducing greenhouse gas emissions.

Growing market share. Our technology leadership has earned us increased share in many markets over the past several years. Here are some examples of our market share by products and regions:

- U.S./Canada heavy-duty truck – 45 percent
- Brazil medium-duty truck – 33 percent
- India industrial equipment markets - 30 percent
- Alternators globally – 25 percent
- High-horsepower genset globally – 22 percent

Return on Equity (%)



Total Sales by Market (calculated before intercompany eliminations)



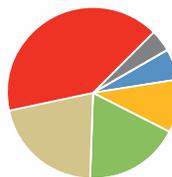
- 20 Power Generation
 - 18 Components
 - 17 Industrial
 - 13 Heavy-Duty Truck
 - 12 Light-Duty Truck and RV
 - 9 Stationary Power
 - 6 Medium-Duty Truck and Bus
 - 3 Distribution
- (by percentage)

Global footprint. Sixty percent of our sales in 2008 came from outside the U.S. compared to just 43 percent in 2000. We had \$3.7 billion in exports in 2008 and \$11 billion in the past three years. We have an established presence and strong joint venture partners in large emerging markets. Our Power Generation business is poised to take advantage of future need for power in developing regions such as Africa and the Middle East. We have a global distribution system with some ownership of 85 percent of channel revenue.

Strong partnerships. Cummins has 55 joint ventures in 18 countries. We have long-term sales agreements in North America with leading truck Original Equipment Manufacturers (OEMs). In China, India and Russia, we partner with local OEMs, reducing investment risk and giving us ready access to those markets. We also have several joint ventures with Komatsu on a global basis to develop applications for the industrial segment.

Experienced management team. Cummins is fortunate to be led by a management team that has deep and broad management experience across businesses and roles in Cummins. The team has experience in managing in both growth and recessionary periods and has returned business units to profitability. They know how to align costs with business demand while still taking care of customers,

Total Sales by Geography (2008)



- 41 United States
 - 21 Europe and the CIS
 - 18 Asia and Australia
 - 10 Mexico and Latin America
 - 6 Africa and Middle East
 - 4 Canada
- (by percentage)

Governance

Over the past 90 years, Cummins has developed a reputation as a company that places a premium on the well-being of its employees and that strives to improve the communities in which it operates.

Going back to its earliest days, when the founding family kept the company afloat during difficult times because it felt a responsibility to provide jobs to the young men of Columbus, Indiana, Cummins has been as much about people as products. That legacy was built by longtime former Cummins Chairman J. Irwin Miller and is carried out today through the leadership of Cummins' senior executives and employees worldwide.

Cummins' management and its employees around the world continue to work as partners today, building leading-edge products in clean, safe environments, while working together to strengthen the community.

"Creating a great place to work" is one of Cummins' strategic business principles. At the core of that approach are the Company's efforts to engage employees and other stakeholders in understanding and living the Company's values, as well as playing an active role in pursuing continuous improvement across the Company.

That engagement and commitment to ethical behavior take many forms, some of which are discussed in the pages that follow.



Cummins Code of Business Conduct

The Cummins Code, which was approved by senior leadership and the Cummins Board of Directors, is built around 10 "Statements of Ethical Principles" that provide the foundation for ethical behavior at Cummins. The principles are backed by Corporate Policies and other key documents that give specific guidance on topics and issues addressed by the statements.

The 10 Statements of Ethical Principles are:

- We will follow the law everywhere.
- We will embrace diverse perspectives and backgrounds, and treat all people with dignity and respect.
- We will compete fairly and honestly.
- We will avoid conflicts of interest.
- We will demand that everything we do leads to a cleaner, healthier and safer environment.
- We will protect our technology, our information and our intellectual property.
- We will demand that our financial records and processes are accurate and that our reporting processes are clear and understandable.
- We will strive to improve our communities.
- We will communicate with honesty and integrity.
- We will create a culture where all employees take responsibility for ethical behavior.

In late 2008 Cummins began rolling out "second generation" online training for salaried and office workers around the world on the Code. This training will continue in 2009 and is being offered in multiple languages.

To view the current Cummins Code of Business Conduct, go to www.cummins.com and click on the link from the home page.

Cummins Compliance Training

Cummins is committed to ensuring that its employees, and those with whom it does business, follow all applicable laws in the locations we do business.

Since late 2005, Cummins has introduced 10 online compliance training courses targeted at the appropriate employee groups. This training includes:

- Code of Business Conduct
- Treatment of Each Other at Work
- Export Controls
- Anti-bribery/Foreign Corrupt Practices Act
- Antitrust
- European Union Competition
- Careful Communication
- Intellectual Property
- Managing Within the Law
- Lobbying and Political Action

These courses are offered in multiple languages where necessary and employee completion is tracked. More than 79,000 training subscriptions have been offered to employees since late 2005 (many employees must take more than one course due to the nature of their work) with a 96 percent completion rate. The Company expects to update both the Export Controls and Anti-bribery/Foreign Corrupt Practices Act courses in 2009 and offer those courses to targeted employees to ensure that they have the most current information. Cummins is also working to provide reference materials for each course for employees to refer to on a day-to-day basis.

In addition, Cummins in 2007 began offering training courses to key employees at its distributors in many locations both inside and outside the United States. Today 97 distributors worldwide participate in the Compliance Training program. Employees at these distributors are enrolled in Export Controls and Anti-bribery/Foreign Corrupt Practices Act courses and have a 91% completion rate. In 2009, training will be expanded to additional distributors.

Compliance Training (2008)

Course	Subscriptions	Completion Rate
Code of Conduct (05 ver)	16,263	98%
Code of Conduct (08 ver)	3,214	95%
Treatment of Each Other	17,261	95%
Export Controls	10,411	94%
Foreign Corrupt Practices Act	10,972	94%
Antitrust	3,631	99%
European Union Competition	137	100%
Careful Communication	12,537	95%
Intellectual Property	3,742	94%
Managing Within the Law	128	81%
Lobbying and Political Action	344	99%



Ethics Violations, Reporting and Investigations

Cummins employees are encouraged to report suspected violations of the Company's Code of Business Conduct or any type of misconduct, and are given several different means of sharing their concerns.

The Company's third-party reporting system, EthicsPoint, allows employees around the globe to report concerns either on-line or through toll-free numbers in multiple languages. Employees can report concerns anonymously where allowed by law. Still, more than half of all complainants in 2008 identified themselves, showing a large degree of trust in the Company's ethics investigation process. Those who report about any topic are protected under the Company's anti-retaliation policy.

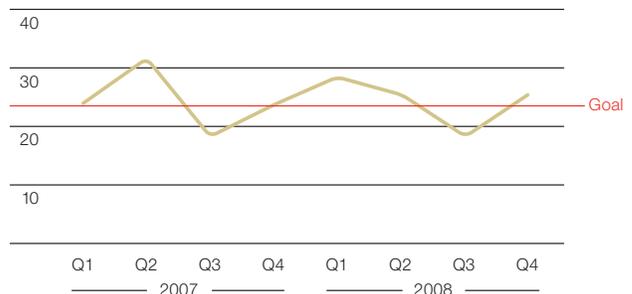
Cummins has a global team of trained Master Investigators who investigate complaints and ensure that appropriate action is taken in a timely fashion. In 2008, Cummins investigated 682 ethics-related complaints, compared to 541 in 2007. The numbers grew because of increased training and promotion of the reporting process. Of the cases investigated in 2008, 52 percent resulted in a finding that the complaint had some merit – and of those 27 percent (95) resulted in employee termination. Cummins is currently meeting its goal for average closure of ethics cases of 24 days.

Complaints of unprofessional behavior and those grouped into the Human Relations category accounted for more than half the total ethics cases investigated in 2008.

Cummins has a robust process for monitoring complaints and how they are handled. Each quarter, we provide each Business Unit leader with a summary of the complaints in his or her region and their resolution. Our CEO also receives a quarterly update. In addition, once a year we provide data regarding complaints to the Audit Committee of our Board of Directors.

The Company's reporting system and its commitment to investigate, take action and protect those who raise concerns help us bring our Code of Business Conduct to life.

Ethics Cases (Days-to-Close)



Ethics Certification Process

During the fourth quarter of 2008, approximately 12,700 Cummins employees completed their annual Ethics Certification. Employees certified their compliance with the Company's Code of Business Conduct and underlying policies and reported any exceptions to Company policy. Internal Audit and the Cummins Law Department reviewed all exceptions to ensure they were documented and investigated according to Company policy.

Diversity Audits

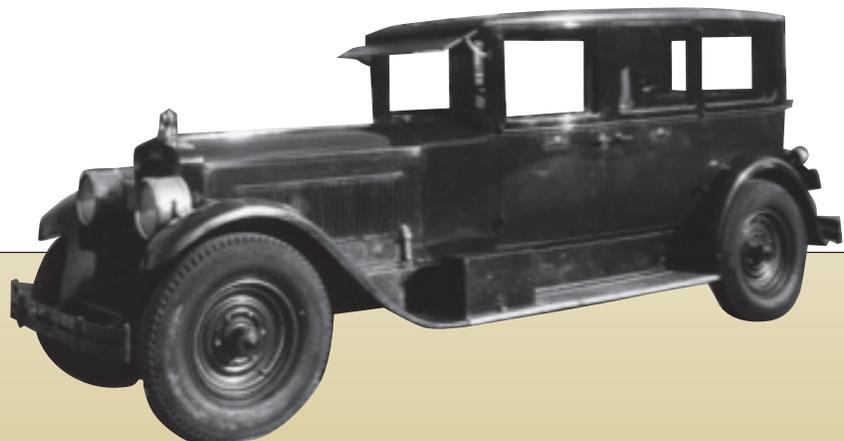
Rigorous diversity audits have been conducted at Cummins' facilities for more than a decade and are today a central component of our efforts to ensure that employees enjoy a positive, safe and productive work environment.

The process began in 1997, led by the Cummins Law Department, and is focused on making sure that our locations are in compliance with the laws, are operating in a way consistent with our commitment to diversity and equal opportunity, and are taking the right steps to provide employees with a great place to work. In that time, the Company has conducted more than 60 diversity audits at 30 sites in the United States and Europe.

The audits are conducted by teams of four to eight employees with diverse backgrounds who have no direct connection to the site being audited. The team tours the facility and also examines satisfaction surveys, training records, personnel files and other documents to ensure full legal compliance and assesses the work environment. The audit also examines the diversity of employees and the site's commitment to creating an inclusive and representative workforce.

A key component of the audit involves team members conducting confidential one-on-one interviews with a randomly selected cross section of approximately 10 percent of the site's workforce. Employees are asked a variety of questions regarding their work environment, knowledge of workplace policies and procedures, and their perceptions as to whether local management is committed to the Company's values, most notably our Code of Business Conduct, Treatment of Each Other at Work policy and diversity.

Results of the audits are shared with local management and with the Company's senior leadership. If issues are discovered, the site must create an action plan to address issues.



Clessie Cummins installed a Model U marine engine in a Packard Limousine, the first car in America with a diesel engine and one of the earliest in the world. The Packard drove 800 miles from Indianapolis to New York, the first ever long distance diesel trip in the U.S.

1929

Supplier Code of Conduct

Cummins places a premium on doing business with companies that share its values and that treat their employees with dignity and respect.

The Code spells out standards of conduct to which it requires its suppliers to adhere, including provisions banning child or forced labor, respecting employee rights and providing a safe workplace for employees.

In 2009, Cummins released a new Supplier Code. The new Supplier Code was updated to align with the Company's internal Code of Conduct and to better emphasize the standards that suppliers must meet.

To date, the new Supplier Code has been translated into 14 languages. This new Supplier Code makes it clear that its expectations of conduct exceed mere compliance with local law and that suppliers are held to a higher standard.

At the end of 2007, Cummins had sent the Cummins Supplier Code of Conduct to more than 2,800 suppliers and had received a 99.5 percent response rate, with 99.6 percent of those responding indicating that they were in compliance with every element of the code. Cummins is currently reviewing the supply base to ensure that suppliers which represented greater than 80 percent of purchases in 2008 have responded to the Supplier Code of Conduct. When new suppliers are added, compliance is established in one of two ways. If a legal contract is in place, the Cummins Supplier Code of Conduct is a part of the agreement. If the terms and conditions of the relationship are confined to a purchase order, Cummins purchasing department solicits a response from the suppliers and addresses any areas of concern. Cummins is working with those suppliers who have not responded to attain our goal of 100 percent participation.



The Cummins Number 8 Duesenberg racecar was the first diesel to break the 100 mph barrier on the hard sand at Daytona Beach, Florida. Powered by a 100 hp Model U, the racecar was also the first to complete the Indy 500 non-stop.

1931

Cummins Noted for Excellence in Governance and Ethics

Cummins has been selected as one of the world's "Most Ethical Companies" for 2009 by the Ethisphere Institute. Ninety-nine companies were selected for the recognition from an initial pool of more than 10,000 companies.



This is the third year Ethisphere, which describes itself as organization "dedicated to the creation, advancement and sharing of best practices in business ethics, corporate social responsibility, anti-corruption and sustainability," has compiled its list of most ethical companies. Cummins has been recognized each of the past two years.

Reviewers for the Ethisphere Institute examined a wide range of information in selecting the companies for its list including: codes of ethics; litigation and regulatory infraction histories; investment in innovation and sustainable business practices; activities designed to improve corporate citizenship; nominations from senior executives, industry peers, suppliers and customers; and feedback from consumer action groups.

Cummins received the highest possible rating for its corporate governance practices from GovernanceMetrics International (GMI). Cummins was one of just 43, or 1 percent of the companies rated, that received GMI's highest rating of 10.0.

GMI rated companies based on six areas of analysis: board accountability, financial disclosure and internal

controls; executive compensation; shareholder rights; ownership base; takeover provisions and corporate behavior; and responsibility. Companies are rated from 0 to 10.

GovernanceMetrics International monitors and rates corporate governance for approximately 4,200 businesses worldwide. Companies are measured using objective data,

starting with a review of public information about each business that includes regulatory filing, websites and news articles. GMI assigns both global and national ratings to companies, allowing each corporation to compare itself to both businesses around the world and at home.



Internal Audit

Cummins has a robust global Internal Audit department that provides the Board of Directors and management with independent, objective information on the performance of the Company's control environment.

The Executive Director — Internal Audit reports to the Audit Committee of the Board of Directors and helps the Audit Committee ensure the integrity of the Company's financial statements and financial reporting, identify operational efficiency improvement opportunities, and monitor the Company's compliance with ethics policies and legal and regulatory requirements.

In 2008, Internal Audit issued 150 audit reports and audit memos covering functions and businesses around the globe. Internal Audit also has a formal implementation plan follow-up process to ensure management has addressed identified risks and implemented corrective actions. When a function or business receives an "Unacceptable" audit grade, the Business Unit leadership must present the corrective action plans to the Audit Committee of the Board of Directors.

Joint Venture Relationships

Cummins does business around the world through a number of joint venture agreements and alliances with business partners to increase our market penetration, expand our product lines, streamline our supply chain management and develop new technologies. Regardless of whether Cummins directly manages the joint venture entity, we take appropriate steps to ensure that the joint ventures share our values.

First, we carefully screen potential partners and only create joint ventures with partners we know and trust. Through our employees' participation on the Boards of these entities, we make sure that Cummins values are embodied in the joint venture.

We are taking new steps to ensure that our joint venture entities treat their employees in a fair and equitable fashion. In 2009, all of our North American joint venture partners and distributors had adopted our Code of Business Conduct or a substantially similar code that embodies the same principles. We also have begun an audit of the existing codes in place at all our international joint venture partners, and will ensure that such entities have or adopt codes in line with our own.

In 2007, we developed a training package to orient Cummins employees who serve as directors of our joint ventures to their responsibilities. The training emphasizes the internal review processes that we use in selecting a joint venture partner. This training focuses on the role of the Cummins director in the management of the joint venture and stresses the support available to the directors from Cummins specialists in the areas of finance, human resources, operations, safety, environmental and other functions. The training also stresses the establishment and maintenance of a favorable relationship with the JV partner as an aid in resolution of disputes that arise.

During 2007, six training sessions were conducted in Indiana, India, China and England. Approximately 100 JV directors, general managers and financial leaders have been trained. The training continued in 2008 in Brazil and Indiana.

In addition to this face-to-face training, Cummins also has launched a pilot program to deliver some of its on-line compliance and ethics courses – such as courses on anti-bribery and export controls – to employees of JVs. This program has been launched with the joint venture distributor network in North American and also is being rolled out to targeted international joint ventures.

Cummins Board of Directors

Cummins is governed by an nine-member Board of Directors. Among the directors, only Cummins Chief Executive Officer Theodore (Tim) M. Solso and President and Chief Operating Officer N. Thomas Linebarger are current employees of the Company. Board members are:



Robert J. Bernhard Vice President for Research and an engineering professor of the University of Notre Dame, appointed in 2008.



Georgia R. Nelson President and CEO of PTI Resources, LLC. She joined the Cummins Board in 2004.



Robert J. Darnall Retired Chairman and Chief Executive Officer of Inland Steel Industries and a Cummins director since 1989.



William I. Miller Chairman and CEO of Irwin Financial Corp. and a director since 1989.



Robert K. Herdman Managing Director of Kalorama Partners LLC, a Washington D.C.- based consulting firm, appointed in 2008.



Theodore (Tim) M. Solso Chief Executive Officer and Chairman of the Board at Cummins since 2000, after serving as Company President since 1995.



Alexis M. Herman Chairman and Chief Executive Officer of New Ventures Inc. and a director since 2001.



Carl Ware President and Chief Operating Officer of Ware Investment Properties, LLC. He was named a director in 2004.



N. Thomas Linebarger President and Chief Operating Officer of Cummins. He was elected director in 2009.

Corporate Governance Principles for the Board

The primary mission of the Board of Directors is to represent and protect the interests of the Company's stakeholders. In so doing, the Board has the legal responsibility for overseeing the affairs of the Company, and has certain specified powers and authorities with respect to corporate action provided by Indiana statutes.

The Board's oversight function is first exercised through the election and appointment of competent officers. The Board relies on the integrity, expertise and competency of these officers in carrying out its oversight function.

The Board's responsibilities include the following:

- Adopt corporate governance principles consistent with the Company's Vision, Mission and Values.
- Exercise sound and independent business judgment with respect to significant strategic and operational issues, including major capital expenditures, diversifications, acquisitions, divestitures and new ventures.
- Advise senior management.
- Monitor:
 - The performance of the Company
 - The performance of senior management
 - The effectiveness of internal controls and risk management practices
 - Compliance with all applicable laws and regulations
 - Communications and relationships with stakeholders



A 32-seater Mack bus repowered with Cummins 125 hp Model H diesel set a transcontinental bus record time from New York to Los Angeles in just over 91 hours. The test bus reached speeds up to 65 mph, achieving a faster travel time than by express train.

1932

Wuxi Cummins Turbo Technologies Produces 3 Millionth Turbocharger

On August 5, 2008 Wuxi Cummins Turbo Technologies achieved a significant milestone, completing the facility's three millionth turbocharger.

Turbochargers are a vital component of modern diesel engines. They enable the engine to "breathe" more deeply, introducing more oxygen, which enables the addition of more fuel—and thus, more power. Since they are driven by exhaust gases,



turbochargers do not need any power from the engine to operate. Thus, they have proven vital in the trade-off between increased efficiency and reduced emissions in diesel engines. China's growing economy needs these components, and Wuxi Cummins Turbo Technologies is increasing its ability to supply them.

Wuxi's millionth turbocharger was produced after eight years of production, with the two millionth turbocharger coming after a further three years. It was only 15 months later when the three millionth turbocharger was lifted off the production line. It is testament to the hard work of employees at the facility and sums up the rapid development of Wuxi Cummins Turbo Technologies over its short history.

A ceremony celebrating this achievement was opened by Chen Hua, General Manager of Wuxi Cummins Turbo Technologies. Joining the employees at the ceremony were key leaders from FAW Wuxi Diesel, the company's business partner. Mark O'Connor, Country Manager of China, addressed the employees and guests with expressions of appreciation. Quang Huanrong, General Manager of FAW Wuxi Diesel, followed with a speech in which he congratulated Wuxi Cummins Turbo Technologies on its swift development, commending the partnership between Wuxi Cummins Turbo Technologies and FAW Wuxi Diesel over recent years.

In discharging its fiduciary duties to act in the best interests of the Company, the Board considers the effect of its actions on shareholders, employees, suppliers, customers, communities, regulators and the broader interests of society. The Board has seven standing committees: Executive Committee, Audit Committee, Compensation Committee, Governance and Nominating Committee, Finance Committee, Proxy Committee, and Safety, Environment and Technology Committee and. The responsibilities of the Audit, Compensation, Governance and Nominating, Finance, and Safety, Environment and Technology committees are set forth in written committee charters approved by the Board.

The Company complies with all NYSE and regulatory requirements concerning the membership of certain committees, including the requirements with respect to independence and financial expertise. The Governance and Nominating Committee reviews the committee structures of the Board and the membership of the various committees annually, and makes recommendations for any changes to the Board.

Managing Risks

Controlling Exports

As an international company, Cummins faces a complex set of export controls. The United States frequently imposes trade embargoes against certain countries and places restrictions on items that can be shipped to certain other countries.

Cummins follows all applicable U.S. export laws, but goes further in some instances. For example, the Company bars transactions with any person or organization where the end destination of a Cummins product is Sudan or Myanmar (Burma); or where any Cummins product or service would be used in a military application in Syria, Libya, North Korea or Iran.

Cummins' policy on exports is comprehensive, but can be summed up in the following manner:

- We will know which countries are subject to sanctions.
- We will know our customers and business partners.
- We will know our products and be aware of their export control status.
- We will obtain necessary licenses where warranted and will strictly follow their conditions.

We believe our reputation for ethical and responsible conduct is our most important and valuable asset, and we encourage employees to raise compliance concerns to the highest levels of the Company.

All Cummins employees who complete the Annual Ethics Certification must certify their compliance with our Export Control Policy.

Crisis Communications

Making sure that Cummins is prepared if a crisis occurs is a key Company responsibility. To assist facility managers and others involved in emergency planning, Cummins routinely updates its Crisis Communications Plan. The plan includes vital information for facilities on how to communicate effectively during a crisis, as well as templates and forms to assist employees in gathering and updating information.

Cummins also has developed business continuity plans for each business unit or critical function within the business unit.

Pandemic Planning

At Cummins, the well-being of our employees is extremely important. As such, the Company has taken steps to ensure the health and safety of employees should a flu pandemic occur.

The Company formed a Pandemic Planning Team with individuals representing medical, safety, risk management, human resources, facilities, communication, business continuity and other key areas to help create a strategic response plan in the event of a pandemic.

As Cummins entered the summer of 2009, each Cummins facility was following an existing plan to cope with outbreaks of the H1N1 influenza virus. The Cummins Pandemic Response Plan includes six progressive stages, with local response growing stronger as the number of probable H1N1 cases reported near a Cummins facility grows, and declining as the number of reported cases declines. Local management has the discretion to respond to local circumstances, and the directives of local health agencies are always followed.



At higher stages, face-to-face meetings may be limited, and non-essential gatherings may be postponed. Those seeking to enter Cummins facilities may be asked to assess themselves for symptoms and are advised to seek immediate health care if they display them. At the very highest stage, management might even consider suspending operations until an “all clear” is given. No Cummins location had reached that stage, but teams continue monitoring the situation.

Today, by working closely with a limited number of global travel management companies and security intelligence suppliers, we are getting all the data needed to understand the location and disposition of global travelers. Cummins is updated on the latest developments worldwide. Whether those developments include the risk of insurrections in an unstable region or the state of a recent viral outbreak, managers can assess situations and respond in a rapid and effective manner to situations that impact personal safety and security.

Managing Travel Risks

Cummins serves customers in countries and territories around the world, so global travel is part of many employees’ job. Travelers need a smooth, efficient travel process in order to reach a company’s business objectives. And during times of national, corporate, or personal crisis, travel management is crucial to reducing the risk to a company and its travelers through employee tracking and emergency assistance.

Travel management is a specialized business function that balances employee needs with corporate goals, financial and otherwise. Travel management ensures cost tracking and control, facilitates adherence to corporate travel policies, realizes savings through negotiated discounts, and serves as a valuable information center for employees and managers in times when travel is not as smooth and carefree as it used to be.

Two years ago Cummins used Six Sigma tools to develop a bid package to find a global travel management company that could measure up in terms of economics, capability, systems and emergency reporting. In the past, Cummins’ worked with numerous travel agencies across the world, which made data gathering and reporting difficult.

Government Relations and Political Activity

Cummins maintains an office in Washington, D.C. to coordinate government relations activities. The Washington office provides strategic insight and advice to Cummins’ business leaders on emerging government issues and activities, provides top level access to government officials and key policymakers, develops and implements government relations strategies to achieve business objectives and advances business marketing objectives relative to government programs.

The office elevates government issues to senior management, ensures alignment with Cummins’ values and businesses objectives, and identifies and resolves key government issues that impact us.. Specific areas of activity include energy policy, environment, tax, trade, transportation, government research and development, government markets, workplace and human resources issues, defense and homeland security and facility and infrastructure programs.

In 2008, the office continued efforts with a broad group of environmental, industry and public groups to fully fund the Diesel Emissions Reduction Act, a national grant program to promote the retrofit of older diesel engines with emission reduction technologies. The office worked closely with the Administration and Congress on review and scoping activities for a new fuel efficiency program for medium and heavy-duty trucks. Cummins helped lead efforts to promote the installation of energy efficiency technologies, including clean and efficient combined heat and power projects, at industrial sites across the country. We also worked to promote responsible trade measures and debate, competitiveness measures such as extension of the R&D tax credit, and expanded federal research funding for energy efficient products in the transportation and energy sectors.

Cummins belongs to a number of trade organizations in order to further its business interests. We believe these organizations help us by leveraging our resources on issues where we have a similar interest. While we may not agree with the positions these associations take on every issue, we believe that participating in these organizations ensures that our voice is heard. Some of these organizations may use a portion of member dues either directly or indirectly for lobbying or other political activities.

The following is a list of trade organizations to which Cummins paid dues in excess of \$50,000 during calendar year 2008. The numbers represent our estimation of the portion of our dues used by those organizations for lobbying or other political expenditures.

Trade association

Dues spent on lobbying

American Trucking Associations

\$11,930

Business Roundtable

\$31,000

Diesel Technology Forum

< \$4,000

Emissions Control Technology Association

n/a

Engine Manufacturers Association

\$10,378

National Association of Manufacturers

\$13,132

U.S. Chamber of Commerce

\$18,000

As a general practice, Cummins does not make political contributions with corporate funds. However, the Company maintains a corporate policy that allows for certain state and local contributions, where permissible by law. Political contributions with corporate funds may only be made with prior approval from the Company's Executive Committee. In 2008, Cummins made no political contributions of any kind using corporate funds.

The Cummins Inc. Political Action Committee (CIPAC) makes contributions to candidates for federal office on a bipartisan basis after review and approval by the CIPAC Executive Committee and according to federal election law. A complete listing of CIPAC's contributions to candidates can be found on the Federal Election Commission website at www.fec.gov.

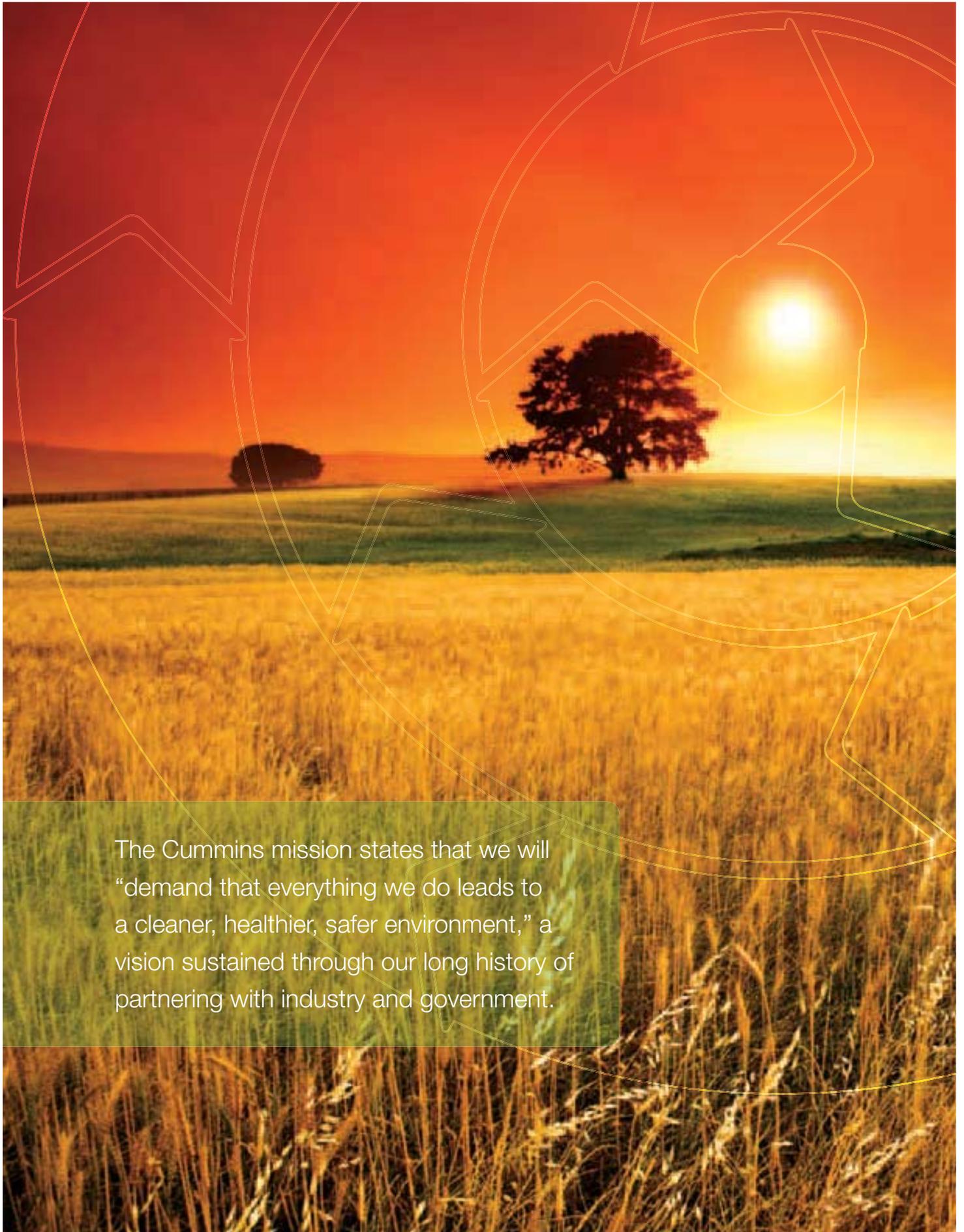
The Cummins Inc. Political Action Committee is strictly governed by corporate policies and by-laws that expressly state the following:

- All CIPAC contributions are strictly voluntary.
- The Company will not reimburse employees directly or indirectly for political contributions.
- Employees will not be pressured to contribute to CIPAC or make any other personal political contribution.
- No employee will be solicited by his or her immediate supervisor.
- Prior approval by a majority of the CIPAC Executive Committee shall be required for all contributions or other expenditures in the excess of \$100.
- Contributions to political candidates and political organizations are based on the following criteria:
 - a. Public integrity of the candidate.
 - b. Representation of a Cummins facility or employees.
 - c. Support for issues of importance to Cummins.
 - d. Timely and effective constituent service.
 - e. Political leadership or organization.
 - f. Financial need of the candidate.
 - g. Support for our core values.
- All of our political activities are disclosed to the Cummins Board of Directors in an annual political contribution report.



A venture to build locomotives in Columbus established Cummins as one of the pioneers of diesel-electric rail power, featuring experimental 500 hp 12-cylinder VL engines. The locomotive business and the unique twin-engine design was transferred to General Electric Company.

1935



The Cummins mission states that we will “demand that everything we do leads to a cleaner, healthier, safer environment,” a vision sustained through our long history of partnering with industry and government.

Environmental Stewardship

Cummins and Climate Change

Early in 2007, Cummins formed a climate change team to take both a holistic and tactical view of climate change and sustainability at Cummins. The team's members are from across business units and functions and represent facilities, product planning, corporate strategy, environmental policy and government relations, among others. The team looks at issues that range in complexity from domestic and international energy policy and fuel economy standards to simpler challenges, such as buildings best suited for waste heat recovery and daylight harvesters.

The group's current focus is structured around newly developed principles to serve as our framework to meet the challenges of climate change going forward. Six of these principles direct company actions for our products, businesses, employees and communities, while four of them shape our partnerships with legislative and regulatory entities to develop sound public policy to address climate change

The Cummins mission states that we will "demand that everything we do leads to a cleaner, healthier, safer environment," a vision sustained through our long history of partnering with industry and government.

A few examples of how we are fulfilling our mission:

- Cummins was the first to certify to U.S. EPA's 2010 emissions standards, a full three years ahead of schedule
- Through Cummins Diesel Recon, we reuse and recycle more than 50 million pounds of material each year
- Using Six Sigma process improvement tools, we work with our customers to reduce the fuel consumption of their fleets and with our suppliers to develop more environmentally-friendly components for our products
- Cummins certifies the use of biodiesel blends up to B20 in our new on- and off-highway engines
- Cummins powers 100 percent of new natural gas urban transit buses in the U.S. as well as more than 3,000 buses in Beijing, China and 4,200 in New Delhi, India
- Cummins is reducing facility greenhouse gas emissions 25 percent below 2005 levels by 2010 as part of the U.S. EPA's Climate Leaders program.

Cummins Climate Change Principles

Consistent with our past practices and shared values, Cummins has developed 10 principles to serve as our framework to meet the challenges of climate change. Six of our principles direct company actions for our products, businesses, employees and communities:

- 1 **Improve Product Efficiency** We will be a leader in developing new power technologies and products to meet the needs of a carbon constrained economy.
- 2 **Grow and Develop New Businesses** We will identify opportunities to grow current businesses and develop new ones to deliver products and services that meet global power needs with less carbon usage.
- 3 **Collaborate with Suppliers and Customers** We will work with our suppliers, customers and end-users to help reduce their carbon footprint and learn from them.
- 4 **Make Work Spaces Green Spaces** We will reduce the greenhouse gas emissions of our facilities globally.
- 5 **Harness the Energy of Employees** We will build an awareness of climate change with our employees, draw on their energy and ingenuity and empower them to make a difference at work and home.
- 6 **Support Community Efforts** We will support communities as they reduce their greenhouse gas emissions and transition to a carbon constrained economy.

Climate Change Principles for Public Policy

Four of our principles shape our partnerships with legislative and regulatory entities to develop sound public policy to address climate change.

- 7 **Develop Responsible Regulations** We support regulations that meet the needs of the environment, allow appropriate time for technology development and provide for the transition to a carbon constrained economy.
- 8 **Promote Technology Development** We support policies to develop the right technologies and products to meet short and long-term goals for greenhouse gas reductions.
- 9 **Accelerate Progress through Incentives** We support incentives to encourage the commercialization and adoption of greenhouse gas reducing technologies, products and processes.
- 10 **Create a Balanced Global Approach** We support an international framework for climate change that reduces emissions without leading to trade inequities or barriers to global commerce.

Cummins Unplugged Challenge saves nearly \$1 million and reduces carbon dioxide emissions by 7,000 tons



Cummins employees have shown that a few simple actions can make a meaningful environmental difference through their performance on the Company's first "Unplugged Challenge."



Cummins employees were challenged to improve shutdown

procedures for electrical equipment over the recent Christmas holiday period to see how much money and energy the Company could save. Their efforts yielded a savings of \$908,710, compared to the same period during the holiday shutdown last year – or more than 7,000 tons of carbon dioxide that was not released into the atmosphere.

The Unplugged Challenge asked employees to examine power-down procedures for ways to save both money and energy. Teams used sign

templates to identify powered-down systems and documented the steps for restoring operation. Systems were set at minimal levels that would safeguard against freezing damage or problems upon startup. Employees also did sweeps on the first shutdown day to ensure lights and electronics were turned off.

Fifty-four Cummins sites across the world representing 90 percent of the Company's energy use participated in the Unplugged Challenge. Results from our Unplugged Challenge exceeded all expectations, thanks to an extraordinary participation level across every business unit. Employees were diligent in doing both the small actions that can really add up and creative in applying new procedures to save energy. The challenge produced outstanding results and set the bar high for future efforts.

Best Performance Awards

Best Energy Cost Savings
Cummins Turbo Technologies,
Huddersfield

\$81,373

Best Percent Energy Reduction
Cummins Turbo Technologies, Dewas
85 percent

Best Greenhouse Gas Reduction
Engine Business, Cummins Industrial
Center/Cummins Komatsu Engine Co.
583 tons CO₂e

Best Engagement Awards

Best Employee Communications
Cummins Filtration, Black River Falls

Best Employee Engagement
Engine Business, Jamestown
Engine Plant

Best Energy Innovations
Cummins Emission Solutions,
Mineral Point

Cummins helps customers improve fuel economy and reduce greenhouse gas emissions

As a leading global engine supplier in many geographic regions and engine applications, Cummins is committed to helping customers achieve the lowest operating costs. Fuel economy represents the largest single cost factor in many customers' operations. Customers count on Cummins not only for the most fuel efficient products, but also to use Six Sigma tools to help them measure, optimize, and control the critical factors that impact fuel consumption.

Cummins' ongoing efforts to help customers reduce operating costs also deliver substantial reductions in greenhouse gas emissions. From 2004 to 2008, Cummins completed 44 customer-focused Six Sigma projects, which resulted in a savings of 40 million gallons of fuel globally and 406,128 metric tons of CO₂ eliminated cumulatively. This is equivalent to taking 74,382 passenger vehicles off the road.



Cummins territory managers are equipped with the skills and tools necessary to support our customers as fuel economy experts. One such tool that has been developed by Cummins is the software application known as PowerSpec. PowerSpec gives our representatives the ability to:

- Configure trucks to maximize fuel economy for a customer's unique needs
- Analyze customer data to pinpoint areas for MPG improvements
- Set adjustable features which include road speed governor, cruise control, and idle reduction

Barney Trucking, a Utah truck fleet, is an example of the success of using both PowerSpec and the Six Sigma methodology. The Cummins team worked closely with Barney Trucking on a Six Sigma miles per gallon improvement project in 2008. The objective of the project was to evaluate Barney Trucking's electronic engine settings to improve fuel economy and balance the proposed changes with required performance. Using Cummins patented features such as Load Based Speed Control and Gear Down Protection, Barney Trucking realized a 10 percent fuel economy improvement.

Cummins Energy Efficiency Team



The EPA's Climate Leaders program offers a rigorous approach to greenhouse gas reduction that yields credible results. Cummins took the most comprehensive stance possible, choosing to include in its baseline audit all management controlled entities worldwide. All GHGs at 262 sites are currently being tracked and reported in metric tons of carbon dioxide-equivalent. We have automated much of the data collection with a web-based worldwide Environmental Metrics System.

A corporate Energy Efficiency Team was chartered in the second quarter of 2007 with leaders from each business unit and related environmental functions. The team developed a strategic plan and an intensive study of energy assessments at our largest facilities was completed by the end of 2007.

These formal assessments created a working list of more 1,000 viable capital projects that we prioritized according to their financial and environmental benefits. A corporate Energy Efficiency Strategic Capital Fund supports these projects.

Collaborating with Customers

Cummins' efforts to reduce carbon intensity encompass both our products and our collaborative efforts with customers.

Engines

Cummins has numerous initiatives in this area, with key ones focused on the management of automotive heavy-duty engine idle, cruise control and speed. Idle management features supported within the Electronic Control Modules (ECMs) of our engines can help our customers reduce fuel consumption by shutting off the engine after a specified amount of time at idle. When fuel is saved less carbon is released.

The second aspect of reducing/managing the carbon risks involves our fuel economy features. Some of these features are:

- **Road Speed and Cruise Control Governor:** The feature limits the maximum vehicle speed with the driver's foot on and off the throttle. Power required, and therefore fuel burned, is directly proportional to vehicle speed.
- **Smart Torque:** By allowing high torque in the top two gears, you can minimize the number of down shifts required to maintain speed on the highway. By avoiding a downshift, overall engine speed is lowered and a lower engine speed generally equates to less fuel burned.
- **Information Features:** In addition to these "active" features, Cummins engines also have a number of "information features" where "trip" or "duty cycle" information is stored. By reviewing these data, a fleet manager can look for variations between drivers or trucks, look for trends and use the data for driver coaching.

Combined Heat and Power Applications

Cogeneration, or Combined Heat and Power (CHP), is the production of two kinds of energy – usually electricity and heat – from a single source of fuel.

Cogeneration can replace the traditional method of supplying energy from multiple sources, e.g., purchasing electricity from the power grid and burning natural gas or oil separately in a furnace to produce heat or steam. These methods can waste up to two-thirds of the energy in the original fuel. With cogeneration, 70–90 percent of the energy in the original fuel is put to productive use and total energy savings can be 30 percent or more.

A cogeneration system normally consists of a prime mover turning an alternator to produce electricity and a waste heat recovery system to capture the heat from the exhaust and cooling water jacket. The prime mover can be a diesel engine, a lean-burn gas reciprocating engine or a gas turbine.

Cummins Power Generation designs and builds cogeneration systems used around the globe in various applications. These applications include greenhouses that utilize the electricity for lighting, waste heat to keep the greenhouses at the ideal growing temperature, and the CO₂ in the exhaust as food for the plants. Another application operates on the methane created in a wastewater treatment plant digester instead of venting the methane to the atmosphere. The waste heat from the generator set keeps the treatment plant digester at the ideal temperature. Other CHP applications include hospitals, schools, sports complexes, and commercial facilities.

Cummins has 430 MW of installed cogeneration installations globally with an average project size of 2 MW. These installations represent a GHG reduction of about 500,000 metric tons of CO₂ per year for our customers.

New York Plant Turns Waste into Energy

Jamestown Engine Plant (JEP) is the first Cummins facility to go landfill free. Its waste now joins other waste streams from across New York State, Michigan, Ohio and Canada to be burned in a controlled incineration process. Covanta Niagara, a waste to energy (WTE) incineration facility located in Niagara Falls, New York, has been contracted by JEP to burn all of the plant's waste that was previously sent to the local landfill.

By this incineration of waste, the plant will be reducing its carbon footprint and the waste will be transformed into immediate usable

power, rather than taking up space in a landfill, slowly decomposing over the next millennia.

It is this decomposition and subsequent emission of methane gas that persuaded JEP to turn to incineration of waste. According to the EPA, decomposition of trash in open landfills contributes to 131 million tons of methane being released into the atmosphere annually.

This is significant because methane is considered to be a major contributor to global warming. By eliminating landfill waste, JEP will lessen its



CO₂E (carbon dioxide equivalent) production by over 1,454 tons a year. The combustion of the JEP's trash will produce 5 million pounds of high pressure steam and generate more than 3,400 megawatt/hours of electricity over the course of a year.

Engine Testing

Cummins is working to reduce energy consumption, lower pollution levels and reduce costs through initiatives to reduce engine testing in product development and in manufacturing. These initiatives encompass design, the verification of manufacturing quality and the advanced diesel engine quality verification process. See discussion of analysis-led design on page 73.

Sustainability Reporting and Partnerships

Cummins seeks to partner with groups that help us be a better steward of the environment. For the past three years, we have participated in the Carbon Disclosure Project (CDP), an institutional investor consortium that seeks to encourage greater environmental reporting among companies.

On behalf of investors representing \$31 trillion in assets under management, CDP asks companies to provide details on their carbon emissions, their positioning in response to the impact of climate change on their markets and regulatory environment, their use of energy and planning for the future.

The Company was named to the Dow Jones World Sustainability Index for the fourth year in row, being recognized again for its economic, environmental and social leadership. This index represents the top 10 percent of the world's largest 2,500 companies in these corporate sustainability metrics.

In addition, Cummins is a member of the Business Round Table Climate RESOLVE (Responsible Environmental Steps, Opportunities to Lead by Voluntary Efforts), whose members have voluntarily committed to reduce or offset greenhouse gas (GHG) emissions. Cummins also is a member of the Global Environmental Leadership Council of the Pew Center on Climate Change and Resources for the Future Climate Forum.

The Right Technology for Reducing Emissions Products as Performance Indicators

Leadership in combustion research, fuel systems, air-handling systems, electronics, filtration and aftertreatment allows Cummins to maintain its goal of maximizing customer value by providing the most appropriate emissions control for each market served.

Cummins' diverse product portfolio meets or exceeds all emissions requirements, and at the same time, delivers on customer needs for fuel economy, performance, reliability and durability.

Cummins' technology approach for on-highway engines to meet the more stringent 2010 U.S. Environmental Protection Agency's diesel emissions standards will use an evolution of its proven 2007 solutions to maintain power and torque with comparable fuel economy and maintenance intervals the same as today. Cummins will offer a complete lineup of on-highway engines to meet the near-zero 2010 emissions standards.

The 2010 EPA Emissions and Fuel Rule

Looking ahead to 2010, emission requirements will change dramatically for heavy-duty trucks over this period. Both NOx and PM will be reduced by 90 percent from 2004 levels.

By 2010, all heavy-duty diesel engines are expected to meet the NOx standard of 0.20 grams per brake-horsepower hour (g/bhp-hr) and the PM standard of 0.01g/bhp-hr. Also by 2010, regulations will require the phase-in of advanced on-board diagnostics with additional sensors to monitor the effectiveness of emission-control systems on the engine, which will alert the driver if a failed emission-reduction device needs to be repaired.

Ultra-Low Sulfur Diesel Fuel (ULSD)

In addition to the new exhaust emission standards, the EPA is lowering the limit for diesel sulfur fuel from 500 parts per million (ppm) to 15 ppm. The new fuel standard began to be phased in October 2006 and will be completed by September 1, 2010.

Cummins has publicly expressed its support of ultra-low sulfur fuel. ULSD has several benefits. It produces less particulate matter from combustion, so it is a particulate matter control strategy for all equipment in use. In addition, ultra-low sulfur fuel enables the use of advanced aftertreatment control systems.

Ready for 2010

Cummins' entire on-highway product range will be ready to meet the new Environmental Protection Agency (EPA) regulations for the North American market beginning in 2010. The breadth of Cummins' 2010 product offerings demonstrates the Company's commitment to its customers as well as to the environment.

Cummins will offer a range of engines from the 6.7-liter ISB to 15-liter ISX, delivering best-in-class fuel economy and performance, while complying with the EPA's newest and most stringent emissions standards. This is a formula that customers need in today's economy and environment, and is why Cummins advocates and supports the implementation of EPA's commitment to the lowest diesel emission levels in the world in 2010.

For 2010, Cummins will introduce the ISX15, which will provide substantial fuel economy improvement, stronger performance, faster throttle response and overall best-in-class drivability and reliability compared to today's industry leading ISX engine. The ISX15 will feature the new Cummins XPI fuel system, next generation cooled EGR system, advanced VGTTM turbocharger and a new Cummins Aftertreatment System that incorporates Selective Catalytic Reduction (SCR) catalytic technology.

Cummins also will introduce the new ISX11.9 for vocational trucks, emergency vehicles and motor coach applications.

The ISX engine is the market leader today in the North America heavy duty on-highway truck market. Cummins' market share of the heavy duty on-highway business has grown from 27 percent in 2006 to more than 45 percent in 2008.

Cummins also will offer its ISB6.7, ISC8.3 and ISL9 engines for 2010. Cummins MidRange engines deliver best-in-class fuel economy and reliability with high power-to-weight ratios, and have made significant market share gains in medium-duty trucks and bus applications.

In addition to the fuel economy gains associated with SCR and Cummins XPI fuel system, the performance and reliability enhancements that come with decreased EGR rates are even greater than first estimated, which is more evidence that SCR is the right technology for 2010.

Competitive Advantages

Across its entire lineup of on-highway engines, Cummins is able to meet increasingly stringent emissions regulations with speed and efficiency, due primarily to two competitive advantages.

First, Cummins benefits from an integrated business structure that enables it to tap the core competencies of Cummins Emission Solutions, Cummins Turbo Technologies, Cummins Fuel Systems and Cummins Filtration. These businesses work together to bring to market technologically superior, fully integrated systems.

Second, Cummins has worldwide experience and leadership with a wide range of proven technologies. Cummins continues to execute its carefully planned product strategy, anticipating changes and investing in the research and development necessary to meet customer needs and environmental goals.

Earthrace Smashes World Record for a Greener Planet with Cummins MerCruiser Diesel Power



After a thrilling high speed run through the Suez Canal, the world's fastest vessel stopped briefly in Port Suez, Egypt. Fueled with 100 percent biodiesel fuel, the Earthrace was on its final leg of a global circumnavigation that set a new world's record. Earthrace is a 24-meter, wave-piercing trimaran vessel powered by twin Cummins

MerCruiser Diesel QSC8.3-540hp engines running on 100 percent biodiesel fuel, creating tremendous power (maximum speed 90 kilometers an hour) while leaving a net zero carbon footprint.

From its start in May 2008 in Sagunto, Spain, the Earthrace, an advanced endurance vessel, traveled through the Panama Canal, the Pacific, into the Indian Ocean and through the Suez Canal with the support of an amazing number of individuals determined to see it succeed. The Earthrace faced many challenges during its journey, the second attempt in as many years by a group dedicated to proving that being environmentally conscious does not require sacrificing performance.

In the last leg of the journey, Earthrace was the only vessel in the world to receive special dispensation to pass through the Suez Canal at full speed to continue on its journey through the Mediterranean to Spain, a full 2,550 miles ahead of the world record pace set by the British Cable and Wireless team in 1998 (also using Cummins engines). According to Pete Bethune, Earthrace's captain, "Breaking the world record by such a large margin using a boat with a net zero carbon footprint proves that being green does not mean skimping on performance or design. We're hoping this big gesture will have an effect on the way people think about every aspect of their everyday lives."

Evolution of Alternative Fuel Engines

Cummins has a joint venture with Cummins Westport, which manufactures and sells the world's widest range of low-emissions alternative fuel engines for commercial transportation applications such as trucks and buses.

Cummins Westport has established its leadership position as a global provider of alternative fuel and natural gas engines. More than 2,000 buses in Beijing, more than 2,000 in Dehli, 1,000 in the Los Angeles Metro fleet and hundreds in the San Diego MTS fleet are using Cummins Westport engines. Natural gas is becoming a mainstream fuel solution and Cummins Westport engines such as the ISL-G, the first natural gas engine for trucks and buses to be 2010 EPA certified, is rapidly becoming the global standard.

In addition, Cummins Westport offers an engine that runs on both affordable, low-carbon natural gas and zero-carbon biogas. For example, refuse dumped today produces significant amounts of landfill gas or biomethane. The biogas is captured, processed and put back in the very truck that brought the refuse. This 'recyclable' business solution is driving natural gas engine orders, and reducing dependence fossil fuels.

Cummins and Biodiesel Fuels

Biodiesel is a clean-burning alternative fuel made from renewable resources like soybeans, vegetable oils and even algae. It creates about 60 percent less carbon dioxide than petroleum fuels, biodegrades as quickly as sugar, and is less toxic than table salt. Biodiesel fuel is free from the aromatics and sulfur found in traditional fuels and is one of the few alternative fuels registered with the Environmental Protection Agency for sale and distribution.

In February 2009, Cummins announced that B20 biodiesel blend can be used in its 19- to 78-liter high-horsepower engine platforms manufactured after January 1, 2008. This approval provides a significant expansion of Cummins engine compatibility with B20 usage, bringing the environmental benefits of using a 20 percent renewable fuel blend to high-horsepower applications in mining, oil and gas, rail, industrial and power generation markets.

Cummins high-horsepower engines approved for use with B20 biodiesel include the Quantum Series engine platforms from the QSK19 to the QSK78, covering a wide 506- to 3500-hp range (377 to 2610 kW).

Cummins K Series engine platforms from the K19 to the K2000E are also approved for use with B20 biodiesel across a 450- to 2000-hp range (336 to 1491 kW).

These high-horsepower engines will join Cummins EPA Tier 3 and EU Stage IIIA industrial engines already B20-approved down to the 80-hp (60 kW) QSB3.3.

Cummins understands the environmental benefits of biodiesel and has worked diligently in completing all necessary testing and evaluations to ensure approval of B20 usage in our engines. This enables us to offer guidance and information to our customers on the proper use of biodiesel in Cummins engines. For further information, a question-and-answer document is available on everytime.cummins.com.

Cummins has pledged to continue its efforts to ensure that future products will be compatible with biodiesel fuels and will continue to participate in industry efforts to develop consistent quality throughout the biodiesel industry.



The "Bubblenose" tractor with cab-over-engine played a major role in establishing Freightliner as a recognized truck manufacturer. With a compact 225 hp HR600 Cummins, very short cab length and much use of lightweight aluminium, the innovative tractor enabled heavier and bulkier loads to be carried.

1949



Cummins Filtration and the Environment

As the global leader in providing filtration, coolant and chemical technology for diesel and gas-powered equipment worldwide, Cummins Filtration takes its environmental responsibility seriously.

With more than 525 active global patents for innovative technology, Cummins Filtration continues to provide environmental leadership by designing products for the future that extend service life, lower emissions and eliminate harmful contaminants. Cummins Filtration products continually meet or exceed global emissions regulations, reduce disposal issues and support extended maintenance.

To achieve these results, Cummins Filtration offers an integrated system approach for equipment maintenance with environmentally friendly product choices for all major engine systems. This stable of green products includes the following state-of-the-art technologies:

User-Friendly Filter

The User-Friendly filter was the winner of Cummins first Design for Sustainability award in 2007. The filter is made of composite material and has significantly less environmental impact than previous steel models. The user-friendly filter requires a third less in material cost and is easier for customers to install and service. Volatile organic compounds are reduced because the filter does not need to be painted, its reformulated paper media does not require curing and the use of plastisol adhesive is avoided.

Crankcase Ventilation Filtration

Cummins Filtration's crankcase ventilation filtration products provide world-class aerosol filtration performance, as rewarded by the 2008 Frost & Sullivan Award for Product Innovation. Cummins Filtration technologies enable very clean Open Crankcase Ventilation systems, protecting both humans and the environment. Crankcase blow-by aerosol emissions to the atmosphere are reduced by more than 90 percent. Liquid oil drip is reduced by 99 percent – eliminating oil dripping onto roads, crops, bodies of water, garages and driveways – among many benefits.

Reducing Greenhouse Gases by the Ton

As with most companies in our industry, the largest part of our carbon footprint comes from energy use—chiefly the “indirect GHG” our electric utilities emit for the power we use, followed by our “direct GHG” from combusted fuels like natural gas for heating, then by “fugitive gases” directly released in manufacturing. Potent GHGs from fugitive gases were eliminated through several projects stemming from our baseline work. Reducing Cummins’ carbon footprint further is fundamentally about driving energy efficiency.

Cummins Official 2005 GHG Baseline by Source

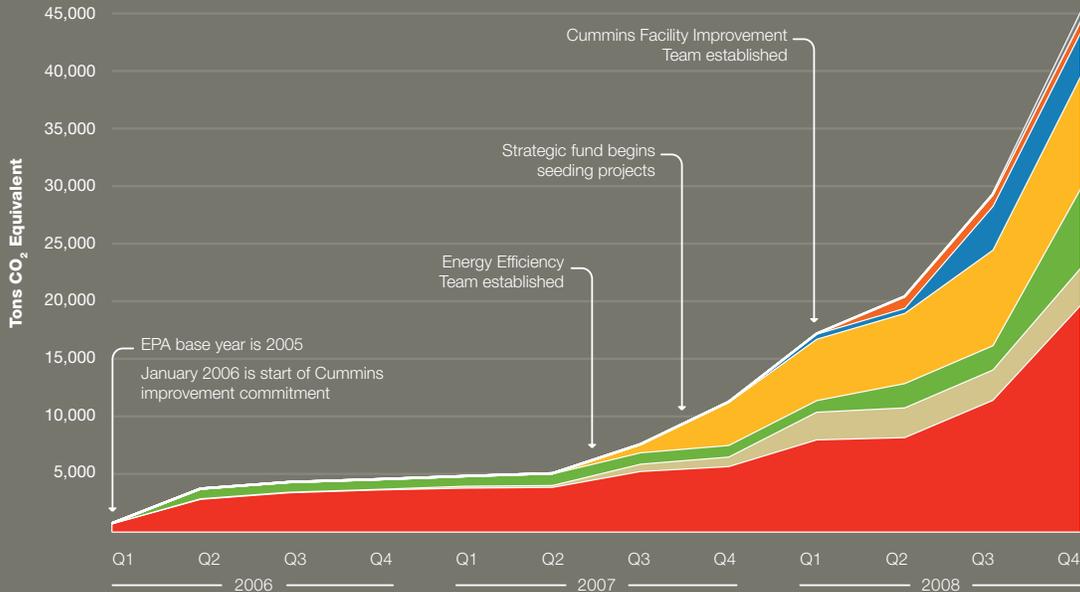
Electricity (indirect GHG)	59%
Stationary combustion (direct GHG)	22%
Fugitive Gases (process GHG)	15%
Mobile sources (owned auto/air)	3%
Other	1%

The mountain chart shows how rapidly the structured approach taken by the Energy Efficiency Team has enabled improvements. One hundred fourteen energy efficiency projects have been implemented, with another 32 in process by the end of 2008. More than 181,000 metric tons of GHG are now being eliminated annually. A \$20 million investment is returning approximately \$13 million in annual energy and maintenance savings. Cummins is on target to meet its voluntary commitment to the Climate Leaders program.

GHG Improvement from Energy Efficiency Projects (2006–2008)

- 114 capital projects implemented
- 32 in process
- Reduction of 181,392 tCO₂e annually (Status as of December 15, 2008)

- CBS
- CFBU
- DBU
- CTT
- CES
- PGBU
- FSBU
- EBU



ES Compleat™ Glycerin Premix Long-Life Antifreeze/Coolant

The Fleetguard ES Compleat is an innovative heavy duty engine antifreeze/coolant that uses glycerin instead of traditional ethylene glycol (EG) or propylene glycol (PG). Glycerin is derived from renewable sources and is the primary byproduct of the biodiesel manufacturing process.

Oil and Fuel Modules with Incinerable Replacement Cartridges

For more than 10 years, Cummins Filtration has partnered with our OEM customers to create oil and fuel modules for heavy-duty applications. Originally, the modules were 100 percent metal, and the replacement cartridges were complex with multiple metal pieces. Today's modules contain less metal and continue to progress toward increased sustainability.

Nanofiber Media

Engineers from Cummins Filtration in 2008 received the prestigious Diploma of Recognition from the International Federation of Automotive Engineering Societies (FISITA) for their research paper on the company's innovative Direct Flow engine air filter with nanofiber filter media. The role of fine, more efficient engine filtration has increased due to new engine exhaust particulate and evaporative emission regulations, as well as the introduction of new international test standards that focus on the sizes of dust particulate that penetrate the filter. Engine lifetime, fuel consumption and engine emissions greatly depend on the design of all engine filtration systems. To meet these expectations, filter development lately has focused on reduced volume filters and ultrafine, nanofiber filter media.

Direct Flow

Direct Flow is a new technology that offers greater filtration performance in a smaller, more versatile size. Direct Flow optimizes the utilization of the filtration media and creates a direct air flow path into the engine providing higher performance than conventional product designs. The Direct Flow filter system uses recycled material in up to two-thirds of the system components with some components being constructed entirely from recycled materials. The filter contains no metal and is fully incinerable.

Filter in Filter

Filter in filter significantly reduces weight, volume of material. For more than ten years, Cummins Filtration has partnered with our OEM customers to create oil and fuel modules for heavy-duty applications.

Diesel Exhaust Fluid

Diesel Exhaust Fluid (DEF), known as AdBlue in Europe, is a urea-based chemical reactant designed specifically for use in SCR systems to reduce NOx emissions. Cummins Fleetguard's DEF is API certified and meets ISO22241 specifications for purity and composition, with environmentally-friendly features such as: non-toxic and non-polluting, non-flammable and non-hazardous.

Emission Regulations and Cummins Product Goals

Since the 1970s, Cummins on-highway engines have been regulated by the EPA and similar regulatory agencies around the world for combustion emissions, including NOx, carbon monoxide (CO), hydrocarbons (HC) and PM, also known as soot.

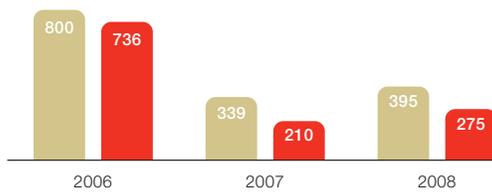
Cummins works closely with regulatory bodies to seek aggressive, but technologically feasible, emission reductions that also allow us to continue to make products that meet the exacting needs of our customers.

When compared to emissions from unregulated engines — i.e. before EPA standards became effective in 1973 — today's on-highway diesel engines emit 90 percent less PM and nearly 90 percent less NOx. Cummins and other engine-makers are required by the end of the decade to further reduce PM and NOx to levels 99 percent lower than the unregulated levels.

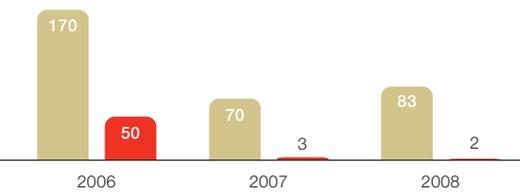
Off-highway engines produced by Cummins also are subject to stringent emission standards. While the combustion process for off-highway engines is fundamentally the same as for on-highway engines, the emission control strategies are not interchangeable because of the broad horsepower range, unique applications and the wide variety of duty cycles typical of off-highway products.

Between 1995 and 2006, off-highway engine emissions for NOx and PM have been reduced by 80 percent and 85 percent, respectively. And from 2010 to 2014, off-highway engines will be controlled to essentially the same level of emissions as their on-highway engine counterparts. By 2014, NOx and PM emissions from off-highway engines will be 98 percent lower than they were in 1995.

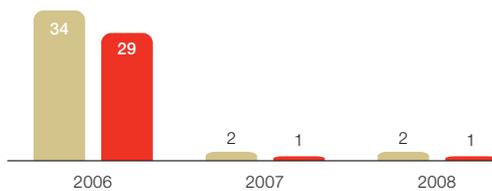
Total Automotive Useful Life Emissions Nitrogen Oxides (NOx) in 1,000 Tons



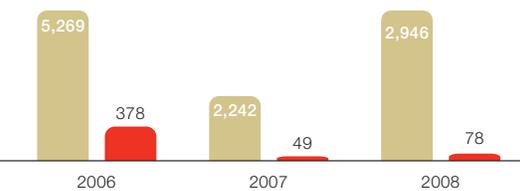
Total Automotive Useful Life Emissions Hydrocarbons (HC) in 1,000 Tons



Total Automotive Useful Life Emissions Particulate Matter (PM) in 1,000 Tons

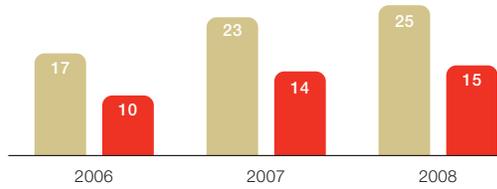


Total Automotive Useful Life Emissions Carbon Monoxide (CO) in 1,000 Tons

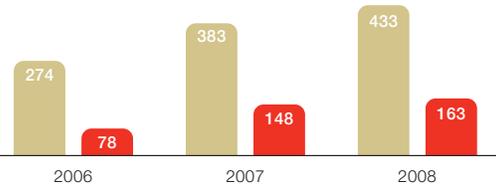


■ EPA Allowed
■ Cummins Produced

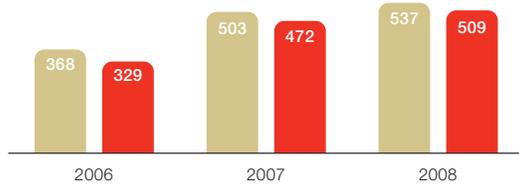
**Total Non-road Useful Life Emissions
Particulate Matter (PM) in 1,000 Tons**



**Total Non-road Useful Life Emissions
Carbon Monoxide (CO) in 1,000 Tons**



**Total Non-road Useful Life Emissions
Nitrogen Oxides + Hydrocarbons
(NOx + HC) in 1,000 Tons**



EPA Allowed
 Cummins Produced

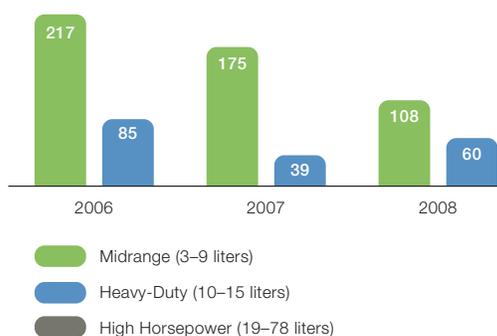
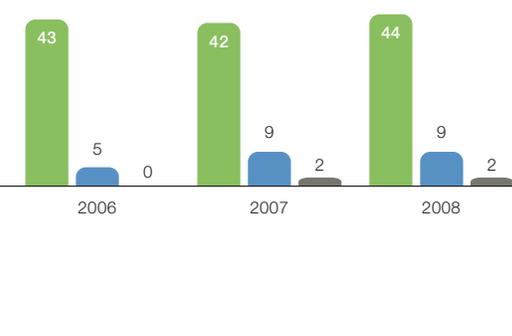
The charts on these and subsequent pages depict Cummins' commitment to the environment by demonstrating that the Company's engines often exceed U.S. emissions standards. The on-road charts for North America compare the estimated maximum allowable emissions by EPA standards versus Cummins' estimate of its engines' actual emissions for the past three years.

Estimates are based on the number of engines, both heavy-duty and midrange, manufactured in the United States for on-highway use per year.

Cummins engines have released far less hydrocarbon and carbon monoxide into the environment than the maximum allowed by the EPA. And even by the tough NOx and PM measures, Cummins has been under the standards.

The figures in the non-road charts are based on the number of midrange, heavy-duty and high-horsepower engines produced to EPA standards. As with Cummins on-road engines, these non-road engines release far less HC and CO into the environment than the maximum allowed by regulatory agencies. Likewise, NOx and PM actual emission levels are under the applicable standards.

Cummins also participates in a regulatory program called Averaging, Banking and Trading (ABT). This program allows emission credits to be generated and "banked" by a company whose products generate emissions that are lower than the regulated level. These banked credits may be applied to other engines whose emissions are higher than the standard. However, some credits are discounted by a certain percentage depending on engine type and ABT program rules. As a result of this discounting process, a portion of the emissions credits go unused by the Company, and are thus an additional benefit to the environment.

On-Highway Diesel Engine Volumes (thousands)**Non-road Diesel Engine Volumes** (thousands)

Recycling Cummins Products

“Reduce, reuse, recycle.” That’s a key slogan for environmentalists everywhere. At Cummins, we have an additional term. “ReCon” is the name Cummins uses for its line of genuine, factory-remanufactured products. Remanufacturing provides customers the option of same-as-new performance at a value price, especially important during challenging economic times. ReCon helps customers and Cummins alike manage the business cycle, and once again in the 2008-2009 recessionary period, sales of ReCon parts were up compared to new.

Remanufacturing also provides benefits for the environment by using about 85 percent less energy compared to the mining, refining, melting and machining of new material. Cummins reuses or recycles over 50 million pounds of material each year. The energy savings from this reclamation is equivalent to the consumption of about 10,000 homes in the U.S. Since most of that energy is fossil-fuel based, the savings also add up to greenhouse gas (GHG) reductions of about 200 million pounds.

The benefits of remanufacturing are increasingly being recognized world-wide. Cummins has established two new remanufacturing locations in India, and signed a contract to provide remanufacturing services to the holder of one of only 14 trial licenses for remanufacturing granted by the Chinese National Development and Reform Commission. These new locations will provide the benefits of remanufacturing to these growing economies.

Going Beyond Requirements in Other Countries

Cummins meets or exceeds emission regulations in every country that it operates. In South Africa, Cummins sells EPA certified 1999 engines to meet their latest regulations. Similarly, in Taiwan, emissions regulations require EPA 2004 or Euro IV standards, which Cummins sells both types of certified engines. In Mexico, the emission regulations recently enacted require EPA 2004 certified engines, Cummins has been very active in their latest rulemaking and has been selling EPA 2004 certified engines years prior to their latest requirements.

Cummins has worked closely with the Chinese government and OEMs to introduce “green engines” to China. Cummins is committed to bringing in advanced, low-emission, fuel efficient and environmentally friendly products to Chinese customers concurrently with international markets, including the United States and Europe.

In 2008, Cummins’ joint ventures in China, Dongfeng Cummins and Xi’an Cummins developed Euro IV diesel engines in advance of the Chinese Government’s requirements for production in 2009. In 2009, Cummins’ latest joint venture with Beijing Foton will begin production of the all new ISF 2.8L and ISF 3.8L Euro IV engines in Beijing. In 2009, Cummin’s Wuhan based Technical Centre began development projects with all of our joint ventures in China to develop clean diesel engines to meet the stringent Euro V emission standards worldwide.

In addition to local production of Euro IV engines, Cummins is the first foreign diesel maker to invest in the local manufacturing of key sub-systems, including turbochargers, filtration products, fuel systems

and after-treatment products. This initiative supports our Chinese partners and OEM customers as they work to meet future emission standards, including Euro IV and above. In 2008, Cummins Fuel Systems opened a new manufacturing plant in Wuhan to locally produce fuel pumps and injectors. Cummins Emission Solutions also began production of advanced after-treatment systems at our new plant in Beijing to support China's drive to low emission, fuel efficient and environmentally friendly products.

In 2009, Cummins also proactively cooperated with Chinese OEMs to develop and produce hybrid vehicles for the China market. Cummins Power Generation provided combined heat and power system (CHP) to help Chinese customers, such as Beijing South Railway Station, to achieve their energy saving targets. Cummins also continued our efforts to reduce our carbon footprint across China by working with all of our facilities in China to introduce a series of measures designed to minimize our energy consumption.

Seeking Counsel in Developing Products and Meeting Standards

In developing products to meet various standards, as well as the demands of its customers, Cummins seeks advice and counsel from its Science and Technology Advisory Council and the Safety, Environment and Technology Committee of its Board of Directors.

Cummins Science and Technology Advisory Council, formed in 1993, has given the Company access to some of the country's leading scientific thinkers and policymakers from the worlds of academia, industry and government.

The Cummins Science and Technology Advisory Council members regularly discuss the future of the internal combustion engine and the use of alternative power sources. As an example, Cummins already has pursued alternative energy options, including clean natural gas bus engines and power generation units that harness waste gases such as methane available in landfills.

The Cummins Science and Technology Advisory Council members are:

Frank S. Bates

Chairman, Chemical Engineering and Materials Science Department, University of Minnesota.

Dr. Harold Brown, Counselor

Center for Strategic and International Studies, retired Cummins Director, former Secretary of Defense and President of CalTech.

Phil Sharp

President of Resource for the Future, Washington, D.C.

Dr. Sophie V. Vandebroek

Chief Technical Officer and President, Xerox Innovation Group for Xerox Corporation, Stamford, Connecticut. Fellow of the Institute of Electrical & Electronics Engineers and served as an elected member on the IEEE Administrative Committee. Fulbright Fellow and a Fellow of the Belgian-American Educational Foundation.

Dr. Gerald L. Wilson

Professor of Electrical Engineering and Mechanical Engineering, Massachusetts Institute of Technology, formerly Dean of Engineering at MIT.

The Safety, Environment and Technology Committee of the Cummins Board of Directors advises top management and the technical leadership of Cummins regarding:

- Technology strategy and planning
- Significant research and technology projects and tools
- Major new product programs
- Environmental policy and strategy within the public arena as well as maintaining an internal action plan.

Its membership includes the following Directors: Alexis M. Herman, Georgia R. Nelson, William I. Miller and Carl Ware.

The committee also encourages collaboration between Cummins and the external technical and environmental community and reviews the technology plans of the Company.

Making Work Spaces into Green Spaces

Facilities as Performance Indicators

Doing our part to promote a healthy environment goes beyond producing the cleanest possible products. Cummins facilities have a critical role to play in helping create a safe and sustainable environment for today and in the future.

Minimizing workplace injuries, reducing facility emissions and waste and conserving natural resources are fundamental to Cummins' commitment to the communities in which we live and work. These efforts also have a direct positive impact on the profitability of our business.

Cummins' approach to facilities management acknowledges the importance of protecting the environment and includes our formal commitment to the long-term sustainability of our operations. As we continue to meet our regulatory obligations, we also will work to identify opportunities for improvement and reduce the environmental impact of our operations.

Safety and Environmental Council

Cummins Corporate Health, Safety and Environmental (HSE) Council was established in 2003 and continues to strengthen today. The HSE Council brings together manufacturing, safety and environmental leaders from across the Company's business units and corporate staff. The Council meets quarterly with the objective of building a best-in-class safety and environmental organization across Cummins worldwide entities.

The Council meeting is the forum for developing HSE policies and strategic initiatives and is where company-wide objectives and targets are established. Among the Council's initiatives in support of performance improvement objectives are a focus on facility registration to the Enterprise Environmental and Safety Management systems, building good HSE practices into the Company's growth strategy and organizational and individual functional excellence development.

Health, Safety and Environmental Management Systems

Cummins' safety and environmental policy drives the global Health, Safety and Environmental Management System (HSEMS), which provides the platform for setting key safety and environmental objectives and ongoing monitoring of our HSE performance. Cummins has incorporated the elements of the ISO 14001 Standard and the OHSAS 18001 Safety Guidelines into the two systems and has committed to registration by an independent third-party.

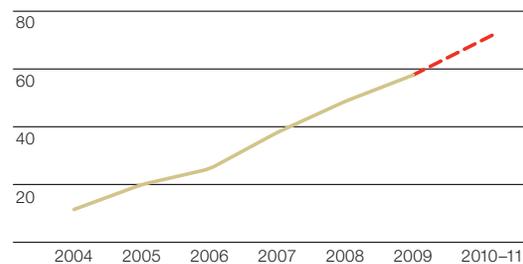
Cummins has taken a multi-site "enterprise" approach to registration of these management systems, rather than a customary individual site registration. This has allowed us to leverage the following opportunities:

- Deployment of common Cummins health, safety and environmental standards across global locations, to drive improvement beyond compliance
- Incorporation of a centrally managed model, with improved visibility of performance across all entities
- Development of a flexible management system within a framework that facilitates timely implementation and best practice sharing
- Successful integration of the safety and environmental systems at the Corporate level paving the way for integration efficiencies at the entity level

Success Story: Cummins Enterprise Environmental Management System

The Enterprise Environmental Management System (EMS) was first registered by an independent third-party registrar in 2004, when a total of four sites participated. By the end of 2008, Cummins had 47 facilities and the corporate entity registered to the ISO 14001 Standard. Our projected growth is for 58 facilities successfully registered by end of 2009. We have also set a corporate objective to include all of our in-scope facilities into the EMS enterprise by end of 2011.

Certified EMS Enterprise Sites



Cummins Enterprise Environmental Management System (ISO 14001 Standards and Corporate Requirements)

Site	Reg. Year	Location	Business Unit
Cummins - Daventry Engine Plant	2001	UK	Engine
Cummins Filtration – Quimper	2001	France	Components
Cummins Turbo Technologies – Huddersfield	2001	UK	Components
Cummins - Darlington Engine Plant	2002	UK	Engine
Cummins Emission Solutions – Mineral Point	2001	USA	Components
Cummins - SLP	2002	Mexico	Engine
Cummins Emission Solutions – Viroqua	2002	USA	Components
Cummins Emission Solutions – Arcadia	2002	USA	Components
Cummins Emission Solutions – Wautoma	2002	USA	Components
Cummins Industrial Center/Cummins Komatsu Engine Co.	2002	USA	Engine
Cummins Generator Technologies – Stamford	2002	UK	Power Generation
Cummins Turbo Technologies – Charleston Leeds Ave	2002	USA	Components
Dongfeng Cummins Engine Co. Ltd/Cummins Xiangfan Machinery Co. Ltd	2002	China	Engine
Tata Cummins Limited	2003	India	Engine
Fuel Systems - Columbus	2003	USA	Components
Cummins Brazil Ltd.	2003	Brazil	Engine
Cummins - Midrange Engine Plant	2003	USA	Engine
Cummins Filtration – Lake Mills	2003	USA	Components
Cummins Emission Solutions – Black River Falls	2003	USA	Components

Enterprise Environmental Management System Registrations (continued)

Site	Reg. Year	Location	Business Unit
Cummins - Corporate	2003	Worldwide	Corp
Cummins Filtration – Bloomer	2003	USA	Components
Cummins Filtration– Neillsville	2003	USA	Components
Cummins Turbo Technologies - Dewas	2004	India	Components
Cummins Filtration - Findlay	2004	USA	Components
Cummins Turbo Technologies – Wuxi	2004	China	Components
Rocky Mount Engine Plant	2004	USA	Engine
Cummins - Jamestown Engine Plant	2004	USA	Engine
Cummins Power Generation – Fridley	2004	USA	Power Generation
Fuel Systems – Juárez/EI Paso	2004	USA	Engine
Cummins Power Generation - Kent	2005	UK	Power Generation
Fleetguard - Shanghai	2005	China	Components
Cummins Generator Technologies - Mexico	2005	Mexico	Power Generation
Diesel ReCon - Memphis	2005	USA	Engine
Cummins Filtration - Brazil	2005	Brazil	Components
Cummins Filtration – Cookeville	2006	USA	Components
Cummins Columbus Engine Plant	2006	USA	Engine
Cummins Power Generation - Beijing	2007	China	Power Generation
Cummins Power Generation - Singapore	2007	Singapore	Power Generation
Cummins Generator Technologies - Ahmednagar	2007	India	Power Generation
Cummins Generator Technologies - Wuxi	2007	China	Power Generation
Cummins India Ltd	2007	India	Engine
Cummins Sales and Service	2007	India	Distribution



1950

After competing in the Indy 500, Cummins No.61 Green Hornet went on to become the world's fastest diesel at 165 mph on the Bonneville Salt Flats in Utah. The 340 hp racing version of the JBS-600 engine with supercharging and new PT fuel injection set diesel speed records over 1, 5 and 10 miles.

Green Generator Technologies Plant Opens In India



Landscaping on the canteen roof of the Ranjangaon facility.

Cummins Generator Technologies India's new facility in Ranjangaon is the first truly "green" manufacturing plant in Cummins. The facility incorporates many of the sustainable green building features and practices as defined by The Leadership in Energy and Environmental Design (LEED) Green Building Rating System.

Over the first 10 years of operation, the facility is expected to save over 14 million kWh of electricity, and avoid over 14,500 tons of carbon dioxide emissions. This is the equivalent of permanently removing 274 cars from the road. Not only energy efficient, the Ranjangaon plant is also economically sustainable. After an initial investment of \$125,000 for the environmental features, energy costs will be reduced by approximately \$300,000 per year, plus \$10,000 in annual water savings. The plant produces alternators and will employ approximately 700 people.

Some of the environmental highlights of the CGTI – Ranjangaon plant include:

Energy and Atmosphere

Wind tower provides natural ventilation, reducing ambient temperatures for the shop, and reduced heat load for office air conditioning.

Energy efficient T5 fluorescent lighting for the shop and compact fluorescent light (CFLs) for the office.

Efficient use of natural daylight.

Automated building management system to control pump operation, and localized occupancy sensors and dimmers to adjust lighting.

Water Efficiency

High efficiency fixtures and toilets in restrooms and locker facilities.

Rain water runoff is collected, filtered and allowed to percolate, recharging ground water levels.

Treated "gray water" from canteen and sinks used for landscape irrigation.

Materials and Resources

Use of high efficiency glass for windows and skylights.

Recycled content – use of fly ash in bricks for building construction.

Low VOC-content paints, coatings, adhesives, and sealants.

CFC-free air conditioning.

Vermiculture – use of worms to decompose canteen food waste and leaves.

Sustainable Site

Buildings designed to fit the hilly site, minimizing the need for excavation and filling.

Landscaping designed to reduce irrigation need by 50 percent, and to control storm water runoff.

Tree plantations offset carbon emissions from plant operations; over 3,000 planned.

Outdoor lighting designed to minimize nighttime light pollution.

Cummins 6.7 Liter Turbo Diesel Earns PACE Award

Cummins earned a prestigious 2008 Automotive News PACE (Premier Automotive Suppliers' Contribution to Excellence) Award for innovation demonstrated by the 6.7L turbo diesel engine. The PACE Awards ceremony honors superior innovation, technological advancement and business performance among automotive suppliers.

The 6.7L Dodge Ram Turbo Diesel engine, which debuted in January 2007, is available in the Dodge Ram 2500 and 3500 models. The engine is the strongest, cleanest, quietest heavy-duty diesel pickup truck engine available on the market and is the first to meet the 2010 EPA emissions regulations in all 50 states. Cummins achieves this by using a NOx Adsorber Catalyst – a breakthrough technology designed and integrated by Cummins.



As noted by Joe Loughrey, then President and Chief Operating Officer of Cummins, as he accepted the award, "This is a significant product innovation and a terrific honor for Cummins to be recognized. We share this recognition with our customer, Chrysler, who

collaborated with us in developing a common vision for a product that would deliver on our commitment to exceptional customer satisfaction while ensuring our contribution to a cleaner environment." Loughrey also acknowledged several partners who significantly contributed to Cummins success in the product including the Department of Energy, the Environmental Protection Agency and several supplier partners.

The PACE Award is viewed as the industry symbol of innovation. Cummins earned Automotive News PACE Award winner status after an extensive review by an independent panel of judges, a comprehensive written application and a site visit.

Enterprise Environmental Management System Registrations (continued)

Site	Reg. Year	Location	Business Unit
Cummins Emission Solutions - Daman	2008	India	Components
Cummins Power Generation - Beijing	2007	China	Power Generation
Cummins Technical Center - Columbus	2008	USA	Engine
Cummins UK - Wellingborough	2008	UK	Distribution
Generator Technologies - Romania	2008	Romania	Power Generation
Cummins Filtration - Shanghai	2008	China	Components
East Asia R&D - Wuhan	2008	China	Engine
Cummins Turbo Technologies - Palmetto	2008	USA	Components
Chongqing Cummins Engine Co.	2008	China	Engine

Auditor Certification Program

The program was launched to support Cummins' efforts to develop more consistently robust auditing capabilities and develop employee functional excellence. Audit trainees are called upon to participate with HSE Council leaders in site audits that are conducted to support new HSEMS registrations and satisfy Cummins' annual internal audit requirement. Corporate sponsors provide lead auditor training throughout the year and through successful participation as a team member in several audits and following a performance evaluation as a lead auditor, audit trainees become certified as lead auditors.

Not only has this initiative bolstered subject matter expertise and reduced Cummins' dependence on contractors, it has substantially facilitated the sharing of best practices. Auditors observe first-hand the effective practices in place at the audited site and bring a fresh perspective by sharing their own winning health, safety and environmental management strategies. Lead auditors are recognized at the Cummins annual HSE Awards Banquet. Selected auditors with both safety and environmental responsibilities and expertise are being certified within both disciplines to support the integration of these systems and the continued development of a HSEMS.

Auditor Certification Program

	Total Number of People
Trained Auditors	91
Auditors Participating in Program	46
Certified Environmental Lead Auditors	18
Certified Safety Lead Auditors	6

Environmental Objectives and Targets

Each year, the HSE Council sets objectives and targets for the organization to ensure the continual improvement of Cummins' environmental performance. The business units supplement these with initiatives of special importance and interest to their respective businesses. The Enterprise EMS is the mechanism for driving these improvements, which can take any form that supports the Company's efforts to address our environmental policy commitments.

For example, the Engine Business has reaped significant environmental benefits from its focus on paint reformulations. Also, all businesses were engaged in the work necessary to develop our greenhouse gas emissions (GHG) inventory and the setting of an emissions reduction goal as part of an overall objective to reduce our carbon footprint.

Sites worldwide have completed innovative environmental projects – such as reducing packaging waste, recycling solvents and coolants and capturing rain water for re-use. Recent objectives and targets included improvements of the tools and processes that support collection and reporting of key environmental performance indicators, auditor training and other functional excellence initiatives. Addressing water conservation and emphasis on pollution prevention opportunities will continue to be focus areas as well.

In 2009, Cummins will supplement its efforts to reduce energy and the associated greenhouse gas emissions by deeming energy use a "significant aspect", or risk, within the EMS, to apply to all sites worldwide. This tactic focuses all of the assets within the EMS to bear on this most critical environmental challenge. In addition, supplemental corporate objectives, targets and procedural requirements will be developed to support the Company's spotlight on energy efficiency initiatives.



Operations

For perspective on our areas of environmental focus at the facility level, a general description of the manufacturing operations by business unit follows:

Engine: Within the Cummins Engine Business, manufacturing facilities employees conduct product design, research and development, engine manufacturing and engine and component reconditioning. Engine assembly facilities perform engine block and component machining, assembly, painting, parts washing and engine performance testing. Product design and engine testing are the primary operations in the research and development technical centers where production processes are limited.

Engine testing is conducted in stationary test stands or cells, where product performance information is measured as engines run at various duty cycles.

Test cells also are used for certification testing to ensure products meet emissions requirements. Rebuild/reconditioning facilities perform engine tear-down and reassembly, using alkaline parts washing processes.

Components: The Components Group includes four separate businesses; Cummins Filtration, Cummins Fuel Systems, Cummins Turbo Technologies and Cummins Emission Solutions. Facility operations primarily involve filtration and exhaust product design, research and development, filter, and exhaust component assembly and product distribution and warehousing.

Key operations conducted among the Components Group divisions include filter, fuel systems, turbo-charger and exhaust aftertreatment component assembly, metal stamping, tube bending and component machining, welding, product assembly, painting and performance testing.

Power Generation: Cummins Power Generation Business facility operations primarily involve product design, research and development, alternator manufacturing, assembly of generator sets, switchgear and controls and product testing. Alternator manufacturing facilities perform component machining, lamination stamping, rotor and stator winding, resin impregnation and alternator assembly.

Assembly facilities perform housing fabrication, genset assembly, switchgear and controls assembly, painting, alkaline bath parts washing and genset performance testing. Product design and performance testing are conducted in the research and development technical centers. Genset testing is conducted in stationary test stands/cells, where product performance information is measured while gensets are run at various duty cycles. Test cells also are used for certification testing to ensure products meet emissions requirements.

Distribution: Cummins distribution business provides parts and service for Cummins products worldwide. Distributor facilities generate used oils as their key waste stream. Selected sites are equipped with engine and chassis dynamometers and consequently, diesel fuel is consumed on-site.

Waste Streams

The primary waste streams generated at Cummins manufacturing facilities include waste paint and associated materials, paint filters, wastewater sludge and filter cake, machine coolant, used oil and resins. Metals and metal parts that cannot be reconditioned for re-use in Cummins products are salvaged for off-site recycling, as are used oils. Other waste streams include filter media and resins.

At most facilities, machine coolant is recycled until ineffective and ultimately added to the wastewater stream for pretreatment prior to discharge to public treatment works.



The split-level coach liners of the 1950s introduced long distance, luxury travel across the U.S. featuring characteristic scenic view windows. The 43-seater Beck DH with Cummins 300 hp HRBS-600 was one of the most powerful models built, with some exported to fleets in Cuba and Mexico.

1955

Cummins Columbus Midrange Engine Plant Recognized for Environmental Leadership

Indiana Department of Environmental Management (IDEM) Commissioner Thomas W. Easterly and Assistant Commissioner Rick Bossingham visited Cummins Columbus Midrange Engine Plant in April 2008 to welcome the company as a new member of Indiana's Environmental Stewardship Program (ESP).

To become an ESP member, a business must minimize environmental impacts in current and planned operations. It must maintain an exemplary compliance record, certify

that it has adopted and implemented an approved environmental management system, and commit to specific measures for continued improvement. Cummins' Columbus Midrange Engine Plant, which assembles diesel engines for the Dodge Ram truck, has worked hard to reduce its environmental impact.

To earn its award, the Company has reduced volatile organic compound emissions by switching from a solvent-based paint to a water-based paint. Indiana wins when

companies use sound business practices to demonstrate their core value of environmental protection.

Because of their exemplary compliance record and continual improvement, ESP members qualify for expedited permit review, flexibility in permitting, reduced reporting frequencies and coordination of compliance inspections. To maintain ESP membership, companies must report their environmental initiatives every year and reapply for ESP membership every three years.

Expanding our Environmental Measures

Cummins has collected key environmental sustainability measures from our facilities for many years, focusing on operations with the greatest potential environmental impact. Measures were originally implemented and reported internally in an effort to identify environmental performance improvement opportunities. Data has subsequently been aggregated for inclusion in Cummins' Sustainability Report and other reporting initiatives.

Because of Cummins' participation in the EPA's Climate Leaders Program and its comprehensive GHG inventory scope requirements, the number of sites taking part in data gathering has broadened significantly, including all facilities under Cummins operational control irrespective of size or function. Cummins has implemented a new data reporting process and tools in 2009. The tools support our data quality objectives as well as offer enhanced reporting functionality. As of 2009, all of Cummins controlled sites worldwide and selected joint ventures will be solicited to provide data for all applicable sustainability indicators. For the purposes of this report, measures data have been compiled from two different data sets, which are indicated in the following sections of this report.

Sustainability metrics, including water use, recycled materials, commodities and wastes, as well as fuels and electrical power usage included were derived from 89 manufacturing and large non-manufacturing sites. These include several large joint venture facilities that are not under Cummins' operational control.

Fuels, electricity and other GHG sources and emissions were collected from all facilities where Cummins maintains operational control and therefore are in scope of our Climate Leaders GHG reduction commitment. The present population of sites in scope of Climate Leaders is 262 facilities. Greenhouse gas related emissions from Cummins' unconsolidated joint venture businesses are not included in this report.

Materials

Category	2005	2006	2007	2008
Materials Other Than Water				
Diesel Fuel (Gallons)	8,630,568	9,464,041	9,800,863	10,586,012
Natural Gas (CF)	1,375,473,756	1,367,998,690	1,317,827,834	1,404,869,934
Propane (CF)	15,026,716	16,909,296	20,078,733	22,511,199
Electricity (kwh)	716,158,774	726,505,056	756,521,445	726,542,254
Oil (Gallons)	1,834,800	2,408,670	2,291,912	1,971,857
Paint (Gallons)	324,346	503,410	444,654	462,345
Coolant (Gallons)	920,145	1,431,659	977,616	1,095,795
Solvent (Gallons)	109,931	161,694	221,193	194,728
Total Water Use				
Total Water Use (Gallons)	1,247,753,509	2,037,442,344	1,305,642,376	1,397,229,924
Significant Discharges to Water (Gallons)	1,013,470,629	1,799,838,718	1,068,979,069	1,199,712,010
Total Amount of Waste By Type				
Industrial Waste (Metric Tons)	2,678	2,756	2542	2,478
General Refuse (Metric Tons)	10,757	13,257	14,110	16,107
Recycled Materials				
Iron (Metric Tons)	112,374	115,324	113,126	105,000
Aluminum (Metric Tons)	1,015	876	671	1,127
Copper & Brass (Metric Tons)	331	551	1,394	674
Cardboard (Metric Tons)	7,514	8,446	9,799	10,994
Paper (Metric Tons)	286	359	453	434
Wood (Metric Tons)	11,160	16,482	21,993	17,879
Plastic (Metric Tons)	296	398	758	910
Reused Liquid Wastes (Gallons)	2,817,773	1,089,614	3,321,242	1,422,466
Number of Reporting Sites - Energy/Fuels	250	254	258	262
Number of Reporting Sites - All Other Metrics	38	54	75	89
Other Significant Direct Air Emissions (Metric Tons)				
NOx	2,535	2,771	2,857	3,084
CO	560	610	628	678
PM10	169	186	192	208
VOC	849	2,538	846	862
Number of Reporting Sites - NOx, CO and PM10	250	254	258	262
Number of Reporting Sites - VOCs	38	54	75	89

Cummins Again Recognized as Sustainability Leader on Global, Regional Levels

The Dow Jones Sustainability Index (DJSI) named Cummins Inc. as one of the world's top 11 leaders in sustainability among industrial companies in its 2008 sustainability review.

DJSI named Cummins to two of its multi-sector indices: the World index for the fourth year in row (the top 10

percent of the world's largest 2,500 companies in corporate sustainability) and the North American index for the second year in a row.

In its annual review, the DJSI analyzes companies in three broad categories - economic, social, and environment, with a higher weighting given to

environmental performance in industrial companies such as Cummins.

Specific issues considered include corporate governance, risk management, customer relationship management, climate change strategy, supply chain standards, labor practices, corporate citizenship and philanthropy, employee development, product stewardship, environmental management systems, and environmental policy and procedures and the scope of their application.



Cummins materials data collection includes process compounds commonly used in the Company's manufacturing processes. In addition, monthly data is reported and compiled for wastes, recycled materials, utilities and other key measures.

Cummins has increased the population of facilities reporting sustainability metrics substantially over the last several years. The growing number of reporters and better measurement processes are responsible for the increases for most non-energy metrics in 2006. Increases in quantities of recycled materials generally reflect improvements in supporting processes worldwide.

Totals for recycled paper, plastic and wood are understated because at several locations load weights are unavailable. Significant discharges to water also are estimated because these are not directly measured at all worldwide locations.

Reused liquid wastes represent estimated quantities of industrial process wastes reclaimed for re-use or otherwise returned to process as feedstock in cement kilns or blended fuels. These include oil, coolants, solvents and thinners and residual fluids primarily from painting processes.

Cummins continues to implement efforts supporting water conservation, waste minimization and other environmental improvements. Strong recycling programs are common in Cummins manufacturing facilities and other locations around the world. Although the increasing number of reporting sites allows the company to develop a more comprehensive understanding of its environmental footprint, the varying population makes meaningful comparisons year to year difficult.

Energy and Fuels

Category	2005	2006	2007	2008
Direct (Gigajoules)				
Fuel Oil/Diesel	1,247,485	1,367,957	1,416,642	1,530,130
Natural Gas	1,523,761	1,515,480	1,459,901	1,556,327
Propane	39,428	44,367	52,683	59,066
Indirect				
Electricity (Gigajoules)	2,578,172	2,615,418	2,723,477	2,615,552
Electricity (Kwh)	716,158,774	726,505,056	756,521,445	726,542,254

Greenhouse Gas List

Cummins’ inventory includes CO2, CH4, N2O emissions from electricity and fuel consumption, HFC emissions from refrigerant use, and CO2 and SF6 emissions from manufacturing process use. Cummins has no emissions of PFCs. As of June 2008, SF6 is no longer used at Cummins.

Emissions Type	Emissions Sources
Stationary Combustion Sources	Industrial Boilers (Natural Gas & Diesel Fuel) Industrial Furnaces (Natural Gas & Diesel Fuel) Engine Test Cells (Natural Gas, Diesel Fuel, Gasoline and Propane) Generator Sets (Diesel Fuel) Process ovens/heating units (Natural Gas & Diesel Fuel) Electricity generating systems at customer sites
Mobile Sources	Company owned/leased vehicles (Diesel Fuel & Gasoline) Forklift Vehicles (Propane and Diesel Fuel) Corporate Aviation (Jet Fuel)
Process/Fugitive Emissions	Manufacturing process - *SF ₆ Welding operations - CO ₂ Air conditioning equipment - HFCs

* This process was discontinued in June 2008



With twin-radiator V shaped nose for extra cooling and huge sand tires, Kenworth’s Super 953 was known as the Desert King. Available with Cummins NT 380 hp, the rugged truck was at the forefront of oilfield exploration work in remote areas of the Middle East and North Africa, with many still in service.

1958

Emission Sources

Direct Sources

Electricity use is the most significant source of GHG emissions associated with Cummins' operations. In addition, as an organization that manufactures and assembles diesel engines and related components, a substantial portion of Cummins' overall GHG emissions are a direct result of the engine testing operations related to production and research and development. Many of the Cummins facilities in the various businesses employ processes that use natural gas-fired or electric industrial ovens or other heat treatments and related processes.

The Energy Solutions Business (ESB) is a business within Cummins Power Generation that sells natural gas and biogas-fueled generator sets as well as cogeneration and other power plant equipment. ESB commercializes these sets through sales, design and construction of turnkey power plant solutions and, in some cases, operates the plant after construction and maintains some equity ownership in the project.

Cummins measures the fuel consumption and emissions in support of the Climate Leaders initiative where the Company manages the complete operations and maintenance services.

Historically, fugitive GHG emissions were generated at the Findlay, Ohio, facility through the process of injection of sulfur hexafluoride (SF6) into sealed gas bags, which were sold as product. This process was discontinued in mid-2008. Other fugitive emissions are associated with use of CO2 gas as a welding shield systems and refrigerant loss typical through use of heating, ventilation and air-conditioning systems.

Indirect Sources

The inventory includes consumption of electricity, which is used by all facilities. It also includes purchased steam consumption from one facility in China and purchased hot water consumption from one facility in Romania.

Greenhouse Gas Emissions Calculations

Indirect emissions calculations from electricity use take into account the carbon intensity of the fuel and technology used to generate the power. A determination of the electricity emissions in the U.S. was made using emission factors from the EPA eGRID emissions database. All other greenhouse gas emissions are calculated using emission quantification methodologies taken from the Climate Leaders Greenhouse Gas Inventory Protocol: Core Module Guidance documents for the appropriate emissions sources. These factors are updated by reviewing any revisions to Climate Leaders guidance documents.

Small Steps Lead to a Smaller Carbon Footprint

Cummins Emission Solutions-Mineral Point became part of the U.S. Environmental Protection Agency's ENERGY STAR Low Carbon Information Technology Campaign



in 2008. The Campaign encourages businesses to enable the power management, or "sleep mode," on computers and monitors.

Placing a desktop computer in sleep mode might seem like the smallest of steps, but computers use energy, and modern businesses use a lot of computers. By activating power management features on all its monitors and computers, CES Mineral Point is managing to save 65,965 kilowatt-hours of energy annually. Over three years, this will save the facility \$16,365 in power bills.

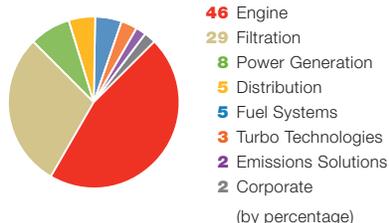
And that's only the start. Over the same term, nearly 152 tons of CO₂ will be kept from the atmosphere through those small steps. That's like removing more than 25 cars from the road, which would produce that amount of CO₂. Or, conversely, it is like planting more than 531 acres of trees, where the CO₂ would be sequestered in organic form.

CES Mineral Point is the first Cummins facility participating in this program, but not the last.

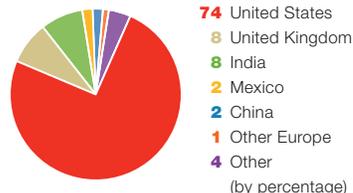
U.S. and Non U.S. Greenhouse Gas Emissions Inventory - CO₂eq. (metric tons)

U.S. Emissions	2005	2006	2007	2008
Direct				
Stationary Combustion Sources	108,529	113,582	106,092	113,157
Mobile Combustion Sources	12,315	13,575	13,620	12,722
Process/Fugitive	117,404	127,645	162,030	166,726
Total Direct Emissions	238,248	254,803	281,742	292,605
Indirect Emissions				
Purchased and Used Electricity	348,465	351,405	348,276	325,223
Total indirect Emissions	348,465	351,405	348,276	325,223
Total U.S. Emissions	586,713	606,207	630,018	617,828
Non- U.S. Emissions				
Direct				
Stationary Combustion Sources	57,164	60,478	69,155	75,252
Mobile Combustion Sources	14,815	14,815	14,815	17,015
Process/Fugitive	2,921	3,002	3,099	3,155
Total Direct Emissions	74,900	78,294	87,069	95,422
Indirect Emissions				
Purchased and Used Electricity	94,060	94,029	121,457	120,607
Purchased and Used Steam	447	447	436	461
Purchased and Used Hot Water	531	531	531	480
Total indirect Emissions	95,037	95,006	122,424	121,548
Total Non-U.S. Emissions	169,937	173,301	209,493	216,971

GHG Emissions by Business Unit (2008)



GHG Emissions by Country (2008)



Total U.S. and Non- U.S. Emissions CO2e	2005	2006	2007	2008
Direct				
Stationary Combustion Sources	165,693	174,060	175,247	188,409
Mobile Combustion Sources	27,129	28,390	28,435	29,738
Process/Fugitive	120,325	130,647	165,129	169,881
Total Direct Emissions	313,148	333,097	368,811	388,028
Indirect Emissions				
Purchased and Used Electricity	442,525	445,434	469,733	445,830
Purchased and Used Steam	447	447	436	461
Purchased and Used Hot Water	531	531	531	480
Total indirect Emissions	443,503	446,412	470,700	446,771
Total U.S. and Non-U.S. Emissions	756,650	779,508	839,511	834,799

Total GHG Emissions in metric tons CO2e

Emissions Source

	2005	2006	2007	2008
Electricity	442,525	445,434	469,733	445,830
Stationary Combustion	165,693	174,060	175,247	188,409
Fugitive SF6, CO2	120,325	130,647	165,129	169,881
Mobile Sources, other	28,107	29,367	29,402	30,679
Total	756,650	779,508	839,511	834,799

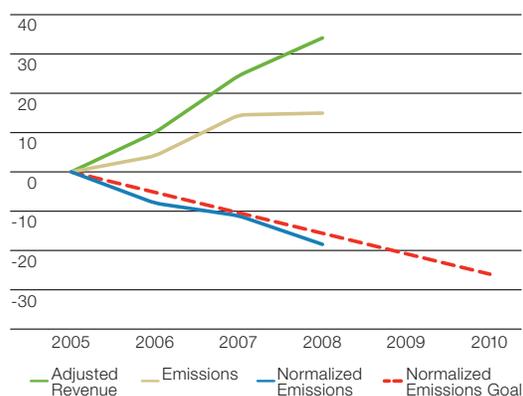
Normalized GHG Emission Goal Tracking (2005–2008 Greenhouse Gas Emissions, Normalized to Revenue)

	2005	2006	2007	2008	'05-'08 % change
Total Emissions (metric tons CO2-equivalent)	778,464	810,255	879,743	878,921	10.4%
Gross revenue (\$millions)	\$9,917.80	\$11,362.40	\$13,048.00	\$14,341.91	44.6%
Inflation-adjusted revenue (constant 2005 \$millions)	\$9,917.80	\$11,074.60	\$12,361.20	\$13,254.60	33.6%
Normalized emissions (tCO2e per 2005 \$millions)	78.49	70.39	67.91	62.94	-17.5%

Greenhouse gas emissions declined by less than 1% from 2007 to 2008 and increased 10.4% compared to the base year 2005. Sales increased on average 13% year over year in the same timeframe – equating to an overall in sales increase of 44.6%. After an adjustment for inflation to 2005 dollars, Cummins has achieved a normalized reduction of 17.5% over the 2005-2008 timeframe.

Normalized GHG Emissions Change from 2005 to 2007 (%)

This graph depicts Cummins progress against its stated reduction goal of 25 percent normalized to sales, and shows that the Company is on the path to achieving its goal. This goal tracking graph will be updated and revisited as the Company implements the many energy efficiency projects that have been identified.



Ozone Depleting Substances

In 1995, Cummins implemented a policy that stationary equipment using chlorofluorocarbons (CFCs) would no longer be purchased by Cummins. Equipment already in place would be considered for conversion or replacement depending on its age and repair costs. As a result of this policy, Cummins has replaced an estimated 60 percent of its equipment containing ozone-depleting substances.

Interactions with Regulatory Agencies

On November 14, 2007, an inspection of the Cummins Filtration facility in Cookeville, Tennessee, was conducted by the Tennessee Department of Environment and Conservation (TDEC). As a result of the inspection, a Notice of Violation (NOV) was issued by TDEC on January 3, 2008, for the following violations:

- EPA Method 24 analysis was not used when eleven new coatings were included in the Title V report;
- EPA method 24 certification sheets were not available during the site inspection; and

- Volatile organic chemicals were calculated using information from the Material Safety Data Sheets, instead of the EPA Method 24 analysis.
- The facility immediately implemented the required corrective measures and a \$1,000 fine was assessed by TDEC.

On July 23, 2008, the Tennessee Department of Environment and Conservation (TDEC) issued a Notice of Violation (NOV) to the Cummins Filtration facility in Cookeville, Tennessee, for an unauthorized wetland alteration. TDEC inspected an area located adjacent to a facility retention pond, between the front entrance and the adjacent Highway 111. A tree in this area had been uprooted during a recent storm, so the facility removed the fallen tree and restored the vegetation in the immediate area. The facility promptly implemented all of the corrective actions requested by TDEC and received a Notice of Compliance on August 6, 2008. No fines were assessed.

As a result of an inspection conducted by the Iowa Department of Natural Resources (IDNR), the Cummins Filtration facility in Lake Mills, Iowa received a Notice of Violation (NOV) on August 20, 2008. The facility had made physical changes at the site without first submitting the required air permit related documents to the IDNR. Upon receipt of the NOV, the facility promptly prepared and submitted all required documents to the IDNR. In response, the IDNR accepted these modifications and issued a new air permit that included the physical changes that had taken place at the facility. No fines were assessed.

On July 21, 2008, the Cummins Industrial Center in Seymour, Indiana, received a Notice of Violation (NOV) from the City of Seymour (Indiana). The NOV was issued to the facility for a failure to reapply for a wastewater discharge permit prior to the expiration of the facility's current wastewater discharge permit. The facility promptly completed the renewal application and submitted it to the City of Seymour. The wastewater discharge permit was renewed by the City of Seymour and no fines were assessed.

Cummins India Limited Reduces Wastewater Effluents by 90 percent

Cummins India Limited (CIL) recently earned a Cummins' Director's Award for Environment. The CIL improvements came through implementation of a Six Sigma project titled; "War on Waste" with the first stage aimed toward reduction of wastewater effluents at the Kothrud plant. The plant already had wastewater pollutant discharge limits and an absolute limit on the volume of its discharge, making wastewater reductions a matter of legal compliance as well as a good environmental practice.

The team first mapped out all sources of water to the wastewater treatment system and installed flow meters to measure the influence of each area. Improvement measures included the identification and repair of leaks, the restriction of run-on by surface water, the capture and segregation of coolant and modified piping configurations.

Wastewater effluents have now been reduced by nearly 90 percent. Contaminant content in the wastewater was also diminished through reductions of oil and coolant in the influent and enhanced oil recovery in the effluent. Treated effluent is now reused to keep the garden

and landscaping green on the plant property, resulting in zero wastewater effluent to the sewer. Because of this initiative, the Pollution Control Board granted permission for plant expansion and increased production.



On December 3, 2008, the Cummins Industrial Center in Seymour, Indiana, received a Notice of Violation (NOV) from the Indiana Department of Environmental Management (IDEM). During intermittent periods in 2007, the facility neglected to conduct paint filter inspections in a manner that was consistent with the requirements contained in the Title V Air Permit. As well, the permit deviations were not appropriately catalogued and communicated to IDEM in the Annual Compliance Certification. The facility implemented the required corrective measures and no fines were assessed by IDEM.

Environmental Clean Up Efforts

As of 2009, federal and state agencies have notified us that we have been identified as a Potentially Responsible Party under Superfund and similar state laws at 19 waste disposal sites. We have established accruals that we believe are adequate for our expected future liability with respect to those sites. In addition, we have four other sites where we are working with governmental authorities on remediation projects. The costs for these remediation projects are not expected to be material.

Better Operations Use Less Energy

Continuous Improvement and Six Sigma

Six Sigma is the key problem-solving tool used by Cummins for environmental improvement projects. From a facilities perspective, Cummins has implemented a number of projects to address sustainability issues, including natural resource conservation and pollution prevention. Both of these have been a continuous improvement focus at Cummins for several years.

A task that began as a down-time reduction project at the Bloomer, Wisconsin, Filtration Plant managed to save energy as it increased productivity. The Bloomer Plant uses heaters to cure the urethane on air filters it manufactures. Employees were experiencing too much down time when heaters went out because it took so long for the lines to heat up upon restart.

A testing team found that different types of heaters, controllers, and insulation improved matters significantly. The new system, installed on a Panelette Line with one of the plant's worst changeover times, reduced wait time upon restart from 105 minutes to just 25 minutes. And since the new heaters are kept on all the time with a constant temperature, we also avoid the power surges associated with turning multiple heaters on and off all day. In a single project, we reduced time on the line by a third of a person, reduced the need for overtime, and saved significant amounts of energy.

Analysis-Led Design

In analysis-led design, computer simulations replace traditional hardware testing, which involves building and testing many expensive prototypes. Instead, a "virtual engine" is built and then tested in a computer simulation, which allows us to look at more designs in a shorter time.

Using analysis-led design on our recent product launches has allowed us to increase the number of analysis hours by more than 200 percent, while cutting total program costs by more than 25 percent. In one engine family alone, more than 14,000 hours of testing was avoided – along with the prototypes that go along with it.

The process yields better designs faster, at a lower cost and with substantial reductions in test cell time and the fuel use and its associated emissions.

Verification of Manufacturing Quality

Engine attribute testing requirements have been reduced on certain product lines because in-process verification allows the identification of potential problems upstream of the test cell process. This product quality initiative promotes the concept of "Right First Time," a more effective means to test a component and engine system, with an associated environmental benefit.

Introduced as the world's biggest crawler dozer, the Allis-Chalmers HD-41 was powered by a 524 hp V12 Cummins. Weighing up to 80 tons with 20 ft wide blade and huge rear ripper, the HD-41 was the predecessor of the super dozer class. After years of testing, the dozer started production in 1970 and was later available under the Fiat-Allis name.



1963

Energy Conservation and Cost Containment at Cummins Facilities

Cummins' energy costs are increasing, yet our consumption of fossil fuels and electric power has represented significantly less than 1 percent of sales for the past several years. We employ several methods to contain costs. We try to minimize the financial impact of these increases by informed and competitive buying strategies in areas where we have manufacturing operations. In addition, our Energy Efficiency and Facilities teams have implemented numerous projects that save energy and costs.

With the forward contract purchases of utilities in selected regions, we are able to postpone or lessen the impact of rising energy costs on our facilities worldwide.

Where markets allow, as in the U.K., Cummins teams engage in lengthy and detailed negotiations to secure the most favorable rates for the electricity and natural gas we use. They receive market intelligence twice a day, monitor the forward price of energy up to three years ahead, and gauge shifts in market sentiment that point to rising or lowering prices.

The resulting rate tariffs for electricity can be complex. This past year, for example, Cummins in the U.K. achieved savings by negotiating a seven-rate, Seasonal, Time-of-Day tariff rather than a simple day/night rate. All of our energy use in the U.K. is now metered on the half-hour. But under this contract, savings came to more than \$2.8 million, nearly 30 percent better than the year before.

Natural gas prices have fallen broadly in line with oil, and U.K., facilities have saved more than \$875,000 in natural gas costs.

These existing contracts will end in 2010. Cummins negotiators are already charting trends and sharpening pencils to secure the best possible terms during the next round of negotiations.



The U.S. Navy LARC is the most capable amphibious boat built to carry cargo or troops from ships to shore. The 5-ton payload LARC-V with V8 Cummins 300 hp & 15-ton XV with twin V8s, switch from propeller to 4-wheel drive onshore for steep gradients and 30 mph speed. LARCs remain in use with the Navy for emergency flood relief.

1963

Applied Recycling at Memphis Locations

An ongoing recycling effort has yielded impressive results in two of Cummins' Memphis-based facilities. Cummins' Memphis Distribution Center and ReCon plant have gradually expanded the use of recycled corrugated packaging through a program initiated several years ago by Corporate Indirect Purchasing. Both plants finally achieved 100 percent use of recycled packaging supplied by Pratt Industries, saving over 50,000 trees a year.

In addition to eliminating the consumption of new corrugated material, landfill space was also reduced by approximately 50 semi-trailer loads. Water that would normally have been used to process new paper material was reduced by almost 12 million gallons, and energy savings totaled almost 9 million kilowatt hours.

One practice mandated by the Cummins Operating System is to treat preferred suppliers as partners.



By working closely with Pratt Industries, Cummins was able to use that partnership to create a cleaner environment.

Here are some recent examples of energy and cost savings projects done at our facilities.

- The filtration distribution center in eastern Tennessee installed massive low speed fans to equalize temperatures for reduced energy use. The project will result in annualized savings of \$129,000 and GHG savings of 413 tons.
- The Darlington Engine Plant in the U.K. installed high speed doors at Vantec gates to reduce heat loss at delivery times, saving \$16,000 and 22 tons of GHG annually.
- Replacing leaking single pane skylights with high efficiency double pane at the light-duty diesel engine plant in Columbus, Indiana, will save \$25,000 and 144 tons of GHGs annually.

Green sources of power include true renewables, wind and hydro, but there are other clean and efficient types of generation available. Good Quality Combined Heat and Power, known as GQCHP, is also one of these; Cummins has purchased 63GW of such worth around \$6.7 million. GQCHP is the simultaneous generation of electricity and useful heat from a single fuel source. By capturing and reusing the heat, and not burning extra fossil fuel, GQCHP significantly reduces Carbon Dioxide (CO₂) emissions. This generation technology is recognized as a green source by the U.K. Government which permits exemption from the Climate tax normally imposed.

Providing a Safe Working Environment

By many measures, Cummins does a good job of providing clean, safe and healthy workplaces for its employees. For example, the company-wide incidence rate (IR) in 2008 was 1.03 – significantly better than the average incidence rate of our industry, which was 3.7. We had 31 sites go the entire year without a single reportable incident. Our severity case rate (SCR) of 0.48 was below the target of 0.5, while lost work days rate improved by 25% from 2007. These are positive signs that Cummins takes safety seriously and is doing many of the right things.

In 2008 Cummins began the implementation of a Global Driver Safety program. The effort is to elevate the Cummins Health and Safety system to best in class by extending beyond the bounds of the normal workplace and demonstrating one of its values of “serving and improving the communities in which we live.” The Driver Safety program is intended to not only address the safety of Cummins employees while driving, but to ultimately provide a safer driving environment for everyone we share the road with. Road crashes are a major cause of injuries and fatalities in every market in which we operate and Cummins intends to do its part by addressing this important issue through policy, standards and education.

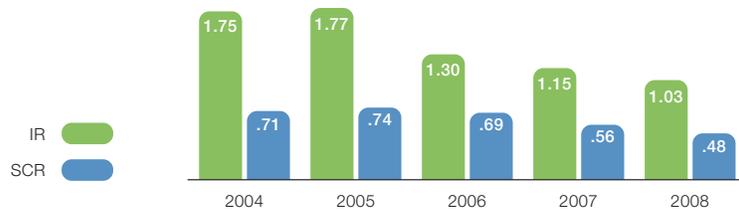
In-plant mobile equipment safety has been a focus for Cummins for several years. The Engine Business Unit carved the path for this initiative in 2006 with development of the Forklift/Pedestrian safety initiative. Since 2006, many sites have implemented the initiative, but in 2008 Cummins Turbo Technologies is leading the way to reduce this hazard.

Cummins reduced the risk of injury by segregating people and vehicles, especially in our warehouse operations. Actions taken by CTT include:

- Aggressive training and awareness campaigns,
- Segregating vehicles and people, including use of physical barriers,
- Limiting pedestrian access to warehouse locations,
- Requiring use of high visibility clothing when pedestrians must enter the warehouse, and
- Eliminating forklift use in the manufacturing operation at CTT Wuxi, China.

“Since November 2007, we have not had a single near hit incident involving a pedestrian walking out into an aisle way in the path of a forklift truck. We also have plans to continue making improvements” said Sue Manning, CTT Worldwide Safety Functional Excellence Leader.

Incidence and Severity Case Rates





Cummins also implemented a number of actions and process changes across the Company. One example is the “Red Flag” process implementation. Sites having the worst safety performance metrics and highest risk levels are identified as Red Flag sites. Initially, the Red Flag sites participate in a safety strategy review session with Business Unit and corporate safety leaders, and undergo an in-depth safety audit. Progress toward closing gaps in the site’s safety system is then closely followed.

Another improvement in 2008 was initiation of the Major Incident and Dangerous Occurrence Reporting process. Special criteria for reporting such incidents was established and reporting “Call Trees” were created for each Business Unit. Incident report communication templates were created to enable lessons-learned sharing across Cummins globally.

Safety Management System

The Cummins Safety System (CSS) is one way we can ensure safety programs like those mentioned above become ingrained as a way of working, managing and operating at Cummins. Cummins Safety System conforms with the Occupational Health and Safety Assessment Series (OHSAS) 18001 specification, an international occupational health and safety management system. But Cummins goes well beyond its requirements. Cummins Safety System is widely deployed around the world. As of 2007, a process was implemented to enlist an independent third party registrar to verify system conformance to the OHSAS 18001 specifications at selected sites.

The following sites are registered to the OHSAS 18001 specification:

- Cummins Filtration, Viroqua
- Cummins Filtration, Shanghai
- Cummins Turbo Technologies, Dewas
- Cummins Fuel Systems Juarez, Mexico
- Cummins Exhaust India Limited, Daman, India
- Cummins Generator Technologies, SLP, Mexico
- Cummins Power Generation, Singapore
- Cummins Parts and Service, SLP, Mexico
- Cummins Technical Center
- East Asia Research & Development Center

Participation in the Safety Enterprise fits well with participation in the Company’s EMS Enterprise. Cummins Exhaust India Limited (CEIL) based in Daman, India, developed an integrated health, safety and environmental management system. This was the first Cummins Enterprise integrated HSE management system to be externally approved by Bureau Veritas and recommended for certification. Lisa Roccki, Manufacturing Functional Excellence Leader for Filtration, said, “We are extremely proud of the team at CEIL Daman for achieving this certification. It shows their commitment to safety and environment in their daily work.” Cummins Technical Center in Columbus, Indiana was the second Cummins site to have an integrated HSEMS.

Tech Center Introduces Ergonomics Program

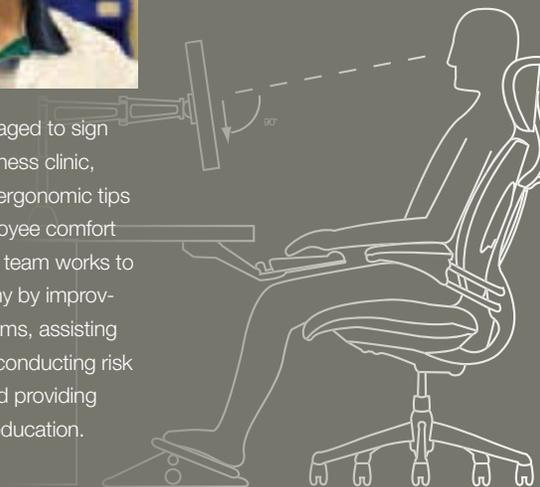
The Columbus (Indiana) Technical Center has introduced a new Ergonomics Program, combining an ergonomics team, training and a muscle soreness clinic to create a sustainable and healthy environment for our employees.

The program's goal is to ensure that employees work in an environment that allows for maximum productivity without compromising health and well-being. The program operates under the belief that reducing work-related injuries will result in better employee morale and greater job satisfaction while reducing lost time.



Employees are encouraged to sign up for the muscle soreness clinic, adhere to some basic ergonomic tips and complete an employee comfort survey. The ergonomic team works to keep employees healthy by improving work station problems, assisting return to work issues, conducting risk identification issues and providing employee ergonomic education.

The onsite clinic helps employees suffering from aches and pains, and a licensed physical therapist performs screening exams and provides advice on self-treatment and management of these issues.



World Wide Health, Safety and Environmental Workshop

The 2008 World Wide Health, Safety and Environmental Workshop was hosted by Cummins Power Generation in Fridley, Minnesota. The workshop brought together HSE professionals from around the globe for professional development, networking, benchmarking and best practice sharing. Nearly 200 HSE and manufacturing leaders from various Cummins facilities attended, representing all Business Units and 16 different countries. The event featured exhibitions, training sessions and best practice sharing, with content for both the new and experienced Cummins HSE professionals. Topics presented included leveraging the Cummins Operating System for environmental management, electrical safety, hand safety best practices, and monitoring and measuring environmental performance, to name a few. "The participants were really energized. I've received nothing but positive feedback on the week's content and activities," said Power Generation Business HSE Director, Mark Dhennin. "It was an intense week of work, but certainly worth all the effort."

Health, Safety and Environmental Awards

In order to recognize outstanding performance, the Health, Safety and Environmental Council presents awards to those Cummins entities that best demonstrate excellence in one or both of these areas. Through their efforts, these sites are instrumental in helping Cummins meet the commitments of the Company Vision and Mission.

The Council evaluated the performance of each entity, using the following criteria:

- Benefit to environment and safety
- Level of management and employee commitment
- Economic efficiency
- Innovation
- Ability to serve as a model for use by others

The environmental awards focus on projects and initiatives that promote sustainability, emissions reductions and the conservation of natural resources. Bonus points are awarded for site recognition in government and nongovernmental organizations' environmental stewardship programs.

Entities are recognized at four distinct levels; Chairman, HSE Council, Director and Best Practice. The HSE Council also honored three individuals, including facility HSE leaders and plant managers, for their personal efforts to improve safety or environmental performance.

To recognize achievements in areas where Cummins has widened its environmental focus, we have established awards for the following categories: Design for Environment, Chairman's Awards for Energy Efficiency, Chairman's Award for Sustainable Building Practices.

Cummins Mexico Parts and Recon in San Luis Potosí, Mexico (Cummins SLP) was awarded the Chairman's Award For Environment in 2008. This is the second time the plant project and leadership team have been so recognized. The winning project was the result of efforts of the Environment and Community Involvement Teams for efforts promoting and improving recycling efforts in the San Luis Potosí community. To support the plant's "Put Your Batteries On" campaign, Cummins SLP, in partnership with community leaders and under contract with the regulatory authorities, serve as the recyclable materials collection point.

Materials, including batteries and used plastic containers were collected at the plant for recycling, diverting these wastes from the landfill and eliminating the potential pollution associated with their land disposal. An estimated 1,000 liters of water will be polluted for each battery buried in the ground because of the eventual release of the acids and metal pollutants they contain. During the two year campaign, SLP ensured that nearly 20,000 kilograms of batteries were properly managed, protecting millions of liters of precious groundwater.

The environmental award winners were:

Chairman

Cummins Mexico Parts and Recon, San Luis Potosí, Mexico, *"Get Energized" Campaign*

HSE Council

Cummins Filtration Bloomer, WI, *"Defect Box" Scrap Reduction*

Director

Cummins India Ltd., *Parts Washing Chemical Substitution*
 Cummins Power Generation Kent, *Recycling Program*
 Cummins Turbo Technologies Dewas, *Sludge Drying Bed*

Best Practice

Cummins Brazil Ltda., *Pollution Prevention and Water Harvesting*
 Emission Solutions Mineral Point, *Low carbon IT*
 Cummins Turbo Technologies Huddersfield, *Making Power Down Sustainable*

Chairman's Award For Sustainable Building Practices

Cummins Turbo Technologies, Pithampur India, *Green Construction Standards using Reused and Renewable Materials*

Chairman's Award For Energy Efficiency

Cummins Turbo Technologies, Huddersfield U.K., *Developing the Systematic Approach to Energy Shutdown Management*

Cummins Health and Safety Recognition Program

Sites are eligible for Health and Safety recognition in three performance levels: Chairman's Award, HSE Council and Director's Award. In addition, awards are given in recognition of best practices the sites have implemented.

The Corporate Health and Safety 2008 Recognition is based on the following criteria:

Chairman's Award: To be eligible for this award, a site must achieve a maximum Incidence Rate of 0.5, maximum Severity Case Rate of 0.15, maximum Lost Work Days Rate of 2.0 and a minimum CSS Formal or Verification Audit level 3, with 95 points.

HSE Council's Award: To be eligible for this award, a site must achieve a maximum Incidence Rate (IR) of 0.8, maximum Severity Case Rate (SCR) of 0.3, maximum Lost Work Days Rate (LWD) of 4.0 and a minimum CSS Formal or Verification Audit level 3, with 85 points. Sites are exempted from the CSS Audit score criteria if they participate in the OHSAS 18001 Enterprise.

Director's Award: To be eligible for this award, a site must achieve a maximum Incidence Rate of 1.0, maximum Severity Case Rate of 0.5, maximum Lost Work Days Rate of 6.0 and a minimum CSS Formal or Verification Audit level 3, with 70 points.

The Health and Safety Performance Award winners for 2008 are:

Chairman's Award

Cummins Filtration China
Cummins Turbo Technologies, Dewas
Parts Distribution Center San Luis Potosi

HSE Council's Award

Cummins Fuel Systems Juarez
Cummins Power Generation Fridley
Cummins Power Generation Singapore
Cummins Technical Center
Wuxi Cummins Turbo Technologies

Director's Award

Cummins Emission Solutions Mineral Point
Cummins Filtration Findlay, OH
Cummins Generator Technologies India, Ahmednagar
Cummins Power Generation Brazil
Cummins Turbo Technologies, Brazil
Cummins Turbo Technologies, Palmetto
Darlington Engine Plant
Dongfeng China Engine Company
Rocky Mount Engine Plant

Best Practice winners were selected based on innovation and enthusiasm in driving Health and Safety improvements at the site.

2008 Best Practice Award Winners are:

Cummins Filtration Bloomer for its "Safety Alert Program," which was developed by the site's associates, supervisors and managers to alert others to safety and ergonomic problems. Any employee is empowered to stop the production line when an unsafe act or condition was identified. When a safety alert has stopped the line, employees work together to evaluate and resolve the issue.

Cummins Power Generation Fridley for its "Powered Industrial Truck Focus Team" which resulted in increased industrial truck issue awareness, project accountability and cross-functional support. The site's logistics department recently celebrated a 12 month rolling Incidence Rate of 0.00 and led the Fridley site in 2008 with the best scores for all four quarters of Safety and 5S audits (Sort, Straighten, Sweep, Standardize, Self-discipline).

Cummins Power Generation Kent for its "Health and Wellness Improvement" project that aimed to create a more efficient and effective facility by focusing on the health and wellness of employees. Several different health and wellness programs were run over the year to improve the health and fitness of employees, both inside and outside of work. Some examples included 'Weight Loss at Work', 'Quit Smoking with Smoking Cessation' and 'On the Ball - Back to Business' classes. Nearly all of the site's employees participated in at least one of the programs.

Cummins Fuel Systems Columbus for its "Safety Football League" project, a competition between the site's departments for safety and housekeeping performance. The competition focused on improving safety awareness and getting employees more engaged in improvement activities on the shop floor. One thousand nine safety and housekeeping improvements were realized over the course of the competition.

Parts Distribution Center Mechelen for its "Rack Safety Program" in which an audit format was created that established a risk score for each rack location. A target was set out to lower the risk scores in all rack locations, in order of priority based on risk level. As a result, employees report that they feel safer when working in these areas.

Diversity

Treating Others with Dignity and Respect

Cummins 35,000 employees – more than half of whom work outside the United States – embody the Cummins' philosophy of diversity. They operate across cultures, functions, language barriers and time zones to solve the technical and logistical challenges created by a worldwide customer base.

They differ in age, gender, race, nationality and language, as well as in personality, behavior, sexual orientation and religious beliefs. They have different skills and abilities, including education, experience and

functional capability. Their diversity reflects the countries and communities where they live and work, as well as the customers and constituencies they serve.

In 2008 and 2009, Cummins updated its Business Case for Diversity to strengthen the link between diversity and innovation, establish objectives for the Company to reach to maximize the benefits of diversity, and add depth to its definition of diversity. Here is an excerpt from the updated Business Case:



“Companies that value and manage diversity have a distinct advantage over those that do not when it comes to the bottom line. In fact, the ability to manage diversity could well be the difference between success and failure for businesses, as well as the communities in which they operate.”

Tim Solso, Cummins Chairman and CEO



Cummins: The Business Case for Diversity

As Cummins reaches out to attract and retain global customers, the Company acknowledges that a diverse workforce is essential to its continued success. How then does Cummins define diversity within the corporation?

- On a personal level, the diversity of an individual is defined by his or her cultural and personal differences, as well as life and professional experiences.
- At the organization level, diversity is created through the distinct personalities and capabilities of each individual within the group.
- Taken together, the diversity of individuals and organizations creates an environment where innovation and ideas flourish.

When Cummins' businesses enter new markets and geographies, they employ people who understand the local culture and speak the local language – people who share the Company's values, and in most instances, who are an integral part of the local community.

A successful work environment not only includes people from different backgrounds, it also welcomes and celebrates their differences.

To derive the greatest benefit from diversity, Cummins believes it must do the following:

- Create a workplace population with representation that is similar to the markets in which it operates.
- Demand that the workplace is safe and inclusive for all individuals and organizations.
- Develop a collective behavior that encourages all individuals and employees to best use their talents.
- Capitalize on a diverse workforce to enhance the Company's competitive position in the marketplace.

Influencing Factors and Challenges

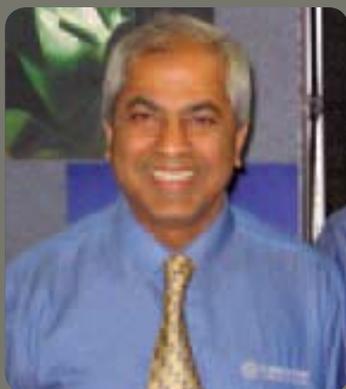
Five major factors have the potential to significantly affect Cummins and the way it does business now and in the future. They include:

Globalization: Cummins has worldwide operations, including technical centers, manufacturing operations and distribution networks. These far-reaching business connections provide the Company with numerous opportunities for low-cost sourcing, talent recruitment and profitable growth in new markets. At the same time, operating in a global environment subjects the Company to greater potential risks, ranging from political, economic and ethical issues to manufacturing, market and people management. To deal with these challenges, Cummins must employ a workforce that understands complex issues at local levels and can operate successfully within the Company's value system.

Increasing Customer Expectations: Large global customers have more leverage to demand innovative products and business solutions at the lowest cost. Delivering solutions that delight customers with superior performance requires Cummins to have a worldwide network of highly skilled people.

Changing Demographics: Immigration, emigration, changing global norms, aging populations and generational differences, coupled with varying birthrates, are driving greater complexity in all regions. Successful companies understand how demographics can affect their markets and how to effectively leverage diversity to create value by attracting and retaining the best talent.

Cummins Salutes Diverse Suppliers



Marian B. Noronha has always believed businesses have a responsibility beyond the bottom line.

That's why the chairman and president of Turbocam International has bought people out of slavery in Nepal, helped build a hospital in an impoverished part of India and worked with churches in the Netherlands to start a water company in Ghana.

"We have kind of grown up with Cummins," said Turbocam's Noronha, whose Barrington,

N.H.-based business has grown from a \$6 million company in 2000 to \$60 million in 2008, providing Cummins with a variety of machining products along the way.

That growth, according to Noronha, a devout Christian, has allowed Turbocam to both build wealth for its employees and perform Christian service around the world.

Turbocam was one of five businesses honored in 2008 as Cummins' first Diverse Suppliers of the Year. The companies were feted at the Cummins Salute to Diversity Dinner in Columbus, Ind., on Sept. 29. The winning businesses then joined 40 other top women and minority-owned suppliers at a trade show Sept. 30 at Cummins' Columbus Engine Plant.

The suppliers were chosen for their high quality goods and services, dedication to efficiency and cost cutting, and their commitment to public service.

The dinner and trade show were designed to connect Cummins' top diverse suppliers with other parts of the Company in the hope that the diverse suppliers would bid on additional work with Cummins.

Cummins has set a goal of making 12 percent of its purchases with minority-owned businesses by 2012. Currently, the Company is just under 8 percent with the goal of reaching 9 percent by the end of 2009.

At Cummins' 2009 Diversity Procurement Summit, a meeting of purchasing employees from across the Company, Cummins Chairman and Chief Executive Officer Tim Solso noted that his personal work plan includes reaching goals for supplier diversity.

It can't be a passive thing," he said. "It has to be active. Everybody has to get in the game."

The Move Toward Sustainability: Corporations have come to understand that operating with an eye toward sustainability is vital to the society and our environment. A sustainable approach also nourishes a company – enabling growth today and in the future. This holistic attitude toward doing business requires a company, with its employees, to examine every aspect of its footprint – from product development to manufacturing practices and facilities operations. The value of a sustainable approach is recognized by Cummins' many constituents, especially investors.

Increasing Regulations: Regulations provide both a business opportunity and a challenge for Cummins. For example, the implementation of stricter global emission standards and new requirements on fuel economy are business opportunities for the Company's leading technology. Conversely, laws that affect operational issues such as financial reporting, manufacturing emissions and safety, require teams that can understand and deal with complex regulations around the world.

The Competitive Advantage of Diversity

“Character, ability and intelligence are not concentrated in one sex over the other, nor in persons with certain accents, or in certain races, or in persons holding degrees from some universities over others.

“When we indulge ourselves in such irrational prejudices, we damage ourselves most of all and ultimately assure ourselves of failure in competition with those more open and less biased.”

– J. Irwin Miller, former Cummins Chairman and CEO

Mr. Miller’s words, spoken over 20 years ago, identify the reasons why it is critical for Cummins to recruit talented employees from a diverse pool of candidates in every region and culture where the Company operates. Diversity provides Cummins with a competitive advantage in the following areas:

Attracting and retaining the best people

A company that promotes diversity in hiring and stimulates an understanding and appreciation of differences will do the following:

- Attract and retain the best talent
- Create an inclusive work environment that fosters innovation
- Promote differing viewpoints to enhance problem solving and decision-making
- Develop a positive reputation in its communities
- Create an inclusive and safe environment

Exceeding customer requirements

Global OEMs benefit from the innovative products and services Cummins provides through its worldwide operations and diversified workforce. The Company is better able to meet and exceed the needs of the marketplace because it has manufacturing facilities, technical, distribution and service centers along with low-cost sourcing opportunities close to where its customers do business.

Nearly all world growth in the future is projected to occur in Africa, Asia, Eastern Europe, the Middle East and Latin America. Cummins understands that the best way to grow into new businesses and more geographic regions is to have employees and organizations that understand the local culture or are part of it.

Innovation

Cummins relies on key insights from its diverse workforce to help solve complex engineering and business problems; to help reduce costs; and to help create differentiated products and services that enable the Company to delight its customers.

A greater number of innovative ideas and solutions are created from a group of people with different perspectives and backgrounds than from a homogeneous group whose members might basically act and think alike.

Doing the right thing

A company is only as healthy as the environment and communities in which its employees live and work. It is in Cummins’ self-interest, not selfish interest, to create an environment in which people treat others as they want to be treated. An environment in which diversity is celebrated creates a culture that is aligned with Cummins’ core values and enables the company to flourish.



Other diversity highlights at Cummins

In addition to updating the Business Case, there are many other highlights from 2008 and early 2009, including:

- In 2009, Cummins was named to the list of the Top 50 companies for diversity by DiversityInc magazine for a third consecutive year. The magazine said “Cummins demonstrates strong workplace best practices, improving supplier diversity and continued CEO commitment.”
- Mandatory comprehensive diversity training for all new employees designed exclusively for Cummins. Second generation (advanced diversity management topics) training is a mandatory part of career development for leaders.
- Cummins’ Sondra K. Bolte was named the winner of the 2008 William R. Laws Human Rights Award by the Columbus, Ind. Human Rights Commission. Tim Solso and Joe Loughrey shared the 2009 award. Solso, Loughrey and Bolte joined a long list of distinguished past winners including legendary Cummins CEO J. Irwin Miller, the late Richard “Dick” Stoner, a former Cummins executive and Indiana University trustee, and former U.S. Rep. Lee Hamilton. The award honors people who have made a significant contribution to improving relationships among all people, fighting stereotypes and improving understanding in the Columbus area.



Cummins’ horizontal NHH855 set the power standard for underfloor “pancake” diesels in the largest ever 3-axle school buses. With the 220 hp 14-liter flat engine installed mid-bus to free up space, the Gillig 733D was able to increase capacity up to 97 seats.

1967

Cultural Assessment Survey

Cummins is an ethical company, results oriented, with high expectations for performance, according to managers who participated in the first-ever survey of the Company's culture in spring 2008.

But those same managers say Cummins' performance management system, the frequent absence of cross-business unit collaboration and Cummins' U.S.-centric focus are all potential barriers to future success.

Leaders hope the survey will help the Company preserve the best aspects of Cummins' culture and identify obstacles to growth so they can be addressed quickly.

In the wake of the survey, seven specific areas of concern were identified, and a strategic proposal advanced to deal with each one. Strategies range from fostering a more collaborative atmosphere between business units to further empowering employees to make decisions on a worldwide

basis. Each strategic proposal has been assigned an officer who will sponsor it and determine the tactics necessary to achieve the objectives in each case.

"Managers think Cummins is doing a pretty good job," said Lisa Gutierrez, Executive Director of Global Diversity at the Company and the leader of the project team that conducted the survey. "Now, it's a matter of going from good to great."

- Cummins leaders shared their career experiences with Notre Dame MBA students at the school's second annual Diversity Conference in early February 2009, in South Bend, Ind. The conference was organized by MBA students in the Mendoza College of Business at Notre Dame, which aspires to enhance the Notre Dame experience for its students by encouraging cultural, professional and spiritual diversity, in an atmosphere of academic excellence. Cummins was one of the sponsors of the event.
- Cummins' long-standing commitment to use qualified Minority Business Enterprises (MBE) suppliers has yielded positive results in recent years. In 2008, Cummins spent \$483.5 million (direct and indirectly through subcontracts) with minority-owned suppliers, up from \$387.8 million in 2007. Cummins spent a total of \$571.6 million in diverse spend including suppliers owned by Women and Disabled Veterans in addition minority-owned suppliers.
- Cummins has received a perfect score on the Human Rights Campaign's Corporate Equality Index every since year 2005.
- More than 50 Local Diversity Councils (LDCs) addressed key diversity related matters at their particular Cummins locations. Meanwhile, more than 30 Affinity Groups (AGs) representing a specific employee demographic have also been instrumental in Cummins' diversity journey, focusing on recruitment, retention, career development and business enhancement. Currently, the Company has affinity groups for African and African-American employees, South and Southeast Asian employees, Chinese, Latino, and Lesbian, Gay, Bisexual and Transgender employees; new employees; veterans and women employees.

Corporate Responsibility

Cummins takes a broad-based approach to corporate responsibility that is grounded in a stakeholder model first articulated nearly 40 years ago by then-Chairman J. Irwin Miller. It was Mr. Miller's belief that businesses have a social contract with a full range of stakeholders as well as a self interest in helping to create healthy communities in which they can grow and prosper.

Cummins' vision of corporate responsibility has matured as the Company has grown and become more global, but the core beliefs have not changed. Fundamentally, Cummins believes that corporate responsibility contributes directly to the long-term health, growth and profitability of our company.



While some still argue that business has no social responsibility, we believe that our survival in the very long run is as dependent upon responsible citizenship in our communities and in the society, as it is on responsible technological, financial and production performance.”

Cummins 1972 Annual Report



At Cummins, the focus is on the best way to have a sustained positive impact given the challenges facing our communities. It starts with an emphasis on responsible decision-making and leadership that takes into account the potential impact of the Company's actions on all its stakeholders.

Employee involvement also is central to Cummins' efforts to be a responsible corporate citizen. The Company actively seeks to engage its 35,000 employees to help strengthen the communities in which we work and live.

The Company's network of more than 150 Community Involvement Teams and programs such as Every Employee Every Community, (see stories on pages 92 and 93) offer Cummins the chance to leverage our greatest strength – the skills, passion and commitment of our employees – to make a meaningful difference in communities around the world.

Philanthropy is the final component to Cummins' corporate responsibility efforts. The Cummins Foundation, one of the oldest corporate charities in the United States, awarded \$4.6 million in grants in 2008. Additionally, Cummins provided more than \$500,000 in direct corporate donations to philanthropic causes in 2008. (For a profile of the Cummins Foundation, as well as a list of grants awarded in 2008, see pages 95-105.

Strengthening Cummins' Commitment to Corporate Responsibility

Throughout its 90-year history, Cummins has made corporate responsibility a fundamental part of who we are and how we do business. In an effort to build on its past efforts and better focus the Company's work on the challenges of tomorrow, Cummins raised the profile of its corporate responsibility organization in late 2008.

An Executive Vice President, who reports directly to the Chief Executive Officer, took charge of the Corporate Responsibility organization that drives Cummins' work in this area around the world. One of the first challenges tackled by the organization was to articulate Cummins' vision for corporate responsibility through the creation of a "business case," which defines corporate responsibility at Cummins as:

- Evaluating the effect of our business decisions and practices on a wide variety of stakeholders and recognizing our responsibility to each one.
- Seeking to establish a higher standard of corporate citizenship by always acting ethically and with integrity, and pursuing and applying "best practices" to create a cleaner, safer and healthier environment.
- Seeking to eliminate barriers to success by using our values, talents and resources to drive improvement in the communities in which we operate, as well as the broader world.
- Creating sustainable wealth for all stakeholders.

Creating sustainable wealth for all stakeholders

In order to accomplish these goals in an increasingly complex world, Cummins has committed to improving its efforts in four specific areas:

1. Improving our global engagement. More than half of Cummins' employees work outside the U.S. and international sales account for more than 50 percent of the Company's revenues. We have Community Involvement Teams around the globe. The large majority of our philanthropic giving, however, has been directed to organizations in the U.S. Strengthening our processes so that the Company's charitable giving better mirrors Cummins' employee and business base has become a priority.

2. Providing greater focus to philanthropy worldwide.

In order to allow our giving to have a maximum impact on the communities in which we operate, Cummins has decided to focus its philanthropic efforts in three areas that were determined after soliciting input from hundreds of employees around the world. They are:

- Environment – Ensuring that everything we do leads to a cleaner, healthier and safer environment is part of Cummins' corporate mission. Cummins has long been a leader in creating technology that reduces harmful air emissions, and our employees have experience – and a passion for – reducing the environmental impact of our products and facilities. We intend to leverage that knowledge and commitment to improve the environment in our communities worldwide.
- Education – From helping strengthen the basic skills necessary for individual success to providing training for tomorrow's generation of advanced manufacturing employees, Cummins has a role to play in improving the quality and alignment of educational systems in our communities.



1973

Built in Canada, the Pacific Ultra P12 6x6 was one of the strongest ever tow tractors with 500 or 800 hp Cummins. A fleet in South Africa would couple 4 Ultras with 1 more Ultra as rear pusher to make a huge towing convoy with over 3000 hp and gross weight up to 860 tons.

Cummins and the Wagholi Orphanage



The Wagholi Orphanage began more than two decades ago as a simple residence on the outskirts of Pune. It was occupied by one kind woman and her son, who sheltered about a half dozen children from the streets. Today the orphanage houses and educates more than 550 homeless children, many of whom are physically or mentally disabled. The government

of India funds 145 of these children. The rest are supported by donations and a lot of compassion.

The Engineering Community Involvement Team (CIT) of Cummins India Limited maintains a close relationship with the Wagholi Orphanage, contributing a share of the time and money required to keep it going. In addition to its regular support, the team contributed a “special event” in 2008.

Diwali, the annual Festival of Lights, is celebrated throughout India on the first new moon after October 13. Most Wagholi orphans are sent to celebrate the national holiday with temporary families, but some 50 children without families got a taste

of the festival from the CIT. On Oct. 22, Engineering Vice President Mike Lambert led a celebration beginning with a prayer for Saraswati (Goddess of Knowledge) and Sai (God of Peace). The day was then filled with competitions as the children made drawings, wish cards, and diyas—cotton-like string wicks in small clay pots filled with coconut oil—to signify victory of good over evil within an individual. Winners received treats; all received sweets and clothing parcels.

Orphanage girls performed a traditional Indian dance by way of a thank-you, and each volunteer received a thank-you card fashioned by a child. The celebration may become an annual CIT tradition.

■ Social Justice - Ensuring economic and educational opportunities for those marginalized by poverty or discrimination has long been a mainstay of Cummins’ corporate responsibility work.

3. Increasing leadership responsibility. Creating a culture that values corporate responsibility begins with setting clear expectations for leaders across the Company. Cummins is committed to establishing basic concepts that define effective, responsible leaders, including: decision-making that engages all key stakeholders; encouraging community involvement; maintaining the highest standards for ethics and integrity; and acting as positive examples in their communities.

4. Incorporating corporate responsibility in the Company’s strategies. It is in Cummins’ self-interest to help create strong and growing markets for our products, as well as healthy communities in which to operate. As such, we need to expand our work to make corporate responsibility as much a part of the Cummins “DNA” as creating great products or providing world-class customer service.

Additionally, creating a great place to work is central to our ongoing efforts to attract and retain the very best employees. Our employees consistently tell us that they value being able to work for a company that acts responsibly. At the same time, motivated and engaged employees are a vital resource in efforts to improve our communities.

Unleashing the Power of Cummins Employees

Our employees are Cummins' best resource and they are central to our efforts to improve the communities in which we live and work. We are working to create several mechanisms to educate our employees on Cummins' vision of corporate responsibility and provide them with the tools and resources necessary to make a difference, including:

- Introducing employees to the concepts of corporate responsibility and community involvement as part of their orientation program when they join Cummins.
- Expanding the Company's donation matching program beyond the United States to better leverage employees' charitable giving in all parts of the world.
- Better supporting and training our Community Involvement Teams (CIT) so they can become even more effective in serving our communities. This effort includes making it even easier for all workers to participate in our Every Employee Every Community program and providing more community grants to support CIT efforts that are aligned with our focus areas.
- Increased use of Six Sigma tools – both at Cummins and increasingly with our local partners – to drive improvements across our communities.

Community Involvement Teams

Community Involvement Teams (CIT) are employee-led groups that represent the diversity of the workforce and all levels of management. There are more than 150 Community Involvement Teams working to solve community problems.

Community Involvement Teams have the responsibility of developing an annual plan, organizing volunteer activities, responding to community requests for donations and developing proposals for funding from The Cummins Foundation to enhance their involvement in their communities. Here are some recent examples of CIT involvement around the globe:

- The J. Irwin Miller Community Center Sewing Shop, a CIT project organized in Sao Paulo, Brazil, opened in May 2008. The Center provides homemakers with training in sewing techniques, product development, marketing, product quality, and management. For many, it is their first job opportunity. The Sewing Shop has started making uniforms for Cummins employees.
- A CIT in Fridley, Minnesota, arranged for Power Generation engineers to modify toys for the Courage Center for children with disabilities. Certain toys require physical ability to activate by pressing a button to make it sing, dance, drive, or move. The engineers adapted such toys by placing a switch jack into each item allowing an adapted switch, operable by disabled children, to be plugged into the toys.
- Employees of Cummins Filtration South Africa, in partnership with the Pietermaritzburg & District Community Chest, installed fencing and planted two gardens for families in need. Employees also donated refrigerators, stoves, toasters, kettles and cooking utensils to residents of the Shongweni community. The Shongweni community was established by Habitat for Humanity to benefit households providing shelter to children in crisis due to HIV and AIDS.



Every Employee Every Community

Started in 2005 as a way to celebrate Cummins' selection as the "top corporate citizen" by Business Ethics magazine, Cummins' Every Employee Every Community (EEEC) initiative has grown into an integral part of the Company's community involvement efforts.

EEEC allows employees to give back to their communities by volunteering on Company time. Each Cummins site around the world has the flexibility to schedule community service projects according to local needs, their facility and employee work schedules. Projects may involve cleaning a schoolyard, planting a garden, or sorting packaged goods at a local food bank. What all have in common is that they make the community better.

More than 14,700 employees contributed 52,894 hours of community service in 2008 — a 60 percent increase in the number of volunteers over 2007, and a 40 percent increase in the number of hours volunteered.

VolunteerMatch

Thanks to VolunteerMatch, the growing list of volunteer opportunities available to Cummins employees can now be communicated and tracked with ease. VolunteerMatch, launched in 2008, is a global, web-based volunteer management system connecting Cummins employees with volunteer opportunities in their local communities.

Employees can search for opportunities by ZIP code (U.S.) or by country (non-U.S.). They can select an interest area, including anything from animals to education and literacy. VolunteerMatch also allows Cummins to track employee participation and evaluate our contributions in a more data-driven way.

United Way Matching Program

One of the most powerful community building tools Cummins has at its disposal is the United Way matching program funded by the Cummins Foundation. Under the program, the Foundation provides a dollar-for-dollar match for all employee contributions to United Way fund drives in United States, effectively doubling the impact of our employee giving.

For the 2009 campaign, the Cummins Foundation provided approximately \$2 million in matching funds to United Way organizations in regions where we have operations, making Cummins the largest supporter of United Way in a number of regions, including Columbus, IN; Jamestown, NY and Rocky Mount, NC. We also are currently exploring the best way to create programs similar to the United Way match in countries outside the U.S. to help our employees in those locations leverage their charitable giving to improve their communities.



Corporate Donations

Corporate direct donations provide a means for Cummins to participate in community development and events that are more appropriately funded by the Company than the Foundation. These activities include memberships, sponsorships, dinners or other events.

In 2008 Cummins charitable contributions were \$11 million. Company donations to all of Cummins foundations were \$6.1 million and direct donations accounted for \$4.9 million. Of the direct donations, \$587,960 were in support of our international communities.

Action for Blind People	Darlington, England	Sports & Leisure Activities for Blind School	\$ 35,287
Artistic Senses	Juarez, Mexico	Transportation Support for Handicapped Children	\$ 10,000
Bethel Ranch Training Center	Beijing, China	Sustainable Farm for Blind Orphan Foster Home	\$ 50,500
Brazil Health Clinic	Sao Paulo, Brazil	Expand the Health Clinic	\$ 30,000
Brazil Sewing Machine Shop Set-up	Sao Paulo, Brazil	Neighborhood Women's Sewing Machine Shop	\$ 35,000
Children's House - Detskiye Domiki	Moscow, Russia	Mini-van to Take Children to Medical Appointments	\$ 20,000
Chongqing Cummins Hope Primary School	Chongqing, China	Computer Access for Students	\$ 25,000
The Club of the Third Age	Juarez, Mexico	Creation of a Ceramics Shop for Senior Citizens	\$ 12,185
Daventry Community Association	Daventry, England	Ashby Road Community Center Heating System	\$ 27,654
Den Anker	Mechelen, Belgium	Educational Excursion for Disabled Children	\$ 25,000
Dongfeng Cummins Engine Co.	Dongfeng, China	Computers, Desks, Chairs - Primary Schools	\$ 50,000
Global Village of Beijing	Shanghai, China	Environmental Protection Education & Activities	\$ 22,700
Habitat for Humanity	Singapore	Housebuilding Project	\$ 25,000
Lions Club International	Chongqing, China	Computer Room - Heyuan Zijing Yirong Primary School	\$ 25,000
Lions Club International	Shenyang, China	Computer Room - Bo Zhengou Primary School	\$ 22,000
Lovecoal	Seoul, Korea	Purchase Stoves for Heating for Indigent Families	\$ 25,000
Masakhane Creche	Pietermaritzburg, SA	Build a Child Care Centre	\$ 25,000
Right to Play	Thailand	Sport and Play Program for Children and Youth	\$ 35,334
Royal School for Deaf Children Margate	Kent, England	Monkshill Farm - Outdoor / Farm Classes	\$ 25,000
Safe Anchor Trust	Huddersfield, England	Purchase Wheel Chair Lift for Canal Boat	\$ 25,000
Worldvision - China	Kunming, China	Home for Street Children/Migrant Children's Chorus Project	\$ 17,300
Zimbabwe Maulana Primary School	Zimbabwe, Africa	Safe Drinking Water	\$ 20,000
Total			\$ 587,960

The Cummins Foundation

Formed in 1954, the Cummins Foundation is one of the oldest corporate charities in the United States and is an integral part of the Company's efforts to strengthen the communities in which it operates. Cummins' Executive Vice President for Corporate Responsibility also serves as the Chief Executive Officer of the Foundation, providing further alignment between the Company's charitable giving and its broad corporate responsibility work.

The Foundation, which is funded solely by Cummins Inc., focuses its financial support on nonprofit organizations whose missions are consistent with the Company's global priorities- education, the environment and social justice in the communities where we have business interests as well as efforts supported by Cummins employees. In 2008, the Cummins

Foundation awarded \$4.6 million in new grants (and paid approximately \$5.4 million), including \$1.8 million in United Way matching grants in regions where Cummins employees live and work and \$1 million in grants to projects nominated by Cummins Community Involvement Teams around the world.

While the majority of Cummins Foundation funding historically has been made to organizations in the United States, the Company has strengthened its efforts to expand future funding so that it better reflects the geographic balance of the Company's business operations. Additionally, the company has established foundations in India and Mexico, which operate under similar priorities.



Cummins Foundation Directors and Committees (as of April 1, 2009)

Foundation Management

Board of Directors

Tim Solso, Chairman

Jean Blackwell

Tom Linebarger

Will Miller

Mark Gerstle

Marya Rose

Pat Ward

*Joe Loughrey retired from the Board March 31, 2009

Officers

Jean Blackwell, Chief Executive Officer

Tracy Souza, President and Secretary

Marsha Allamanno, Treasurer

Audit Committee

Marsha Hunt, Committee Chair

Luther Peters

James Guilfoyle

Investment Committee

Richard Harris, Committee Chair

Nadeem Ali

Marsha Hunt

International Committees and Foundations

C3-Cummins Community Connection — Central Area

Raymond Eyres, Committee Chair

Cummins Community Cares — South Pacific

Gino Butera, Committee Chair

Cummins India Foundation

Anant Talaulicar, Chairman of Foundation

Asociacion Filantropica de Cummins AC

Teresita Rey, Chairman

Edgar Freeman, Director

Domestic Committee

Columbus, IN Committee

Mark Gerstle, Committee Chair

Statements of Financial Position

In 2008, The Cummins Foundation received \$5,520,000 from Cummins and paid grants totaling \$5,366,992.

Assets	Dec 31, 2007	Dec 31, 2008
Cash and cash equivalents	\$13,580,212	\$13,690,822
Notes receivable	0	350,000
Excise tax refund receivable	500	1,500
Investments	3,167,632	2,021,081
	\$16,748,344	\$16,063,403

Liabilities

Grants payable	\$5,113,215	\$1,767,401
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Unrestricted net assets

Undesignated	5,109,737	4,543,602
Board-designated funds	6,525,392	9,752,400
	\$16,748,344	\$16,063,403

Employees and Disaster Relief



Cummins employees worldwide sent aid to more than 110 Cummins employees whose homes and lives were ravaged by floods that swept across the Midwest in June 2008. The Cummins Foundation reports that employees raised more than \$500,000 to aid victims of the

floods, which caused \$100 million in damages to Cummins facilities alone.

Employees donated more than \$300,000 to the American Red Cross for relief work and raised an additional \$185,000 for the Cummins Employees Flood Relief Fund (CEFRF), a special account set up to provide recovery assistance. Those individuals affected by the June 2008 flood will now have help rebuilding their lives with gifts from the CEFRF ranging from \$400 to \$3,000.

This outpouring of support came only weeks after Cummins employees and organizations gave more than \$1.3 million in money, supplies,

and equipment to the victims of the May earthquake in China that killed over 70,000.

Tracy Souza, president of the Cummins Foundation, believes these efforts emphasize the generous nature of the Company and its employees. "Cummins has always tried to live up to its core value of corporate responsibility. This has been especially true during times of adversity and hardship when the Cummins family has come together to not only help each other, but also to help others in need in the communities in which we live and do business," she said.

Foundation Grants (paid in 2008)

Grantee	Community	Purpose	Amount
ABC - Stewart School	Columbus, IN	Support	\$ 10,000
Adult Day Care Corporation	Columbus, IN	Support for At-Risk Seniors	\$ 2,000
American Indian College Fund	Denver, CO	Annual Campaign	\$ 2,500
American Legion Post 200	Black River Falls, WI	City Park Improvements	\$ 5,000
American Red Cross	Columbus, IN	Flood Relief Campaign	\$ 250,000
Amherst H. Wilder Foundation	Fridley, MN	Mobile Resource Center	\$ 25,000
Arts Council for Chautauqua County	Jamestown, NY	Media Arts Education Program	\$ 10,000
Autism Speaks	New York	Sponsorship	\$ 50,000
Bartholomew Area Legal Aid, Inc.	Columbus, IN	General Support	\$ 6,000
Bartholomew Consolidated School Corp.	Columbus, IN	Book Buddies Program	\$ 50,000
Bartholomew Consolidated School Foundation	Columbus, IN	Diversity Initiatives	\$ 5,000
Bartholomew County Sheriff's Office	Columbus, IN	Purchase Physical Fitness Equipment	\$ 35,000
Black River Falls Middle School	Black River Falls, WI	Technology Class Improvements	\$ 10,000
Boys & Girls Club of Nash Edgecombe Counties	Rocky Mount, NC	Smart Moves Program	\$ 25,000
CAP Services	Stevens Point, WI	Domestic Abuse Outreach	\$ 10,000
CASA of Memphis & Shelby Counties	Memphis, TN	Child Advocates	\$ 2,500
CCYHA Lakers Sled Hockey	Jamestown, NY	Sports Activities for Physically Challenged Youth	\$ 25,000
The Center on Philanthropy	Indianapolis, IN	Annual Symposium Support	\$ 10,000

Foundation Grants (continued)

Grantee	Community	Purpose	Amount
Central Indiana Corporate Partnership	Indianapolis, IN	Conexus - General Support	\$ 50,000
Challenged Champions Equestrian Center	Findlay, OH	Expanded Program for Physically Challenged	\$ 2,500
Christian Help Inc.	Indianapolis, IN	House Refurbishment for Homeless Family	\$ 5,000
City of Columbus	Columbus, IN	Architecture Fees	\$ 416,000
City of Columbus	Columbus, IN	Architecture Fees	\$ 207,412
City of Columbus	Columbus, IN	Architecture Fees	\$ 92,403
City of Columbus - Redevelopment Commission	Columbus, IN	Architecture Fees	\$ 400,000
City of Lake Mills	Lake Mills, IA	Handicap Sidewalks & Shelter	\$ 25,000
City of Stoughton	Stoughton, WI	Preserve America Fund	\$ 1,693
City of Stoughton	Stoughton, WI	Stoughton Fire Department Support	\$ 5,200
City of Stoughton	Stoughton, WI	Stoughton Area Emergency Medical Service	\$ 3,107
Clark Atlanta University	Atlanta, GA	Ware Family Scholarship Endowment	\$ 10,000
Columbus Area Arts Council	Columbus, IN	Support for Mill Race Players	\$ 2,500
Columbus Area Arts Council	Columbus, IN	Rock the Park Sponsorship	\$ 10,000
Columbus Area Arts Council	Columbus, IN	UnCommon Cause Sponsorship	\$ 5,000
Columbus Area Chamber of Commerce Foundation	Columbus, IN	Connected Community Partnership	\$ 10,000
Columbus Indiana Architectural Archives	Columbus, IN	Support for Archivist	\$ 100,000



1989

When the Cummins Turbo Diesel was introduced to the Dodge Ram 250 and 350, the pickup truck market was transformed. The 160 hp 5.9-liter offered a huge advantage in torque, enabling owners to haul trailers 2 tons heavier than any other pickup. In the first year, orders for almost 20,000 Cummins powered Rams were double highest expectations.

Cummins South Pacific Named Employer of Choice for Women



Cummins is one of only 99 organizations in Australia receiving this citation from the Australian Government's Equal Opportunity for Women in the Workplace Agency (EOWA).

Anna McPhee, Director of the EOWA, said, "For these organizations, creating equity is about changing culture, changing expectations, breaking

down the outdated myths about women and valuing the massive contribution women make to the workplace whether they are working part-time or full-time, working from home or in the office, starting their careers, or nearing retirement."

The citation follows the recent naming of Gino Butera, Managing Director – Cummins Pacific Asia Distribution, as the "Leading CEO for the Advancement of Women in Australia."

down the outdated myths about women and valuing the massive contribu-

Butera received the award from EOWA for his proactive approach to achieve greater female representation in both traditional and non-traditional roles at all levels of the organization.

"This is not an individual award," said Butera, acknowledging the work of Cummins South Pacific's Local Diversity Council and Women's Leadership Network Group in his acceptance speech. "Identifying, implementing and living with diversity initiatives in the workplace takes active leadership and participation across the entire organization."

Grantee	Community	Purpose	Amount
Columbus Indiana Philharmonic	Columbus, IN	Children's Outreach Program	\$ 25,000
Columbus Police Department	Columbus, IN	CHIP (Child Identification Program)	\$ 21,400
Community Education Coalition	Columbus, IN	Columbus Campus Master Plan Design	\$ 15,000
Community Helping Hands	Jamestown, NY	Gateway Center Renovation	\$ 25,000
Cornerstone Middle School	Baxter, TN	Education Support	\$ 10,000
Cummins India Foundation	Dewas, India	Support for Shree Ramkrishna Charities	\$ 10,000
Cummins India Foundation	Pune, India	Visually Impaired Girls School	\$ 20,000
Eastside Community Center	Columbus, IN	Flood Victim Support - Food Delivery	\$ 4,000
Fathers and Families Center	Indianapolis, IN	Support At-Risk Families	\$ 25,000
Food Bank of Eastern New Mexico	Clovis, NM	Kids Weekend Food Backpack Program	\$ 25,000
Food Bank of Eastern New Mexico	Clovis, NM	Support for Food Bank	\$ 10,000
Franklin College	Franklin, IN	Cummins Lectures on Ethical Leadership	\$ 25,000
Gliding Stars of Findlay	Findlay, OH	Therapeutic Ice Skating Program	\$ 2,500
Guadalupe Center of Immokalee	Immokalee, FL	Scholarship Program for Immigrant Families	\$ 20,000
Habitat for Humanity of Dane County	Madison, WI	House Building Project	\$ 25,000
Habitat for Humanity of Findlay/Hancock County	Findlay, OH	Women's Build 2008	\$ 25,000

Cummins Emission Solutions Forges Partnership with Local Rehabilitation Center

When Cummins Emission Solutions, Mineral Point, Wis., had the need to outsource the assembly of some components, the staff did not have to look very far for someone to do it.

Less than half a mile down the road is the Hodan Center, a community rehabilitation program for persons with disabilities which, among other functions, contracts the production services of its clients to area businesses.

As one of its functions, the Hodan Center provides clients with industrial services and offers to businesses a high quality, cost effective workforce.

The assembly and packaging services may be customized to meet various business needs.

The Hodan Center started working with Cummins in April 2008 making three different sensors and clipping bars. Now, eight components are being produced with a current goal of 12. "We're sensitive; we don't want to overload the center. But, for now, we've never had an issue," says Bruce Berstler of Cummins.

"They (Hodan) also do their pick-ups of the parts and delivery of the finished goods." The work orders provide employment for about 20 of the 110 clients served at the center.

Hodan Center, Inc.



"Cummins goes all over the world looking for quality and on-time delivery and we found the both with you guys," CES Plant Manager, Amit Soman, told the client-employees.

This article was written by Jean Berns Jones of the Dodgeville Chronicle, and has been reprinted for this report with permission

Foundation Grants (continued)

Grantee	Community	Purpose	Amount
Habitat for Humanity Waushara County	Wautoma, WI	House Building Project	\$ 25,000
Heritage Fund of Bartholomew County	Columbus, IN	Architecture Fees	\$ 60,000
Heritage of Hope, Inc.	Hope, IN	Support for Community Foundation	\$ 10,000
Human Services, Inc.	Columbus, IN	Horizon House Homeless Shelter	\$ 5,000
Indiana Achievement Awards	Indianapolis, IN	Program Sponsor	\$ 1,000
Indianapolis Opera	Indianapolis, IN	Education Sponsorship	\$ 10,000
Indianapolis Zoo	Indianapolis, IN	Indianapolis Prize Support	\$ 50,000
Initiative for Global Development	Seattle, WA	Support Anti-Poverty Initiative	\$ 100,000
ISO Women's Committee - Columbus Unit	Columbus, IN	Young People's Discovery Concert	\$ 3,000
Kidscommons Children's Museum	Columbus, IN	2008 Winter Carnivale-China	\$ 10,000
Kidscommons Children's Museum	Columbus, IN	2009 Winter Carnivale-Mexico	\$ 10,000
Lake Mills Entertainment Inc.	Lake Mills, IA	Theater Renovation	\$ 25,000
Lake Mills Family Center	Lake Mills, IA	Fitness Center Upgrade	\$ 5,000
Lake Mills Fire Department	Lake Mills, IA	General Support	\$ 2,500
Lake Mills Senior Citizens Club	Lake Mills, IA	Support for Senior Citizens	\$ 2,500
Legal Momentum	Columbus, IN	Support Annual Campaign	\$ 1,500

Grantee	Community	Purpose	Amount
LeMoyne-Owen College	Memphis, TN	Improvement Projects Support	\$ 100,000
LeMoyne-Owen College Community Development Corp	Memphis, TN	Teen Mothers Program	\$ 7,000
The Library Project	China	Support 31 Elementary / Middle School Libraries	\$ 50,000
The Links	Memphis, TN	Institute of Women's Empowerment	\$ 2,500
Memphis Cultural Arts Enrichment Center	Memphis, TN	Welcome to Zanesville - Watoto de Afrika	\$ 10,000
Memphis Urban League	Memphis, TN	Support At-Risk Youth	\$ 2,500
Memphis Youth Leadership Program	Memphis, TN	Training & Development for At-Risk Youth	\$ 37,500
The Mind Trust	Indianapolis, IN	Educational Improvement in Indianapolis	\$ 100,000
Mineral Point Public Library	Mineral Point, WI	Library Expansion / Improvement	\$ 10,000
Mt. Healthy Elementary School	Columbus, IN	Fitness Trail & Equipment	\$ 23,000
My Sister's House	Rocky Mount, NC	Strong Voices for Girls Program Support	\$ 5,000
NAACP - Bartholomew County Branch	Columbus, IN	State Education Summit Support	\$ 500
Nationalities Council of Indiana	Indianapolis, IN	International Festival Support-Peking Opera	\$ 7,800
New Haven Elementary	Union, KY	Book Blazers Program	\$ 25,000
People Serving People	Minneapolis, MN	Child Development Center Support	\$ 10,000
Phoenix Theatre	Indianapolis, IN	Building for the Future Campaign	\$ 25,000
Portland State University	Portland, OR	Human Powered Vehicle Development Project	\$ 1,000
Rocky Mount Children's Museum	Rocky Mount, NC	Planetarium	\$ 50,000
Shepherd Community Center	Indianapolis, IN	Expand Programing to Serve Closed Shelter Clients	\$ 25,000
The South Carolina Maritime Heritage Foundation	Charleston, SC	Spirit of South Carolina Repairs	\$ 20,000
South Decatur Youth Football	Westport, IN	Equipment Replacement	\$ 5,000
Spelman College	Atlanta, GA	Endowed Scholarship Fund	\$ 50,000
Spelman College	Atlanta, GA	Executive Leadership Group - Dr. Tatum	\$ 10,000
Su Casa Columbus Inc.	Columbus, IN	Emergency Assistance	\$ 10,000
Tennessee Baptist Children's Homes	Bartlett, TN	Support for At-Risk Youth	\$ 10,000
Turning Point Shelter for Domestic Violence	Columbus, IN	Safe Harbor Light House Project	\$ 25,000
United Community Ministries	Rocky Mount, NC	Homeless Shelter	\$ 5,000
United Negro College Fund	Indianapolis, IN	Annual Campaign	\$ 25,000
United Way Funds			
Decatur County United Fund, Inc.	Indiana	Employee Match	\$ 7,177
Greater Twin Cities United Way	Fridley, MN	Employee Match	\$ 192,791
Jackson County United Fund	Indiana	Employee Match	\$ 50,767
Jefferson County United Way	Indiana	Employee Match	\$ 2,834
Jennings County United Way	Indiana	Employee Match	\$ 21,296
Metro United Way of Clark County	Indiana	Employee Match	\$ 1,774
Rocky Mount Area United Way	Rocky Mount, NC	Employee Match	\$ 193,450

United Way Funds (continued)

Rush County United Fund	Indiana	Employee Match	\$ 192
Shelby County United Fund, Inc.	Indiana	Employee Match	\$ 9,565
Trident United Way	Charleston, SC	Employee Match	\$ 84,832
United Fund of Dearborn County	Indiana	Employee Match	\$ 72
United Way for Clinton County	Indiana	Employee Match	\$ 48
United Way of Allen County	Indiana	Employee Match	\$ 24
United Way of Bartholomew County	Columbus, IN	Employee Match	\$ 712,545
United Way of Bloomington & Monroe County, Inc.	Indiana	Employee Match	\$ 4,907
United Way of Central Indiana	Indiana	Employee Match	\$ 68,870
United Way of Dane County, Inc.	Stoughton, WI	Employee Match	\$ 34,878
United Way of Eastern New Mexico, Inc.	Clovis, NM	Employee Match	\$ 9,614
United Way of El Paso County	El Paso, TX	Employee Match	\$ 3,804
United Way of Franklin County	Indiana	Employee Match	\$ 456
United Way of Greater Cincinnati Northern Kentucky Florence, KY		Employee Match	\$ 18,144
United Way of Greater Lafayette & Tippecanoe County	Indiana	Employee Match	\$ 48
United Way of Hancock County	Findlay, OH	Employee Match	\$ 3,494
United Way of Johnson County	Indiana	Employee Match	\$ 68,956



Proteus is an ultra-light craft with wave adaptive inflatable hulls capable of ocean crossing. Large titanium springs ensure cabin stability and payload modules can switch roles from search and rescue to oceanography. *Proteus* is powered by two QSB5.9 Cummins MerCruiser engines each 355 hp.

2007

Cummins Turbo Technologies India Empowers Those With Special Needs

Cummins Turbo Technologies India has supported a local blind school for women for 10 years, but was recently challenged to step up its commitment by creating employment opportunities—placing a visually impaired person in a factory setup.

Initially, the team responsible for the step was overwhelmed. How would such a person commute between home and office? Or find access to the washroom and cafeteria? How would she cope with health and safety issues on the factory floor?

Team members used Six Sigma tools to take a structured approach to these problems, beginning with health and safety. The team created a cause-and-effect matrix to identify suitable employment opportunities and found one in aftermarket operations, packing repair kits.

Mamta, a young woman from the school for the blind, was hired at the Dewas plant and was soon achieving 100 percent accuracy at the job. Neeraj Deshpande, Aftermarket Leader, is proud to have Mamta in his team.

“This initiative was not only about empowering people with special needs, but also to remember not to overlook potential employees who have a disability,” said Vikas Thapa,



New employee Mamta packs repair kits in the aftermarket section of the Cummins Turbo Technologies plant in Dewas.

Head of Human Resources for Cummins Turbo Technologies India.

This was not the first time that Cummins Turbo Technologies India took such a challenge. In 2005, a Turbo Technologies Dewas team hired the first hearing and speech impaired candidate for the assembly line function. To support the initiative, the co-workers on the shop floor learned to communicate with the employee through sign language, and management took additional steps to ensure his safety and security.

The performance of that employee and the commitment of co-workers encouraged the team to hire two more hearing and speech-impaired people, who are now successfully working on assembly lines at the Pithampur and Dewas plants.

Turbo Technologies India has now listed the creation of employment opportunities for special needs people as a critical initiative on its Goal Tree.

United Way Funds (continued)

United Way of Madison County	Indiana	Employee Match	\$ 972
United Way of Metropolitan Nashville	Nashville, TN	Employee Match	\$ 84,038
United Way of North Central Iowa	Lake Mills, IA	Employee Match	\$ 36,643
United Way of Putnam County	Cookeville, TN	Employee Match	\$ 26,603
United Way of Putnam County	Greencastle, IN	Employee Match	\$ 30
United Way of Scott County	Indiana	Employee Match	\$ 3,627
United Way of South Central Indiana	Indiana	Employee Match	\$ 792
United Way of Southern Chautauqua County	Jamestown, NY	Employee Match	\$ 124,161
United Way of the Mid-South	Memphis, TN	Employee Match	\$ 26,296
United Way of the Wabash Valley	Indiana	Employee Match	\$ 48
United Way Funds Sub Total			\$ 1,793,748

Cummins Delivers Portable Power to Hurricane Alley

Shortly after learning that Hurricane Ike was headed for Texas in September, Cummins had more than 25 truckloads of Cummins Onan portable generators rolling into hurricane country.

"I got the calls from our retailers, and the generators were on the road within two hours," said Melissa Davis, North American Sales Manager. "They were available ahead of any threatened power outages."

Hurricane Ike was the third most destructive storm in U.S. history, and worst ever to hit Texas. Its winds reached 145 mph and caused an estimated \$24 billion in damage. An estimated three million people were left without power, many of whom remained in the dark two weeks later. The Onan portable generators were shipped to areas in the anticipated path of the hurricane. Each was designed to provide 5,000 watts of continuous power and up to 5,500 watts of peak power for 9 hours of

continuous operation on a tank of gas. The generators can power a refrigerator, lights, air-conditioner and more.

"In areas that have a history of hurricanes or other severe weather, people need standby power as the alternative to available power," said Davis. "A standby generator can pay for itself by just powering your refrigerator or freezer until the grid comes back online, which is especially important if you need to refrigerate expensive medicines."



Purdue, Cummins Inc., and Cummins College of Engineering for Women Expand Partnership

Although the three have worked together since 2003, Purdue University, Cummins Inc. and Cummins College of Engineering for Women (CCEW) signed a memorandum of understanding On Nov. 7, 2008 to foster important additional linkages. Research and development; student and faculty exchange; a fellowship program; and support for mechanical engineering curricula at the CCEW campus in Pune, India will all be involved.

Cummins actively recruits Purdue University students to add to its cohort of engineers. This new agreement, formalized in Mumbai

by leaders of the three institutions, sets the stage for greater interaction between Purdue and the CCEW as partnerships expand over the next five years.

“Two of Cummins’ strongest and longest-standing academic partners are Purdue University in Indiana and CCEW in Pune, India,” said Dr. John C. Wall, Vice President and Chief technical Officer. “We are very pleased to formalize our scholarship program with Purdue to support selected outstanding young women engineers from CCEW for graduate studies in engineering and information technology at Purdue.”



Created in 1991, Cummins College of Engineering for Women was the first engineering college in India established exclusively for women. It is consistently ranked among the top five colleges in Pune, an academic center.

Foundation Grants (continued)

Grantee	Community	Purpose	Amount
United Way of Johnson County	Indiana	Purchase Appliances for Flood Victims	\$ 5,000
University of San Francisco	San Francisco, CA	McCarthy & Martin Scholarship Fund	\$ 5,000
University of Tennessee	Memphis, TN	Summer Camp for Children with ADHD	\$ 10,000
Vanderbilt University	Nashville, TN	Education Support	\$ 75,000
Walton-Verona High School	Walton, KY	Education Support	\$ 5,000
West Ohio Food Bank	Findlay, OH	Support for Food Bank	\$ 5,000
Westwood Youth Development	Memphis, TN	Camp Care Program	\$ 2,500
Women with Wings	Erlanger, KY	Support for Domestic Violence Victimes	\$ 5,000
World Vision USA	China	China Earthquake Relief	\$ 307,730
YMCA of the USA	Chicago, IL	National Black & Hispanic Achievers Program	\$ 10,000
YMCA of the USA	Chicago, IL	Leadership Conference Speaker Support	\$ 3,500
Youth Leadership Bartholomew County	Columbus, IN	Student Leadership Seminar	\$ 500
Total Foundation Grants			\$ 5,366,993



Cummins Inc.
Box 3005
Columbus, IN 47202-3005
U.S.A.

cummins.com
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