

Cummins Inc.

Tom Linebarger
Executive Vice President and President-Power Generation

JPMorgan Basics & Industrials Conference
June 3, 2008





Disclosure Regarding Forward-Looking Statements & non-GAAP Financial Measures

- This presentation contains certain forward-looking information. Any forward-looking statement involves risk and uncertainty. The Company's future results may be affected by changes in general economic conditions and by the actions of customers and competitors. Actual outcomes may differ materially from what is expressed in any forward-looking statement. A more complete disclosure about forward-looking statements begins on page 3 of our 2007 Form 10-K, and it applies to this presentation.

- This presentation contains certain non-GAAP financial measures such as earnings before interest and taxes (EBIT). Please refer to our website (www.cummins.com) for the reconciliation of EBIT to GAAP financial measures.



Diversified Global Power Leader

Four Complementary Businesses



Engines



Power
Generation



Distribution

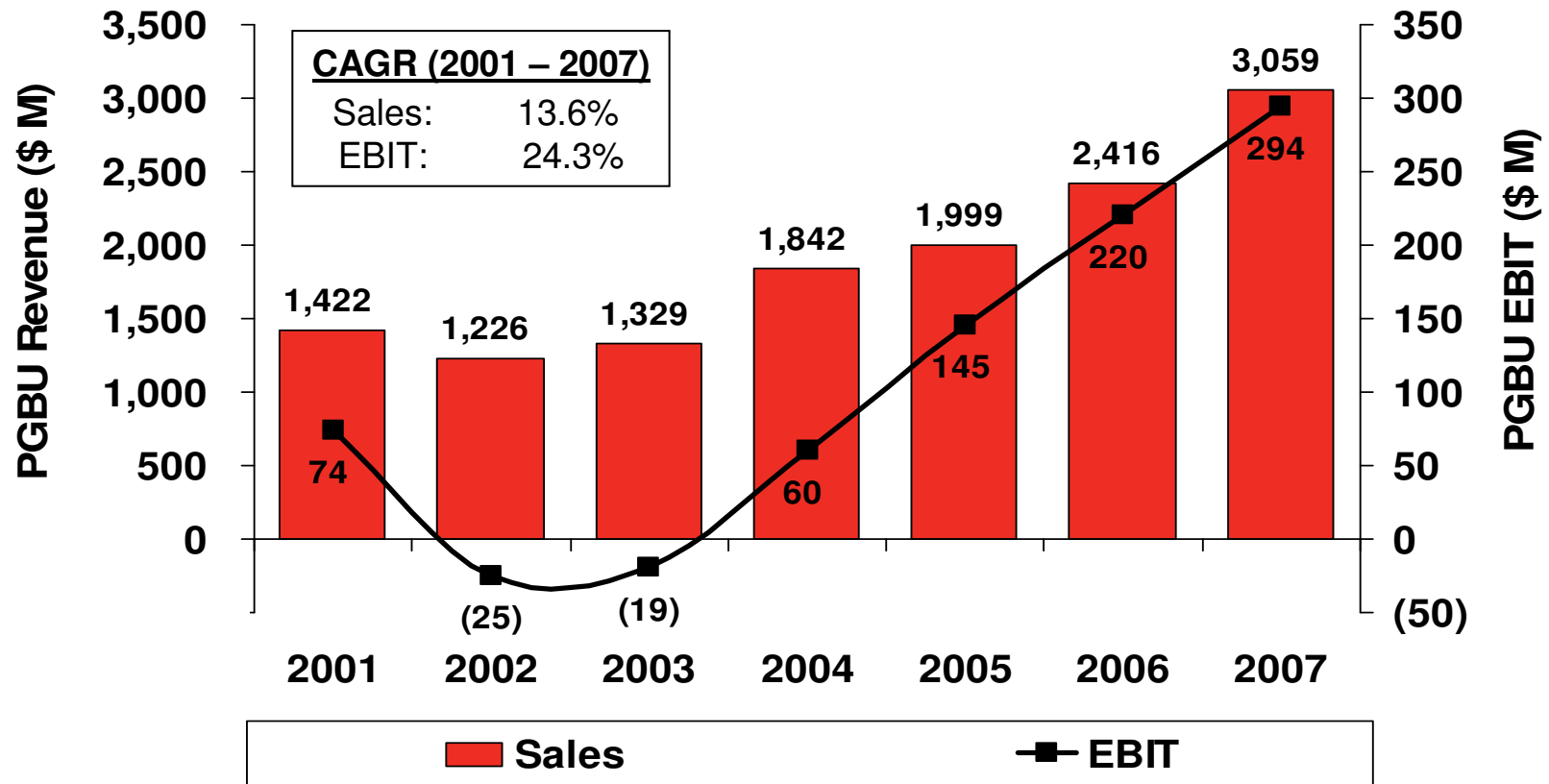


Components



Continuous and Profitable Growth

PGBU Financial Results (2001 – 2007)





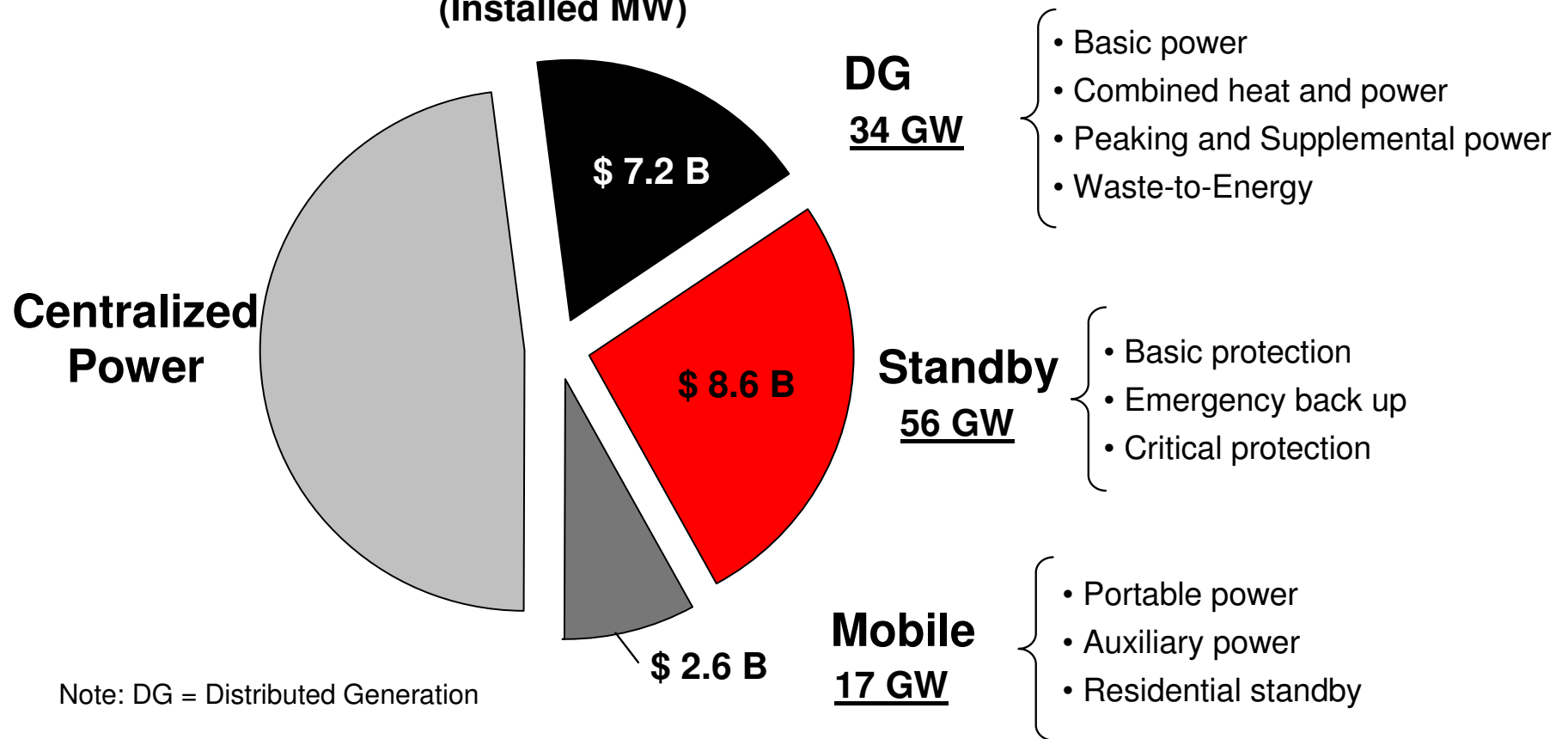
Our Role in the Power Generation Sector

- Grid not available
- High cost of electricity or total power
- Unreliable grid
- High economic value of continuous electricity
- Portable and auxiliary power



Markets Where We Participate

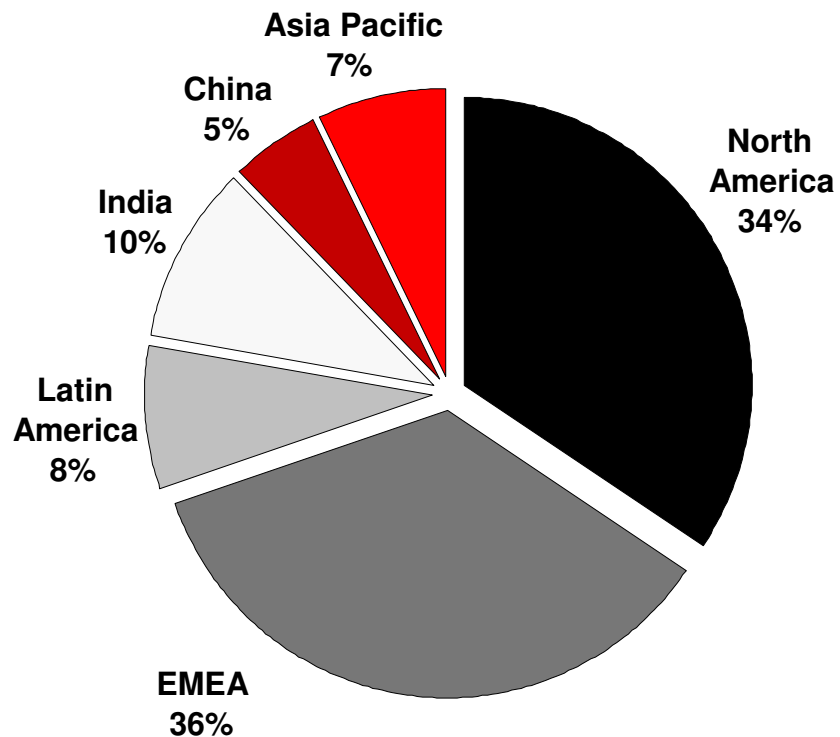
2007 Total Market Overview (Installed MW)



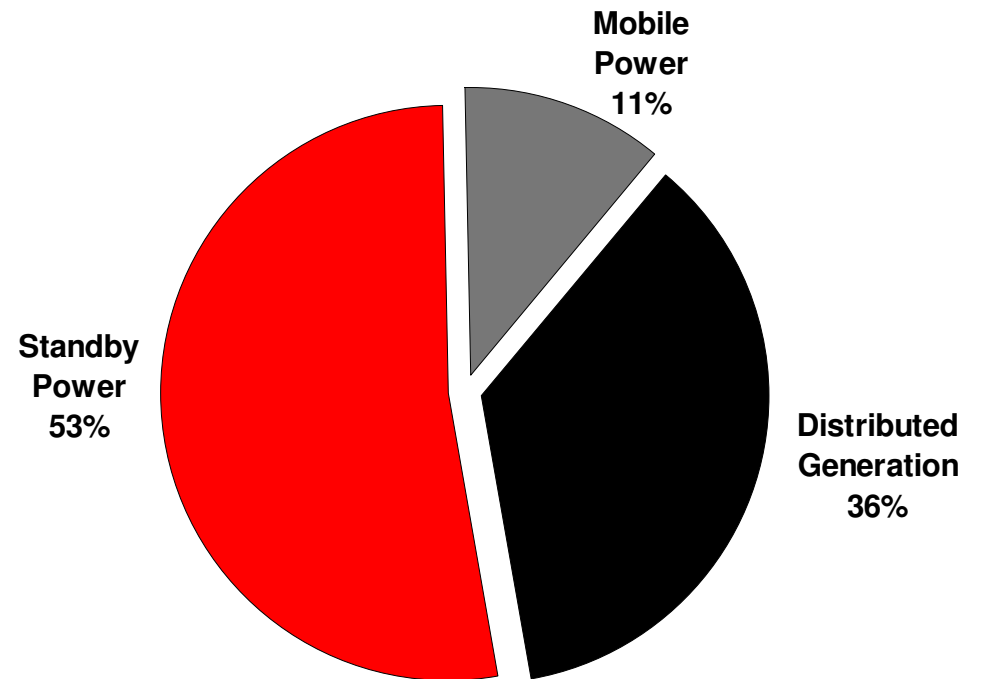


2007 PGBU Sales Breakdown

Market by Territory



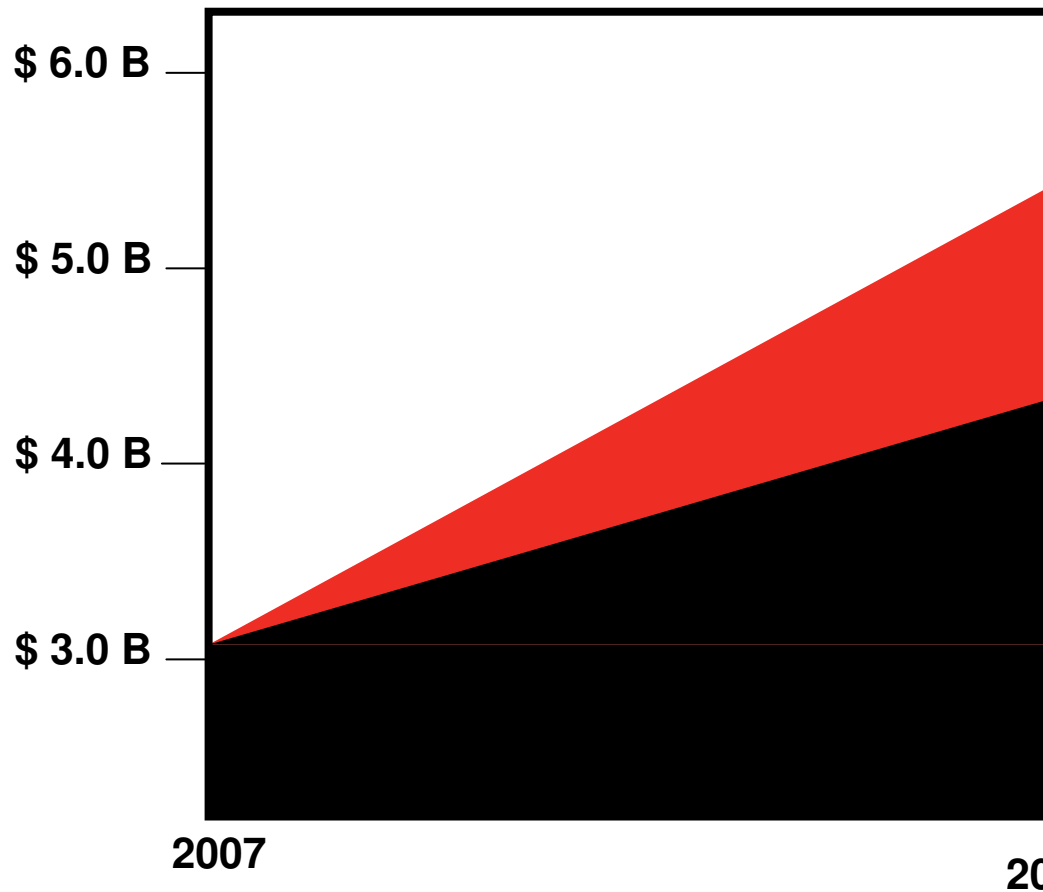
Market by Application



Power Generation Sales: \$ 3.0 B



PGBU Future Growth



PGBU Growth: 15.0%

- Market share gains
- System integration
- Price realization
- Market expansion

Market Growth: 9.5%

- Electricity demand
- Grid availability and reliability
- Dependence on electricity
- Safety codes and standards
- Stringent emissions regulations

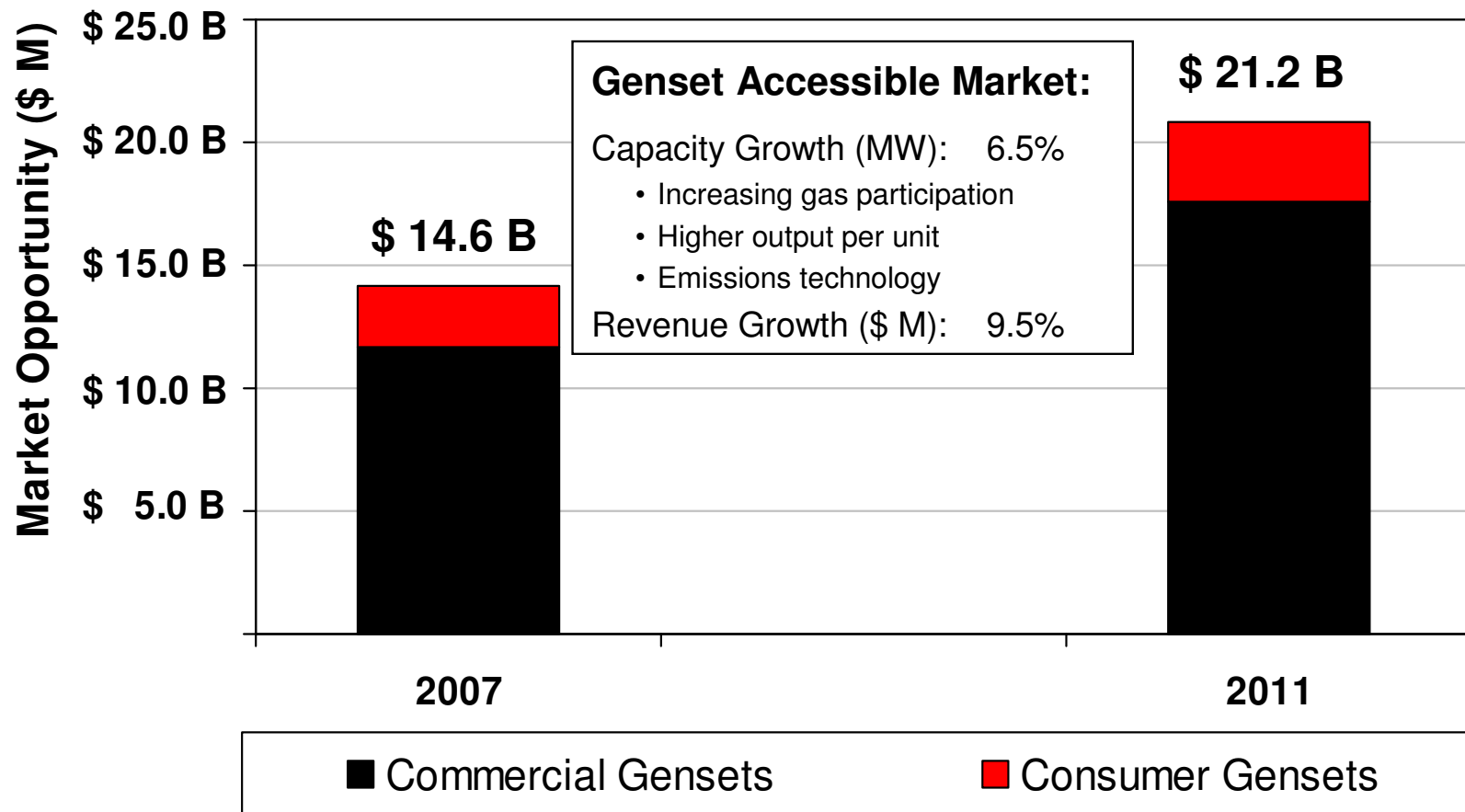


How We Will Get There

- Capitalize on industry growth
- Establish leadership in all major markets
- Increase value-add in our products
- Expand into new and adjacent markets
- Continue building capabilities and infrastructure

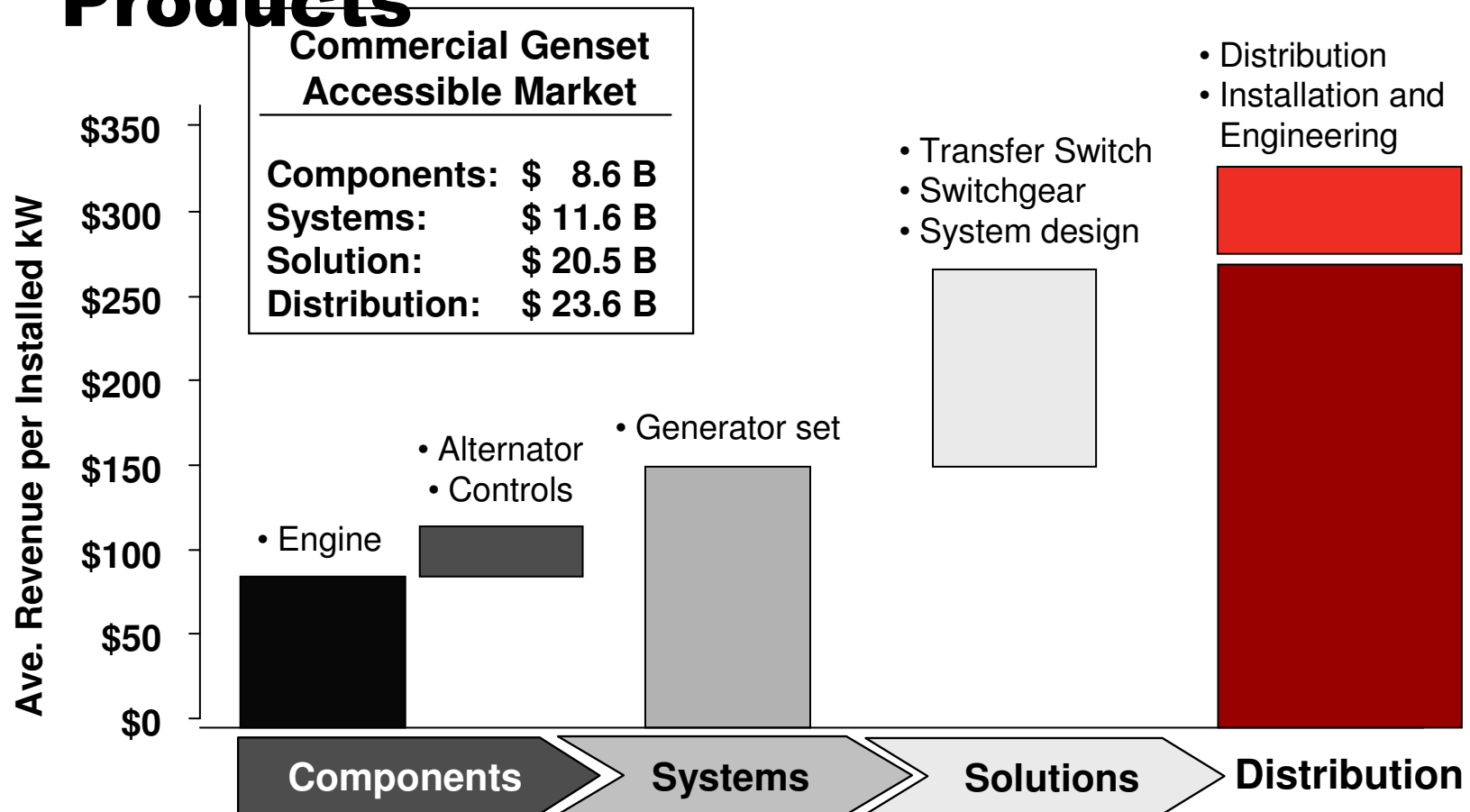


Capitalize on Industry Growth





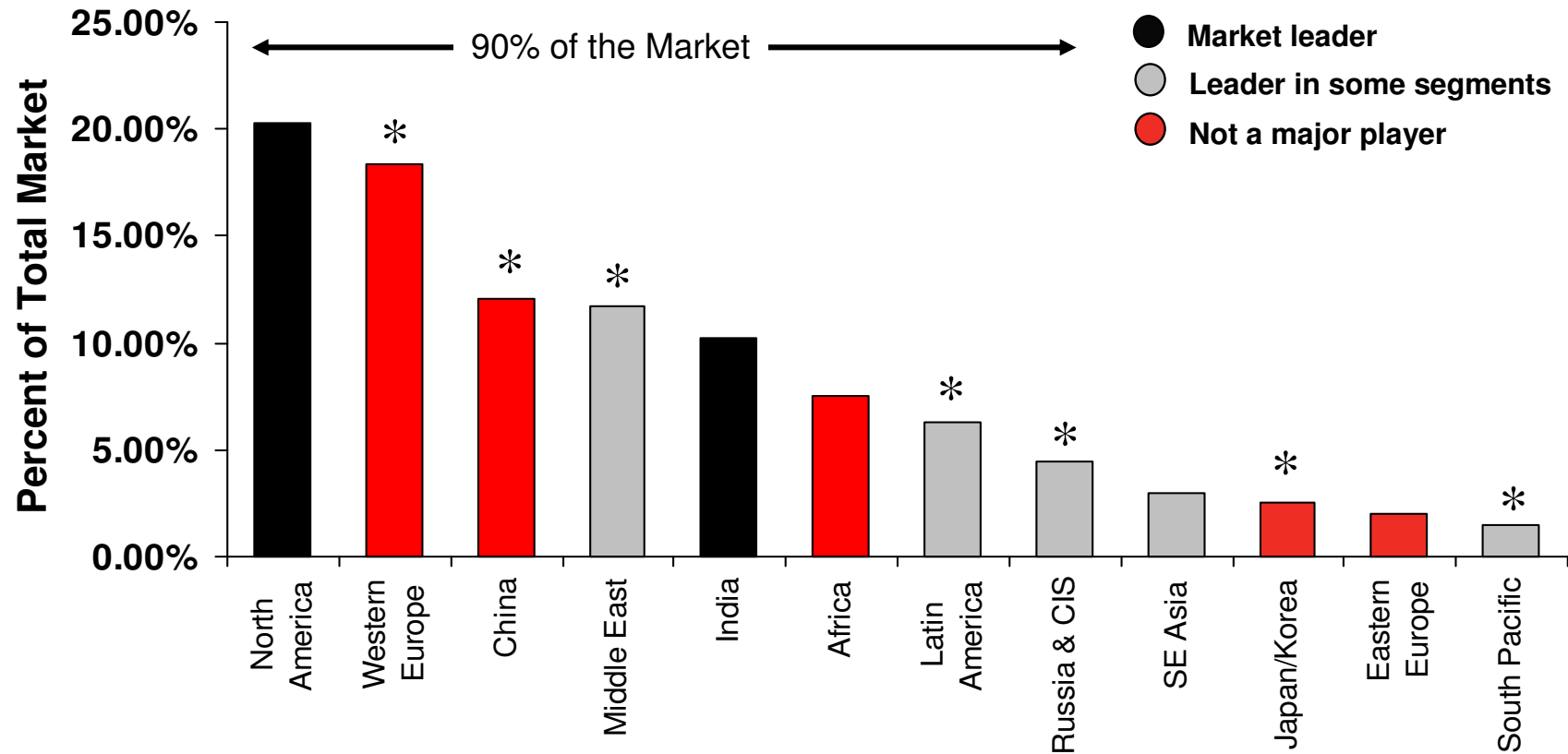
Increase Value-add in Our Products





Defend and Establish Global Leadership

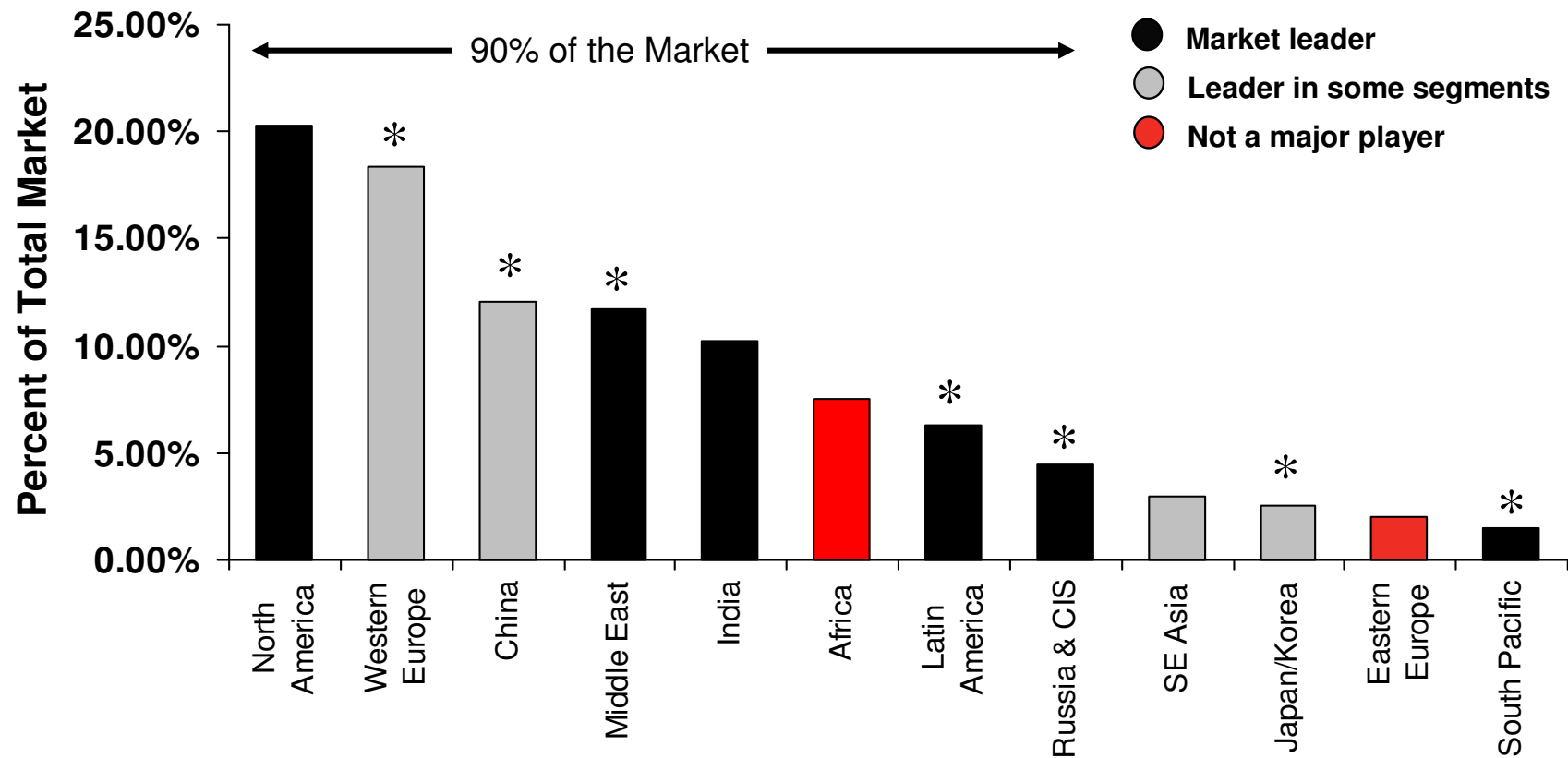
2004 Share Based on Installed MW



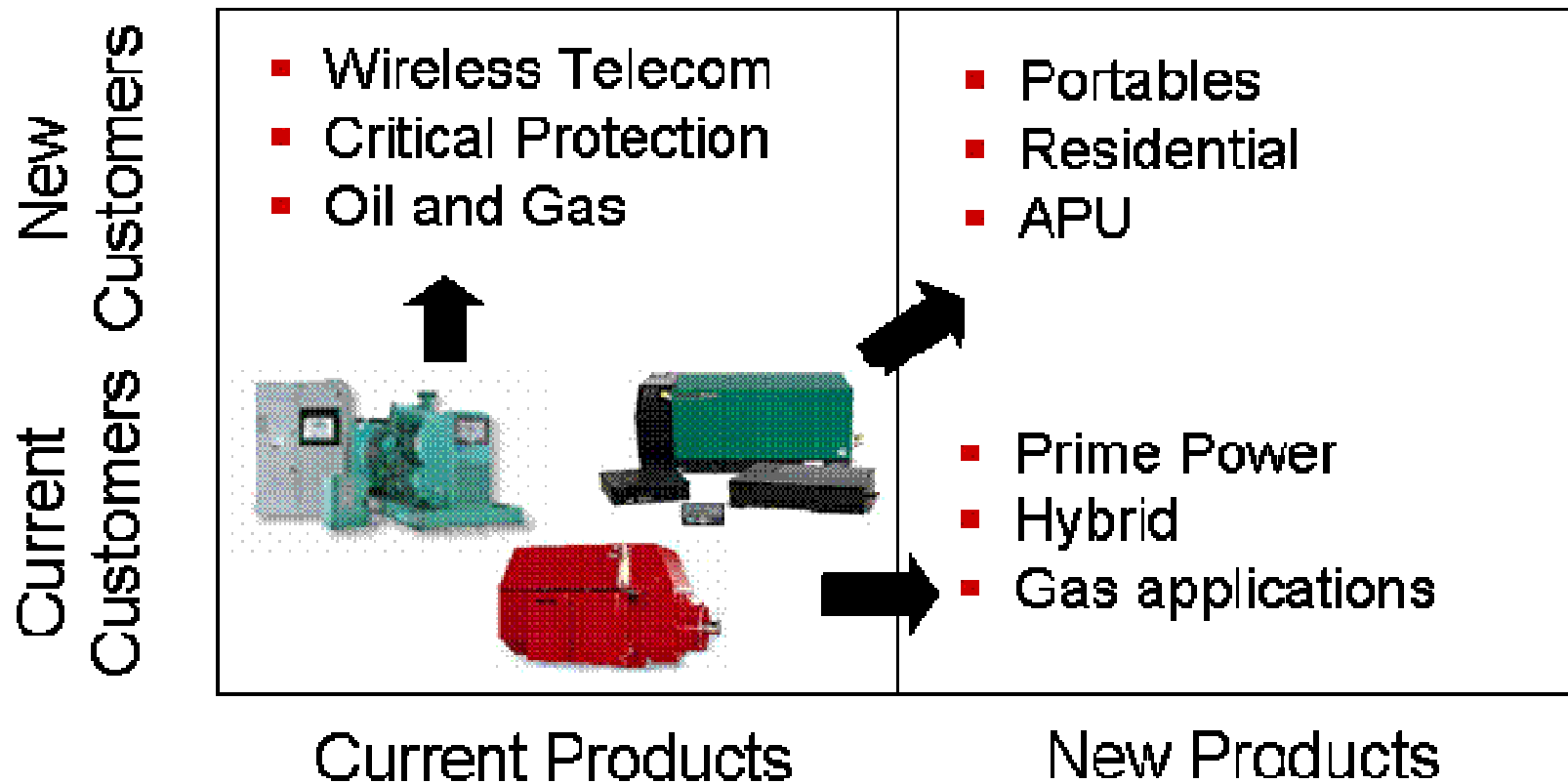


Defend and Establish Global Leadership

2007 Share Based on Installed MW



Pursue Adjacent and New Markets





Build Capability and Infrastructure

- Integrated product plan
- Low cost producer
- Distribution channel development
- Customer support excellence
- Global processes and systems



Summary

- Solid strategy and leadership team
- Strong growth opportunities in our markets
- Global presence and market leadership
- System integration and higher value-add
- Solid foundation to support growth

Thank You for Your Interest in



- For Additional Information Contact:
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 - (812) 377-3121
 - Dean.A.Cantrell@Cummins.com
 - www.Cummins.com

Appendix

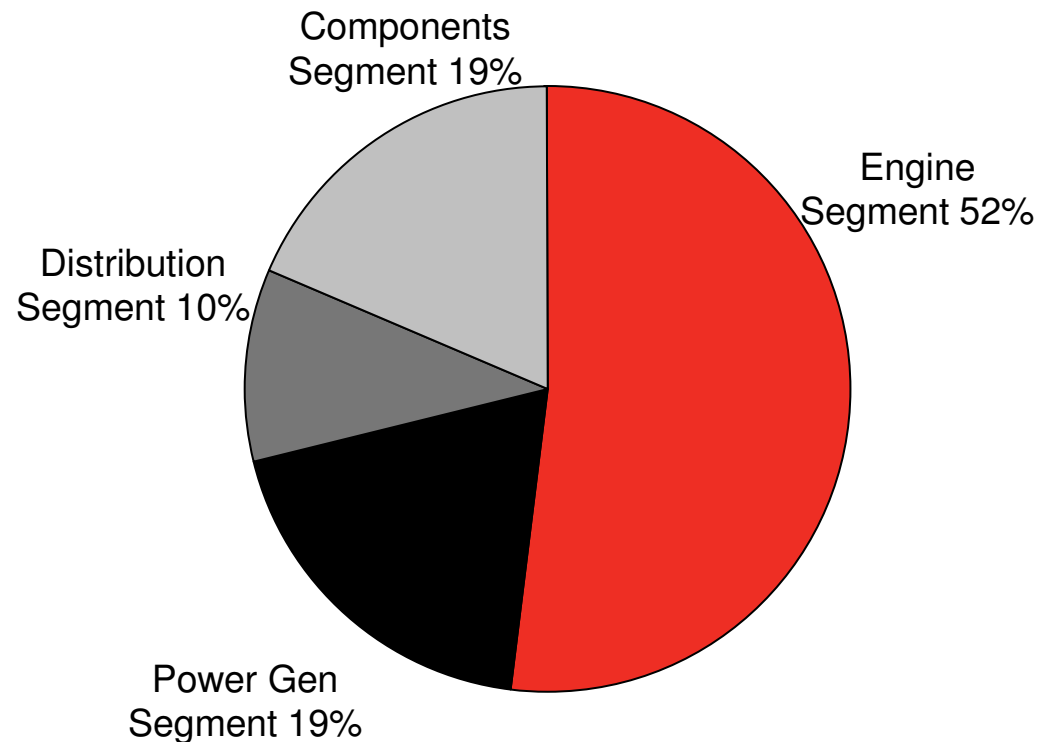




Cummins Inc.

Q1 2008 LTM Revenue by Segment

- Macro growth trends play to Cummins' strengths
- Disciplined investment for growth
- Demonstrated technology leadership



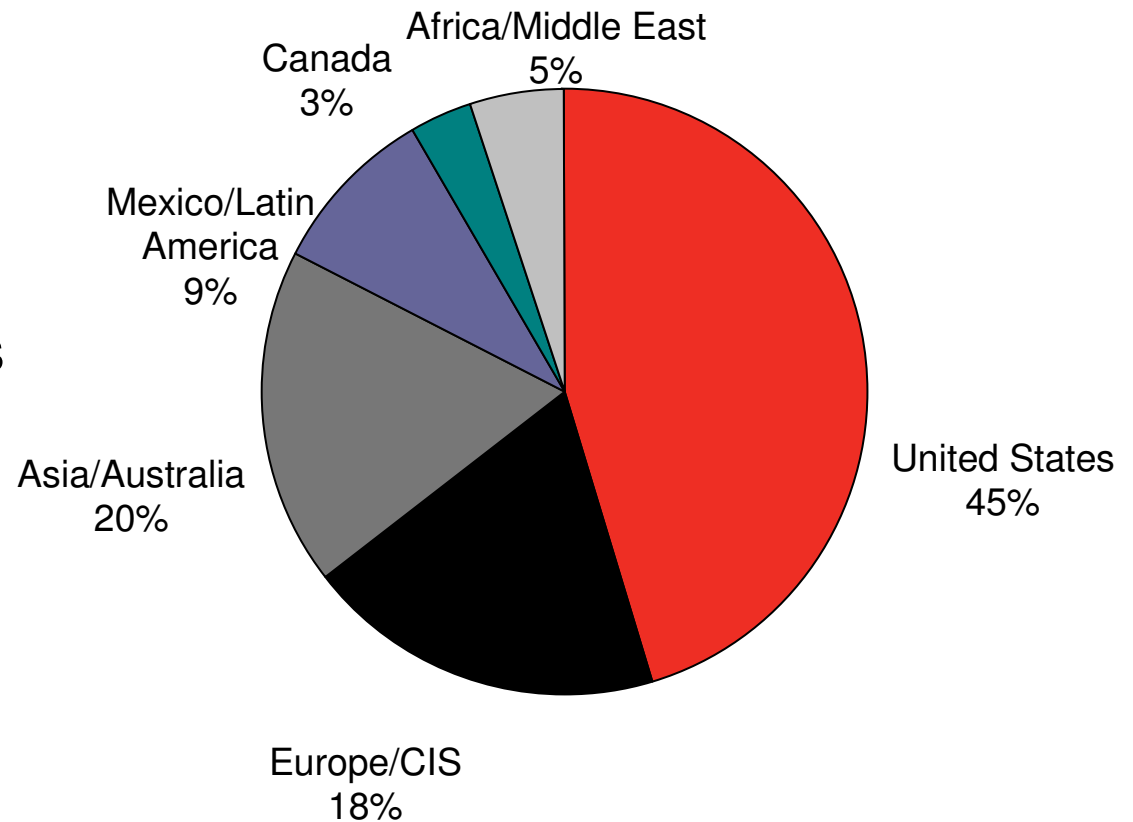
Q1 2008 LTM Data
Sales: \$13.7 billion
EBIT: \$1,299 million
EBIT Margin: 9.5%



Cummins Inc.

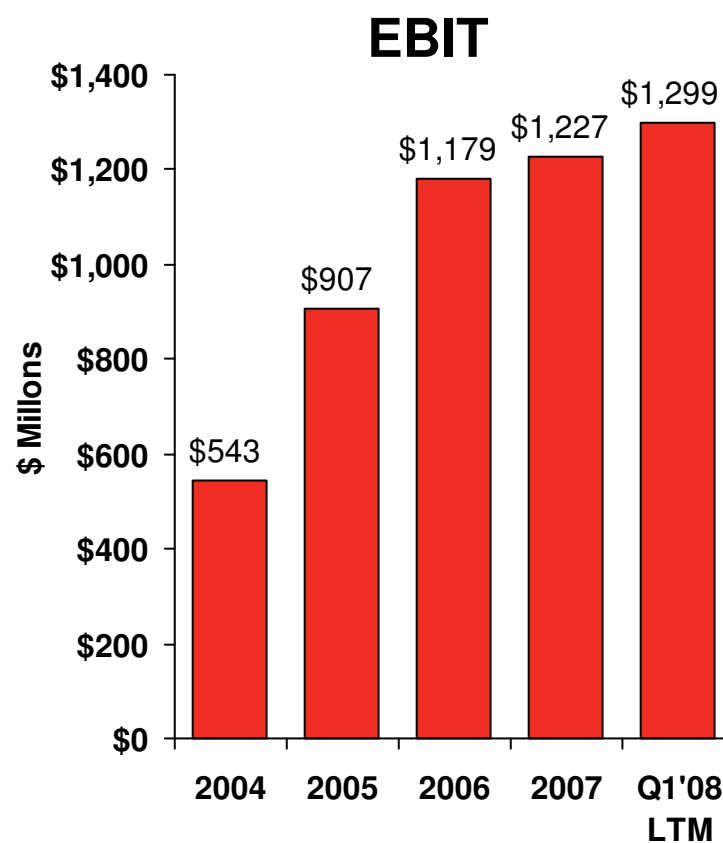
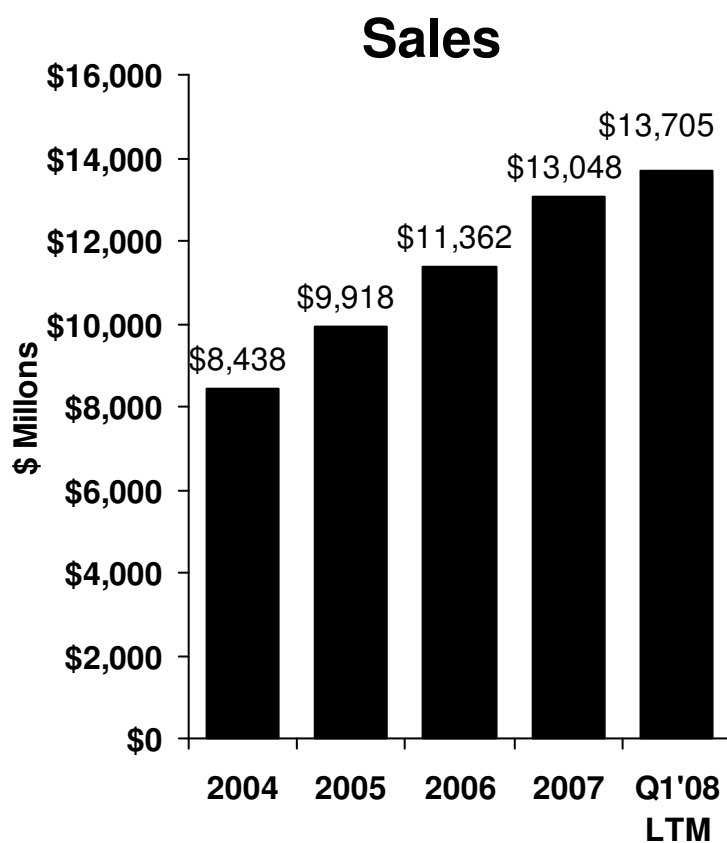
Q1 2008 LTM Revenue by Marketing Territory

- International revenue is 55% of consolidated revenue
- Most international areas growing at double digit rate
- Demonstrates our geographic diversity





Cummins – Historical Performance

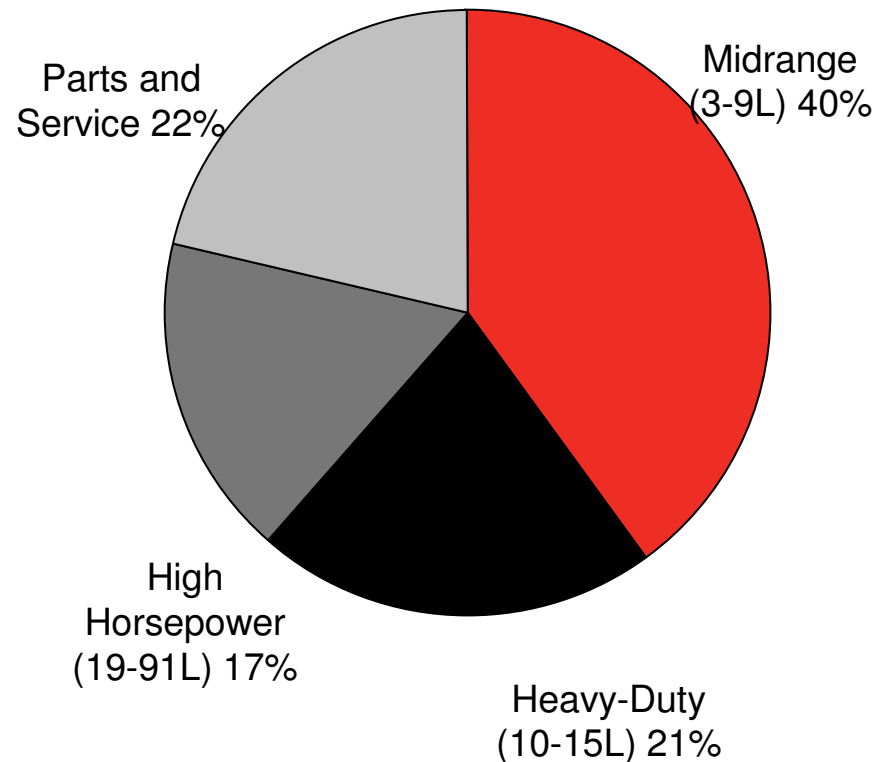




Engine Segment

Q1 2008 LTM Revenue by Product

- Emission regulations create opportunities
- Emerging markets
- Strategic OEM partnerships
- New engine platforms
- Aftermarket revenue creates stable earnings



Q1 2008 LTM Segment Data

Sales: \$8.6 billion

EBIT: \$655 million

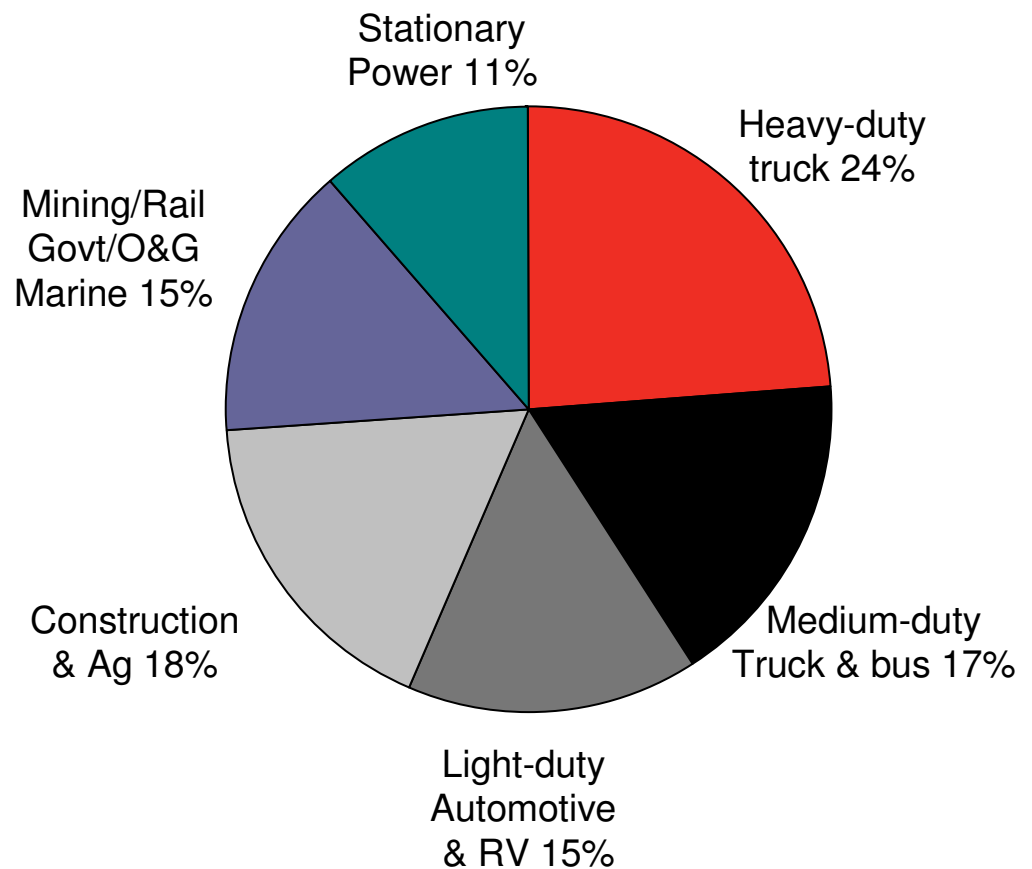
EBIT Margin: 7.6%



Engine Segment

Q1 2008 LTM Revenue by Market Application

- Gaining market share in on-highway markets
- Industrial markets supported by non-residential construction and commodity markets
- Expanding capacity to meet growing demand



Q1 2008 LTM Segment Data

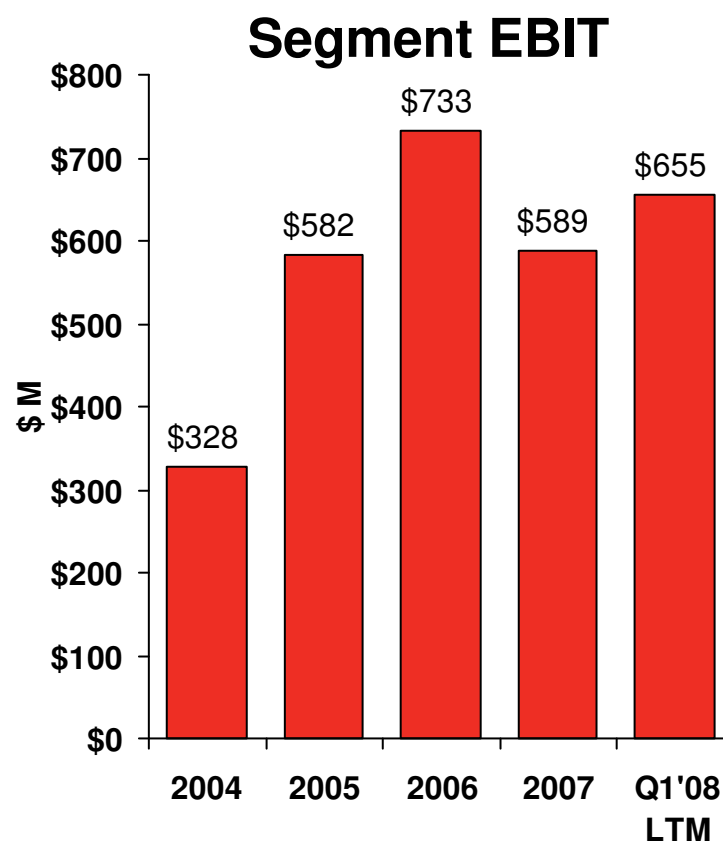
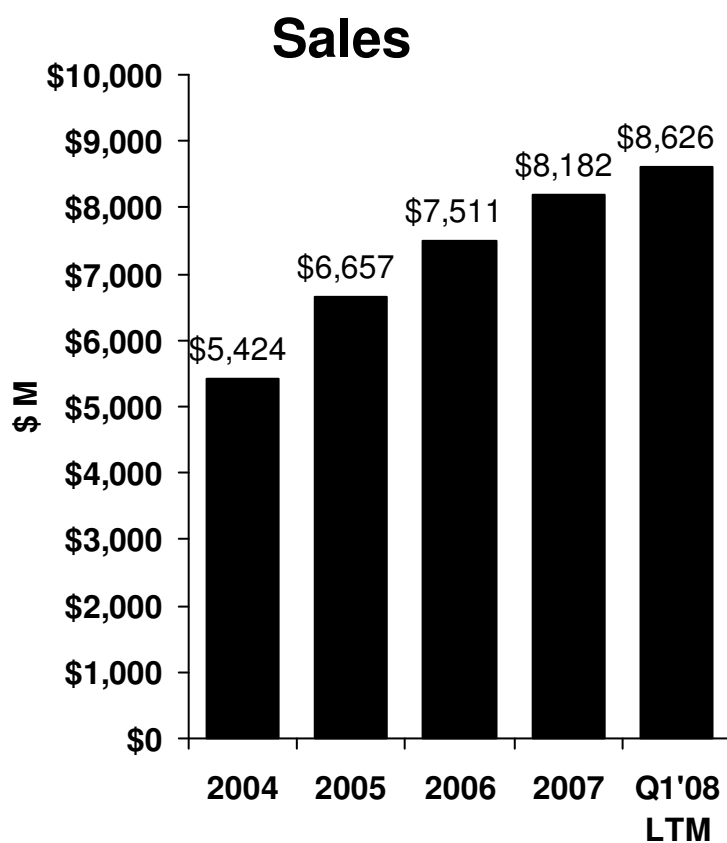
Sales: \$8.6 billion

EBIT: \$655 million

EBIT Margin: 7.6%



Engines – Historical Performance

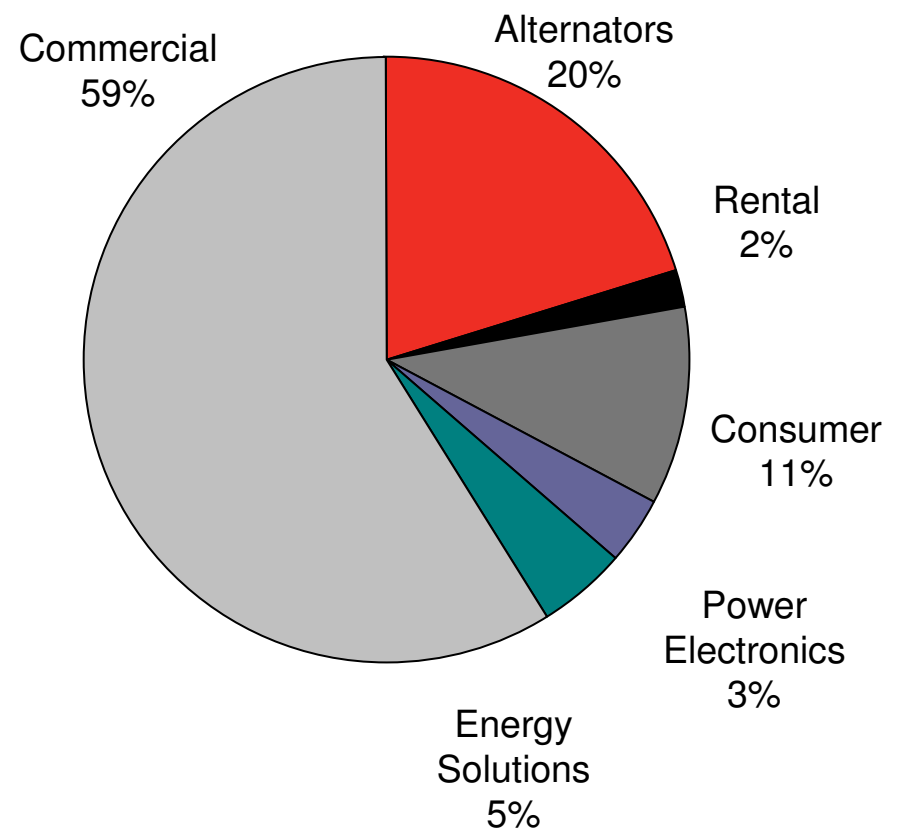




Power Generation Segment

Q1 2008 LTM Revenue by Product

- Capitalize on industry growth
- Leverage existing market leadership
- Establish leadership in all major markets
- Expand into new and adjacent markets



Q1 2008 LTM Segment Data

Sales: \$3.2 billion

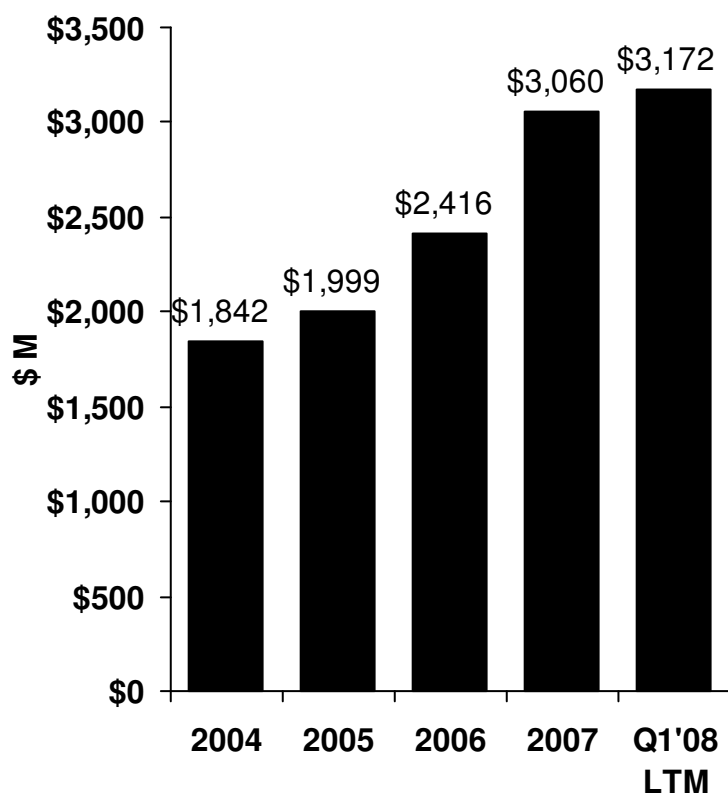
EBIT: \$335 million

EBIT Margin: 10.6%

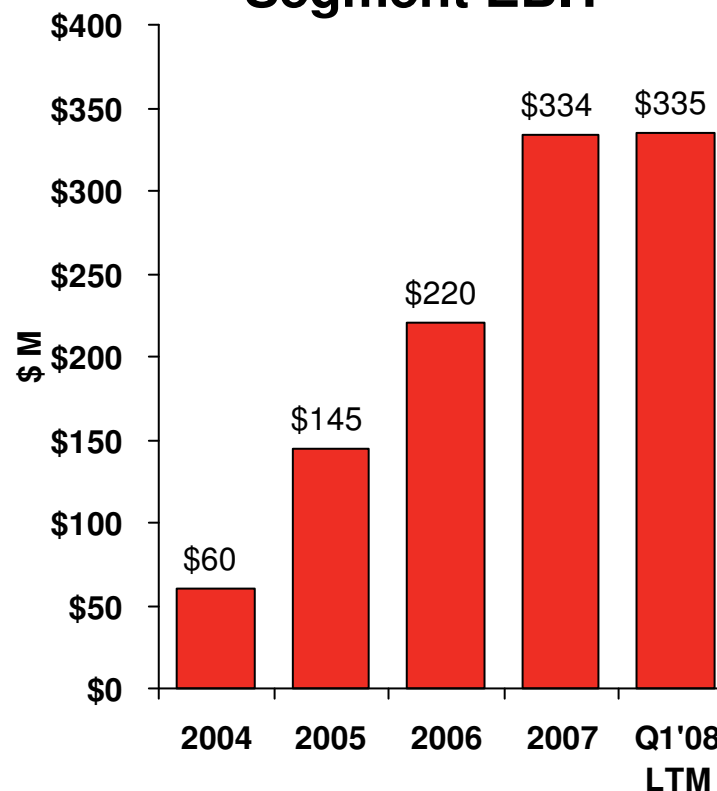


Power Generation – Historical Performance

Sales



Segment EBIT

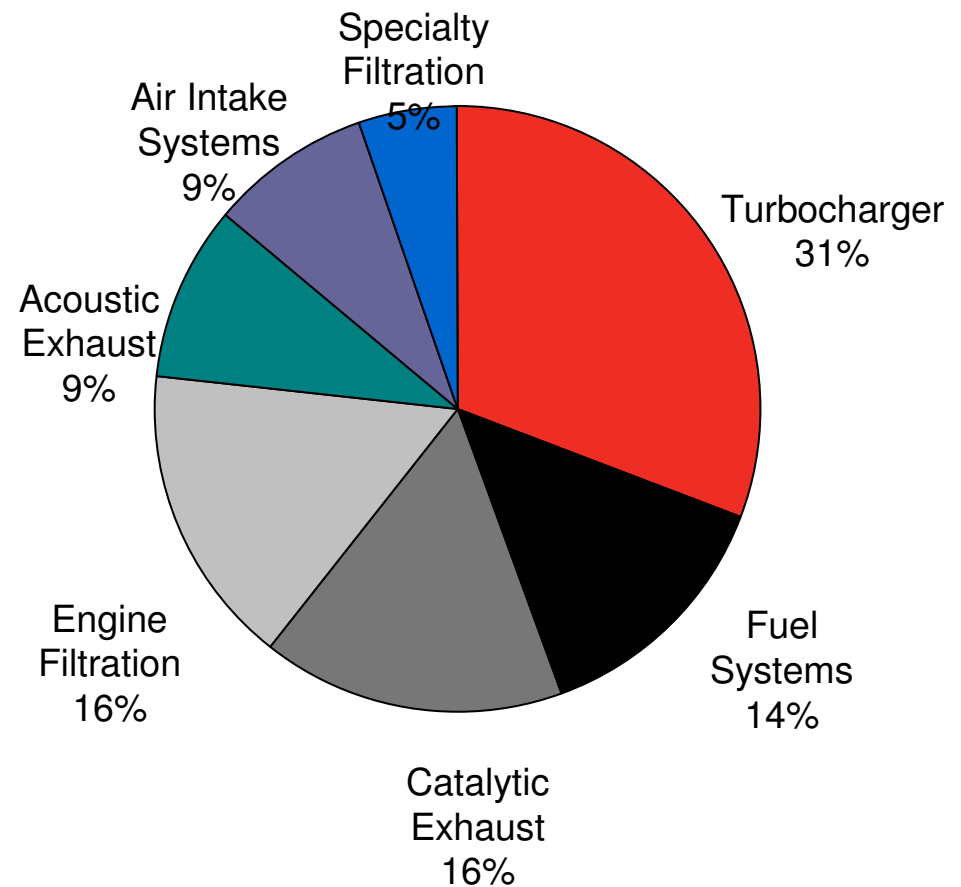




Components Segment

Q1 2008 LTM Revenue by Product

- New products launched
- Industry leading technology
- Capacity expansion
- Grow with CMI and non-CMI engine volumes
- Leverage global distribution to grow aftermarket



Q1 2008 LTM Segment Data

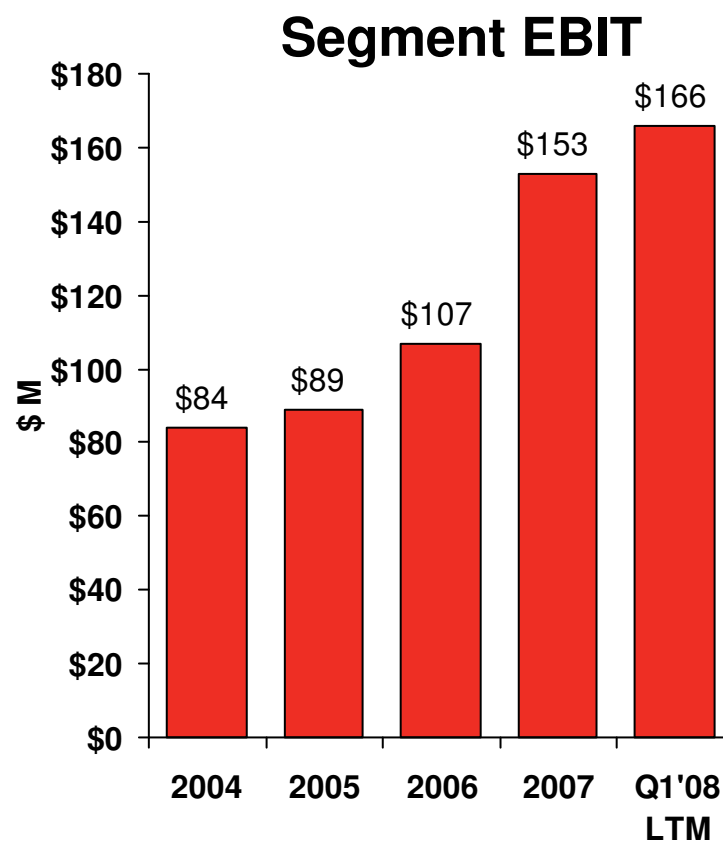
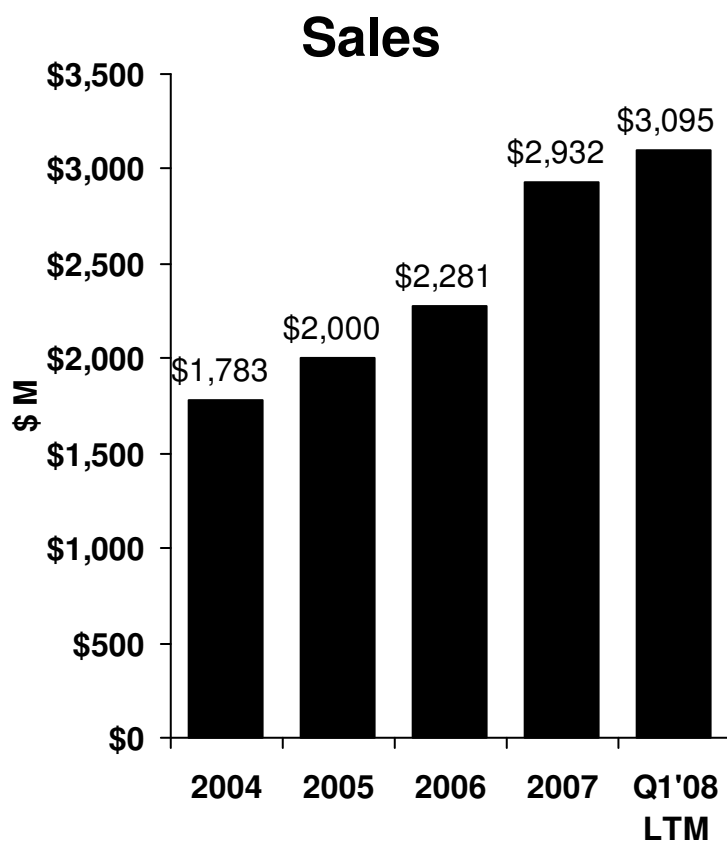
Sales: \$3.1 billion

EBIT: \$166 million

EBIT Margin: 5.4%



Components – Historical Performance

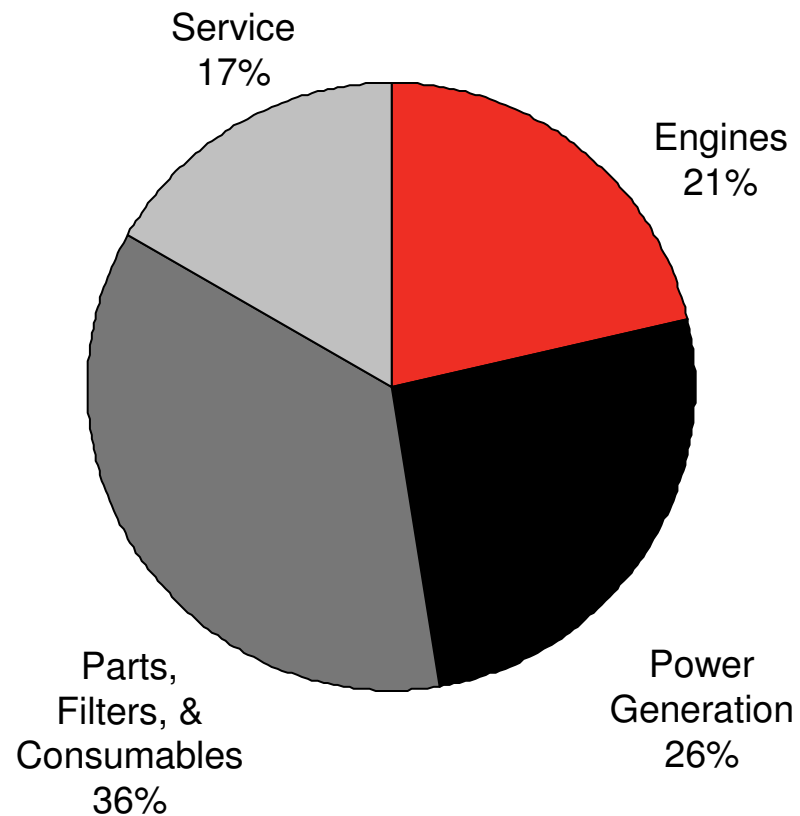




Distribution Segment

Q1 2008 LTM Revenue by Product

- Continue acquisitions, consolidations and integrations
- Leverage Cummins equipment growth
- World-class customer support
- Build capabilities – invest in growing regions



Q1 2008 LTM Segment Data

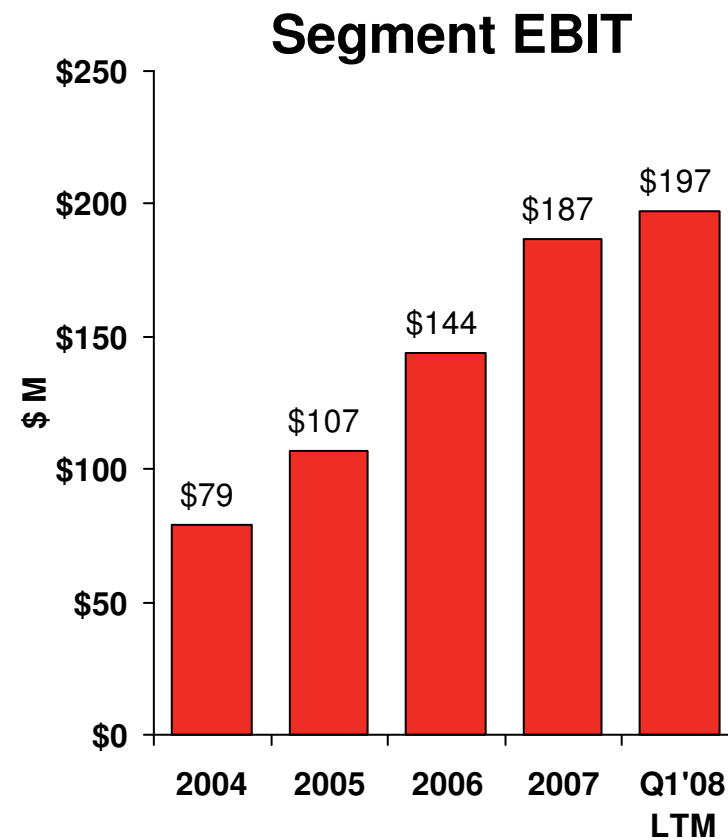
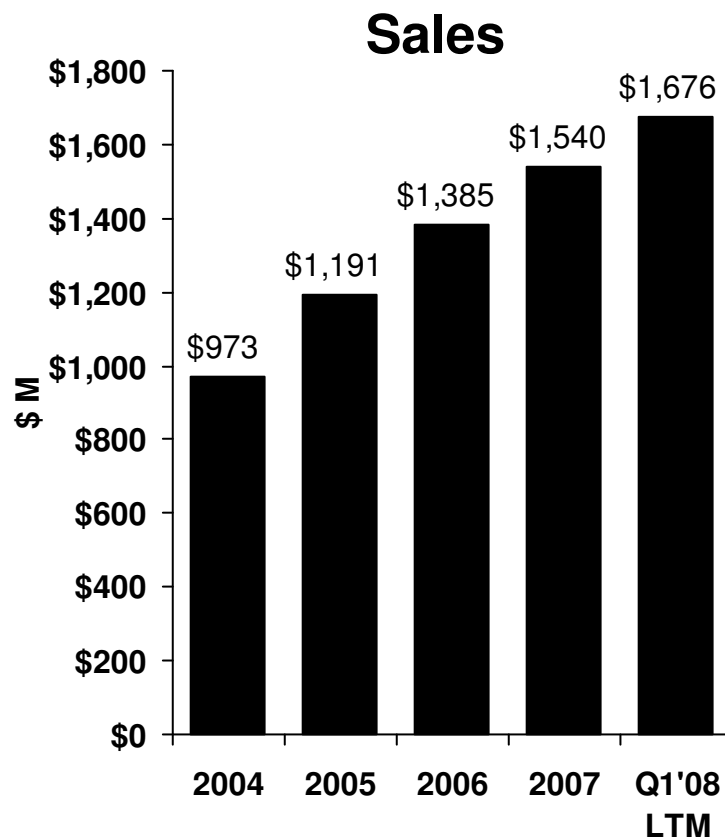
Sales: \$1.7 billion

EBIT: \$197 million

EBIT Margin: 11.8%



Distribution – Historical Performance



Non-GAAP Reconciliations





Non-GAAP Reconciliation – EBIT

Millions	<u>Three Months Ended</u>		
	March 30, 2008	December 31, 2007	April 1, 2007
Segment EBIT	\$ 315	\$ 324	\$ 243
Less: Interest Expense	<u>\$ 11</u>	<u>\$ 14</u>	<u>\$ 16</u>
Earnings before income taxes and minority interests	\$ 304	\$ 310	\$ 227

We define EBIT as earnings before interest expense, provision for income taxes and minority interests in earnings of consolidated subsidiaries. We use EBIT to assess and measure the performance of our operating segments and also as a component in measuring our variable compensation programs. The table above reconciles EBIT, a non-GAAP financial measure, to our consolidated earnings before income taxes and minority interests, for each of the applicable periods.

We believe EBIT is a useful measure of our operating performance for the periods presented as it illustrates our operating performance without regard to financing methods, capital structure or income taxes. This measure is not in accordance with, or an alternative for, accounting principles generally accepted in the United States of America (GAAP) and may not be consistent with measures used by other companies. It should be considered supplemental data.