

Cummins Inc. 2001 Annual Report

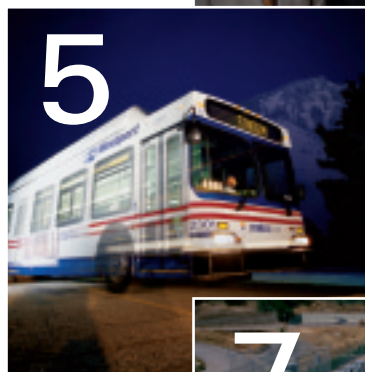
A global power leader, Cummins Inc. is a corporation of complementary business units that design, manufacture, distribute and service electric power generation systems, engines and related products, including fuel systems, controls, air handling, filtration, and emissions solutions.



Headquartered in Columbus, Indiana (USA), Cummins serves its customers through more than 500 Company-owned and independent distributor locations in 131 countries and territories. With 24,900 employees worldwide, Cummins reported sales of \$5.7 billion in 2001. Cummins home page can be found at www.cummins.com.

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Highlights



Engine Business

Leading supplier of diesel- and alternate-fueled engines for heavy-duty trucks, medium-duty trucks, buses, motorhomes, and specialty on-highway vehicles

Exclusive supplier of diesel engines for the Dodge Ram pickup truck

Leading global supplier of diesel engines for the agriculture, construction, government, marine, mining, rail, and oil and gas markets

Products/Services

- **Medium-duty Engines**
ISB and ISC for light commercial automotive, truck, school, transit and shuttle bus, motorhomes, and specialty vehicles. Automotive applications are available in diesel-fueled versions from 175 to 350 horsepower and in alternate-fueled versions from our Cummins Westport joint venture. For agriculture, construction, and marine applications, the B3.3, B3.9, B5.9, QSB and QSC engines are available from 60 to 340 horsepower
- **Heavy-duty Engines**
ISL, ISM, N14, ISX and Signature Series for trucking applications from 280 to 600 horsepower. QSM, M11, N14 and QSX for construction, mining, marine, and agriculture applications from 225 to 600 horsepower. For marine applications, the QSM and N14 engines are available from 360 to 635 horsepower
- **High-horsepower Engines**
QSK19, V903, QST30, K38/50, QSK45, QSK60 and QSK78 for marine, rail, mining, government, and oil and gas applications from 295 to 3500 horsepower

Customers and Markets

- Original Equipment Manufacturers who install Cummins engines in their vehicles and equipment
- Customers who use Cummins-powered equipment in their business endeavors
- Dealers and distributors



Power Generation Business

Global supplier of diesel- and natural gas-powered generator sets and generator set components from 3kW to multi-megawatt installations

Worldwide market leader in auxiliary generator sets for recreational vehicles (RVs) and diesel-powered recreational marine applications

Products/Services

- **Power Systems**
Diesel- and natural gas-powered generator sets, digital control systems, transfer switches, and paralleling switchgear
- **Mobile Systems**
Onan gasoline-, liquefied propane-, and diesel-fueled auxiliary generator sets from 3kW to 12.5kW and associated controls
- **Alternators**
Newage synchronous AC alternators and associated control systems

Customers and Markets

- Public and investor-owned utilities, telecommunications providers, self-generating manufacturers, and any business or public facility with a need for self-generated or standby power
- RV, specialty vehicle, and marine pleasurecraft Original Equipment Manufacturers
- Alternators for industrial, marine, commercial, construction, telecommunications, mining, and other standby or continuous power applications



Filtration and Other Business

Global leader of advanced integrated filtration systems for heavy-duty equipment, both on- and off-highway

Leading North American supplier of filtration and silencing systems for gas turbine, industrial, small engine, and passenger car applications

Holset, is a global provider and leading technologist of turbochargers for a wide range of applications

Products/Services

- **Heavy-duty Systems**
Air intake filtration, emission and noise reduction, engine filtration, and mobile hydraulic filtration systems
- **Small Engine Systems**
Air intake filtration, engine filtration, and exhaust systems
- **Other Systems**
Air intake and silencing systems for gas turbine applications, in-tank filtration for passenger cars, hydraulic filtration for industrial applications, and aftertreatment systems
- **Turbocharging Systems**
Holset variable geometry turbocharging, wastegate solutions, and power turbine, high pressure ratio and, multi-stage solutions

Customers and Markets

- Original Equipment Manufacturers, distributors, dealers and end users of heavy-duty on- and off-highway diesel-powered equipment
- Original Equipment Manufacturers of both gasoline- and diesel-powered small engine systems for lawn and garden and recreational equipment
- Original Equipment Manufacturers of gas turbine generators, industrial machinery, passenger cars, and industrial hydraulic equipment
- Cummins joint ventures and selected Original Equipment Manufacturer customers
- Distributors and dealers



International Distributor Business

Retail distributor of Cummins products and provider of related services and broader solutions that enhance the end users' overall experience with Cummins

Network of 17 Company-owned retail distributors and three joint ventures with a total of 111 sites that provide products, services, and solutions to end users in 50 countries and territories

Products/Services

- **Product Distribution**
Retail distribution of Cummins power generation, engine, filtration, turbocharging, and related consumable products
- **Service**
Product repair and overhaul, maintenance, and repair contracts
- **Integrated Packages**
Locally integrated packages of engines or generator sets plus related components and services engineered into a single package, includes fire pump packages, wind machines, repower packages for used equipment, flood and irrigation pump packages, small powerhouses that supply standby electricity for a factory or industrial zone, and auxiliary lighting equipment
- **Solutions**
Comprehensive business solutions that manage portions of end user businesses using engine-powered equipment, including rental, operation and maintenance of small independent power plants, and service of end user equipment

Customers and Markets

- Customers who use Cummins-powered equipment in their business endeavors
- Dealers
- Local and regional Original Equipment Manufacturers producing in lower volumes

Fellow Shareholders

As it was for almost everyone, 2001 was a difficult and demanding year for Cummins.

Despite the worst market conditions in the Company's 82-year history, Cummins delivered an operating profit in each of the final three quarters of 2001, due to an aggressive and ongoing cost reduction program. These results reflect Cummins commitment to producing solid financial results for our shareholders in tough times as well as good times.

In 2001, the Company's name changed to Cummins Inc., highlighting Cummins successful efforts to diversify the business. Cummins is a global power leader. Our strength comes from the synergies and relationships in the businesses that make up Cummins: the Engine Business, the Power Generation Business, the Filtration and Other Business, and the newly formed International Distributor Business.

Cummins brings unique value to meet customer power needs across the globe by leveraging our brands, our leadership position in the markets we serve, our innovative technology, and our global presence.

Focus on Continued Cost Reduction, Cash Management

Our focus in 2001 remained on cost reduction and cash management. The cornerstone of our cost reduction effort is Six Sigma, a quality improvement program that uses statistical tools and a disciplined approach to drive rapid process improvement. Since the program began in 2000, more than 700 Cummins employees trained as "belts" have delivered \$100 million of savings with substantial improvements in product and service quality. A comprehensive material cost reduction program initiated in 2000 has saved over \$275 million. In 2001, selling, administrative and research spending was reduced by \$72 million. Restructuring activities and lower product coverage also improved operating costs.

Similarly, a corporate initiative on cash management resulted in significant reductions in working capital and capital spending while enabling Cummins to fund important projects that will enhance our future technological leadership and competitiveness.

Business Highlights

In 2002, the International Distributor Business becomes the fourth business unit. This collection of Company-owned distributors will enable us to grow profitability with only a modest capital investment.

In our Engine Business, we made unprecedented decisions over the course of the past year, including a significant strategy shift in our heavy-duty engine business. The Engine Business implemented long-term supply agreements with three North American

Original Equipment Manufacturers that establish the framework to fundamentally change the way Cummins operates in the heavy-duty truck market.

Cummins was the first engine manufacturer to announce that we would have an engine ready to meet the Environmental Protection Agency's emissions standards for 2002. Cummins leadership in engine technology addresses customer needs while meeting emissions requirements and Cummins longstanding commitment to clean air.

Filtration's emission solutions business will provide new growth opportunities in meeting customer needs for exhaust aftertreatment solutions.

Cummins Power Generation's strategic expansion into areas such as power electronics, the result of an alliance with AvK/SEG, will provide opportunities to offer customers fully integrated solutions for more reliable power.

2002 and Beyond

We believe that our business will be as challenging in 2002 as it was in 2001. However, Cummins has never been better positioned to take advantage of the economic rebound when it does occur. Cummins is a recognized global power leader, with market leadership in our major markets. Our growing portfolio of businesses will enable us to meet customer demands and create value for our shareholders.

We are pleased to welcome a new Board member, the Honorable Alexis Herman, former Secretary of Labor under President Clinton. We have already begun to benefit from Secretary Herman's perspective and contributions. Jim Johnson, a Board member since 1999, has informed the Board that he will not stand for re-election in 2002. We appreciate his contributions and service to Cummins. I would also like to extend our warmest wishes to Hanna Gray upon her retirement from the Board. We will miss her wisdom, experience and counsel and want to thank her for 25 years of dedicated service to Cummins.



Tim Solso
Chairman and Chief Executive Officer
Cummins Inc.
February 28, 2002



Members of the Policy Committee
Front row: Tim Solso, Jean Blackwell, John Wall
Second Row: Joe Loughrey, Tom Linebarger,
Jack Edwards, Steve Chapman, Rick Mills

Engine Business

The Engine Business designs, manufactures and sells diesel and natural gas engines ranging in size from 60 to 3500 horsepower. Markets include mining, construction, agriculture, rail, oil and gas, heavy-duty trucks, medium-duty trucks, buses, motorhomes, and the Dodge Ram pickup truck. In 2001, the Engine Business reported sales of \$3.1 billion, which represented 52 percent of Cummins business unit sales.

The Engine Business is focused on the following:

- Developing strategic partnerships
- Leveraging critical technologies
- Aggressive cost improvement

Developing Strategic Partnerships

Cummins has supplied diesel engines for the Dodge Ram pickup truck since the 1989 model year. It has been a terrific partnership for both companies. As a result of continuous improvement in quality, cost and performance, DaimlerChrysler chose Cummins to continue as the exclusive supplier of diesel engines for the Dodge Ram pickup truck through the 2007 model year.

Komatsu, a longtime strategic partner, chose Cummins to be the exclusive engine supplier for its mining equipment. In addition, an agreement was reached to expand our joint venture, Komatsu Cummins Engine Corporation (KCEC), to include our C series engine and to jointly develop it to meet future emissions standards. As a result of this agreement, the C series will be the exclusive engine for Komatsu machines in this power range worldwide.

Strategic long-term agreements were signed with three North American Original Equipment Manufacturers. These agreements have enabled Cummins to make significant changes in how it goes to market and collaborates on future product development.

In early 2001, Cummins and Westport Innovations formed a joint venture, Cummins Westport Inc., to develop, manufacture and sell a broad range of natural gas-fueled engines used in applications such as the buses for the 2002 Winter Olympics, featured in the photograph on the opposite page. The technology developed by the joint venture allows these engines to reach the same power and performance levels of a diesel while reducing emissions, which makes them an attractive alternative for certain customers.

Leveraging Critical Technologies

As a result of long-term investments in air handling, fuel systems, combustion research, and electronic controls technologies, Cummins is uniquely positioned to meet the stringent 2.5 gram NO_x+NMHC emissions standard for on-highway truck engines in North America beginning in October 2002. The development of cooled exhaust gas recirculation (EGR) required careful integration of these technologies. We leverage these technologies for both on-highway and off-highway markets to determine the right solution to meet the tough expectations of customers and the appropriate emissions and noise standards for each market.

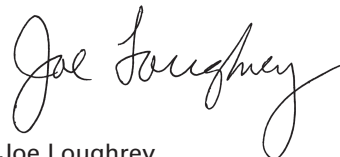
Cummins was awarded a U.S. Department of Energy contract to develop a light-duty automotive engine suitable for use in light pickup and sport utility vehicles. Progress has been steady and prototypes are being field-tested. Cummins is well positioned to take advantage of the growing interest in diesels for these vehicles.

Aggressive Cost Improvement

The steep drop in Engine Business sales from 2000 to 2001 required a relentless focus on cost reduction and cash flow improvement. Significant reductions in working capital, material costs, warranty expenses, and overhead were achieved during the year. Six Sigma improvement projects and techniques are critical to our continued success in cost and quality improvement.

At mid-year, we restructured the Engine Business into four worldwide product groups: midrange, heavy-duty, and high-horsepower engines and fuel systems in order to focus on increasing our return on assets while reducing future capital spending. This approach enables us to better leverage the joint ventures and suppliers we have in China, Brazil and India in order to further reduce costs.

This relentless focus on cost reduction will continue throughout 2002 as we prepare for the economic rebound.



Joe Loughrey
Executive Vice President
President, Engine Business



Power Generation Business

Cummins Power Generation Business, headquartered in London, England, provides generator sets, components, and power solutions to a range of businesses, governments, and consumers around the world. Cummins Power Generation revenues in 2001 were \$1.4 billion, representing 24 percent of Cummins business unit sales.

Cummins Power Generation designs and manufactures the critical components of a generator set: engines, controls, alternators, and specialized containers. The components are integrated into an energy solution by combining the hardware with local installation and aftermarket support. This integration is what we call, "THE POWER OF ONE," one company providing complete energy solutions to meet our customers' needs.

Cummins Power Generation is focused on:

- Leadership in technology
- Expanding services
- Leveraging opportunities to lower product costs

Leadership in Technology

Cummins Power Generation continues to demonstrate leadership in the integration of generator sets into customer facilities using advanced control systems, transfer switches, and switchgear. These systems allow for simple connections of power stations to the grid, making our solutions popular with engineers and electrical contractors. Our solutions also facilitate remote monitoring, whether across the parking lot or across the world, which is attractive to utilities, industrial and commercial customers. Through an alliance with AvK/SEG, we have strengthened our position in both power station controls and variable speed controls which are used in wind turbines and uninterruptible power supply systems.

In 2001, Cummins announced two major initiatives to expand the range of technologies powering our generator sets. Cummins and its technology partner, McDermott, were awarded a major grant from the U.S. Department of Energy to develop and commercialize fuel cells for small generator sets. Fuel cells offer exciting possibilities for clean and quiet power. Cummins plans to be at the forefront in offering these innovative new power solutions to our customers. In addition, the development of generator sets powered by Capstone microturbines will offer clean and quiet power to customers.

Using Cummins efficient natural gas and diesel engines allows Cummins Power Generation to offer the lowest lifecycle cost solutions, which is especially important to customers who operate power stations continuously.

In the consumer markets of recreational vehicles, yachts, and home standby, Onan extended its market leadership position by applying technology to reduce weight, package size, and noise.

Expanding Services Globally

Cummins outstanding global network of distributors is rapidly expanding the range of power generation products and services it offers. A good example is the Cummins PowerRent program.

Cummins PowerRent expanded its fleet size 200 percent to accommodate global markets in addition to its proven base in North America. Responding to customer demand for flexible energy solutions, and building on Cummins global distribution system, Cummins PowerRent established fleets in Australia, Brazil, India, Mexico, Saudi Arabia and Singapore. For instance, the expanded rental fleet enabled an energy sale contract in Australia for 20 megawatts for five years as featured in the photo on the opposite page. Other contracts include a 30 month contract in Brazil and projects in the United States where over 500 megawatts were rented for summer peaking.

Lowering Product Costs

While customers want a broader menu of energy solutions, they also want continuous improvement in cost. Cummins Power Generation exceeded cost reduction targets in 2001 through the continued success of our material cost reduction program. As part of this program, we leveraged Cummins presence in the three largest developing economies of India, Brazil and China.

In these countries, high local content in engines and components, due to Cummins 30 year systematic strategy of building local manufacturing, has helped us build a cost leadership position. Our market share leadership in both generator sets and alternators in these countries increases our economies of scale.



Jack K. Edwards
Executive Vice President
President, Power Generation



Filtration and Other Business

The Filtration Business, headquartered in Nashville, Tennessee, designs and manufactures filtration and exhaust systems for diesel-powered equipment. In 2001, the Filtration and Other Business had sales of \$889 million, representing 15 percent of Cummins business unit sales.

The widely recognized brands of Fleetguard and Nelson are manufactured in 23 plants in nine countries, including three international joint ventures, and distributed via 16 distribution centers on six continents. Three subsidiaries serve related markets including automotive fuel filtration, noise control and air filtration for power generation equipment, and industrial hydraulic filtration.

The Filtration Business continues its solid performance by leveraging the following capabilities:

- Award-winning quality
- Leadership in technology
- Global growth

Award-Winning Quality

PACCAR awarded Fleetguard its "Aftermarket Excellence Award" for 2001 in recognition of outstanding quality parts and service support. Fleetguard also won Volvo's "Aftermarket Supplier of the Year" award. Penske Leasing, a leading national truck rental and leasing fleet, named Fleetguard "Supplier of the Year" in the accessories category for the fifth consecutive year.

Six Sigma continued to provide an impressive track record of improving quality while reducing costs. For example, one project in the accounts receivable area generated both significant process improvements and cash flow benefits. Tripling the number of black belts to 24 will greatly increase efforts for future Six Sigma benefits.

Leadership in Technology

As a Cummins business, Filtration has a strong knowledge of diesel engine technology and applications as well as subsystems integration. In addition, the Filtration Business holds numerous patents in filter media technology and has world-class analytical tools and testing capabilities. These technologies enabled the Filtration Business to provide the best solutions for our customers.

The synergies between Fleetguard and Nelson provide benefits to customers, such as a broader product line of systems and components, Original Equipment Manufacturer and aftermarket product and service support, and a global reach.

Leveraging Market Growth

Developing economies, such as India, China and Brazil, provide growth opportunities for products like air systems, engine filtration and exhaust emission systems due to higher growth rates and Cummins strong market position. Filtration can leverage Cummins global presence to enter these markets quickly and cost effectively.

More stringent emissions regulations in the U.S. and around the world provide opportunities for growth in exhaust aftertreatment for first-fit Original Equipment Manufacturer applications and retrofitting vehicles already in service, such as refuse trucks in New York City, pictured on the opposite page.

In response to these requirements, a new Emission Solutions business was created to focus on this exciting global opportunity. This business will integrate aftertreatment technology and product development, and be responsible for commercializing the broader emission solutions opportunities.

Other

Included in the Filtration and Other Business is the Holset Turbocharger business, headquartered in Huddersfield, England. Holset designs, develops, and manufactures turbochargers for diesel engines and is the market leader in the midrange, heavy-duty, and high-horsepower engine sector with a worldwide market share of over 30 percent.

The turbocharger business is focused on:

- Maintaining the No. 1 or No. 2 position in our markets
- Technical leadership in systems solutions at competitive prices
- Expanding our global presence
- Growing the parts and service business

Holset was the first to market with heavy-duty variable geometry turbochargers, titanium compressors, and power turbines, all required to help our customers meet the world's ever more stringent emissions requirements, while improving engine performance.



Rick Mills
Vice President
President, Filtration and Fleetguard, Inc.



International Distributor Business

The International Distributor Business consists of 17 Company-owned and three joint venture distributors with 111 locations that provide Cummins products and related services to end users in 50 countries and territories. In 2001, the International Distributor Business reported sales of \$562 million, which represented nine percent of Cummins business unit sales.

A separate business unit has been created in response to the growing size and importance of retail sales and service to Cummins and the significant difference from the product businesses. The International Distributor Business will provide best-in-class service and support as well as products that enhance our customers' overall experience with Cummins.

The International Distributor Business is focused on:

- Profitable growth in retail sales
- Geographic and market diversification
- Innovative end user services, packages, and solutions

Profitable Growth in Retail Sales

Cummins has an extensive worldwide network of manufacturing, marketing, and engineering investments and alliances in the Engine, Power Generation, and Filtration Businesses. Our International Distributor Business strengthens that leading global position by placing Company-owned distributors in key markets such as India, China, Japan, Australia, United Kingdom, and South Africa.

In addition, the globally respected Cummins brand offers distributors the opportunity to build a dedicated customer base and a population of Cummins products on which to grow incremental service and solutions business.

Geographic and Market Diversification

The International Distributor Business is diversified in terms of both geographic and business segments. Approximately 30 percent of our revenue comes from each of three regional markets: Asia, South Pacific, and Europe. In each region, the international distributors sell products and services to end users in virtually every business segment that requires power.

The international distributors can price competitively and still earn a strong return due to the modest investment in fixed assets in combination with good working capital management.

Broad geographic diversification, the sale of services to end users in a wide range of markets, and the low fixed-cost nature of the business all effectively hedge our International Distributor Business against major economic and commercial swings.

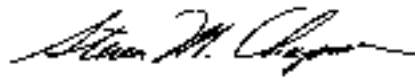
Innovative End User Services, Packages and Solutions

End user services include product maintenance, repair, and overhaul. In many locations, such as in the Chile distributor shown in the photograph, our distributors have long-term engine repair and overhaul contracts or provide complete maintenance and repair packages for fleets using Cummins-powered equipment. Other examples include passenger rail operations in the United Kingdom and power generation customers in India.

The distributors also supply locally integrated packages that include Cummins engines or power generation equipment, together with related components or services, engineered into a single package to meet a customer need. Examples include engine, transmission and drive-line packages for bus repowers in the United Kingdom, wind machines for frost protection in Australia, and flood pump drives in Taiwan.

In some locations, the distributors also provide comprehensive business solutions that apply engine-powered equipment to manage broad aspects of an end user's business. Examples include generator set rental in Singapore, ship refurbishment in Australia, and power projects in Brazil.

These packages and solutions represent a significant growth opportunity for Cummins.



Steve Chapman
Vice President, International
General Manager, International Distributor Business

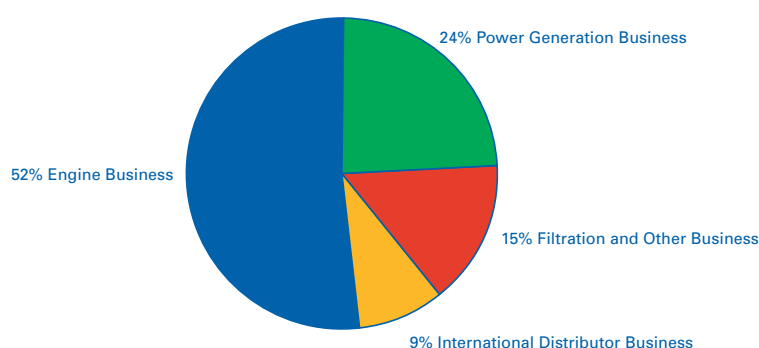


Net sales were \$5.7 billion in 2001, 14 percent lower than sales of \$6.6 billion reported in 2000 and 1999. Earnings before interest and taxes in 2001 were \$83 million, excluding a pretax charge of \$125 million in connection with certain restructuring actions and asset impairment write-downs. This compares to \$249 million in 2000, excluding a pretax charge of \$160 million for restructuring actions and asset impairments, and \$356 million in 1999, excluding a pretax charge of \$60 million in connection with the dissolution of the Cummins Wärtsilä joint venture. In 2001, Cummins reported a loss before interest and taxes of \$42 million, compared to earnings of \$89 million in 2000 and \$296 million in 1999. Cummins reported a net loss in 2001 of \$102 million, or \$(2.66) per share, compared to net earnings of \$8 million, or \$.20 per share, in 2000 and net earnings of \$160 million, or \$4.13 per share, in 1999.

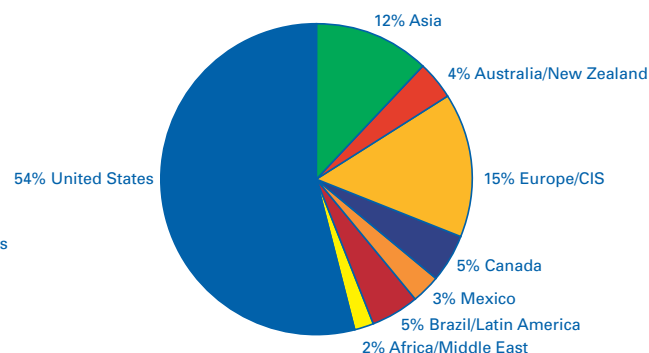
Five Year Financial Summary

\$ Millions, except per share amounts	2001	2000	1999	1998	1997
Net sales	\$5,681	\$6,597	\$6,639	\$6,266	\$5,625
Cost of goods sold	4,660	5,338	5,221	4,925	4,345
Special charges	-	-	-	92	-
Gross margin	1,021	1,259	1,418	1,249	1,280
Operating expenses:					
Selling and administrative expenses	728	776	781	787	744
Research and engineering expenses	220	244	245	255	260
(Income) expense from joint ventures and alliances	(10)	(9)	28	30	(10)
Other (income) expense, net	-	(1)	8	(13)	(26)
Restructuring, asset impairment and other charges	125	160	60	125	-
Earnings (loss) before interest and income taxes	(42)	89	296	65	312
Interest expense	76	86	75	71	26
(Benefit) provision for income taxes	(42)	(19)	55	4	74
Minority interest	15	14	6	11	-
Dividends on preferred securities of subsidiary trust	11	-	-	-	-
Net earnings (loss)	\$ (102)	\$ 8	\$ 160	\$ (21)	\$ 212
Net earnings (loss) per share:					
Basic	\$ (2.66)	\$ 0.20	\$ 4.16	\$ (.55)	\$ 5.55
Diluted	(2.66)	0.20	4.13	(.55)	5.48
Number of shares for EPS:					
Basic	38.3	38.2	38.3	38.5	38.2
Diluted	38.3	38.2	38.6	38.5	38.7
Cash dividends per share	\$ 1.20	\$ 1.20	\$ 1.125	\$ 1.10	\$ 1.075
Shareholders' investment per share	26.66	34.90	37.44	33.11	37.05
Working capital	\$ 665	\$ 607	\$ 866	\$ 805	\$ 655
Property, plant and equipment, net	1,405	1,598	1,630	1,671	1,532
Total assets	4,335	4,500	4,697	4,542	3,765
Total debt	945	1,196	1,215	1,227	654
Shareholders' investment	1,025	1,336	1,429	1,272	1,422
Property, plant and equipment additions	\$ 206	\$ 228	\$ 215	\$ 271	\$ 405
Depreciation and amortization	231	240	233	199	158
Shareholders of record	4,600	4,800	4,800	5,200	4,700
Number of employees	24,900	28,000	28,500	28,300	26,300

2001 Sales by Business Unit



2001 Sales by Geographic Region



Directors



Tim Solso



Robert J. Darnall



J. Lawrence Wilson



William I. Miller



James A. Johnson



Hanna H. Gray



Walter Y. Elisha



Franklin A. Thomas



William D. Ruckelshaus



Alexis M. Herman



John M. Deutch

Committees

Directors

Tim Solso	Chairman and Chief Executive Officer of Cummins Inc.
Robert J. Darnall	Retired Chairman and Chief Executive Officer, Inland Steel Industries Inc., basic steel manufacturer, processor and distributor
John M. Deutch	Institute Professor, Massachusetts Institute of Technology
Walter Y. Elisha	Retired Chairman, Springs Industries, Inc., manufacturer of home furnishings, industrial and specialty fabrics
Hanna H. Gray	President Emeritus and Professor of History, University of Chicago
Alexis M. Herman	Chairman and Chief Executive Officer of New Ventures, Inc., an independent consulting firm
James A. Johnson	Vice-Chairman, Perseus, LLC
William I. Miller	Chairman, Irwin Financial Corporation, financial services company
William D. Ruckelshaus	Strategic Partner, Madrona Venture Group
Franklin A. Thomas	Consultant, TFF Study Group, non-profit initiative to assist the development process in South Africa
J. Lawrence Wilson	Retired Chairman and Chief Executive Officer, Rohm and Haas Company, specialty chemical manufacturing
J. Irwin Miller	Honorary Chairman

Committees

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Executives and Officers

Policy Committee

Tim Solso	Chairman and Chief Executive Officer
Jean Blackwell	Vice President, Cummins Business Services
Steve Chapman	Vice President, International and General Manager, International Distributor Business
Jack Edwards	Executive Vice President, President, Power Generation
Tom Linebarger	Vice President and Chief Financial Officer
Joe Loughrey	Executive Vice President, President, Engine Business
Rick Mills	Vice President, President, Filtration and Fleetguard, Inc.
John Wall	Vice President and Chief Technical Officer

Corporate

Tom Linebarger	Vice President	Chief Financial Officer
Jean Blackwell	Vice President	Cummins Business Services
John Crowther	Vice President	Information Technology and Chief Information Officer
Bob Crane	Vice President	Corporate Controller
Marya Rose	Vice President	General Counsel and Corporate Secretary
Steve May	Vice President	Government Relations
Donald Trapp	Vice President	Treasurer

International

Steve Chapman	Vice President General Manager	International International Distributor Business
Ricardo Chuahy	General Manager President	Latin America Cummins Brasil
Hugh Foden	General Manager	Southeast Asia
Mike Green	Managing Director	South Pacific
Jong S. Kim	Area Managing Director	East Asia
Steve Knaebel	Vice President President and General Manager	Cummins Mexico Operations Cummins, S. de R.L. de C.V.
Ravi Venkatesan	Managing Director	India
Steve Yun	Area Business Director	Korea

Engine Business

Joe Loughrey	Executive Vice President, President	Engine Business
Iain Barrowman	Vice President	High-Horsepower Operations
Martha Finn Brooks	Vice President	Marketing and Sales
Rich Freeland	Vice President and General Manager	Fuel Systems Business
Richard M. Gold	Vice President and General Manager	PowerCare and Distribution
Jeff Hamilton	Vice President	Research and Development
Sam Hires	Vice President	High-Horsepower Engine Development
Jeff Jones	Vice President	Sales and Support
Jim Kelly	Vice President and General Manager	Midrange Engine Business
Mark Levett	Vice President and General Manager	High-Horsepower Engine Business
Jim Lyons	Vice President	Midrange Manufacturing
Frank McDonald	Vice President and General Manager	Heavy-Duty Engine Business
Larry Moore	Vice President	Operations Excellence
George L. Muntean	Vice President	Fuel Systems Engineering
Ed Pence	Vice President	Automotive Business
John H. Stang	Vice President	Automotive Engineering
Bharat Vedak	Vice President	Industrial Customer Engineering
Christine Vujovich	Vice President	Environmental Policy and Product Strategy
Bob Weimer	Vice President	Quality, Heavy-Duty Business
Mark Yragui	Vice President	Industrial Marketing and New Business Development

Power Generation Business

Jack Edwards	Executive Vice President, President	Power Generation Business
Ron Moore	Vice President and General Manager	Power Generation Americas
Peter McDowell	Vice President and Managing Director	Newage
Tony Satterthwaite	Vice President	Central Area Cummins Power Generation
Steve Zeller	Vice President, Chairman and Managing Director	Newage AvK/SEG

Filtration and Other Business

Rick Mills	Vice President, President	Filtration and Fleetguard, Inc.
Pamela Carter	Vice President	Global Sales, Marketing, Logistics and Distribution
Mark Gerstle	Vice President	Operations
David Moorhouse	Vice President and Managing Director	Holset Engineering Company, Ltd.

Our Worldwide Locations

	Location	Products
■ Operations		
BMC Sanayi ve Ticaret A.S.**	Izmir, Turkey	B3.9/5.9 C8.3
Chongqing Cummins Engine Company Ltd.*	Chongqing, China	NT L10/M11 K19/38/50
Columbus Midrange Engine Plant	Columbus, Indiana	B5.9 ISB
Columbus Engine Plant	Columbus, Indiana	N14/NT Signature 600 ISX
Consolidated Diesel Company*	Rocky Mount, North Carolina	B3.9/5.9 C8.3 ISB ISC
Cummins Brasil Ltda.	Sao Paulo, Brazil	B3.9/5.9 C8.3 NT/N14
Cummins Engine Company PTY	Scoresby, Australia	Generator sets
Cummins India Ltd.	Pune, India	C8.3 NT/N14 V28 K38/50
Cummins Industrial Center	Seymour, Indiana	K19 V903 QSK19
Cummins Komatsu Engine Co.*	Seymour, Indiana	QST30
Cummins Marine Charleston	Charleston, South Carolina	B C QSM11 N14
Cummins Natural Gas Engines, Inc.	Forth Worth, Texas	G-K19 G-V28 G-NT
Cummins Power Generation	Fridley, Minnesota	Generator sets and electronic controls
Cummins Power Generation	Singapore	Generator sets
Cummins Power Generation Limited	Ramsgate, England	Generator sets and electronic controls
Darlington Engine Plant	Darlington, England	B3.9/5.9 C8.3
Daventry Engine Plant	Daventry, England	K38/50 QSK45/60 QSV81/91
Dongfeng Cummins Engine Co. Ltd*	Xiangfan, China	C8.3
Dongfeng Motor Corporation**	Xiangfan, China	B3.9/5.9
Jamestown Engine Plant	Jamestown, New York	ISM L10 G-L10
Komatsu Cummins Engine Company, Ltd*	Oyama, Japan	B3.3 B3.9/5.9
Power Systems India Ltd	Daman, India	Generator sets
SsangYong Heavy Industries Co., Ltd**	Seoul, South Korea	K19 V903
Swagman International PTY Ltd.	Queensland, Australia	Recreational vehicles
Tata Cummins Limited*	Jamshedpur, India	B3.9/5.9

■ Technical Center Locations

Columbus, Indiana
 Cookeville, Tennessee
 Darlington, England
 European Engine Alliance,* Maidenhead, England
 Fridley, Minnesota
 Industrial Power Alliance,* Oyama, Japan
 Pune, India
 Sao Paulo, Brazil
 Stoughton, Wisconsin

■ Regional Parts Distribution Centers

Hebron, Kentucky
 Mechelen, Belgium
 Memphis, Tennessee
 Mississauga, Canada
 Pune, India
 San Luis Potosi, Mexico
 Sao Paulo, Brazil
 Scoresby, Australia
 Seoul, Korea
 Shanghai, China
 Singapore
 Sparks, Nevada
 Sparta, Tennessee
 Weedon, UK

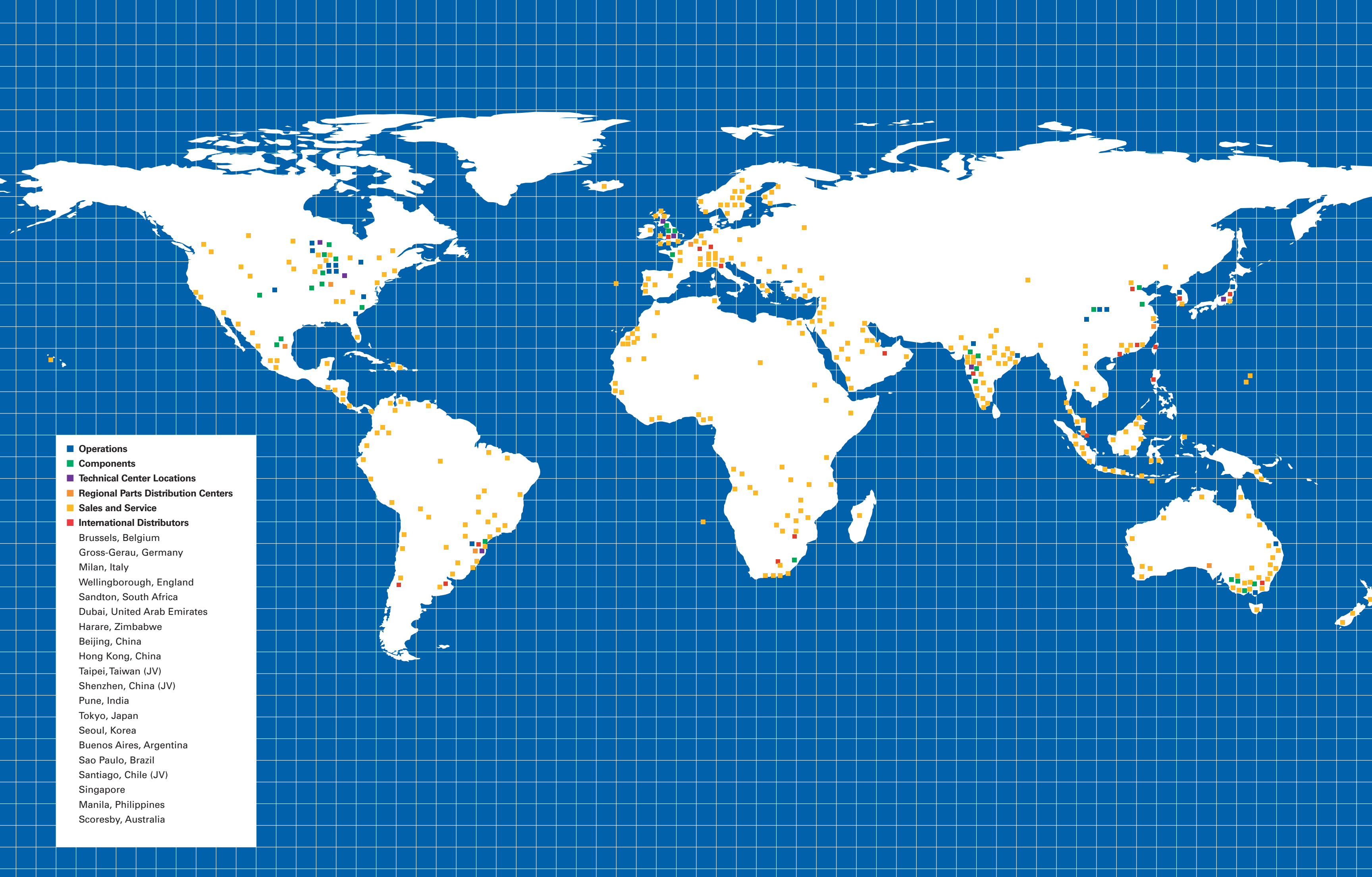
■ Sales and Service

Over 500 distributorships
 and branches worldwide

* Joint Venture

** Licensee

	Location	Products
■ Components		
AvK/SEG Holding GmbH & Co KG*	AvK, Ingolstadt, Germany	Alternators
AvK/SEG Holding GmbH & Co KG*	SEG, Kempten, Germany	Power Systems
CBM Technologies PTY Ltd.	Launceston, Australia	Engine components
Crompton Greaves Newage Ltd.	Ahmednagar, India	Alternators
Cummins Engine Company PTY	Scoresby, Australia	Generator set components and remanufactured engines
Cummins S.A.	San Luis Potosi, Mexico	Engine components and remanufactured engines
Cummins Xiangfan Manufacturing Company	Xiangfan, China	Engine components
Diesel ReCon Company	Memphis, Tennessee	Remanufactured engines and components
Diesel ReCon Company	OER Toronto, Canada	Remanufactured engines and components
Diesel ReCon de Mexico S. A. de C. V.	Ciudad Juarez, Mexico	Remanufactured engines and components
Fleetguard	Kilsyth, Australia	Filtration systems
Fleetguard	Bonsucesso, Brazil	Filtration and exhaust systems
Fleetguard Filters Ltd.	Pune, India	Filtration systems
Fleetguard	Quimper, France	Filtration systems
Fleetguard	Cookeville, Tennessee	Filtration systems
Fleetguard	Lake Mills, Iowa	Filtration systems
Fleetguard Nelson Mexico S. de R. L. de C. V.	San Luis Potosi, Mexico	Filtration and exhaust systems
Fleetguard	Pietermaritzburg, South Africa	Filtration systems
Fleetguard Nelson	Hinkley, England	Exhaust systems
Fuel Systems Division	Columbus, Indiana	Fuel system design and manufacture
Holset Engineering Company Ltd.	Charleston, South Carolina	Turbochargers
Holset Engineering Company Ltd.	Huddersfield, England	Turbochargers
Kuss Filtration	Findlay, Ohio	Filtration systems
Markon Sawafuji Ltd*	Oakham, England	Alternators
Nelson Engine Systems India Ltd.	Daman, India	Exhaust systems
Fleetguard Nelson	Stoughton, Wisconsin	Filtration and exhaust systems
Fleetguard Nelson	Arcadia, Wisconsin	Exhaust systems
Fleetguard Nelson	Black River Falls, Wisconsin	Exhaust systems
Fleetguard Nelson	Bloomer, Wisconsin	Filtration systems
Fleetguard Nelson	Mineral Point, Wisconsin	Filtration and exhaust systems
Fleetguard Nelson	Neillsville, Wisconsin	Filtration and exhaust systems
Fleetguard Nelson	Viroqua, Wisconsin	Exhaust systems
Fleetguard Nelson	Wautoma, Wisconsin	Exhaust systems
Newage International Limited	Stamford, England	Alternators
Shanghai Fleetguard Ltd. *	Shanghai, China	Filtration systems
Stamford Mexico S. de R.L. de C.V.	San Luis Potosi, Mexico	Alternators
Tata Holset Ltd*	Dewas, India	Turbochargers
Tubengineers Pty. Ltd.	Scoresby, Australia	Exhaust systems
Universal Silencer	Montello, Wisconsin	Filtration and silencing systems
Universal Silencer	Muscoda, Wisconsin	Filtration and silencing systems
Universal Silencer Mexico SA DE	San Luis Potosi, Mexico	Filtration and silencing systems
Universal Silencer	Stoughton, Wisconsin	Filtration and silencing systems
Wuxi Holset Ltd*	Wuxi, China	Turbochargers
Wuxi Newage Alternators Ltd*	Wuxi, China	Alternators



■ Operations
■ Components
■ Technical Center Locations
■ Regional Parts Distribution Centers
■ Sales and Service
■ International Distributors
Brussels, Belgium
Gross-Gerau, Germany
Milan, Italy
Wellingborough, England
Sandton, South Africa
Dubai, United Arab Emirates
Harare, Zimbabwe
Beijing, China
Hong Kong, China
Taipei, Taiwan (JV)
Shenzhen, China (JV)
Pune, India
Tokyo, Japan
Seoul, Korea
Buenos Aires, Argentina
Sao Paulo, Brazil
Santiago, Chile (JV)
Singapore
Manila, Philippines
Scoresby, Australia

Shareholder Information

Stock Transfer Agent, Registrar, and Dividend Disbursing Agent

Wells Fargo Shareowner Services is the Company's stock transfer agent and registrar. Wells Fargo maintains the Company's shareholder records, disburses dividend checks, and administers the Company's Dividend Reinvestment Program.

General correspondence (address change, name change, notification of lost securities, transfers, inquiries about transfer requirements, and correspondence relating to the Dividend Reinvestment Program) should be directed to Wells Fargo.

By mail:

Wells Fargo Shareowner Services
P.O. Box 64854
St. Paul, MN 55164-0854

By hand or overnight:

Wells Fargo Shareowner Services
161 North Concord Exchange
South St. Paul, MN 55075

By phone:

1-800-468-9716
1-651-450-4064

By fax:

1-651-450-4033

By e-mail:

StockTransfer@WellsFargo.com

Dividends

Common stock dividends are payable quarterly upon authorization of the Board of Directors on or about the fifteenth of March, June, September and December.

Dividend Reinvestment

As an added service to shareholders, Cummins has a Dividend Reinvestment Plan, administered by Wells Fargo Shareowner Services. This plan gives shareholders of record the option of having their cash dividends and optional cash payments applied toward the purchase of additional shares. Shareholders desiring information about this plan may contact Wells Fargo Shareowner Services (see above), or request information from Cummins through the Company's website, www.cummins.com.

Annual Meeting

Shareholders are invited to attend the Company's Annual Meeting on April 2, 2002, at 10:00 a.m. (Eastern Standard Time) in Columbus, Indiana at the Columbus Engine Plant (CEP) located at 500 Central Avenue.

Further Information

Shareholders and others are invited to visit Cummins on the Web for further information of interest to investors. Visit www.cummins.com and click on Investor Information. The Annual Meeting and quarterly earnings teleconferences will be webcast from this site. SEC filings, press releases, stock quotes, and other information are available there. In addition, you can request a printed copy of the 10-K, 10-Q, annual report, and dividend reinvestment literature, and you can request e-mail alerts to advise you when new information is posted to the site. Shares may be voted by mail, by a toll-free telephone call or on the Internet. Please see the simple instructions on the proxy card.

Investors may also contact:

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Phone: 812-377-3121
Fax: 812-377-4937
Investor_relations@cummins.com
The Company's press releases by fax may be requested by calling News on Demand at 1-888-329-2305.

Corporate Headquarters

Cummins Inc.
Columbus, IN 47202-3005

Exchange Listing

The common stock of Cummins Inc. is listed on the New York Stock Exchange and the Pacific Stock Exchange under the symbol CUM.

