



Cummins India Limited
Registered Office : Kothrud,
Pune 411 029 (India)

PRESS RELEASE

Cummins India Limited – Total Sales for the quarter up 32%, exports up 66%, domestic up 20%, profits before tax up by 36%. Declares an interim dividend of 100%.

Mumbai, January 28, 2005

The Board of Directors of Cummins India Limited in a meeting held today took on record the unaudited financial results for the quarter ended December 31, 2004. The company announced a 32% per cent increase in net sales to Rs 2,967 million for the quarter ended December 31, 2004, as compared with Rs 2,244 million in the same period last year on the back of a 66% per cent rise in exports and a 20% increase in domestic sales. The growth in domestic sales was mainly due to the strong demand in the power generation sector. Exports rose to a record level of Rs 1,000 million during the quarter against Rs 559 million in the third quarter of 2003.

The profit before tax during the quarter rose by 36% per cent to Rs 449 million from Rs 330 million the same period last year. The company also declared an interim dividend of 100% on 198,000,000 equity shares of Rs 2 each.

Net sales for the nine months to December 31, 2004 stood at Rs 8,750 million, an increase of 33% per cent over the corresponding previous period, which stood at Rs 6,597 million. During the nine-month period, net profit before tax rose by 29% to Rs 1,283 million. Export earnings rose by 80% per cent during the nine months to Rs 2,767 million.

Anant Talaulicar, Chairman, CIL, said, "We exceeded our sales targets, although margins remained impacted by a combination of adverse mix and exchange rate. We have been able to neutralize inflationary impacts via aggressive cost reduction, productivity increases and indigenization. In addition, the solid revenue growth has enabled us to leverage our fixed cost base. We continue to see strong exports as well as domestic demand. We remain optimistic about the future outlook and this is reflected in the declaration of the 100 % interim dividend for the current financial year 2004-2005"

The company plans to productively use its strong cash reserves in growing its domestic and exports sales as well as entry into automotive engines over the next two years, Mr Talaulicar added.

Cummins India Limited

Cummins India Limited, in Pune since 1962, is the country's leading manufacturer of diesel engines. CIL has produced more than 167,000 engines to date in its state-of-the-art manufacturing facilities in Pune. The company manufactures on an average, nearly 10,000 engines per year. Cummins India Limited is the flagship company of the Cummins group in India.



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About Cummins in India

Cummins in India, a power leader, is a corporation of complementary business units that design, manufacture, distribute and service engines and related technologies. Its technology and pioneering initiatives are bringing innovative solutions and reliable services at the best possible value to users across the country. Its high performance outlook is based on customer focus, integrity and capability of its people.

Part of the USD 6.3 billion Cummins Inc, Cummins in India is a group of 11 entities across 200 locations in the country with a combined turnover of over Rs.25,000 million and employing more than 5000 people. Website: www.cumminindia.com.

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