





2003 Annual Report

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 its customers through more than 680 company-owned and independent distributor locations in 137 countries and territories. Cummins also provides service through a vast dealer network of more than 5,000 facilities in 197 countries and territories. With more than 24,000 employees worldwide, Cummins reported sales of \$6.3 billion in 2003. Press releases can be found by accessing the Cummins home page at www.cummins.com.

Table of Contents

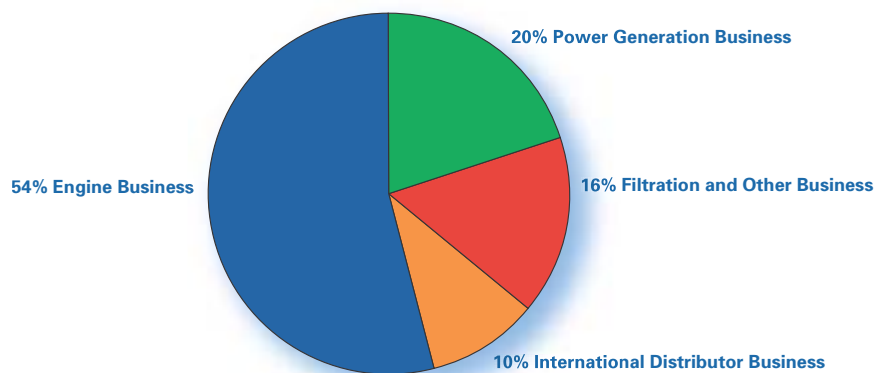
2	Financial Summary
4	Letter to Shareholders
8	Engine Business
10	Power Generation Business
12	Filtration and Other Business
14	International Distributor Business
16	Board of Directors, Executives and Officers
18	Worldwide Locations
20	Shareholder Information

Financial Summary

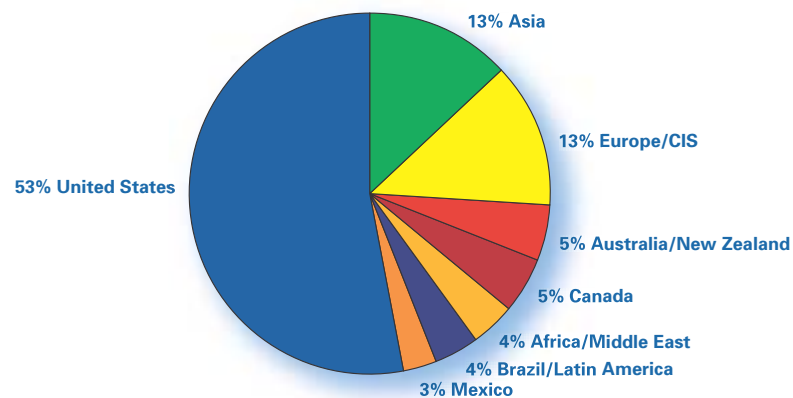
Net sales were \$6.3 billion in 2003, 8 percent higher than sales of \$5.9 billion reported in 2002 and 11 percent higher than sales of \$5.7 billion reported in 2001. Cummins reported earnings before interest, taxes and cumulative effect of accounting change of \$181 million in 2003, compared with \$139 million in 2002 and a loss of \$44 million in 2001, including a \$126 million charge for restructuring, asset impairment and other non-recurring

items. In 2003, Cummins reported net earnings of \$50 million, or \$1.27 per share, compared with net earnings of \$82 million, or \$2.13 per share, in 2002 and a net loss of \$103 million, or (\$2.70) per share, in 2001. In 2002, net earnings included favorable income tax adjustments of \$57 million, or \$1.47 per share, related to the settlement of prior-year tax audits.

2003 Sales by Operating Segment



2003 Sales by Geographic Region



Selected Financial Data

\$ Millions, except per share, shareholder and employee data	2003	2002	2001	2000	1999
Net sales	\$6,296	\$5,853	\$5,681	\$6,597	\$6,639
Cost of goods sold	5,173	4,808	4,668	5,330	5,247
Gross margin	1,123	1,045	1,013	1,267	1,392
Selling and administrative expenses	830	736	721	773	801
Research and engineering expenses	200	201	220	246	243
Equity, royalty and other (income) loss from investees	(70)	(22)	(10)	(7)	27
Other (income) expense, net	(18)	(9)	-	6	5
Restructuring, asset impairment and other charges (credits)	-	(8)	126	154	56
Loss on early retirement of debt	-	8	-	-	-
Earnings (loss) before interest, income taxes and cumulative effect of change in accounting principles	181	139	(44)	95	260
Interest expense	90	61	77	87	75
Provision (benefit) for income taxes*	12	(38)	(44)	(20)	47
Minority interests in earnings of consolidated subsidiaries	14	16	15	14	6
Dividends on preferred securities of subsidiary trust	11	21	11	-	-
Net earnings (loss) before cumulative effect of change in accounting principles	54	79	(103)	14	132
Cumulative effect of change in accounting principles, net of tax**	(4)	3	-	-	-
Net earnings (loss)	\$ 50	\$ 82	\$ (103)	\$ 14	\$ 132
Basic earnings (loss) per share					
Net earnings (loss) before cumulative effect of change in accounting principles	\$ 1.37	\$ 2.06	\$ (2.70)	\$ 0.35	\$ 3.43
Cumulative effect of change in accounting principles, net of tax	(.09)	0.07	-	-	-
Net earnings (loss)	\$ 1.28	\$ 2.13	\$ (2.70)	\$ 0.35	\$ 3.43
Diluted earnings (loss) per share					
Net earnings (loss) before cumulative effect of change in accounting principles	\$ 1.36	\$ 2.06	\$ (2.70)	\$ 0.35	\$ 3.41
Cumulative effect of change in accounting principles, net of tax	(.09)	0.07	-	-	-
Net earnings (loss)	\$ 1.27	\$ 2.13	\$ (2.70)	\$ 0.35	\$ 3.41
Number of shares for earnings (loss) per share:					
Basic	39.3	38.6	38.3	38.2	38.3
Diluted	39.5	38.8	38.3	38.2	38.6
Balance sheet data					
Working capital	\$ 739	\$ 653	\$ 557	\$ 589	\$ 822
Property, plant and equipment, net	1,347	1,305	1,405	1,596	1,624
Total assets	5,126	4,837	4,311	4,448	4,629
Total debt	1,429	1,137	945	1,197	1,215
Preferred securities of subsidiary trust ***	-	291	291	-	-
Shareholders' equity	949	841	983	1,280	1,365
Other data					
Capital expenditures	\$ 111	\$ 90	\$ 206	\$ 228	\$ 215
Depreciation and amortization	223	219	229	240	231
Cash dividends per share	\$ 1.20	\$ 1.20	\$ 1.20	\$ 1.20	\$ 1.125
Shareholders of record	4,200	4,300	4,600	4,800	4,800
Number of employees	24,200	23,700	24,900	28,000	28,500

* 2002 income tax benefit included a favorable adjustment of \$57 million, or \$1.47 per share, from settlement of prior-year tax audits.

** A charge of \$4 million, or \$(0.09) per share, related to the adoption of a new accounting standard for variable interest entities in 2003 and a credit of \$3 million, or \$0.07 per share, in 2002 related to an accounting change regarding the measurement date of our benefit plans.

*** Included in total debt beginning in 2003.



2003 was a good year for Cummins, reflecting the dedicated efforts of our more than 24,000 employees around the world.

The Company's stock provided an 80.2 percent total return for Cummins shareholders, including both share price appreciation and the compounding effect of the dividend. That return compares very favorably to total returns for major indices, including the Dow Jones Industrial Average at 28.3 percent, the Standard & Poor's 500 Stock Index at 28.7 percent and the Russell 2000 at 49.5 percent.

In the second half of the year, our businesses were generating a profit largely due to increased sales and ongoing cost-reduction efforts, especially our Six Sigma initiatives.

Our share in earnings from joint ventures and affiliated companies was \$70 million for 2003 – more than three times earnings in the previous year. We are forecasting long-term growth in profits from joint ventures, and as we solidify our joint venture dividend policies, we expect to improve our cash flow from them.

End markets finally showed signs of improvement in the second half of the year following a very tough three-year recession. The outlook continues to be promising for 2004, particularly the North American heavy-duty and medium-duty truck segments, Dodge Ram pickup trucks, recreational vehicles, oil and gas, mining and filtration products, as well as major international markets, including China and India.

The following summarizes key successes from our four complementary business segments.

Engine Business

In 2003, the Engine Business had sales of \$3.6 billion, up 6 percent from the previous year. Profits were \$70 million compared to profits of \$49 million in 2002. The results are an indication that the Engine Business is leveraging its improved cost structure to benefit performance as markets return. At the same time, the 2003 results reflect a record volume year for the Cummins turbo diesel engine that powers the popular Dodge Ram pickup truck. The Dodge Ram engine generated more than \$750 million in revenue for the Company in 2003.

The engine for the 2004^{1/2} model was named one of the "10 Best Engines for 2004" by *Ward's Communications*. Our 15-year partnership with DaimlerChrysler was extended this past year and holds promise for future business opportunities.

Order rates for our emission-compliant engines continue to improve. More than 30,000 ISX and ISM engines for the North American heavy-duty truck market were shipped in 2003. With the positive performance of our engines and the experience gained by truck fleets, we are in a good position to take advantage of the growing demand for environmentally friendly products.

The Heavy Duty Business also continued to build on the three long-term supply agreements that secure our customer base well into the future. These agreements with our North American heavy-duty truck original equipment manufacturers (OEMs) provide the foundation for a different approach to engineering and design that engages the vehicle manufacturer as a partner in development. The result will be a more efficient product development cycle and continued improvements in the quality of our next generation of products. The agreements enable better pricing discipline in the market and lower expenses in our marketing, sales and support activities.

The medium-duty business enjoyed similar success, as Cummins and Freightliner reached an agreement to continue to install Cummins ISC and ISL engines in Freightliner and Sterling brand trucks. Cummins engines will now be available in the new Freightliner Business Class M2 line of medium-duty and vocational trucks, as well as the Sterling Acterra product line. The agreement extends through 2006.

The Engine Business signed another new customer agreement with Thomas Built Bus, a member of the DaimlerChrysler Freightliner Group. Thomas announced last year that it will begin using the Cummins ISB Engine in its school buses in 2004. The ISB's low emissions and quiet operation offer important safety benefits for both students and bus drivers.

A major international highlight of the year for the Engine Business was the expansion of the agreement between Cummins and Dongfeng Automobile Company Limited, a subsidiary of Dongfeng Motor Company. The 50-50 joint venture was broadened to include Cummins C series engines in Dongfeng's production capabilities. The expanded joint venture captures additional market presence, resulting in higher profits and cash flow during 2003.



Power Generation Business

In 2003, Cummins Power Generation increased sales by 8 percent from \$1.2 billion in 2002 to \$1.3 billion, despite challenging industry conditions, including low capital spending levels, excess inventory and price competition. While the higher sales and continued cost reduction efforts returned the business to profitability in the fourth quarter, Power Generation lost \$15 million in 2003 compared to a loss of \$25 million in 2002.

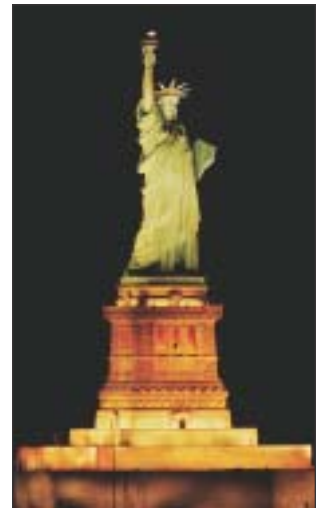
After realigning the organization under new leadership, the business improved performance in 2003 by launching new low-cost products and intensifying its focus on cost reduction initiatives. In addition, in the second half of the year Power Generation began to see some improvement in the weak economic conditions that plagued the industry for more than 24 months.

Power Generation's consumer business, which sells Onan-branded products in the recreational vehicle, marine, residential and commercial vehicle markets, delivered record sales and earnings in 2003. Share growth in all markets, combined with favorable conditions primarily in the recreational vehicle market, contributed to this solid performance. Overall sales were \$266 million, an 8 percent increase over 2002.

The consumer business has benefited from Power Generation's strategic focus on market share growth, ongoing relationships with loyal customers and the positive brand recognition and reputation of Onan products. We are well positioned for future growth in this segment.

Our alternator business experienced strong sales and profits in Asia-Pacific and the Europe/Middle East/ Africa regions. Overall sales were \$163 million, a 23 percent increase over 2002. This growth was achieved despite competitive pricing in all markets.

Power Generation played a major role in providing electrical service during the August blackout that affected much of the northeastern United States. In addition to keeping the lights on at the Statue of Liberty and New York City Hall, Cummins provided immediate emergency power to hospitals, airports and air traffic control, telecommunications equipment, water treatment facilities and homes.



Finally, the Company's business activity in the Middle East increased, benefiting from sales and rental of power generation equipment to Iraq.

Filtration and Other Business

In 2003, the Filtration and Other Business had record sales of \$1.1 billion, up 11 percent from 2002. Profits were \$86 million. Fleetguard, our filtration and exhaust system subsidiary, achieved double-digit sales growth in an uneven global economy. While North America accounted for the majority of Fleetguard's increase, Europe and Asia-Pacific also grew sales.

Emission Solutions continued its strong performance with early OEM success in the North American heavy-duty pickup and transit bus markets. Partnerships with leading catalyst manufacturers, together with strong engine and equipment distribution channels, created high demand for Emission Solutions retrofit products.

Fleetguard signed a new five-year supply agreement with CNH Global NV for both OEM production and aftermarket service sales. In August, the Filtration Business announced the opening of a new 200,000 square foot plant in Waynesboro, Georgia, to support the small engine and recreational vehicle market that has migrated operations to the southeastern U.S. Shortly afterward, Honda Motors awarded the Filtration Business the vehicle exhaust system for its new all-terrain vehicle platform.

Last year, Fleetguard introduced several new environmentally friendly products. They included a centrifugal lube filtration series that provides the maximum soot removal efficiency available on the market today. Another new product was the Enviroguard line that controls oil drips and filters crankcase aerosols in all diesel engine applications from 60 to 640 horsepower. Fleetguard also added a diesel-engine retrofit emissions system that reduces oxides of nitrogen by 25 percent and particulate matter by 85 percent, as well as a line of heavy-duty antifreeze products that features recycled coolants.

MacKay & Company, a leading U.S. independent market research company, ranked Fleetguard as the top brand preferred in air, oil, fuel and coolant filtration.

Holset, our turbocharger business, is the world's largest commercial turbocharger manufacturer. Holset's variable geometry turbocharger is a key technology for meeting emissions standards in high-performance applications. In 2003, Holset launched its first application of an electronically controlled wastegate turbocharger on the Cummins diesel engine for the Dodge Ram pickup.

International Distributor Business

The International Distributor Business achieved a 17 percent increase in sales and a 38 percent increase in profits over 2002 levels. Overall, the International Distributor Business profits grew from \$29 million in 2002 to \$40 million in 2003 on sales growth of \$95 million.

Along with the Middle East distributorship in Dubai, other areas that delivered better-than-expected sales and profits included Australia, South Africa, the United Kingdom and Japan. India experienced a year-over-year sales growth of 10 percent due to the country's improving economy and infrastructure enhancements.

In the first half of the year, results in China and Southeast Asia were not as good as expected. Lingering economic weakness in Southeast Asia also kept Hong Kong, Singapore and the Philippines distributorships below plan levels. Despite these challenges, sales and profits for all of Asia improved over the previous year.

The International Distributor Business's targeted investment in new service locations in China, the United Kingdom, Belgium, Italy, Argentina and Russia is important for current and future results. Equally critical is the organization's emphasis on asset utilization, common systems and leveraging resources.

A Global Future

To be sure, American businesses face significant challenges today. Health care costs that have reached 15 percent of our gross domestic product, the potential for terrorists to wreak havoc with the world economy and the fallout from corporate corruption and scandals are just a few. Still, the successes that Cummins enjoyed in 2003, coupled with the signs that our nation's economy is on the mend, have fueled my optimism for 2004 and beyond.

We have a product line-up that is second to none and a clear technology plan that extends to 2013. We are either No. 1 or No. 2 in the majority of the markets in which we participate. We are committed to taking care of our customers – both current and future – by providing them with the products and services they want and need.

Our relentless focus on cost reduction and on tightly managing the capital investment in our businesses during the downturn has positioned us well for the market recovery. We will continue this disciplined focus on cost leadership and excellence in execution, while seeking attractive opportunities for growth. Our intent is to profit from the value of our core brands, established market position, technology leadership and global presence.

Wherever possible we will use the strong synergies and linkages between our businesses to capitalize on emerging market opportunities. For example, combining the exhaust packaging competencies of Fleetguard, our experiences with diesel combustion and emissions and our partnerships with key global equipment manufacturers puts Cummins in an excellent position to benefit from the emerging need for diesel exhaust aftertreatment worldwide.

China and India represent near-term opportunities for Cummins. Over the last five years, we have seen significant earnings growth from the market position we have established in China. Our long-standing business enterprises in India have delivered consistent and reliable earnings for many years. Cummins and our JV partners combined to sell more than \$1.3 billion of engines and turbos in the two countries. We are the largest foreign investor in China's diesel engine sector, and have six factories that produce engines, turbochargers, filters, gensets and alternators. Today, eight of the 14 Cummins engine families are produced locally in China and are based on global quality standards. In addition, we have more than 450,000 Cummins-powered trucks in China.

Both countries are poised for dramatic growth over the next decade. Their plans for massive investments in transportation infrastructure will fuel a need for our products. We will not only have the opportunity to power the equipment that will build the infrastructure, but also the vehicles that will use the new roads, rail systems and waterways. In addition to the market growth potential, Cummins will reap benefits by developing lower cost sources for components and services in both China and India.

There is also the opportunity to grow in emerging or developing economies where there is a need for the benefits our core products offer. We will continue to seek attractive opportunities to extend our global distribution presence and to provide a broader customer base with high quality aftermarket products and services through this channel.

Let me conclude by thanking Cummins employees, joint ventures and affiliates, distributors and dealers for their contributions to the Company's success. Because their commitment to excellence goes beyond our daily business activities, Cummins was recognized during the year with several major awards, including *Business Ethics* magazine ranking of the Company as number two on its list of the 100 most responsible U. S. corporate citizens.

My gratitude extends to our loyal shareholders, whose continued trust and financial investment in Cummins are greatly appreciated, and to our Board of Directors, whose counsel and guidance are highly valued.

Finally, let me take this opportunity to acknowledge the outstanding contribution of two Board members – Frank Thomas and Walter Elisha – who are retiring after a combined 45 years of service to Cummins.



Our Lead Director Frank Thomas is leaving the Board after more than 30 years, during which time he has been a valued resource and trusted friend both to me and previous Cummins CEOs. He has taught us patience. He has helped us recognize the value of a reasoned and thoughtful approach. He has guided our efforts to understand and embrace the benefits of diverse perspectives. His long and distinguished career includes his roles as head of the TFF Study Group, a not-for-profit development assistance group focusing on South Africa, and 17 years as President and Chief Executive Officer of the Ford Foundation.



Walter Elisha's contributions to the Cummins Board have been numerous. The retired Chairman and Chief Executive Officer of Springs Industries Inc., Walter has been a director since 1991. He also serves as a director of AT&T Wireless and as a trustee of Wabash College. He is a former member of the President's Advisory Committee for Trade Policy and Negotiations. Walter's advice and perspective have served Cummins well during his tenure with the Board. He has been a loyal advisor to the Company and its management team.

Both will be missed.

A handwritten signature in black ink that reads "Tim Solso". The signature is fluid and cursive.

Tim Solso
Chairman and CEO
Cummins Inc.



The Cummins ISB engine in the Thomas Built School Bus is up to 80 percent quieter and has lower emissions than previous engines.

Engine Business

The Engine Business accounted for approximately 54 percent of Cummins total sales in 2003. This segment manufactures and markets a complete line of diesel and natural gas-powered engines for on-highway and off-highway use under the Cummins brand. Its markets include heavy and medium-duty truck, bus, recreational vehicle (RV), light-duty automotive

and a number of industrial uses including agricultural, construction, mining, marine, oil and gas, rail and governmental equipment.

The Business offers engines from 1.4 liters to 91 liters and horsepower ratings ranging from 31 to 3,500 horsepower. In addition, the segment provides a full range of new parts and

services, as well as remanufactured parts and engines, through its extensive distribution network.

In the worldwide heavy-duty truck market, the Engine Business manufactures a complete line of diesel engines that range from 310 horsepower to 565 horsepower. The ISM and ISX engines make up the most

Every Challenge Met



Cummins Brasil manufactures 40,000 engines annually in its mid-range engine plant in Guarulhos near Sao Paulo.



modern product engine line in our industry.

In the medium-duty truck and bus product lines, the Engine Business manufactures diesel engines ranging from 185 horsepower to 400 horsepower and serves customers worldwide. The Business provides these products to global medium-duty truck

OEMs and also offers diesel and alternative fuel engines for school, transit and shuttle buses.

Cummins is the exclusive supplier of diesel engines used by DaimlerChrysler in its Dodge Ram pickup trucks and the leading manufacturer of diesel engines for use in the Class A motorhome market.

The Engine Business's midrange, heavy-duty and high-horsepower engines power a wide variety of on-highway and off-road equipment used in a broad range of applications. Customers for these products include major OEMs, equipment dealers and end-users across the globe.



Cummins supplies emission-compliant engines to Knight Transportation, a short- to medium-haul fleet that operates in 48 states. Levy Hicks is a Knight driver.



Two PowerCommand 2.7-megawatt diesel generator sets provide back-up power for a water treatment plant in Wyoming, Michigan.

Power Generation Business

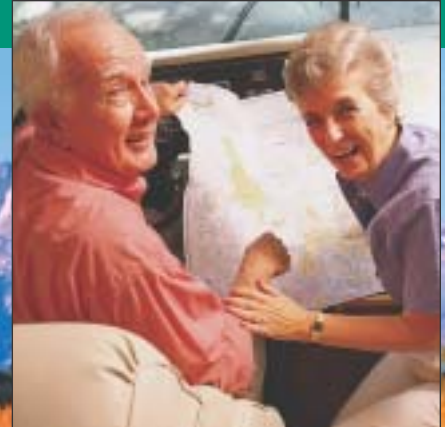
The Power Generation Business is Cummins second largest segment, and is one of the most integrated providers of power solutions in the world. With the Engine Business, it designs or manufactures all the components that make up power generation systems, including engines, controls, alternators, transfer switches and switchgear.

This business provides systems and services for a diversified customer base needing self-generated or standby power. Standby power solutions are provided to customers that rely on uninterrupted sources of power. Prime power solutions are provided to customers with less reliable electrical power infrastructures, typically in developing countries.

Power Generation is also a key player in the distributed generation market, which is the siting of decentralized power plants close to power users. These plants help utilities defer expensive transmission upgrades by reducing power costs at peak times – as well as extending natural-resources with clean, energy-efficient cogeneration systems.

Every Customer Important

Travelers rely on the dependability of the Onan generator.



Onan marine generators provide auxiliary power for the Sea Ray 550 Sundancer.



Power Generation's products are principally marketed under the Cummins Power Generation, Onan, Stamford, Markon and AVK brands, and include diesel and alternative fuel electrical generator sets for commercial, institutional and consumer applications, such as office buildings, hospitals, factories, municipalities, utilities, universities, RVs, boats and homes.

Power Generation is the worldwide leader in auxiliary generator sets for RVs, commercial vehicles and marine applications. The Power Rent business offers temporary equipment for both standby and prime power purposes. The Energy Solutions business provides full service power solutions for customers, including generating equipment, long-term

maintenance contracts and turn-key power solutions.

Newage AVK SEG division is a leader in the alternator industry and supplies its products internally as well as to other generator set assemblers under the Stamford, AVK and Markon brands.





Tracie Stutzman examines a Kuss Filter designed in the Findlay, Ohio, manufacturing facility.

Filtration and Other Business

The Filtration Business manufactures and markets filtration systems, air intake and exhaust systems, and industrial silencers under the Fleetguard, Nelson, Kuss and Universal Silencer brands.

Products are used in diesel-powered mobile and stationary industrial applications, passenger cars and light vehicles, small engine equipment,

industrial machinery and gas turbines. Primary customers include on- and off-highway OEMs, as well as dealers and distributors.

Fleetguard is a leading designer and manufacturer of filters and filtration systems for heavy-duty equipment. Its products are produced and sold in global markets, including Europe, North America, South America, India,

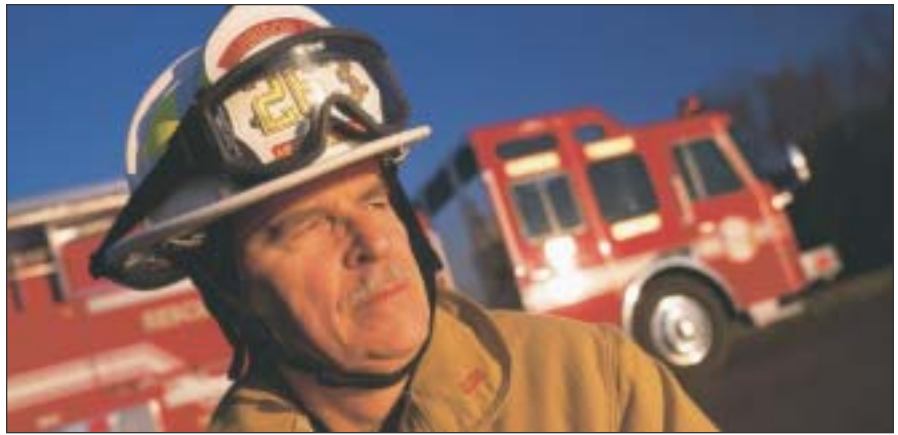
China, South Africa, Australia and the Far East. Fleetguard was ranked as the top brand preference for diesel engine air, oil, fuel and coolant filtration products in a recent North American on-highway truck market survey published by a leading independent market research company.

In its Emission Solutions business, Fleetguard develops systems to help

Every Product Dependable



Volunteer Phil Pugsley, a Cummins employee, is proud that Cummins, Onan and Fleetguard products are used in fire and rescue equipment.



customers meet increasingly stringent emissions standards. Fleetguard also designs and manufactures air filtration and exhaust systems for on- and off-highway applications ranging from heavy-duty equipment to small engine consumer applications.

All together, Fleetguard provides advanced, integrated filtration systems, including air intake and exhaust

filtration, emission control and noise reduction, engine filtration and mobile and industrial hydraulic filtration systems. Fleetguard also makes products for the automotive specialty filtration market and the industrial filtration market through its Kuss subsidiary and Universal Silencer.

Holset, which is included as part of the Filtration and Other segment, designs

and manufactures turbochargers in five countries and has worldwide sales and distribution. Holset provides critical technology for engines to meet worldwide emissions standards, including variable geometry turbochargers, and is the market leader in turbochargers for heavy-duty equipment.



The separator module used in the Cummins-powered Dodge Ram is produced in Cookeville, Tennessee.



Cummins Diesel South Africa in Johannesburg has been a distributor since 1946 and became a subsidiary in 2000.

International Distributor Business

The International Distributor Business was created two years ago as a result of the growing size and importance of the retail distribution business. In 2003, the International Distributor Business sales accounted for 10 percent of Cummins total net sales.

The International Distributor Business consists of 18 Company-owned distributors and two joint ventures that distribute the full range of Company products and services to end-users at 111 locations in 50 countries and territories. Through this network,

trained personnel provide parts and service to customers. They also offer full service solutions, including maintenance contracts, engineering services and integrated products, which are customized to meet specific end-user requirements.

Every Service Need Valued



One of 2,100 Cummins-powered natural gas buses operates in Tian An Men Square in Beijing.

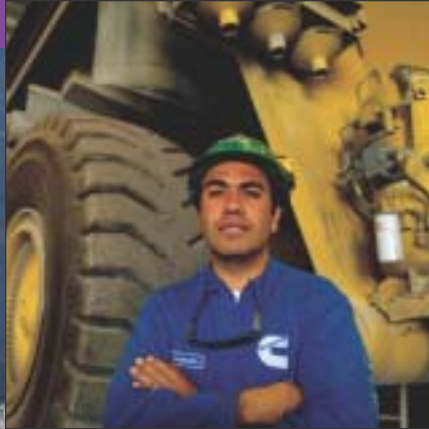


The Company-owned distributors are located in key markets, including India, China, Japan, Australia, the United Kingdom and South Africa. Distributors also serve the dealers and end-users in their territories by providing product maintenance, repair and overhaul services.

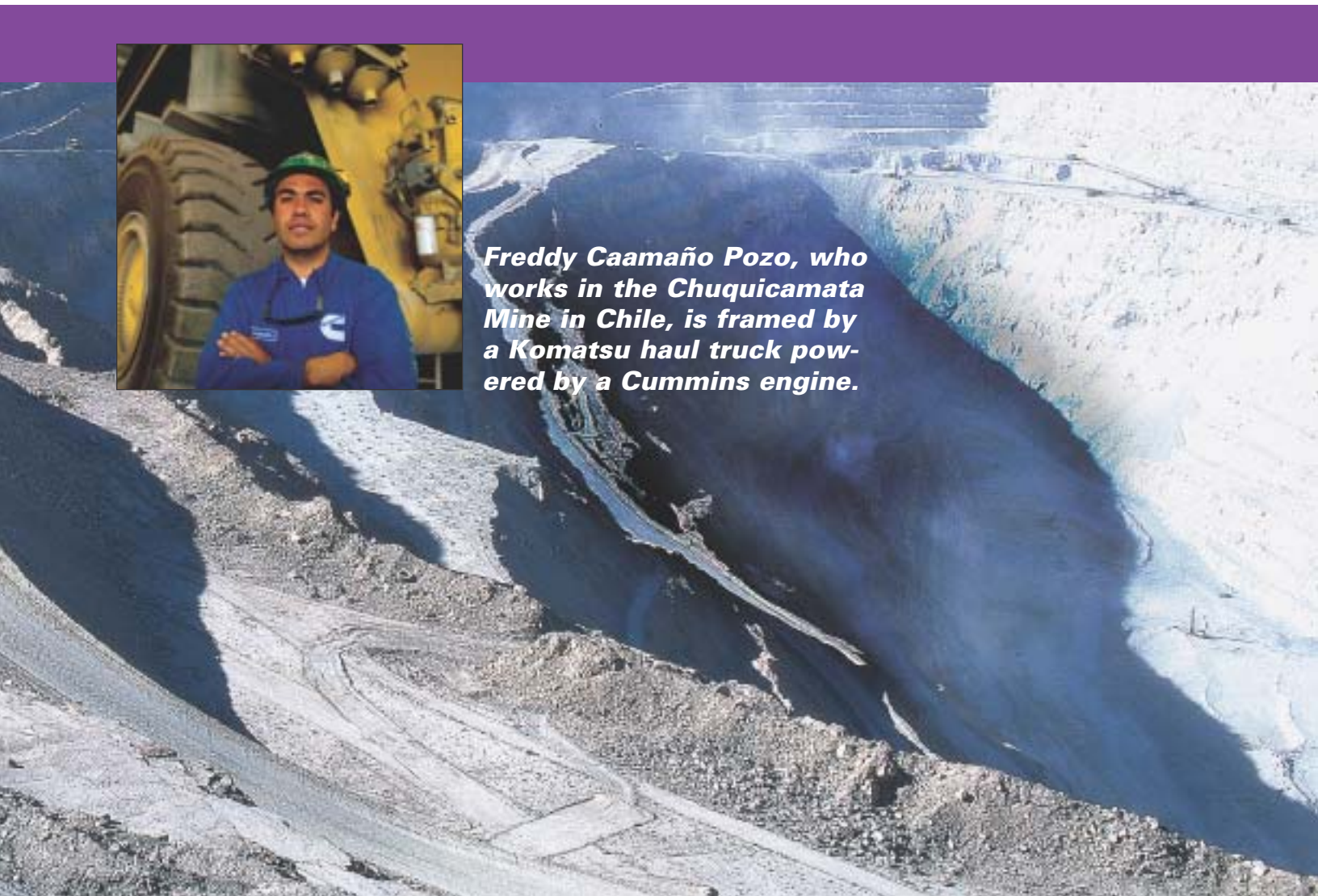
The International Distributor Business serves a highly diverse customer base consisting of various end-users in the specific geographic markets in which our distributors are located. Each distributor that Cummins owns or operates in a particular geographic region competes with other distributors

and dealers that offer similar products within that region.

Because service is critical as a platform for customer solutions, the Business has opened new locations in Russia, Argentina, Italy, Belgium, the United Kingdom and China.



Freddy Caamaño Pozo, who works in the Chuquicamata Mine in Chile, is framed by a Komatsu haul truck powered by a Cummins engine.



Directors

Tim Solso (g)	Chairman and Chief Executive Officer of Cummins Inc.
Robert J. Darnall (a,b,c,e)	Retired Chairman and Chief Executive Officer, Inland Steel Industries Inc., basic steel manufacturer, processor and materials distributor
John M. Deutch (b,d,e)	Institute Professor, Massachusetts Institute of Technology
Walter Y. Elisha (a,b,d,e)	Retired Chairman and Chief Executive Officer, Springs Industries Inc., manufacturer of home furnishings, industrial and specialty fabrics
Alexis M. Herman (a,c,d,e)	Chairman and Chief Executive Officer, New Ventures, Inc., an independent consulting firm
William I. Miller (b,d,e,g)	Chairman, Irwin Financial Corporation, a financial services company
William D. Ruckelshaus (a,c,d,e)	Strategic Partner, Madrona Venture Group, L.L.C.
Franklin A. Thomas (b,c,e,f,g)	Consultant, TFF Study Group, a non-profit initiative to assist the development process in South Africa
J. Lawrence Wilson (a,b,c,e)	Retired Chairman and Chief Executive Officer, Rohm and Haas Company, a specialty chemical manufacturing company
J. Irwin Miller	Honorary Chairman

Committees:

(a) Audit Committee; (b) Finance Committee
(c) Compensation Committee; (d) Technology and Environment Committee
(e) Governance and Nominating Committee; (f) Lead Director; (g) Executive Committee

Board of Directors, Executives and Officers

Policy Committee

Tim Solso	Chairman and Chief Executive Officer
Jean Blackwell	Vice President - Chief Financial Officer and Chief of Staff
Steve Chapman	Vice President - International and President - International Distributor Business
Tom Linebarger	Vice President and President - Power Generation Business
Joe Loughrey	Executive Vice President and President - Engine Business
Rick Mills	Vice President and President - Filtration and Fleetguard Inc.
John Wall	Vice President and Chief Technical Officer

Corporate

Jean Blackwell	Vice President - Chief Financial Officer and Chief of Staff
Susan Carter	Vice President - Finance and Chief Accounting Officer
Jill Cook	Vice President - Human Resources
Richard Harris	Vice President - Treasurer
Marsha Hunt	Vice President - Controller
Steve May	Vice President - Government Relations
Marya Rose	Vice President - General Counsel and Corporate Secretary
Donald Trapp	Vice President - Business Development

Engine Business

Joe Loughrey	Executive Vice President and President - Engine Business
Iain Barrowman	Vice President - High-Horsepower Operations
Rich Freeland	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
Sean Milloy	Vice President - MidRange Engineering
Ed Pence	Vice President - Automotive Business
Glyn Price	Vice President - Engine Business Controller
John Stang	Vice President - Automotive Engineering
Bharat Vedak	Vice President - Industrial Customer Engineering
Christine Vujovich	Vice President - Marketing and Environmental Policy
John Wall	Vice President and Chief Technical Officer
Bob Weimer	Vice President - Quality, Heavy Duty Business

Power Generation Business

Tom Linebarger	Vice President and President - Power Generation Business
Paul Ibbotson	Vice President and Managing Director - Holset and Newage AVK-SEG
Tony Satterthwaite	Vice President - Generator Set Business
Bob Sonntag	Vice President - Power Generation Operations

Filtration and Other Business

Rick Mills	Vice President and President - Filtration and Fleetguard, Inc.
Pamela Carter	Vice President - Global Sales, Marketing, Logistics and Distribution
Mike Cross	Vice President - Emission Solutions
Mark Gerstle	Vice President - Operations

International

Steve Chapman	Vice President - International President - International Distributor Business
Steve Knaebel	Vice President - Mexico and Distribution Latin America
Amy Adams	Managing Director – Northeast and Southeast Asia
Gino Butera	Managing Director - South Pacific
Mike Green	Managing Director - Central Area
John Watkins	Managing Director - East Asia

All positions shown as of March 1, 2004

Operations

BMC Sanayi ve Ticares A.S.**
Chongqing Cummins Engine Company Ltd.*
CEP/Columbus Plant One

Columbus MidRange Engine Plant
Consolidated Diesel Company*
Cummins Beijing Co. Ltd.
Cummins Brasil Ltda.
Cummins India Ltd.
Cummins India Ltd.
Cummins Industrial Center
Cummins Komatsu Engine Co.*
Cummins Marine Charleston
Cummins MerCruiser Diesel*
Cummins Natural Gas Engines, Inc.
Cummins Power Generation
Cummins Power Generation
Cummins Power Generation Ltd.
Darlington Engine Plant
Daventry Engine Plant

Dongfeng Automobile Co. Ltd.**
Dongfeng Cummins Engine Co. Ltd.*
Jamestown Engine Plant
Komatsu Cummins Engine Company Ltd.*
Cummins Scania Fuel Systems*
Swagman Australia Pty. Ltd.
Tata Cummins Limited*

Location

Izmir, Turkey
Chongqing, China
Columbus, Indiana

Columbus, Indiana
Rocky Mount, North Carolina
Beijing, China
São Paulo, Brazil
Pune, India
Daman, India
Seymour, Indiana
Seymour, Indiana
Charleston, South Carolina
Charleston, South Carolina
Fort Worth, Texas
Fridley, Minnesota
Singapore
Ramsgate, England
Darlington, England
Daventry, England

Xiangfan, China
Xiangfan, China
Jamestown, New York
Oyama, Japan
Columbus, Indiana
Queensland, Australia
Jamshedpur, India

Products

B3.9/5.9 C8.3
NT L10/M11 K19/38/50
ISX cylinder blocks and heads and selected administrative functions for Engine Business and Holset
ISB
B3.9/5.9 C8.3 ISB ISC QSB QSC ISL QSL
Generator sets
B3.9/5.9 C8.3 NT/N14 ISM ISB Generator sets
N14/NT K19 V28 K38/50 QSK60
Generator sets
K19 V903 QSK19
QST30
Marine auxillary generator sets
B C QSM11 N14 Sterndrives
G-K19 G-V28 G-NT
Generator sets and electronic controls
Generator sets and electronic controls
Generator sets and electronic controls
B3.9/5.9 B4.5/6.7 C8.3 ISB
K38/50 QSK45/60 QSK45/60-G QSK78 QSV81/91-G
QSK19 rail powerpacks
B3.9/5.9
C8.3
ISM L10 G-L10 ISX
B3.3 B3.9/5.9 C8.3
HPI fuel systems
Recreational vehicles
B3.9/5.9

Worldwide Locations

Technical Center Locations

Columbus, Indiana
Cookeville, Tennessee
Darlington, England
Fridley, Minnesota
Huddersfield, England
Oyama, Japan*
Pune, India
Quimper, France
São Paulo, Brazil
Stamford, England
Stoughton, Wisconsin

Regional Parts Distribution Centers

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

Sales and Service

More than 680 Distributorships and Branches Worldwide

International Distributors

Beijing, China
Brussels, Belgium
Buenos Aires, Argentina
Dubai, United Arab Emirates
Gross-Gerau, Germany
Harare, Zimbabwe
Hong Kong, China
Johannesburg, South Africa
Manila, Philippines
Milan, Italy
Moscow, Russia
Pune, India
Santiago, Chile*
São Paulo, Brazil
Scoresby, Australia
Seoul, Korea
Shenzhen, China*
Singapore
Tokyo, Japan
Wellingborough, England

Shareholder Contacts and Services

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 at the following:

P.O. Box

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

Street Address

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

By Phone

800-468-9716
651-450-4064

By Fax

651-450-4033

Shareholder Information

Common Stock:



The common stock of Cummins is traded on the New York Stock Exchange and the Pacific Stock Exchange under the symbol CMI.

Annual Meeting:

The 2004 Annual Meeting of Shareholders will be held at 11 a.m. (EST) on Tuesday, April 6, 2004, at the Cummins Technical Center, 1900 McKinley Avenue, in Columbus, Indiana.

Shareholders may vote their shares by mail, toll-free telephone number or Internet. Please refer to the instructions on the proxy card.

Financial Information:

Through the Cummins website, www.cummins.com, shareholders may access Webcasts of Company events including management presentations, quarterly earnings teleconferences and the Annual Meeting. Shareholders may also access SEC filings, press releases, stock quotes and other information, as well as request printed copies of reports and email alerts of Company events.

Shareholder Information

By Email

Contact Wells Fargo through a secure website, www.wellsfargo.com/com/shareowner_services. Click on 'registered shareholders,' then click on 'contact us.'

Dividends

Common stock dividends are payable quarterly upon authorization of the Board of Directors on or about the 1st of March, June, September and December to shareholders of record on or about the 15th day of the previous month.

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 our website, www.cummins.com.

Direct Deposit of Dividends

Automatic direct deposit of quarterly dividends is offered to our shareholders, at no charge, and provides secure and timely access to their funds. For further information, please call 800-468-9716.

Analysts and Investor Contacts

Analysts and investors seeking information about Cummins should contact:

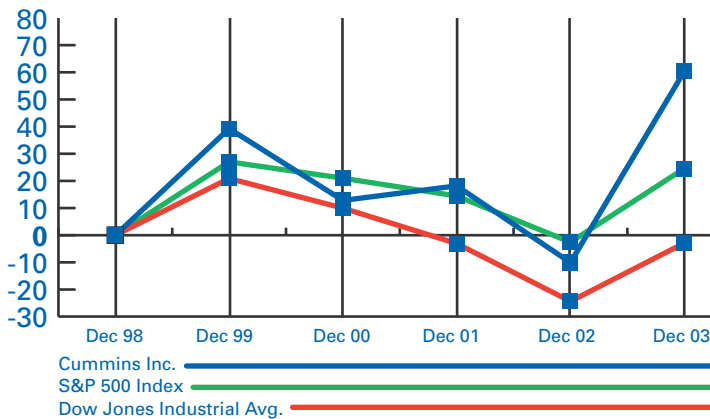
Karen A. Battin
Executive Director, Investor Relations
Cummins Inc.
Box 3005 (Mail Code 60115)
Columbus, IN 47202-3005
Phone: 812-377-3121
Fax: 812-377-4937
Investor_relations@cummins.com

Quarterly Earnings Reporting

For 2004, Cummins quarterly earnings are anticipated to be announced the latter part of April, July, October and January 2005.

Five-year Total % Return to Shareholders:

December 31, 1998 to December 31, 2003
(assumes dividend reinvestment)



Five-year Compound Average Annual Total Return:

Cummins Inc.	9.89%
S&P 500 Index	-.59%
Dow Jones Industrial Avg.	4.49%

Common Stock Price

	1999	2000	2001	2002	2003
High	\$65.69	\$50.00	\$45.50	\$50.29	\$52.30
Low	\$34.56	\$27.06	\$28.00	\$19.60	\$21.72
Close	\$48.31	\$37.94	\$38.54	\$28.13	\$48.94

Cummins Products and Services

Investors and customers can learn more about Cummins products and services by going to www.cummins.com and clicking on the tab "products."

Other specific websites

www.tougheststandards.com

Heavy-duty, medium-duty and school bus applications

www.fleetguard.com

Complete filtration product information and catalog

www.cumminspower.com

A source for power generation products and services

www.funroads.com

Recreational vehicle lifestyle website and the home of the Onan online store

www.newage-avkseg.com

Complete information for alternators ranging in output from 0.6 kVa to 30,000 kVa

www.Onan.com

Complete product information for Onan-branded products

www.kussfiltration.com

Company overview and product information

www.universalsilencer.com

Company profile including markets, products and operations

Forward-looking Statements

This summary annual report contains certain forward-looking statements that are based on current expectations, estimates and projections about the industries in which we operate and management's beliefs and assumptions. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions, which are difficult to predict. Actual outcomes may differ materially from what is expressed in any forward-looking statement. Cummins undertakes no obligation to update publically any forward-looking statements, whether as a result of new information, future events or otherwise. A more complete disclosure about forward-looking statements may be found in our 2003 Form 10-K.

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