

New Five-Year Labor Contract between Allison Transmission and UAW Local 933 Ratified by Union Members

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INDIANAPOLIS, Nov. 29, 2012 /PRNewswire/ -- Allison Transmission Holdings Inc. (NYSE: ALSN) announced that members of the International Union, United Automobile, Aerospace and Agricultural Workers of America (UAW) Local 933 ratified a new five-year collective bargaining agreement (CBA) which becomes effective December 3, 2012 and will expire on November 14, 2017.

(Logo: <http://photos.prnewswire.com/prnh/20120702/DE33547LOGO>)

Some of the key economic provisions from the new CBA include a \$5,000 ratification bonus, maintenance of a multi-tier wage and benefit system, and an annual incentive compensation program. Tier one and skilled tier two union members will receive a lump sum payment equal to 3 percent of their base wage in 2013 and again each year until 2016. Production tier two union members will receive base wage increases ranging from 2 to 4 percent in 2013, 2015 and 2016 and a one-time 3 percent lump sum payment in 2014. Annual cost of living allowances based on a variable consumer price index were eliminated and replaced with a fixed annual lump sum payment of \$1,000.

Pension rates under the CBA are unchanged and the company match for tier two employee contributions to the 401(k) plan increased from 5 to 6 percent. The parties also agreed to modify retiree healthcare, more closely aligning it with the benefits offered in the Voluntary Employee Beneficiary Association (VEBA) trust covering retired U.S. auto workers from Ford Motor Co., Chrysler Group and General Motors Co.

The new CBA covers approximately 1,550 hourly employees who primarily work in the Indianapolis area.

About Allison Transmission

Allison Transmission is the world's largest manufacturer of fully-automatic transmissions for medium- and heavy-duty commercial vehicles, medium- and heavy-tactical U.S. military vehicles and hybrid-propulsion systems for transit buses. Allison transmissions are used in a variety of applications including on-highway trucks (distribution, refuse, construction, fire and emergency), buses (primarily school and transit), motor homes, off-highway vehicles and equipment (primarily energy and mining) and military vehicles (wheeled and tracked). Founded in 1915, the Allison business is headquartered in Indianapolis, Indiana, U.S.A. and employs approximately 2,800 people. Allison has manufacturing facilities and customization centers located in China, The Netherlands, Brazil, India and Hungary. With a global presence, serving customers in North America, Europe, Asia, Australia, South America, and Africa, Allison also has over 1,500 independent distributor and dealer locations worldwide. More information about Allison is available at www.allisontransmission.com.

This press release may contain forward-looking statements. All statements other than statements of historical fact contained in this press release are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expect," "plans," "project," "anticipate," "believe," "estimate," "predict," "intend," "forecast," "could," "potential," "continue" or the negative of these terms or other similar terms or phrases. Forward-looking statements are not guarantees of future performance and involve known and unknown risks. Factors which may cause the actual results to differ materially from those anticipated at the time the forward-looking statements are made include, but are not limited to: risks related to our substantial indebtedness; our participation in markets that are competitive; general economic and industry conditions; our ability to prepare for, respond to and successfully achieve our objectives relating to technological and market developments and changing customer needs; the failure of markets outside North America to increase adoption of fully-automatic transmissions; the discovery of defects in our products, resulting in delays in new model launches, recall campaigns and/or increased warranty costs and reduction in future sales or damage to our brand and reputation; the concentration of our net sales in our top five customers and the loss of any one of these; risks associated with our international operations; brand and reputational risks; our intention to pay dividends; and labor strikes, work stoppages or similar labor disputes, which could significantly disrupt our operations or those of our principal customers. Although we believe the expectations reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that the expectations will be attained or that any deviation will not be material. All information is as of the date of this press release, and we undertake no obligation to update any forward-looking statement to conform the statement to actual results or changes in expectations.

SOURCE Allison Transmission Holdings Inc.

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