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AxleTech International Awarded New High-Speed Planetary Axle Orders from BAE Systems for Enhanced Mine Resistant Ambush Protected Vehicles

TROY, Mich. ...AxleTech International, a specialist in high-speed planetary axles for the defense, off-highway, and specialty truck markets, has received another order to supply axles for BAE Systems' RG33 6x6 Category II all-wheel-drive Mine Resistant Ambush Protected (MRAP) Vehicles.

The 600-vehicle award for MRAP vehicles, when combined with previous MRAP axle contracts, brings the total value of AxleTech's MRAP contracts to \$70 Million.

This new award from BAE Systems to supply its survivability-enhanced RG33 vehicles will use AxleTech's new, upgraded 5000 Series 5G™ high-speed planetary axles. These axles have been designed and constructed with high impact resistant and energy absorbing materials. The design offers increased payload capacity for heavier, up-armored requirements and is capable of withstanding the high dynamic shock loads of the MRAP combat application. These 5G™ axles maintain all of the other benefits of the 5000 Series™ high-speed planetary axle family, including mobility, automotive performance, and ground clearance.

"We are pleased to offer BAE Systems an axle system with upgraded mobility and significantly increased payload capacity for the survivability-enhanced versions of the RG33 Category II 6x6 MRAP vehicle," said Mary Petrovich, AxleTech's Chief Executive Officer. "AxleTech is proud to help give this vehicle a decided edge in combat across the wide spectrum of mission roles. We fully expect our upgraded axle system to enable superior survivability enhancements for the next generation of MRAP II vehicles and Medium Mine Protected Vehicles (MMPV)."

Production for the 5000 Series 5G™ will be at the AxleTech facility in Oshkosh, Wisconsin. The plant capacity for high-speed planetary axles has been newly expanded to supply both 4000 Series™ and 5000 Series™ MRAP axles. In addition to U.S. assembly, AxleTech has developed U.S. suppliers to offer further domestic content. Deliveries of the upgraded axles for the 600 RG33 vehicles will commence in April 2008 and should be completed by June 2008. AxleTech's Oshkosh plant employs 275.

About AxleTech International

AxleTech International is a global manufacturer and supplier of axles, axle components, planetary axles, independent suspensions, brakes and aftermarket parts for commercial specialty trucks, military vehicles and off-highway machines used in the construction, material handling, forestry, mining and agricultural markets. The company was created to enable a singular focus on the needs of off-highway, military and specialty vehicle customers by providing high quality products and unparalleled customer service. A Carlyle Group- owned company, AxleTech has its origins as the off-highway division of former Rockwell International. Visit www.axletech.com for additional information.

About BAE Systems

BAE Systems is the premier global defense and aerospace company delivering a full range of products and services for air, land, and naval forces, as well as advanced electronics, information technology solutions and customer support services. With 96,000 employees worldwide, BAE Systems' sales exceed \$27 billion in 2006 on a pro forma basis, assuming it had owned Armor Holdings Inc for the whole of 2006.