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AXLETECH INTERNATIONAL AND THALES ANNOUNCE LONGTERM SUPPLY AGREEMENT FOR INDEPENDENT SUSPENSION AXLE SYSTEMS.

TROY, Mich. ...AxleTech International, a specialist in high-speed planetary axles for the defense, off-highway, and specialty truck markets, has entered into a longterm supply agreement (LTSA) to furnish high-speed planetary independent suspension axle systems (ISAS) to Thales for the highly acclaimed Australian-made Bushmaster Protected Mobility Vehicle (PMV).

The 5-year agreement extends through June, 2013 and covers both original equipment and spare axle requirements. The LTSA is expected to generate over \$35 Million in AxleTech revenue based on projected volume.

The exclusive LTSA guarantees the continued supply of independent suspension systems for Bushmaster PMV, and all military and civil variants of the vehicle, including the Copperhead Armored Logistic Vehicle, and the FireKing bushfire-fighting vehicle. AxleTech's ISAS design offers proven performance and sturdy all-terrain mobility. By the second quarter of this year, Australia had ordered just over 700 Bushmaster PMVs, with additional orders received from the Netherlands.

"The Bushmaster PMV is proving itself daily in Afghanistan, providing a very large operating range and a high level of protection for the crew. AxleTech's ISAS was designed into the vehicle to ensure the vehicle's cross-country mobility, survivability, and sustainability," said Joe Juric, Supply Chain Manager, Protected Mobility Systems, Thales Australia.

“We are pleased to have the demonstrated confidence and support of Thales and the Australian Army for our ISAS product line. Our high-speed planetary axle systems, including this independent suspension system, provide high levels of mobility, maneuverability, and ride control for a wide variety of combat, tactical, logistic, and civil vocations,” said Mary Petrovich, AxleTech’s Chief Executive Officer.

“The LTSA provides a platform to meet long-term life cycle planning, including new vehicle configurations and retrofit opportunities that will enable a wider range of mission roles and planned increases in armor protection and payload,” said Gerry Giudici, AxleTech’s Vice President for Business Development.

Production will continue at the AxleTech facility in Saint Etienne, France, a plant employing 340.

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 Thales

Thales is a world leader in Mission-critical information systems for the Aerospace, Defense and Security markets. Leveraging a global presence and spanning the entire value chain from prime contracting to equipment; the company maintains operations in 50 countries with over 68,000 employees - including a network of over 22,000 high level researchers. Leveraging dual technologies between civil and military systems has been a long tradition for Thales.