

BAML 2015 Industrial Conference Presentation

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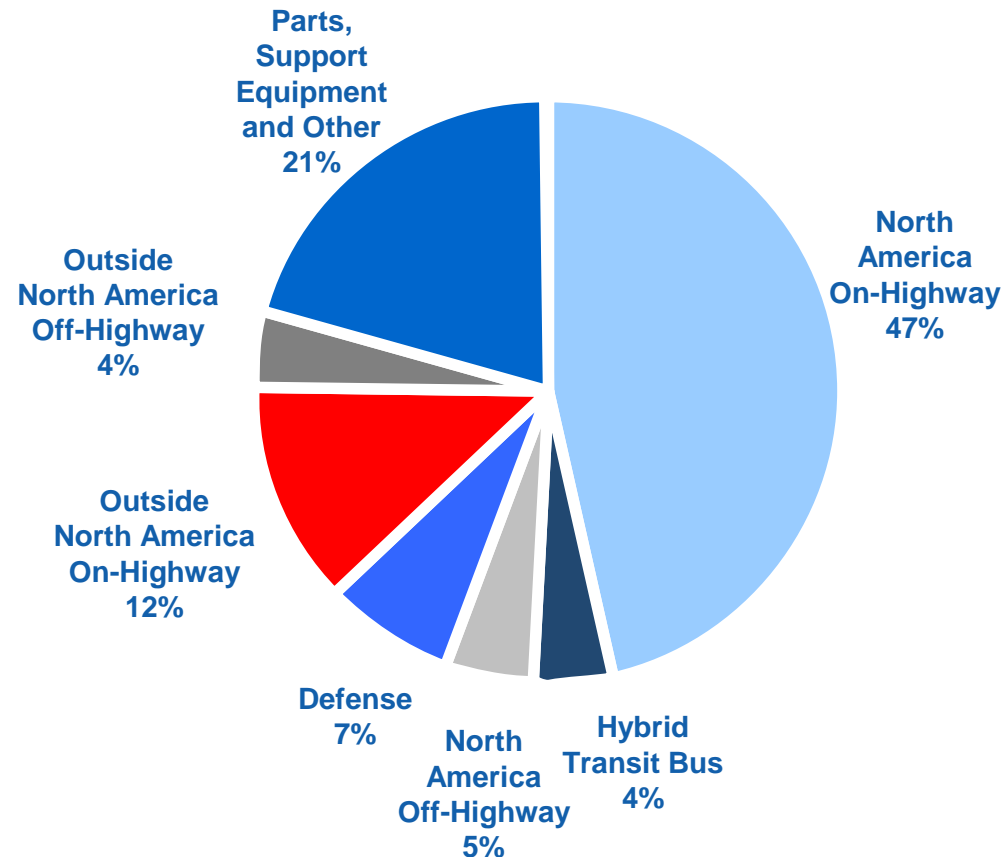
Allison Transmission’s business is subject to numerous risks and uncertainties, which may cause future results of operations to vary significantly from those presented herein. Important factors that could cause actual results to differ materially are discussed in Allison Transmission’s Annual Report on Form 10-K for the year ended December 31, 2014.



Allison Transmission at a Glance

- **World's largest manufacturer of fully-automatic transmissions for medium- and heavy-duty commercial vehicles**
 - 63% global market share of fully-automatic transmissions
 - Virtually no exposure to Class 8 line-haul tractors
- **Allison is the premier fully-automatic transmission brand**
 - Premium price component frequently specified by end users
 - Differentiated technology
- **Well positioned for revenue and earnings growth**
 - Continued recovery in North America
 - Further adoption outside North America
 - Global off-highway growth opportunities
 - Expanding addressable market

2014 Net Sales by End Market



2014 Net Sales: \$2.1 billion



End Market & Vocation Overview

Global On-Highway

Sample Vocations



Select End Users



Distribution

Emergency Vehicle

Motorhome

Rugged Duty

School Bus / Shuttle Bus

Transit Bus

Global Off-Highway



Select End Users



Defense



Select End Users



North America Hybrid Transit Bus

Allison Hybrid



Select End Users

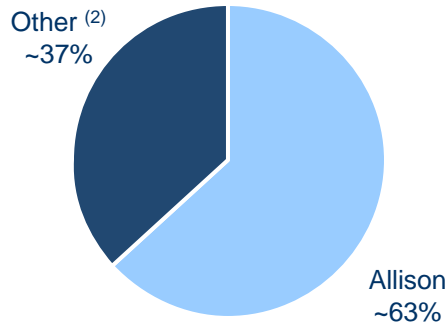


Parts, Support Equipment and Other

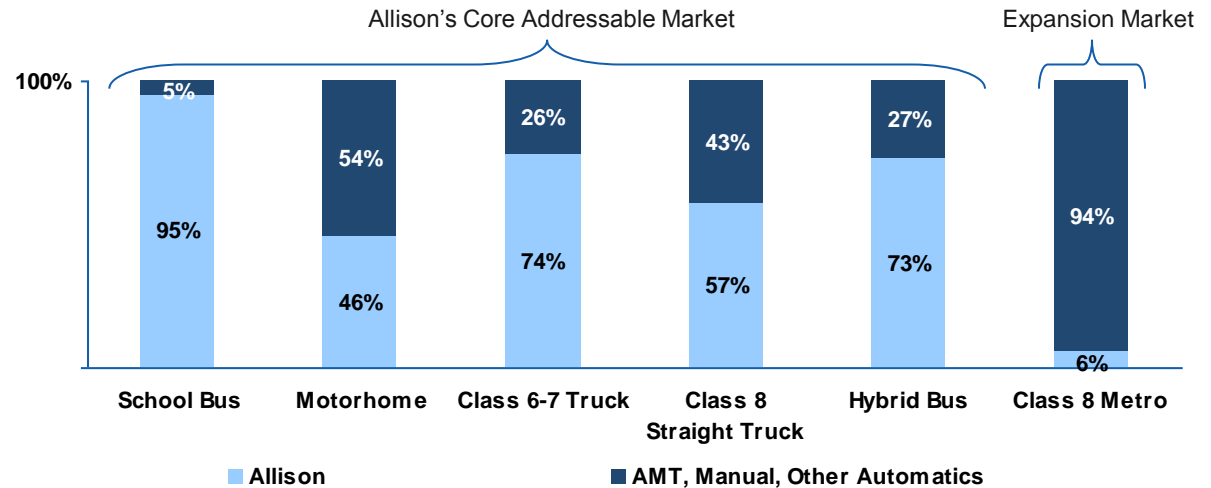


Global Market Leader

Global On-Highway Fully-Automatic Share⁽¹⁾



North American Market Share⁽¹⁾

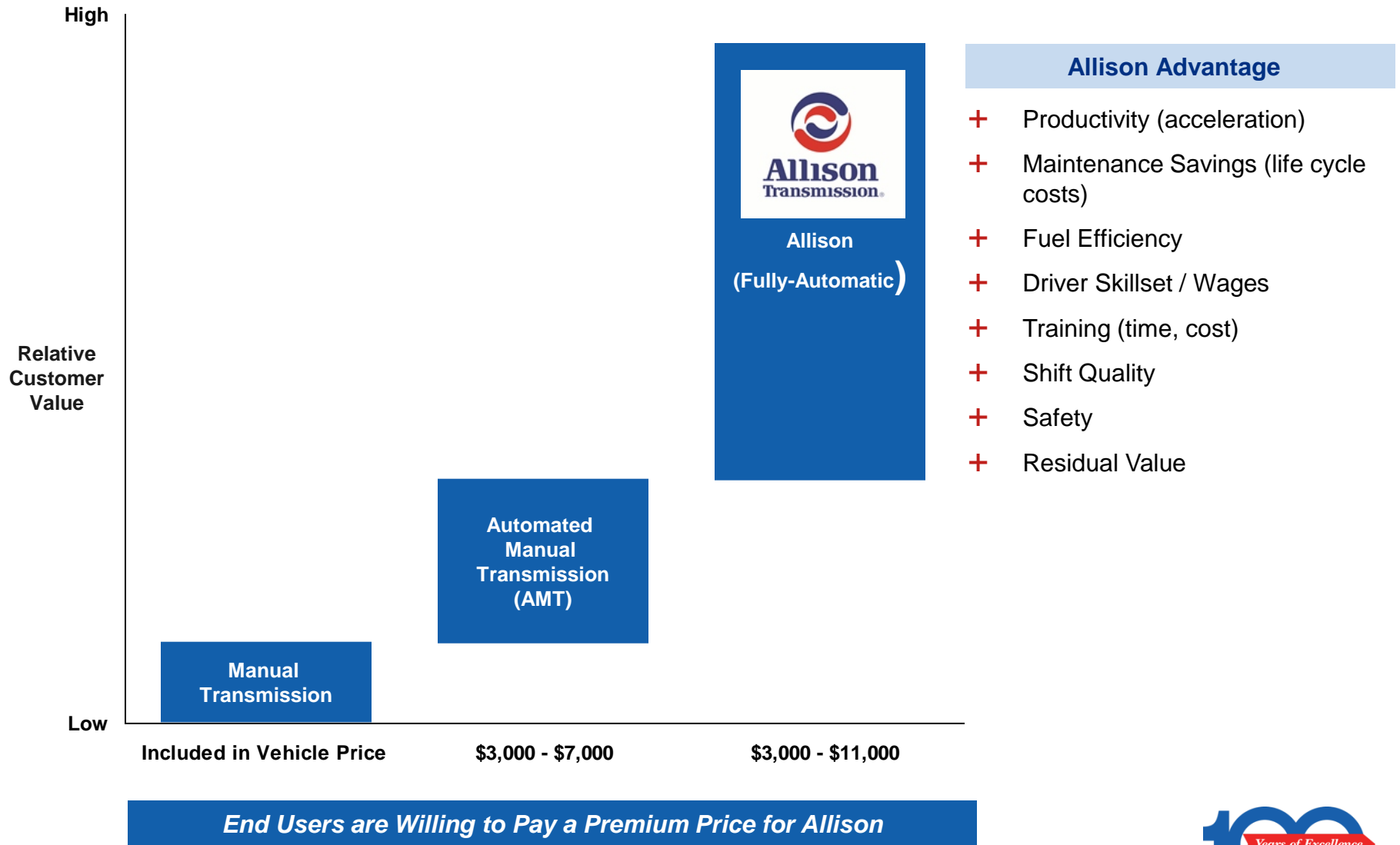


- **The “de facto” standard in medium- and heavy-duty applications**
 - Well established as standard in North America
- **Increasing presence in emerging markets which today are predominantly manual**
- **Virtually no exposure to more cyclical Class 8 line-haul tractors**

(1) 2014 Units. Source: Allison and ACT Research.

(2) Majority of “Other” volume is in North American Class 4-5 truck and European bus.

End User Value Proposition



Multiple Organic Growth Opportunities



Benefit from Developed Markets Recovery



Increase Penetration of Fully Automatic Transmissions



Accelerate Adoption in Emerging Markets



Capitalize on Rising Demand for Energy and Commodities



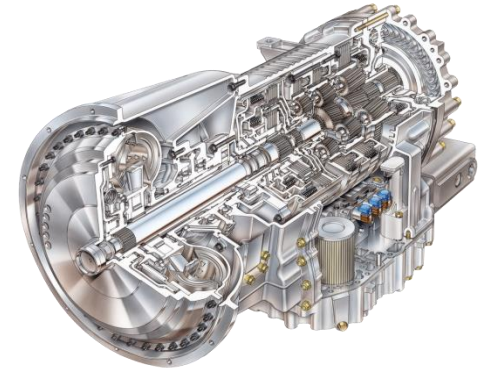
Continue New Technology and Product Development



Increase Share in Underserved Markets

Strategic Priorities

- **Expand global market leadership**
 - Capitalize on continued market recovery
 - New vocational offerings
- **Emerging markets penetration**
 - Vocational ladder strategy
 - Increase number of vehicle releases
- **Continued focus on new technologies and product development**
 - Address markets adjacent to core
 - Advanced fuel efficient technologies
- **Deliver strong financial results**
 - Earnings growth and cash flow generation
 - Focus on margin enhancement
 - Well-defined capital allocation policy



Allison Is a Premier Industrial Asset



Global Market Leader



Premier Brand and End User Value Proposition



Technology Leadership - The Allison Advantage



Diverse End Markets with Long-Standing OEM Customer Relationships



Strong Cash Flow Generation with Well-Defined Capital Allocation Policy



Multiple Organic Growth Opportunities



Experienced Management Team

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