



Carlyle Group and Onex Hire Hutchison Group to Negotiate New Labor Agreements at Allison Transmission

New Agreements Reduce Costs, Improve Productivity and Performance

June 2008 - General Motors Corp. has announced reaching a definitive agreement to sell its Allison Transmission unit the Carlyle Group Carlyle and Onex Corporation for approximately \$5.6 billion.

According to GM, the sale agreement covers substantially all of Allison Transmission, including seven manufacturing plants in Indianapolis, Ind. and its worldwide distribution network and sales offices. "This sale will position Allison for growth with strong partners in Carlyle and Onex, which have well-established track records of working effectively with their management teams, unions and employees."

"We are excited to partner with Onex, the Allison management team and employees as we grow this iconic brand and support its transition to a stand-alone business," said Carlyle managing director Greg Ledford.

To help position the newly acquired business for success and future growth, Carlyle and Onex hired the **Hutchison Group** to meet with the union leadership to negotiate new competitive labor agreements. Following several months of discussions, union membership ratified a new four year agreement that provides for greater flexibility, productivity and lower costs vs the current GM agreement. It also introduces an innovative pay for performance plan, replacing traditional annual COLA and general increase payments.

Headquartered in Indianapolis, Allison employs some 3,400 persons and sells its transmissions through a worldwide distribution network with sales offices in North America, South America, Europe, Africa and Asia. The operation generates annual revenues in excess of \$2 billion.



Allison
Transmission®

CARLYLE
GROUP

ONEX



The Hutchison Group is a highly regarded management consulting firm focused on all aspects of labor relations. We specialize in developing and implementing innovative labor cost strategies during acquisitions, mergers, divestitures, and business restructuring; and offer a broad range of other services designed to help reduce costs, improve productivity, and increase organizational effectiveness.

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