**Allison Transmission announces xFE models with technology to further increase fuel economy for buses**

**INDIANAPOLIS** – April 30, 2015 – Allison Transmission Holdings Inc. (NYSE: ALSN) today announced a new series of bus models that incorporate the latest advances in fuel economy technology. Referred to as xFE, designating extra fuel economy, the fully automatic bus transmissions have demonstrated improvements up to 7 percent in addition to the company’s FuelSense® features.

“Other than our hybrid products, these new xFE models represent the very best fuel economy technology we offer,” said Lawrence Love, executive director of global marketing for Allison Transmission. “Our goal with the new xFE portfolio is to achieve the best fuel economy from an automatic transmission in a bus.”

Models with xFE are new transmissions with the same space claim and ratings as current models, but incorporate optimized gear ratios coupled with the FuelSense® Max package. They have been designed to enable 1st range lock up, deliver significantly more lock up operation and operate at lower engine speeds in higher ranges to further improve fuel economy.

“The new gear ratios work to achieve enhanced fuel economy in start-stop dense, low average speed duty cycles,” said Love. “Transit and city buses are the ideal candidates for this technology and that’s why we’re launching in those applications.”

While individual fleet results will depend heavily on the duty cycle, testing at customer fleets on four continents and in cities ranging from St. Louis to Seoul and Beijing to Rio de Janeiro, the xFE units have delivered fuel economy improvements of up to 7 percent when compared to baseline models. These improvements resulted from the new gear ratios and were independent of FuelSense features. Notably, the xFE models are also compatible with alternative fuel engines.

The new bus model for North America is designated as the B3400 xFE™. Production began last month in Indianapolis. Outside of North America, Allison will offer three new xFE models: the T3280 xFE™, T3325 xFE™ and T3375 xFE™.

**About Allison Transmission**

Allison Transmission (NYSE: ALSN) is the world’s largest manufacturer of fully automatic transmissions for medium- and heavy-duty commercial vehicles and is a leader in hybrid-propulsion systems for city buses. Allison transmissions are used in a variety of applications including refuse, construction, fire, distribution, bus, motorhomes, defense and energy. Founded in 1915, the company is headquartered in Indianapolis, Indiana, USA and employs approximately 2,700 people worldwide. With a market presence in more than 80 countries, Allison has regional headquarters in the Netherlands, China and Brazil with manufacturing facilities in the U.S., Hungary and India. Allison also has approximately 1,400 independent distributor and dealer locations worldwide. For more information, visit allisontransmission.com.

**###**

**Contact**

Craig M. Koven

Manager, Corporate Communications

craig.koven@allisontransmission.com

317-242-3432