



AXLETECH® INTERNATIONAL: GROWING A SUCCESSFUL COMPANY



AxleTech® International, based in Troy, Michigan, is a leading designer and manufacturer of heavy-duty drive train and suspension systems and components, brakes and aftermarket replacement parts, serving commercial and military vehicle markets worldwide.

In 2005, privately-held AxleTech was healthy and growing in line with its commercial markets. Its annual revenues were \$250 million, but its focus on low-profit, commercial, original equipment manufacturing restricted the company from realizing the full potential of its proprietary technologies and engineering know-how.

Solid Experience and Farsighted Vision Lead to Global Growth

Based on its successful ownership of other companies involved in the transportation sector and the manufacturing of highly complex mechanical parts and military equipment, the Carlyle Group recognized AxleTech's significant growth potential, and acquired the company in October 2005.

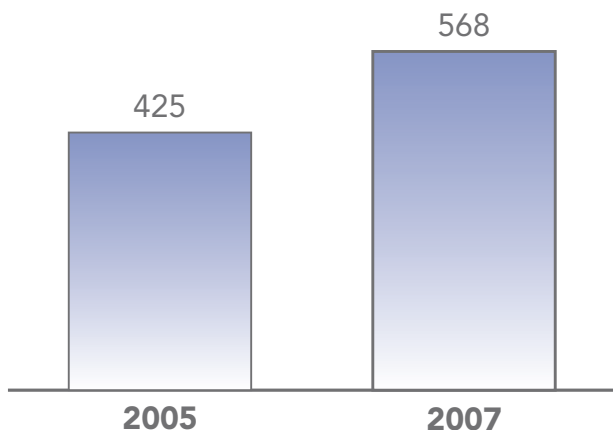
With Carlyle's strategic assistance, AxleTech undertook a concerted business development initiative in the fast-growing military sector, prioritizing the best opportunities. The company offered its axle and suspension systems to military vehicle manufacturers in need of heavier drive train equipment to support the heavy armored vehicles required to protect American soldiers in Iraq and Afghanistan. The company implemented 49 development programs for new products that together represented more than \$400 million of revenue potential over five years.

Investments Yield Superior Returns and Fuel Job Creation

While pursuing these growth opportunities in the defense sector, the company expanded its product and service offerings in the high-margin replacement parts business and continued to expand its traditional commercial business. Carlyle helped AxleTech management establish new strategic business relations and doubled the capital investment budget for more advanced machining, a new paint line, and facility expansion. These investments paid off well. In the two years since its acquisition by Carlyle, AxleTech has grown from 425 employees to 568, and the company's sales have increased sixteen percent annually.

Because Carlyle had deep expertise in AxleTech's market sector, the new owner was able to help the company improve both management and operations. It

AxleTech Employee Growth



also helped AxleTech develop a performance culture that rewards entrepreneurship and results, and an ownership structure that enables even the toughest decisions to be made quickly.

Outlook: Continued Growth Expected

Today, AxleTech is one of the few U.S. automotive-related companies that is growing in a challenging industry environment. Supported by state-of-the-art equipment and software, and backed by advanced capabilities in field testing, materials and processes, laboratory testing and computer-aided engineering, AxleTech draws on an extensive patent portfolio and more than 300 in-production product families using proven proprietary designs to deliver superior products and services to its customers. With Carlyle's financial investment and business expertise, AxleTech's potential for continued growth appears strong.