

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP**

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 or Section 30(h) of the Investment Company Act of 1940

| OMB APPROVAL                                 |           |
|--|-----------|
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|---|--|--|
| 1. Name and Address of Reporting Person*<br><u>Headly Michael G.</u><br><br>(Last) (First) (Middle)<br>ONE ALLISON WAY<br><br>(Street)<br>INDIANAPOLIS IN 46222<br><br>(City) (State) (Zip) | 2. Issuer Name and Ticker or Trading Symbol<br><u>Allison Transmission Holdings Inc [ ALSN ]</u> | 5. Relationship of Reporting Person(s) to Issuer (Check all applicable)<br>Director 10% Owner<br><input checked="" type="checkbox"/> Officer (give title below) Other (specify below)<br>SVP, Global MSS |
|   | 3. Date of Earliest Transaction (Month/Day/Year)<br>12/15/2014                                   |  |
| 4. If Amendment, Date of Original Filed (Month/Day/Year)  |  |  |

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) |   | 4. Securities Acquired (A) or Disposed Of (D) (Instr. 3, 4 and 5) |            |                          | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|------------|--------------------------|---|--|---|
|                                 |                                      |  | Code                           | V | Amount  | (A) or (D) | Price                    |   |  |   |
| Common Stock                    | 12/15/2014                           |  | M                              |   | 35,000  | A          | (1)                      | 60,725  | D  |   |
| Common Stock                    | 12/15/2014                           |  | F                              |   | 16,223 <sup>(2)</sup>   | D          | \$33.62                  | 44,502  | D  |   |
| Common Stock                    | 12/15/2014                           |  | M                              |   | 1,196   | A          | (3)                      | 45,698  | D  |   |
| Common Stock                    | 12/15/2014                           |  | F                              |   | 558 <sup>(4)</sup>  | D          | \$33.62                  | 45,140  | D  |   |
| Common Stock                    | 12/15/2014                           |  | S <sup>(5)</sup>               |   | 5,400   | D          | \$33.4637 <sup>(6)</sup> | 39,740  | D  |   |

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)**

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) |   | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) |        | 6. Date Exercisable and Expiration Date (Month/Day/Year) |                 | 7. Title and Amount of Securities Underlying Derivative Security (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) (Instr. 4) | 10. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 11. Nature of Indirect Beneficial Ownership (Instr. 4) |       |
|--|--|--------------------------------------|--|--------------------------------|---|--|--------|--|-----------------|---|--|--|---|--|-------|
|  |  |                                      |  | Code                           | V | (A)  | (D)    | Date Exercisable   | Expiration Date |   |  |  |   |  | Title |
| Restricted Stock Units                     | (1)  | 12/15/2014                           |  | M                              |   |  | 35,000 | (1)  | (1)             | Common Stock  | 35,000                                     | \$0  | 0   | D  |       |
| Dividend Equivalent Rights                 | (3)  | 12/15/2014                           |  | M                              |   |  | 1,196  | (3)  | (3)             | Common Stock  | 1,196                                      | \$0  | 167   | D  |       |

**Explanation of Responses:**

- Settlement of restricted stock units ("RSUs"). On December 21, 2012, the reporting person was granted 50,000 RSUs, vesting in two installments as follows: 15,000 on June 30, 2013 and 35,000 on December 15, 2014. Each RSU represents a contingent right to receive one share of Allison Transmission Holdings, Inc. ("ALSN") common stock.
- Represents shares withheld by ALSN to satisfy tax withholding obligations on the vesting of RSUs.
- Settlement of dividend equivalent rights ("DERs"). The DERs accrued when and as dividends were paid on ALSN common stock and vest proportionately with the RSU to which they relate. Each DER is the economic equivalent of one share of ALSN common stock.
- Represents shares withheld by ALSN to satisfy tax withholding obligations on the vesting of DERs.
- The sales reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan.
- The price reported is a weighted average price. These shares were sold in multiple transactions at per share prices ranging from \$33.2800 to \$33.6900. The reporting person undertakes to provide the Company, any security holder of the Company or the staff of the SEC, upon request, full information regarding the number of shares sold at each separate price within the range set forth in this footnote.

**Remarks:**

Eric C. Scroggins, attorney-in-fact 12/17/2014

\*\* Signature of Reporting Person Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 4 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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