

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

<b>Part I Reporting Issuer</b>			
1 Issuer's name  <b>Allison Transmission Holdings, Inc.</b>		2 Issuer's employer identification number (EIN)  <b>26-0414014</b>	
3 Name of contact for additional information  <b>Fred Bohley</b>	4 Telephone No. of contact  <b>317-242-3078</b>	5 Email address of contact  <b>ir@allisontransmission.com</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact  <b>One Allison Way</b>		7 City, town, or post office, state, and Zip code of contact  <b>Indianapolis, IN 46222</b>	
8 Date of action  <b>Various</b>	9 Classification and description  <b>Distribution to public shareholders</b>		
10 CUSIP number  <b>01973R101</b>	11 Serial number(s)	12 Ticker symbol  <b>ALSN</b>	13 Account number(s)

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **Allison Transmission Holdings, Inc. paid the following dividends during 2014:**

<b>12 cents per common share on March 25, 2014, to its shareholders of record on March 3, 2014</b>
<b>12 cents per common share on May 30, 2014, to its shareholders of record on May 19, 2014</b>
<b>12 cents per common share on August 29, 2014, to its shareholders of record on August 18, 2014</b>
<b>15 cents per common share on November 26, 2014, to its shareholders of record on November 10, 2014</b>

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **The Company currently estimates that 75.95% of the dividends will be treated as a nontaxable return of capital to the extent of the shareholder's tax basis. Any amount in excess of the shareholder's tax basis will be treated as a capital gain for U.S. tax purposes.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **pursuant to Internal Revenue Code sections 301(c) and 316(a), the taxability of Allison Transmission Holdings, Inc. distributions is calculated based on the earnings and profits of Allison Transmission, Inc. only, and does not include the earnings and profits of Allison's foreign subsidiary companies. Allison Transmission, Inc. estimated 2014 current and accumulated earnings and profits support Allison Transmission Holdings, Inc. disclosure that 75.95% of this distribution is to be a nontaxable return of capital to the extent of the shareholder's tax basis.**

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Internal Revenue Code sections 301(c) and 316(a)

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18 Can any resulting loss be recognized? ▶ N/A

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19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ None

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Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**  
Signature ▶  Date ▶ 2 APRIL 2015  
Print your name ▶ David Graziosi Title ▶ EVP & CFO

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶	Firm's EIN ▶			
	Firm's address ▶	Phone no.			