UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 OR 15(d) of The
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported) July 30, 2012

ALLISON TRANSMISSION HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Delaware	001-35456	26-0414014
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

One Allison Way, Indianapolis, Indiana	46222
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (317) 242-5000

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On July 30, 2012, Allison Transmission Holdings, Inc. ("Allison") published an earnings release reporting its financial results for the three months ended June 30, 2012. A copy of the earnings release is attached as Exhibit 99.1 hereto. Following the publication of the earnings release, Allison will host an earnings call on which its financial results for the three months ended June 30, 2012 will be discussed. The investor presentation materials that will be used for the call are attached as Exhibit 99.2 hereto.

On July 30, 2012, Allison posted the materials attached as Exhibits 99.1 and 99.2 on its web site (www.allisontransmission.com).

As discussed on page 2 of Exhibit 99.2, the investor presentation contains forward-looking statements within the meaning of the federal securities laws. These statements are present expectations, and are subject to the limitations listed therein and in Allison's other Securities and Exchange Commission filings, including that actual events or results may differ materially from those in the forward-looking statements.

The foregoing information (including the exhibits hereto) is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits*.

Exhibit Number	Description
99.1	Earnings release dated July 30, 2012.
99.2	Investor presentation materials dated July 30, 2012.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 30, 2012

Allison Transmission Holdings, Inc.

By:	/s/ Eric C. Scroggins
Name:	Eric C. Scroggins
Title:	Vice President, General Counsel and Secretary

EXHIBIT INDEX

Exhibit Number	Description
99.1	Earnings release dated July 30, 2012.
99.2	Investor presentation materials dated July 30, 2012.

Exhibit 99.1

Allison Transmission

News Release

Allison Transmission, Inc.
Indianapolis, IN

For Immediate Release

Allison Transmission Announces Second Quarter 2012 Results

- **Net Sales increased by 1 percent compared to the second quarter of 2011**
- **Adjusted EBITDA was $191 million and Adjusted EBITDA margin was 34.1 percent**
- **Adjusted Net Income was $87 million and Adjusted Free Cash Flow was $80 million**
- **Updated guidance for full year 2012: Net Sales growth of 1 to 3 percent, Adjusted EBITDA margin of 33.5 to 34.0 percent and Adjusted Free Cash Flow of $350 million to $375 million, or $1.85 to $2.00 per diluted share**

Indianapolis, IN, July 30, 2012 – Allison Transmission Holdings, Inc. (NYSE: ALSN), the world's largest manufacturer of fully-automatic transmissions for medium- and heavy-duty commercial vehicles and hybrid-propulsion systems for city buses, today reported net sales for the quarter of $559 million, a 1 percent increase over the same period in 2011. Net Income for the quarter was $413 million, compared to a net loss of $17 million for the same period in 2011, an increase of $430 million. Adjusted Net Income, a non-GAAP financial measure, was $87 million for the quarter, a 701 percent increase over the same period in 2011. Diluted earnings per share for the quarter were $2.21.

The increase in net sales was principally driven by increased demand for North America On-Highway, Wheeled Military and Outside North America Off-Highway products, supported by price increases on certain products. Growth in these markets was largely offset by decreased demand in the North America Off-Highway energy sector resulting from weakness in natural gas pricing and fewer sales of North America Hybrid-Propulsion Systems for Transit Buses. Our Outside North America On-Highway net sales in the quarter were in line with the prior year, due to weakness in European end markets largely offsetting growth in China and Latin America.

Adjusted EBITDA, a non-GAAP financial measure, for the quarter was $191 million, or 34.1 percent of net sales, compared to $193 million for the same period in 2011. Adjusted Free Cash Flow, also a non-GAAP financial measure, for the quarter was $80 million, an 18 percent increase over the same period in 2011.

Lawrence E. Dewey, Chairman, President and Chief Executive Officer of Allison Transmission commented, "Following strong first quarter results we are pleased to report continued sound financial performance supported by attractive year over year growth in our core North America On-Highway end market, and in our Outside North America Off-Highway end market. We achieved this growth despite signs of slowing economic growth rates and decreased demand for transmissions used in North America energy sector hydraulic fracturing processes. We continued to demonstrate strong operating margins and a robust level of cash flow while investing in growth opportunities, including underserved markets and Outside North America manufacturing. We remain committed to debt reduction and the return of capital to our shareholders."

Second Quarter Net Sales by End Market

End Market	Q2 2012 Net Sales ($M)	Q2 2011 Net Sales ($M)	% Variance
North America On-Highway	**$ 217**	**$ 189**	**15%**
North America Hybrid-Propulsion Systems for Transit Bus	**$ 18**	**$ 40**	**(55%)**
North America Off-Highway	**$ 44**	**$ 70**	**(37%)**
Military	**$ 80**	**$ 69**	**16%**
Outside North America On-Highway	**$ 78**	**$ 77**	**1%**
Outside North America Off-Highway	**$ 30**	**$ 21**	**43%**
Service, Parts, Support Equipment & Other	**$ 92**	**$ 90**	**2%**
Total	**$ 559**	**$ 556**	**1%**

Second Quarter Highlights

North America On-Highway end market continued its recovery with net sales up 15 percent in the second quarter from the same period in 2011. Rugged Duty Series and school bus models were the primary drivers of this performance followed by a smaller increase in motor home models. These increases were partially offset by reduced sales of Highway Series models. We expect continued growth in this end market in the second half, though at an appreciably slower rate than what we have experienced year to date, given diminished commercial vehicle production forecasts.

North America Hybrid-Propulsion Systems for Transit Bus end market net sales in the second quarter were down 55 percent from the same period in 2011 principally due to intra-year movements in the timing of orders. We believe second half net sales will be higher relative to the level experienced in second quarter of 2012.

North America Off-Highway end market net sales in the second quarter were down 37 percent from the same period in 2011. The year over year decrease in the quarter was principally driven by decreased demand from hydraulic fracturing applications due to weakness in natural gas pricing. We believe second half year over year comparisons will continue to be challenging due to the strong demand we experienced last year and into the first quarter of 2012, and that second quarter net sales are more reflective of the demand level we can expect for the remainder of the year.

Military end market net sales in the second quarter were up 16 percent from the same period in 2011. The year over year increase in the quarter was principally driven by increased wheeled military products requirements. Due to anticipated reductions in U.S. defense spending we continue to expect a decline in net sales for the second half of 2012 compared to the prior year.

Outside North America On-Highway end market net sales in the second quarter were up 1 percent from the same period in 2011, reflecting strength in China and Latin America being offset by a weaker environment in Europe. Despite challenging economic conditions, we continued to pursue our strategic priorities including regional marketing efforts to increase the penetration level of fully-automatic transmissions and attainment of additional vehicle releases in key emerging growth markets. We expect second half net sales in line with the prior year level due to increases in emerging markets offsetting continued weakness in European end markets.

Outside North America Off-Highway end market net sales in the second quarter were up 43 percent from the same period in 2011. The year over year increase in the quarter was principally driven by continued strong demand from the mining and energy sectors. We expect continued double-digit year over year growth in second half net sales driven by the energy and mining sectors and our increased penetration in these end markets.

Service parts, support equipment & other end market net sales were up 2 percent from the same period in 2011. The year over year increase in the quarter was principally driven by price increases on certain products, support equipment sales commensurate with increased transmission unit volume and increased global on-highway service parts sales partially offset by decreased global off-highway service parts sales. We expect second half net sales in line with the prior year level.

Gross profit for the quarter was $252 million, an increase of 3 percent over gross profit of $245 million for the same period in 2011. Gross margin for the quarter was 45 percent, an increase of 100 basis points over gross margin of 44 percent for the same period in 2011. The increases were principally driven by price increases on certain products and improved manufacturing performance partially offset by unfavorable sales mix.

Selling, general and administrative expenses for the quarter were $109 million, an increase of 13 percent over selling, general and administrative expenses of $97 million for the same period in 2011. The increase was principally driven by a warranty expense charge for the dual power inverter module (“DPIM”) extended coverage program and favorable 2011 product warranty expense adjustments partially offset by decreased global commercial spending activities. The DPIM warranty expense charge is attributable to design issues related to the introduction of the DPIM replacement in late 2009.

Engineering – research and development expenses for the quarter were $23 million, compared to $28 million for the same period in 2011, a decrease of $5 million. The decrease was principally driven by higher 2011 technology-related license expense partially offset by increased product initiatives spending.

Second Quarter Non-GAAP Financial Measures

Adjusted EBITDA for the quarter was $191 million, a decrease of 1 percent from Adjusted EBITDA of $193 million for the same period in 2011. The decrease was principally driven by favorable 2011 product warranty expense adjustments, increased product initiatives spending and increased other expense, net partially offset by increased gross profit, decreased global commercial spending activities and higher 2011 technology-related license expense.

Adjusted Net Income for the quarter was $87 million compared to $11 million for the same period in 2011, which included $57 million of premiums and expenses on tender offer for long-term debt. Excluding the impact of the 2011 debt retirement charge, the increase in Adjusted Net Income was principally driven by increased gross profit, decreased global commercial spending activities, higher 2011 technology-related license expense and decreased cash interest expense as a result of debt repayments and purchases partially offset by a warranty expense charge for the DPIM extended coverage program, favorable 2011 product warranty expense adjustments, increased product initiatives spending and increased other expense, net. The decrease in cash interest expense resulting from debt repayments and purchases is consistent with our commitment of using cash flow to reduce indebtedness over time.

Adjusted Free Cash Flow for the quarter was $80 million, an increase of 18 percent over Adjusted Free Cash Flow of $68 million for the same period in 2011. The increase was principally driven by increased net cash provided by operating activities partially offset by increased capital expenditures attributable to the continued expansion of our India facility which will be completed in the third quarter of 2012, as well as increased product initiatives spending and investments in productivity and replacement programs. The increased capital expenditures were partially offset by the construction of our Hungary manufacturing facility in 2011.

Full Year 2012 Guidance Update

Allison expects 2012 net sales growth in the range of 1 to 3 percent and an Adjusted EBITDA margin in the range of 33.5 to 34.0 percent. Adjusted Free Cash Flow is expected to be in the range of $350 to $375 million, or $1.85 to $2.00 per diluted share. Capital expenditures are expected to be in the range of $115 to $130 million subject to timely completion of development and sourcing milestones for new product programs. Cash income taxes are expected to be in the range of $10 to $15 million.

Our full year guidance, reflecting a cautious approach given heightened market uncertainty, assumes year over year net sales growth in Global On-Highway, Outside North America Off-Highway and Service Parts, Support Equipment & Other end markets partially offset by year over year net sales reductions in the North America Off-Highway, Military and North America Hybrid-Propulsion Systems for Transit Bus end markets. Despite the implied second half net sales decline compared to the prior year, largely attributable to the cyclicality of the North America energy sector, Allison's core North America On-Highway end market continues to recover while our Outside North America end markets initiatives deliver modest growth in challenging economic conditions. In addition to our core end markets net sales performance, we continue to demonstrate strong operating margins and a robust level of cash flow while investing in growth opportunities and maintaining our commitment to debt reduction and the return of capital to our shareholders.

Conference Call and Webcast

The company will host a conference call at 4:30 p.m. Eastern Time on Monday, July 30, 2012 to discuss its second quarter 2012 results. Dial-in number is 1-719-457-2641 and the U.S. toll-free dial-in number is 1-888-203-7337. Passcode for the call is 9714928. A live webcast of the conference call will also be available on the investor relations page of the Company's website at http://ir.allisontransmission.com/.

For those unable to participate in the conference call, a replay will be available from 7:30 p.m. Eastern Time on July 30, 2012 until Noon Eastern Time on August 6, 2012. The replay dial-in number is 1-858-384-5517 and the U.S. toll-free replay dial-in number is 1-877-870-5176. Replay passcode is 9714928.

About Allison Transmission

Allison Transmission is the world's largest manufacturer of fully-automatic transmissions for medium- and heavy-duty commercial vehicles, medium- and heavy-tactical U.S. military vehicles and hybrid-propulsion systems for transit buses. Allison transmissions are used in a variety of applications including on-highway trucks (distribution, refuse, construction, fire and emergency), buses (primarily school and transit), motor homes, off-highway vehicles and equipment (primarily energy and mining) and military vehicles (wheeled and tracked). Founded in 1915, the Allison business is headquartered in Indianapolis, Indiana, U.S.A. and employs approximately 2,800 people. Allison has manufacturing facilities and customization centers located in China, The Netherlands, Brazil, India and Hungary. With a global presence, serving customers in North America, Europe, Asia, Australia, South America, and Africa, Allison also has over 1,500 independent distributor and dealer locations worldwide. More information about Allison is available at www.allisontransmission.com.

Forward-Looking Statements

This press release may contain forward-looking statements. All statements other than statements of historical fact contained in this press release are forward-looking statements, including all statements regarding future financial results. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expect," "plans," "project," "anticipate," "believe," "estimate," "predict," "intend," "forecast," "could," "potential," "continue" or the negative of these terms or other similar terms or phrases. Forward-looking statements are not guarantees of future performance and involve known and unknown risks. Factors which may cause the actual results to differ materially from those anticipated at the time the forward-looking statements are made include, but are not limited to: risks related to our substantial indebtedness; our participation in markets that are competitive; general economic and industry conditions; our ability to prepare for, respond to and successfully achieve our objectives relating to technological and market developments and changing customer needs; the failure of markets outside North America to increase adoption of fully-automatic transmissions; the discovery of defects in our products, resulting in delays in new model launches, recall campaigns and/or increased warranty costs and reduction in future sales or damage to our brand and reputation; the concentration of our net sales in our top five customers and the loss of any one of these; risks associated with our international operations; brand and reputational risks; our intention to pay dividends; and labor strikes, work stoppages or similar labor disputes, which could significantly disrupt our operations or those of our principal customers. Although we believe the expectations reflected in such forward-looking statements are based upon reasonable assumptions, we can give no assurance that the expectations will be attained or that any deviation will not be material. All information is as of the date of this press release, and we undertake no obligation to update any forward-looking statement to conform the statement to actual results or changes in expectations.

Use of Non-GAAP Financial Measures

This press release contains information about Allison's financial results which are not presented in accordance with accounting principles generally accepted in the United States ("GAAP"). Such non-GAAP financial measures are reconciled to their closest GAAP financial measures at the end of this press release. Non-GAAP financial measures should not be considered in isolation or as a substitute for our reported results prepared in accordance with GAAP and, as calculated, may not be comparable to other similarly titled measures of other companies.

Attachment

- Condensed Consolidated Statements of Operations
- Condensed Consolidated Balance Sheets
- Condensed Consolidated Statements of Cash Flows
- Reconciliation of GAAP to Non-GAAP Financial Measures

Contacts

Investor Relations
ir@allisontransmission.com

Media Relations
media@allisontransmission.com

Allison Transmission Holdings, Inc.
Condensed Consolidated Statements of Operations
(Unaudited, dollars in millions, except per share data)

	Three months ended June 30, 2012	Three months ended June 30, 2011	Six months ended June 30, 2012	Six months ended June 30, 2011
Net sales	$ 559.4	$ 555.7	$ 1,161.3	$ 1,072.7
Cost of sales	307.5	311.2	625.6	598.2
Gross profit	251.9	244.5	535.7	474.5
Selling, general and administrative expenses	109.1	96.7	210.3	197.6
Engineering - research and development	23.2	28.2	51.1	58.5
Operating income	119.6	119.6	274.3	218.4
Interest expense, net	(34.1)	(71.0)	(74.8)	(120.6)
Other expense, net	(22.8)	(59.8)	(53.6)	(54.1)
Income (loss) before income taxes	62.7	(11.2)	145.9	43.7
Income tax benefit (expense)	350.1	(6.0)	324.9	(24.0)
Net income (loss)	$ 412.8	$ (17.2)	$ 470.8	$ 19.7
Basic earnings (loss) per share attributable to common stockholders	$ 2.28	$ (0.09)	$ 2.60	$ 0.11
Diluted earnings (loss) per share attributable to common stockholders	$ 2.21	$ (0.09)	$ 2.55	$ 0.11

Allison Transmission Holdings, Inc.
Condensed Consolidated Balance Sheets
(Dollars in millions)

	June 30, 2012 (Unaudited)	December 31, 2011 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	$ 112.1	$ 314.0
Accounts receivables - net of allowance for doubtful accounts of $0.9 and $1.3 respectively	234.8	194.7
Inventories	168.3	155.9
Deferred income taxes, net	30.9	3.4
Other current assets	31.7	34.7
Total Current Assets	577.8	702.7
Property, plant and equipment, net	581.3	581.8
Intangible assets, net	3,732.1	3,807.1
Deferred income taxes, net	88.4	0.8
Other non-current assets	84.4	100.2
TOTAL ASSETS	$ 5,064.0	$ 5,192.6
LIABILITIES		
Current Liabilities		
Accounts payable	$ 186.2	$ 162.6
Current portion of long term debt	8.0	31.0
Other current liabilities	215.4	256.3
Total Current Liabilities	409.6	449.9
Long term debt	3,012.6	3,345.0
Other non-current liabilities	358.0	576.0
TOTAL LIABILITIES	3,780.2	4,370.9
TOTAL STOCKHOLDERS’ EQUITY	1,283.8	821.7
TOTAL LIABILITIES & STOCKHOLDERS’ EQUITY	$ 5,064.0	$ 5,192.6

Allison Transmission Holdings, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited, dollars in millions)

	Three months ended June 30, 2012	Three months ended June 30, 2011	Six months ended June 30, 2012	Six months ended June 30, 2011
Net cash provided by operating activities	$ 106.9	$ 83.8	$ 246.5	$ 193.7
Net cash (used for) provided by investing activities	(34.6)	20.3	(70.0)	14.5
- Additions of long-lived assets	(26.8)	(16.0)	(62.5)	(27.6)
Net cash used for financing activities	(170.3)	(186.2)	(388.1)	(186.2)
Effect of exchange rate changes in cash	17.2	1.5	9.7	(2.4)
Net (decrease) increase in cash and cash equivalents	(80.8)	(80.6)	(201.9)	19.6
Cash and cash equivalents at beginning of period	192.9	352.4	314.0	252.2
Cash and cash equivalents at end of period	$ 112.1	$ 271.8	$ 112.1	$ 271.8
Supplemental disclosures:				
Interest paid	$ 52.7	$ 84.9	$ 88.8	$ 114.8
Income taxes paid	$ 3.5	$ 2.1	$ 6.4	$ 3.7

Allison Transmission Holdings, Inc.
Reconciliation of GAAP to Non-GAAP Financial Measures
(Unaudited, dollars in millions)

	Three months ended June 30, 2012	Three months ended June 30, 2011	Six months ended June 30, 2012	Six months ended June 30, 2011
Net income (loss)	$ 412.8	$ (17.2)	$ 470.8	$ 19.7
plus:				
Interest expense, net	34.1	71.0	74.8	120.6
Cash interest	(52.7)	(84.9)	(88.8)	(114.8)
Income tax (benefit) expense	(350.1)	6.0	(324.9)	24.0
Cash income taxes	(3.5)	(2.1)	(6.4)	(3.7)
Fee to terminate services agreement with Sponsors (a)	—	—	16.0	—
Initial public offering expenses (b)	0.4	—	6.1	—
Technology-related investment expense (c)	8.0	—	8.0	—
Amortization of intangible assets	37.5	38.0	75.0	76.0
Adjusted net income	$ 86.5	$ 10.8	$ 230.6	$ 121.8
Cash interest expense	52.7	84.9	88.8	114.8
Cash income taxes	3.5	2.1	6.4	3.7
Depreciation of property, plant and equipment	25.3	25.8	49.9	51.5
Loss on repurchases of long-term debt (d)	7.6	8.3	21.1	8.3
Dual power inverter module extended coverage (e)	9.4	—	9.4	—
Benefit plan re-measurement (f)	2.3	—	2.3	—
Unrealized loss on hedge contracts (g)	1.7	2.6	1.0	1.0
Premiums and expenses on tender offer for long-term debt (h)	—	56.9	—	56.9
Restructuring charges (i)	—	0.6	—	0.6
Benefit plan adjustment (j)	—	(2.0)	—	(2.0)
Other (k)	1.7	3.0	4.2	5.7
Adjusted EBITDA	$ 190.7	$ 193.0	$ 413.7	$ 362.3
Net sales	$ 559.4	$ 555.7	$1,161.3	$1,072.7
Adjusted EBITDA margin	34.1%	34.7%	35.6%	33.8%
Net Cash Provided by Operating Activities	$ 106.9	$ 83.8	$ 246.5	$ 193.7
(Deductions) or Additions to Reconcile to Adjusted Free Cash Flow:				
Additions of long-lived assets	(26.8)	(16.0)	(62.5)	(27.6)
Fee to terminate services agreement with Sponsors (a)	—	—	16.0	—
Adjusted Free Cash Flow	$ 80.1	$ 67.8	$ 200.0	$ 166.1

(a) Represents a one-time payment (recorded in Other expense, net) to terminate the services agreement with affiliates of the Carlyle Group and Onex Corporation (the "Sponsors").

(b) Represents $0.4 million and $6.1 million of fees and expenses (recorded in Other expense, net) related to our initial public offering in March 2012 for the three and six months ended June 30, 2012, respectively.

(c) Represents an $8.0 million impairment charge (recorded in Other expense, net) on investments in co-development agreements with various companies to expand our position in transmission technologies.

(d) Represents a $7.6 million and $8.3 million loss (recorded in Other expense, net) realized on the redemptions and repayments of long-term debt for the three months ended June 30, 2012 and 2011. Represents a $21.1 million and $8.3 million loss (recorded in Other expense, net) realized on the redemptions and repayments of long-term debt for the six months ended June 30, 2012 and 2011.

(e) During the second quarter of 2012, the Company increased its liability related to the dual power inverter module extended coverage program due to claims data and additional design issues identified during introduction of replacement units. The increase in liability resulted in a charge of approximately $9.4 million (recorded in Selling, general and administrative expenses) for the three and six months ended June 30, 2012.

(f) Represents a $2.3 million settlement charge (recorded in Other expense, net) related to the settlement of pension obligations for qualified hourly employees from the Company's hourly defined benefit pension plan to General Motors' pension plan.

(g) Represents $1.7 million and $2.6 million of unrealized losses (recorded in Other expense, net) on the mark-to-market of our foreign currency and commodities contracts for the three months ended June 30, 2012 and 2011, respectively. Represents $1.0 million and $1.0 million of unrealized losses (recorded in Other expense, net) on the mark-to-market of our foreign currency and commodities contracts for the six months ended June 30, 2012 and 2011, respectively.

(h) Represents $56.9 million (recorded in Other expense, net) of premiums and expenses related to the tender offer of 11.25% senior toggle notes due 2015 in the second quarter of 2011.

(i) Represents $0.6 million ($0.1 million recorded as Cost of sales and $0.5 million recorded as Engineering – research and development) of restructuring expenses related to a second quarter 2011 salaried employee headcount reduction program.

(j) Represents a ($2.0) million ($0.7 million recorded in Cost of sales, $0.7 million recorded in Selling, general and administrative expenses, and $0.6 million recorded in Engineering – research and development) favorable adjustment related to certain differences between benefits promised under a certain benefit plan and the administration of the plan.

(k) Represents employee stock compensation expense and service fees (recorded in Selling, general and administrative expenses) paid to the Sponsors.


Exhibit 99.2
July 30, 2012
Allison Transmission
Q2 2012 Earnings Release
SCHOOL BUS
HITACHI
Lawrence Dewey, Chairman, President & Chief Executive Officer
David Graziosi, Executive Vice President & Chief Financial Officer

Safe Harbor Statement

The following information contains, or may be deemed to contain, “forward-looking statements” (as defined in the U.S. Private Securities Litigation Reform Act of 1995). Most forward-looking statements contain words that identify them as forward-looking, such as “may”, “plan”, “seek”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “project”, “opportunity”, “target”, “goal”, “growing” and “continue” or other words that relate to future events, as opposed to past or current events. By their nature, forward-looking statements are not statements of historical facts and involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. These statements give Allison Transmission’s current expectation of future events or its future performance and do not relate directly to historical or current events or Allison Transmission’s historical or future performance. As such, Allison Transmission’s future results may vary from any expectations or goals expressed in, or implied by, the forward-looking statements included in this presentation, possibly to a material degree.

Allison Transmission cannot assure you that the assumptions made in preparing any of the forward-looking statements will prove accurate or that any long-term financial goals will be realized. All forward-looking statements included in this presentation speak only as of the date made, and Allison Transmission undertakes no obligation to update or revise publicly any such forward-looking statements, whether as a result of new information, future events, or otherwise. In particular, Allison Transmission cautions you not to place undue weight on certain forward-looking statements pertaining to potential growth opportunities, long-term financial goals or the value we currently ascribe to certain tax attributes set forth herein. Actual results may vary significantly from these statements.

Allison Transmission’s business is subject to numerous risks and uncertainties, which may cause future results of operations to vary significantly from those presented herein.

Non-GAAP Financial Information

We use Adjusted net income, Adjusted EBITDA, Adjusted EBITDA margin, adjusted free cash flow and free cash flow to evaluate our performance relative to that of our peers. In addition, the Senior Secured Credit Facility has certain covenants that incorporate Adjusted EBITDA. However, Adjusted net income, Adjusted EBITDA, Adjusted EBITDA margin, adjusted free cash flow and free cash flow are not measurements of financial performance under GAAP, and these metrics may not be comparable to similarly titled measures of other companies. Adjusted net income is calculated as the sum of net income (loss), interest expense, net, income tax expense, trade name impairment and amortization of intangible assets, less cash interest expense, net and cash income taxes, and adjusted for certain non-recurring items. Adjusted EBITDA is calculated as the sum of Adjusted net income, cash interest expense, net, cash income taxes, depreciation of property, plant and equipment and other adjustments as defined by the Senior Secured Credit Facility and as further described below. Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by net sales. Free cash flow is calculated as net cash provided by operating activities less capital expenditures. Adjusted free cash flow is free cash flow adjusted for non-recurring items.

We use Adjusted net income to measure our overall profitability because it better reflects our cash flow generation by capturing the actual cash taxes paid rather than our tax expense as calculated under GAAP and excludes the impact of the non-cash annual amortization of certain intangible assets that were created at the time of the Acquisition Transaction. We use Adjusted EBITDA and Adjusted EBITDA margin to evaluate and control our cash operating costs and to measure our operating profitability. We use adjusted free cash flow and free cash flow to evaluate the amount of cash generated by the business that, after the capital investment needed to maintain and grow our business, can be used for strategic opportunities, including investing in our business and strengthening our balance sheet. We believe the presentation of Adjusted net income, Adjusted EBITDA, Adjusted EBITDA margin, adjusted free cash and free cash flow enhances our investors' overall understanding of the financial performance and cash flow of our business.

You should not consider Adjusted net income, Adjusted EBITDA, Adjusted EBITDA margin, adjusted free cash flow and free cash flow as an alternative to net income (loss), determined in accordance with GAAP, as an indicator of operating performance, or as an alternative to net cash provided by operating activities, determined in accordance with GAAP, as an indicator of Allison’s cash flow.

Call Agenda

- **Q2 2012 Performance**
- **End Markets Commentary**
- **Full Year 2012 Guidance Update**

Q2 2012 Performance Summary

($ in millions)	Q2 2012	Q2 2011	% Variance
Net Sales	$559	$556	0.7%
Gross Margin %	45.0%	44.0%	+100 bps
Adjusted Net Income (1)	$87	$11	700.9%
Adjusted Free Cash Flow (2)(3)	$80	$68	17.6%

Commentary

Net Sales: increased demand for North America On-Highway, Wheeled Military, and Outside North America Off-Highway products, supported by price increases on certain products. Growth in these markets was largely offset by decreased demand in the North America Off-Highway energy sector resulting from weakness in natural gas pricing and fewer sales of North America Hybrid-Propulsion Systems for Transit Buses. Our Outside North America On-Highway net sales in the quarter were in line with the prior year, due to weakness in European end markets largely offsetting growth in China and Latin America.

Gross Margin: price increases on certain products and improved manufacturing performance partially offset by unfavorable sales mix.

Adjusted Net Income: 2011 premiums and expenses on tender offer of long-term debt, increased gross profit, decreased global commercial spending activities, higher 2011 technology-related license expense and decreased cash interest expense as a result of debt repayments and purchases partially offset by higher warranty expense, increased product initiatives spending and increased other expense, net.

Adjusted Free Cash Flow: increased net cash provided by operating activities partially offset by increased capital expenditures attributable to the continued expansion of our India facility which will be completed this year, as well as increased product initiatives spending and investments in productivity and replacement programs.

Full Year 2012 Guidance: Sales growth of 1 to 3 percent and Adjusted EBITDA margin of 33.5 to 34.0 percent.

(1) See Appendix for a reconciliation of Adjusted net income (loss).
(2) Free Cash Flow = Cash provided by Operating Activities less CapEx. See slide 8.
(3) Adjusted Free Cash Flow = Free Cash Flow less non-recurring items.

Q2 2012 Sales Performance

($ in millions)

End Markets	Q2 2012	Q2 2011	% Variance	Commentary
North America On-Hwy	$217	$189	15%	Continued market recovery
North America Hybrid-Propulsion Systems for Transit Bus	$18	$40	(55%)	Intra-year movements in the timing of orders
North America Off-Hwy	$44	$70	(37%)	Decreased demand from natural gas fracturing applications due to weakness in natural gas pricing
Military	$80	$69	16%	Increased wheeled military products requirements
Outside North America On-Hwy	$78	$77	1%	Weakness in European end markets largely offsetting growth in China and Latin America; constrained market growth rates resulting from macro uncertainties and muted economic growth forecasts
Outside North America Off-Hwy	$30	$21	43%	Increased demand from the mining and energy sectors
Service Parts, Support Equipment & Other	$92	$90	2%	Price increases, increased transmission unit volume, increased global on-highway service parts sales partially offset by decreased global off-highway service parts sales
Total	**$559**	**$556**	**1%**	

Q2 2012 Financial Performance

($ in millions)	Q2 2012	Q2 2011	$ Var	% Var	Commentary
Net Sales	$559.4	$555.7	$3.7	0.7%	Increases in NAFTA On-Highway, Wheeled Military, Outside NAFTA Off-Highway products, supported by price increases; Growth largely offset by NAFTA Off-Highway energy sector and fewer sales of North America Hybrid-Propulsion Systems for Transit Buses; Outside North America On-Highway weakness in European end markets largely offsetting growth in China and Latin America
Cost of Sales	$307.5	$311.2	$3.7	1.2%	
Gross Profit	$251.9	$244.5	$7.4	3.0%	Price increases on certain products and improved manufacturing performance partially offset by unfavorable sales mix
Operating Expenses					
Selling, general and administrative expenses	$109.1	$96.7	($12.4)	(12.8%)	Warranty charge for dual power inverter module extended coverage and favorable 2011 warranty adjustments partially offset by decreased global commercial initiatives
Engineering – research and development	$23.2	$28.2	$5.0	17.7%	Higher 2011 technology-related license expense partially offset by increased product initiatives spending
Total operating expenses	$132.3	$124.9	($7.4)	(5.9%)	
Operating Income	$119.6	$119.6	$0.0	0.0%	
Interest Expense, net	($34.1)	($71.0)	$36.9	52.0%	Debt repayments and repurchases
Other Expense, net	($22.8)	($59.8)	$37.0	61.9%	2011 debt retirement partially offset by impairment of technology-related investments and increased miscellaneous expenses, net
Income (Loss) Before Income Taxes	$62.7	($11.2)	$73.9	659.8%	
Income Tax Benefit (Expense)	$350.1	($6.0)	$356.1	N/A	Release of deferred tax asset valuation allowance
Net Income (Loss)	$412.8	($17.2)	$430.0	N/A	
Diluted Earnings (Loss) Per Share	$2.21	($0.09)	$2.30	N/A	Q2 2012: 186.4M shares; Q2 2011: 181.4M shares;
Memo: Adjusted EBITDA(1)	$190.7	$193.0	($2.3)	(1.2%)	
Adjusted Net Income(1)	$86.5	$10.8	$75.7	700.9%	

(1) See Appendix for a reconciliation from net income (loss).

Q2 2012 Cash Flow Performance

($ in millions)	Q2 2012	Q2 2011	$ Variance	% Variance	Commentary
Cash Provided by Operating Activities	$107	$84	$23	27.4%	Increased net income adjusted for items not providing or using, lower operating working capital and higher other liabilities, net
CapEx	$27	$16	$11	68.8%	Increased investments in new facilities and product initiatives
Free Cash Flow (1) and Adjusted Free Cash Flow (2)	$80	$68	$12	17.6%	Increased net cash provided by operating activities partially offset by increased capital expenditures

($ in millions)	Q2 2012	Q2 2011	$ Variance	% Variance	Commentary
Operating Working Capital Percentage of LTM Sales (3)	9.6%	11.0%	N/A	(140 bps)	LTM net sales growth and Q2 2011 delayed A/R collection
Cash Paid for Interest	$53	$85	$32	37.6%	Debt repayments and repurchases
Cash Paid for Income Taxes	$4	$2	$2	100.0%	Increased pretax income

(1) Free Cash Flow = Cash Provided by Operating Activities less CapEx.
(2) Adjusted Free Cash Flow = Free Cash Flow less non recurring activities
(3) Operating Working Capital = A/R + Inventory – A/P.

End Markets Commentary

- **North America On-Highway**
  - Continued market recovery muted by heightened economic uncertainty
  - Expect slower second half year over year growth rate given diminished commercial vehicle production forecasts
- **North America Hybrid-Propulsion Systems for Transit Bus**
  - Municipal spending constraints and value proposition challenges
  - Expect second half quarterly levels above second quarter with full year 2012 below 2011
- **North America Off-Highway**
  - Majority of demand is natural gas fracturing
  - Expect second quarter level is more reflective of anticipated second half quarterly demand
- **Military**
  - Wheeled volume stronger than anticipated; expect second half of 2012 below 2011
- **Outside North America On-Highway**
  - Continued growth initiatives and attainment of vehicle releases
  - Heightened macro economic uncertainties pressuring commercial vehicle production forecasts
  - Expect second half of 2012 in line with 2011 due to increases in emerging markets offsetting continued weakness in European end markets
- **Outside North America Off-Highway**
  - Continued growth in mining and energy sectors
  - Expect slower second half year over year growth rate
- **Service Parts, Support Equipment & Other**
  - Follow global economic conditions and transmission unit volume; expect second half of 2012 in line with 2011

Full Year 2012 Guidance Update

	Guidance	Commentary on Full Year
Net Sales Growth from 2011	1 to 3 percent	Assumes year over year net sales growth in Global On-Highway, Outside North America Off-Highway and Service Parts, Support Equipment & Other end markets partially offset by year over year net sales reductions in the North America Off-Highway, Military and North America Hybrid-Propulsion Systems for Transit Bus end markets
Adjusted EBITDA % (1)	33.5 to 34.0 percent	Driven by sales mix and volume timing
Adjusted Free Cash Flow ($ in millions) (2)(3)	$350 to $375	Driven by EBITDA, Cash Interest, Cash Income Taxes, CapEx, etc
CapEx ($ in millions) Maintenance New Facilities New Product Programs	 $55 to $60 $25 to $30 $35 to $40	Product programs subject to timely completion of development and sourcing milestones
Cash Income Taxes ($ in millions)	$10 to $15	U.S. income tax shield and net operating loss utilization

(1) See Appendix
(2) Free Cash Flow = Cash Provided by Operating Activities less CapEx
(3) Adjusted Free Cash Flow = Free Cash Flow less non recurring activities

APPENDIX

Non-GAAP Financial Information

Non-GAAP Reconciliations (1 of 2)

Adjusted Net Income and Adjusted EBITDA reconciliation

$ in millions	For the year ended December 31,			Three months ended June 30,		Last twelve months ended June 30,
	2009	2010	2011	2011	2012	2012
Net (loss) income	**($323.9)**	**$29.6**	**$103.0**	**($17.2)**	**$412.8**	**$554.1**
plus:						
Interest expense, net	234.2	277.5	217.3	71.0	34.1	171.5
Cash interest expense, net	(242.5)	(239.1)	(208.6)	(84.9)	(52.7)	(182.6)
Income tax expense	41.4	53.7	47.6	6.0	(350.1)	(301.3)
Cash income taxes	(5.5)	(2.2)	(5.8)	(2.1)	(3.5)	(8.5)
Fee to terminate services agreement with Sponsors	—	—	—	—	0.0	16.0
Technology-related investment expense	—	—	—	—	8.0	8.0
Initial public offering expenses	—	—	—	—	0.4	6.1
Trade name impairment	190.0	—	—	—	—	—
Amortization of intangible assets	155.9	154.2	151.9	38.0	37.5	150.9
Adjusted net income	**$49.6**	**$273.7**	**$305.4**	**$10.8**	**$86.5**	**$414.2**
Cash interest expense, net	242.5	239.1	208.6	84.9	52.7	182.6
Cash income taxes	5.5	2.2	5.8	2.1	3.5	8.5
Depreciation of property, plant and equipment	105.9	99.6	103.8	25.8	25.2	102.2
(Gain)/Loss on repurchases of long-term debt	(8.9)	(3.3)	16.0	8.3	7.6	28.8
Dual power inverter module extended coverage	11.4	(1.9)	—	—	9.4	9.4
Unrealized (gain) loss on hedge contracts	(5.8)	0.1	6.8	2.6	1.7	6.8
Premiums and expenses on tender offer of long-term debt	—	—	56.9	56.9	—	0.0
Restructuring charges	47.9	—	—	0.6	—	(0.6)
Reduction of supply contract liability	—	(3.4)	—	—	—	—
Other, net[(1)]	53.2	10.9	8.6	1.0	4.1	11.5
Adjusted EBITDA	**$501.3**	**$617.0**	**$711.9**	**$193.0**	**$190.7**	**$763.4**
Net sales	**$1,766.7**	**$1,926.3**	**$2,162.8**	**$555.7**	**$559.4**	**$2,251.4**
Adjusted EBITDA margin	**28.4%**	**32.0%**	**32.9%**	**34.7%**	**34.1%**	**33.9%**

(1) Includes charges or income related to legacy employee benefits, shared income with General Motors, benefit plan adjustments, transitional costs to establish Allison as a stand-alone entity, pension curtailment adjustments, employee stock compensation expense, service fees paid to Allison's Sponsors and an adjustment for the settlement of litigation which originated with the Predecessor but was assumed by the Company as part of the Acquisition Transaction.

Non-GAAP Reconciliations (2 of 2)

Adjusted Free Cash Flow reconciliation

$ in millions	For the year ended December 31, 2009	2010	2011	Three months ended June 30, 2011	2012	Last twelve months ended June 30, 2012
Net Cash Provided by Operating Activities	**$168.7**	**$388.9**	**$469.2**	**$83.8**	**$106.9**	**$522.0**
(Deductions) or Additions:						
Long-lived assets	(88.2)	(73.8)	(96.9)	(16.0)	(26.8)	(131.8)
Fee to terminate services agreement with Sponsors	—	—	—	—	—	16.0
Non-Recurring Activity (1)	61.0	—	—	—	—	—
Adjusted Free Cash Flow	**$141.5**	**$315.1**	**$372.3**	**$67.8**	**$80.1**	**$406.2**
Net Sales	**$1,766.7**	**$1,926.3**	**$2,162.8**	**$555.7**	**$559.4**	**$2,251.4**
Adjusted Free Cash Flow (% to Net Sales)	**8.0%**	**16.4%**	**17.2%**	**12.2%**	**14.3%**	**18.0%**

(1) 2009 adjusted for certain non-recurring activity: (a) capitalized accrued interest on Senior Toggle Notes ($29) million, (b) cash restructuring charge $51 million, (c) accounts payable early payments $3 million, (d) delayed accounts receivable receipts $19 million and (e) Lehman LIBOR swap settlement $17 million.