DANA INCORPORATED Quarterly Financial Information and Reconciliations of Non-GAAP Financial Measures

Non-GAAP Financial Measures

Adjusted EBITDA is a non-GAAP financial measure which we have defined net income before interest, taxes, depreciation, amortization, equity grant expense, restructuring expense and other adjustments not related to our core operations (gain/loss on debt extinguishment, pension settlements, divestitures, impairment, etc.). Adjusted EBITDA is a measure of our ability to maintain and continue to invest in our operations and provide shareholder returns. We use adjusted EBITDA in assessing the effectiveness of our business strategies, evaluating and pricing potential acquisitions and as a factor in making incentive compensation decisions. In addition to its use by management, we also believe adjusted EBITDA is a measure widely used by securities analysts, investors and others to evaluate financial performance of our company relative to other Tier 1 automotive suppliers. Adjusted EBITDA should not be considered a substitute for income before income taxes, net income or other results reported in accordance with GAAP. Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

Diluted adjusted EPS is a non-GAAP financial measure which we have defined as adjusted net income divided by adjusted diluted shares. We define adjusted net income as net income attributable to the parent company, excluding any nonrecurring income tax items, restructuring charges, amortization expense and other adjustments not related to our core operations (as used in adjusted EBITDA), net of any associated income tax effects. We define adjusted shares as diluted shares as determined in accordance with GAAP based on adjusted net income. This measure is considered useful for purposes of providing investors, analysts and other interested parties with an indicator of ongoing financial performance that provides enhanced comparability to EPS reported by other companies. Diluted adjusted EPS is neither intended to represent nor be an alternative measure to diluted EPS reported under GAAP.

Free cash flow is a non-GAAP financial measure which we have defined as net cash provided by (used in) operating activities less purchases of property, plant and equipment. We believe this measure is useful to investors in evaluating the operational cash flow of the company inclusive of the spending required to maintain the operations. Free cash flow is neither intended to represent nor be an alternative to the measure of net cash provided by (used in) operating activities reported under GAAP. Free cash flow may not be comparable to similarly titled measures reported by other companies.

The accompanying financial information provides reconciliations of adjusted EBITDA, diluted adjusted EPS and free cash flow to the most directly comparable financial measures calculated and presented in accordance with GAAP. We have not provided a reconciliation of our adjusted EBITDA and diluted adjusted EPS outlook to the most comparable GAAP measures of net income and diluted EPS. Providing net income and diluted EPS guidance is potentially misleading and not practical given the difficulty of projecting event driven transactional and other non-core operating items that are included in net income and diluted EPS, including restructuring actions, asset impairments and income tax valuation adjustments. The accompanying reconciliations of these non-GAAP measures with the most comparable GAAP measures for the historical periods presented are indicative of the reconciliations that will be prepared upon completion of the periods covered by the non-GAAP guidance.

DANA INCORPORATED Consolidated Statement of Operations (Unaudited) For the Three Months Ended September 30, 2016 and 2015

| (In millions except per share amounts) | Three Months Ended September 30, | | | | | | | | | | | | | | | | | | | | | | | |
|---|-------------------------------------|-------|------|-------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|----|-------|
| (| | 2016 | 2015 | | | | | | | | | | | | | | | | | | | | | |
| Net sales | \$ 1,384 | | | | | | | | | | | | | | | | | | | | | | \$ | 1,468 |
| Costs and expenses | | | | | | | | | | | | | | | | | | | | | | | | |
| Cost of sales | | 1,176 | | 1,255 | | | | | | | | | | | | | | | | | | | | |
| Selling, general and administrative expenses | | 99 | | 98 | | | | | | | | | | | | | | | | | | | | |
| Amortization of intangibles | | 2 | | 4 | | | | | | | | | | | | | | | | | | | | |
| Restructuring charges, net | 17 | | | 1 | | | | | | | | | | | | | | | | | | | | |
| Impairment of long-lived assets | | | | (36) | | | | | | | | | | | | | | | | | | | | |
| Other income, net | | 9 | | 2 | | | | | | | | | | | | | | | | | | | | |
| Income before interest expense and income taxes | | 99 | | 76 | | | | | | | | | | | | | | | | | | | | |
| Interest expense | | 27 | | 31 | | | | | | | | | | | | | | | | | | | | |
| Income before income taxes | | 72 | | 45 | | | | | | | | | | | | | | | | | | | | |
| Income tax expense (benefit) | | 13 | | (77) | | | | | | | | | | | | | | | | | | | | |
| Equity in earnings of affiliates | | 2 | | | | | | | | | | | | | | | | | | | | | | |
| Net income | | 61 | | 122 | | | | | | | | | | | | | | | | | | | | |
| Less: Noncontrolling interests net income | | 4 | | 3 | | | | | | | | | | | | | | | | | | | | |
| Net income attributable to the parent company | \$ | 57 | \$ | 119 | | | | | | | | | | | | | | | | | | | | |
| Net income per share attributable to the parent company | | | | | | | | | | | | | | | | | | | | | | | | |
| Basic | \$ | 0.40 | \$ | 0.75 | | | | | | | | | | | | | | | | | | | | |
| Diluted | \$ | 0.39 | \$ | 0.75 | | | | | | | | | | | | | | | | | | | | |
| Weighted-average shares outstanding - Basic | | 144.0 | | 158.0 | | | | | | | | | | | | | | | | | | | | |
| Weighted-average shares outstanding - Diluted | | 144.6 | | 158.9 | | | | | | | | | | | | | | | | | | | | |
| Cash dividends declared per share | \$ | 0.06 | \$ | 0.06 | | | | | | | | | | | | | | | | | | | | |

DANA INCORPORATED Consolidated Statement of Operations (Unaudited) For the Nine Months Ended September 30, 2016 and 2015

| <i></i> | | Nine Months Ended September 30, | | | | |
|---|----|------------------------------------|----|-------|--|--|
| (In millions except per share amounts) | | | | | | |
| | | 2016 | | 2015 | | |
| Net sales | \$ | 4,379 | \$ | 4,685 | | |
| Costs and expenses | | | | | | |
| Cost of sales | | 3,739 | | 4,008 | | |
| Selling, general and administrative expenses | | 303 | | 299 | | |
| Amortization of intangibles | | 6 | | 13 | | |
| Restructuring charges, net | | 23 | | 13 | | |
| Impairment of long-lived assets | | | | (36) | | |
| Loss on extinguishment of debt | | (17) | | (2) | | |
| Other income, net | | 17 | | 18 | | |
| Income before interest expense and income taxes | | 308 | | 332 | | |
| Interest expense | | 84 | | 86 | | |
| Income before income taxes | | 224 | | 246 | | |
| Income tax expense (benefit) | | 66 | | (10) | | |
| Equity in earnings of affiliates | | 6 | | 3 | | |
| Net income | | 164 | | 259 | | |
| Less: Noncontrolling interests net income | | 9 | | 18 | | |
| Net income attributable to the parent company | \$ | 155 | \$ | 241 | | |
| Net income per share attributable to the parent company | | | | | | |
| Basic | \$ | 1.06 | \$ | 1.49 | | |
| Diluted | \$ | 1.05 | \$ | 1.48 | | |
| Weighted-average shares outstanding - Basic | | 146.7 | | 161.6 | | |
| Weighted-average shares outstanding - Diluted | | 147.1 | | 162.7 | | |
| Cash dividends declared per share | \$ | 0.18 | \$ | 0.17 | | |

DANA INCORPORATED Consolidated Statement of Comprehensive Income (Unaudited) For the Three Months Ended September 30, 2016 and 2015

| Three Months | | | | | | |
|---|---------------|------|----|------|--|--|
| (In millions) | September 30, | | | | | |
| | 20 | 016 | 2 | 015 | | |
| Net income | \$ | 61 | \$ | 122 | | |
| Less: Noncontrolling interests net income | | 4 | | 3 | | |
| Net income attributable to the parent company | | 57 | | 119 | | |
| Other comprehensive income (loss) attributable to | | | | | | |
| the parent company, net of tax: | | | | | | |
| Currency translation adjustments | | (8) | | (66) | | |
| Hedging gains and losses | | (11) | | 1 | | |
| Investment and other gains and losses | | (5) | | (5) | | |
| Defined benefit plans | | | | 17 | | |
| Other comprehensive loss attributable | | | | | | |
| to the parent company | | (24) | | (53) | | |
| Other comprehensive income (loss) attributable to | | | | | | |
| noncontrolling interests, net of tax: | | | | | | |
| Currency translation adjustments | | | | (3) | | |
| Other comprehensive loss attributable to | | | | | | |
| noncontrolling interests | | - | | (3) | | |
| Total comprehensive income attributable | | | | | | |
| to the parent company | | 33 | | 66 | | |
| Total comprehensive income attributable | | | | | | |
| to noncontrolling interests | | 4 | | - | | |
| Total comprehensive income | \$ | 37 | \$ | 66 | | |

DANA INCORPORATED Consolidated Statement of Comprehensive Income (Unaudited) For the Nine Months Ended September 30, 2016 and 2015

| | Nine Months Ended | | | |
|---|-------------------|------|----|-------|
| (In millions) | September 30, | | | |
| | | 2016 | - | 015 |
| Net income | \$ | 164 | \$ | 259 |
| Less: Noncontrolling interests net income | | 9 | | 18 |
| Net income attributable to the parent company | | 155 | | 241 |
| Other comprehensive income (loss) attributable to | | | | |
| the parent company, net of tax: | | | | |
| Currency translation adjustments | | (3) | | (151) |
| Hedging gains and losses | | (21) | | 3 |
| Investment and other gains and losses | | (2) | | (5) |
| Defined benefit plans | | 13 | | 40 |
| Other comprehensive loss attributable | | | | |
| to the parent company | | (13) | | (113) |
| Other comprehensive income (loss) attributable to | | | | |
| noncontrolling interests, net of tax: | | | | |
| Currency translation adjustments | | 1 | | (5) |
| Defined benefit plans | | | | 1 |
| Other comprehensive income (loss) attributable | | | | |
| to noncontrolling interests | | 1 | | (4) |
| Total comprehensive income attributable | | | | |
| to the parent company | | 142 | | 128 |
| Total comprehensive income attributable | | | | |
| to noncontrolling interests | | 10 | | 14 |
| Total comprehensive income | \$ | 152 | \$ | 142 |

DANA INCORPORATED Consolidated Balance Sheet (Unaudited) As of September 30, 2016 and December 31, 2015

| (In millions except share and per share amounts) | September 30, 2016 | | December 31, 2015 | |
|---|-----------------------|-----------------|----------------------|----------------|
| Assets | | | | |
| Current assets | | | | |
| Cash and cash equivalents | \$ | 727 | \$ | 791 |
| Marketable securities | | 126 | | 162 |
| Accounts receivable | | | | |
| Trade, less allowance for doubtful accounts of \$6 in 2016 and \$5 in 2015 | | 802 | | 673 |
| Other | | 150 | | 115 |
| Inventories | | 696 | | 625 |
| Other current assets | | 140 | | 108 |
| Total current assets | | 2,641 | | 2,474 |
| Goodwill | | 89 | | 80 |
| Intangibles | | 108 | | 102 |
| Other noncurrent assets | | 345 | | 353 |
| Investments in affiliates | | 147 | | 150 |
| Property, plant and equipment, net | | 1,283 | | 1,167 |
| Total assets | \$ | 4,613 | \$ | 4,326 |
| Liabilities and equity | | | | |
| Current liabilities | | | | |
| Notes payable, including current portion of long-term debt | \$ | 50 | \$ | 22 |
| Accounts payable | Ψ | 833 | Ψ | 712 |
| Accrued payroll and employee benefits | | 147 | | 145 |
| Taxes on income | | 20 | | 143 |
| Other accrued liabilities | | 202 | | 19 |
| Total current liabilities | | 1,252 | | 1,091 |
| Long-term debt, less debt issuance costs of \$23 in 2016 and \$21 in 2015 | | 1,232 | | 1,553 |
| Pension and postretirement obligations | | 508 | | 521 |
| Other noncurrent liabilities | | 368 | | 330 |
| Total liabilities | | 3,743 | | 3,495 |
| Commitments and contingencies | | 3,743 | | 3,493 |
| Parent company stockholders' equity | | | | |
| Preferred stock, 50,000,000 shares authorized, \$0.01 par value, | | | | |
| no shares outstanding | | _ | | - |
| Common stock, 450,000,000 shares authorized, \$0.01 par value, | | - | | _ |
| 143,813,145 and 150,068,040 shares outstanding | | 2 | | 2 |
| Additional paid-in capital | | 2,322 | | 2,311 |
| Accumulated deficit | | (281) | | (410) |
| | | | | |
| Treasury stock, at cost (6,810,678 and 23,963 shares) Accumulated other comprehensive loss | | (83) (1,187) | | (1) (1,174) |
| Total parent company stockholders' equity | | 773 | | 728 |
| Noncontrolling equity | | 97 | | 103 |
| Total equity | | 870 | | 831 |
| | ¢ | | ¢ | |
| Total liabilities and equity | \$ | 4,613 | \$ | 4,326 |

DANA INCORPORATED Consolidated Statement of Cash Flows (Unaudited) For the Three Months Ended September 30, 2016 and 2015

| (In millions) | Three Months Ended September 30, | | | | | |
|---|-------------------------------------|------|----|-------|--|-----|
| | 2016 | | | | | 015 |
| Operating activities | | | | | | |
| Net income | \$ | 61 | \$ | 122 | | |
| Depreciation | | 45 | | 39 | | |
| Amortization of intangibles | | 3 | | 4 | | |
| Amortization of deferred financing charges | | 2 | | 1 | | |
| Earnings of affiliates, net of dividends received | | | | 3 | | |
| Stock compensation expense | | 4 | | 6 | | |
| Deferred income taxes | | (4) | | (99) | | |
| Pension contributions, net | | (3) | | (5) | | |
| Impairment of long-lived assets | | | | 36 | | |
| Change in working capital | | (59) | | 16 | | |
| Other, net | _ | (7) | | 15 | | |
| Net cash provided by operating activities (1) | | 42 | | 138 | | |
| Investing activities | | | | | | |
| Purchases of property, plant and equipment (1) | | (68) | | (70) | | |
| Purchases of marketable securities | | (16) | | (3) | | |
| Proceeds from sales of marketable securities | | 43 | | 3 | | |
| Proceeds from maturities of marketable securities | | 11 | | 5 | | |
| Other | | (7) | | | | |
| Net cash used in investing activities | | (37) | | (65) | | |
| Financing activities | | | | | | |
| Net change in short-term debt | | 2 | | | | |
| Repayment of long-term debt | | (2) | | (1) | | |
| Dividends paid to common stockholders | | (8) | | (9) | | |
| Distributions paid to noncontrolling interests | | (13) | | (5) | | |
| Repurchases of common stock | | | | (119) | | |
| Other | | (4) | | 5 | | |
| Net cash used in financing activities | | (25) | | (129) | | |
| Net decrease in cash and cash equivalents | | (20) | | (56) | | |
| Cash and cash equivalents - beginning of period | | 745 | | 894 | | |
| Effect of exchange rate changes on cash balances | | 2 | | (21) | | |
| Cash and cash equivalents – end of period | \$ | 727 | \$ | 817 | | |

(1) Free cash flow of (\$26) in 2016 and \$68 in 2015 is the sum of net cash provided by operating activities reduced by the purchases of property, plant and equipment.

DANA INCORPORATED Consolidated Statement of Cash Flows (Unaudited) For the Nine Months Ended September 30, 2016 and 2015

| September 30, Qperating activities Net income \$ 164 \$ 259 Depreciation 129 117 Amortization of intangibles 7 14 Amortization of deferred financing charges 4 3 Call premium on senior notes 12 2 Unit of deferred financing costs 5 1 Earnings of affiliates, net of dividends received 3 12 Stock compensation expense 11 14 Deferred income taxes 1 (12) (13) Presion contributions, net (12) (14) (97) Pension contributions, net | | Nine Months Ended | | | |
|--|---|-------------------|-------|----|-------|
| Operating activities S 164 S 259 Depreciation 129 117 Amortization of intangibles 7 14 Amortization of deferred financing charges 4 3 Call premium on senior notes 12 2 Write off of deferred financing costs 5 1 Earnings of affiliates, net of dividends received 3 12 Stock compensation expense 11 14 Deferred income taxes 1 (97) Pension contributions, net (12) (14) Impairment of long-lived assets 36 Change in working capital (142) (92) Other, net | (In millions) | September 30, | | | |
| Net income \$ 164 \$ 259 Depreciation 129 117 Amotization of intangibles 7 14 Amotization of deferred financing charges 4 3 Call premium on senior notes 12 2 Write off of deferred financing costs 5 1 Earnings of affiliates, net of dividends received 3 12 Stock compensation expense 11 14 Deferred income taxes 1 (97) Pension contributions, net (12) (14) Impairment of long-lived assets 36 Charge in working capital (142) (92) Other, net 11 11 Net cash provided by in operating activities (1) 182 266 Investing activities 182 266 Investing activities 161 (192) Acquisition of business (11 (292) Purchases of marketable securities 33 21 Other (10) (33) Proceeds from inshort-term | | 2 | 2016 | | 015 |
| Depreciation 129 117 Amortization of intanjbles 7 14 Amortization of deferred financing charges 4 3 Call premium on senior notes 12 2 Write off of deferred financing costs 5 1 Earnings of affiliates, net of dividends received 3 12 Stock compensation expense 11 14 Deferred financing costs 5 1 Earnings of affiliates, net of dividends received 3 12 Stock compensation expense 11 14 Deferred financing casts 36 6 Change in working capital (12) (14) Net cash provided by in operating activities (1) 182 266 Investing activities 11 14 292 Purchases of property, plant and equipment (1) (198) (192) Acquisition of business (11) (29) Purchases of marketable securities 33 21 Other (10) (33) Net cash used in investing activities (12) </th <th>Operating activities</th> <th></th> <th></th> <th></th> <th></th> | Operating activities | | | | |
| Amortization of intangibles 7 14 Amortization of deferred financing charges 4 3 Call premium on senior notes 12 2 Write off of deferred financing costs 5 1 Earnings of affiliates, net of dividends received 3 12 Stock compensation expense 11 14 Deferred income taxes 1 (97) Pension contributions, net (12) (14) Impairment of long-lived assets 36 Change in working capital (142) (92) Other, net 11 14 Net cash provided by in operating activities (1) 182 266 Investing activities 182 266 Purchases of property, plant and equipment (1) (198) (192) Acquisition of business (18) 11 Purchases of marketable securities 47 15 Proceeds from maturities of marketable securities (187) (188) Financing activities (187) (188) Financing activities (16) (4) | Net income | \$ | 164 | \$ | 259 |
| Amortization of deferred financing charges 4 3 Call premium on senior notes 12 2 Write off of deferred financing costs 5 1 Earnings of affiliates, net of dividends received 3 12 Stock compensation expense 11 14 Deferred income taxes 1 (97) Pension contributions, net (12) (14) Impairment of long-lived assets 36 Charge in working capital (142) (92) Other, net 11 11 Net cash provided by in operating activities (1) 182 266 Investing activities 1180 1020 Acquisition of business (14) (29) Purchases of property, plant and equipment (1) (198) (192) Acquisition of business (16) 11 Purchases of marketable securities 47 15 15 15 15 15 16 14 3 14 3 11 14 3 11 14 3 11 14 3 15 16 | Depreciation | | 129 | | 117 |
| Call premium on senior notes 12 2 Write off of deferred financing costs 5 1 Earnings of affiliates, net of dividends received 3 12 Stock compensation expense 11 14 Deferred income taxes 1 (97) Pension contributions, net (12) (14) Impairment of long-lived assets 36 Change in working capital (142) (92) Other, net 11 182 266 Investing activities (141) (198) (192) Acquisition of business (18) (142) (29) Purchases of marketable securities 33 21 (141) (29) Proceeds from maturities of marketable securities 47 15 (162) (18) Proceeds from maturities of marketable securities (147) (188) (188) (188) Financing activities (117) (188) (117) (188) Financing activities (147) (188) (118) (118) Repayment of | Amortization of intangibles | | 7 | | 14 |
| Write off of deferred financing costs 5 1 Earnings of affiliates, net of dividends received 3 12 Stock compensation expense 11 14 Deferred income taxes 1 (97) Pension contributions, net (12) (14) Impairment of long-lived assets 36 Change in working capital (142) (92) Other, net 11 11 Net cash provided by in operating activities (1) 182 266 Investing activities 11 (29) Purchases of property, plant and equipment (1) (198) (192) Acquisition of business (41) (29) Purchases of marketable securities 47 15 Proceeds from maturities of marketable securities (16) (3) Net cash used in investing activities (187) (188) Financing activities (167) (188) Financing activities (16) (4) Proceeds from long-term debt 14 3 Repayment of letters of credit (4) | Amortization of deferred financing charges | | 4 | | 3 |
| Earnings of affiliates, net of dividends received 3 12 Stock compensation expense 11 14 Deferred income taxes 1 (97) Pension contributions, net (12) (14) Impairment of long-lived assets 36 Change in working capital (142) (92) Other, net 11 14 Net cash provided by in operating activities (1) 182 266 Investing activities 11 12 (142) Purchases of property, plant and equipment (1) (198) (192) Acquisition of business (14) (29) Purchases of marketable securities (41) (29) Proceeds from maturities of marketable securities 33 21 Other (100) (3) 13 Net cash used in investing activities (18) (18) Financing activities (187) (188) Financing activities (167) (188) Financing activities (12) (2) Deferred income pare debt 441 | Call premium on senior notes | | 12 | | 2 |
| Stock compensation expense 11 14 Deferred income taxes 1 (97) Pension contributions, net (12) (14) Impairment of long-lived assets 36 Change in working capital (142) (92) Other, net 11 182 266 Investing activities 1 197) 182 266 Investing activities 1 192) Acquisition of business (142) (192) Acquisition of business (18) 192) Acquisition of business (14) (29) Proceeds from sales of marketable securities 47 15 7 15 Proceeds from maturities of marketable securities (187) (188) 14 3 Repayment of letters of credit (10) (3) 41 3 Repayment of long-term debt 14 3 3 659 Call premium on senior notes (12) (2) 2 2 2 2 2 2 2 2 2 2 | Write off of deferred financing costs | | 5 | | 1 |
| Deferred income taxes 1 (97) Pension contributions, net (12) (14) Impairment of long-lived assets 36 Change in working capital (142) (92) Other, net 11 182 266 Investing activities 182 266 Investing activities (13) 192) Acquisition of business (14) (29) Purchases of property, plant and equipment (1) (198) (192) Acquisition of business (14) (29) Purchases of marketable securities (41) (29) Proceeds from maturities of marketable securities 33 21 Other (10) (3) Net cash used in investing activities (187) (188) Financing activities (187) (188) (141) 18 Repayment of leng-term debt 14 3 Repayment of leng-term debt (41) 18 Repayment of long-term debt (141) 18 (16) (10) 0) Dividends paid to common stockholders | Earnings of affiliates, net of dividends received | | 3 | | 12 |
| Pension contributions, net(12)(14)Impairment of long-lived assets36Change in working capital(142)(92)Other, net11Net cash provided by in operating activities (1)182266Investing activities11Purchases of property, plant and equipment (1)(198)(192)Acquisition of business(18)Purchases of marketable securities(41)(29)Proceeds from sales of marketable securities3321Other(10)(3)Net cash used in investing activities(187)(188)Financing activities(197)(188)Financing activities(197)(188)Financing activities(197)(188)Financing activities(187)(188)Financing activities(187)(188)Financing activities(197)(218)Financing activities(197)(218)Call premium on senior notes(12)(2)Deferred financing payments(10)(378)Call premium on senior notes(12)(2)Deferred financing payments(10)(245)Dividends paid to common stockholders(26)(27)Distributions paid to common stock(81)(245)Other(44)6Net decrease in cash and cash equivalents(77)(240)Cash and cash equivalents - beginning of period7911,121Effect of exchange rate changes on cash balances13(64) | Stock compensation expense | | 11 | | 14 |
| Impairment of long-lived assets36Change in working capital(142)(92)Other, net11Net cash provided by in operating activities (1)182266Investing activities1182266Investing activities(198)(192)Acquisition of business(18)Purchases of property, plant and equipment (1)(198)(192)Acquisition of business(14)(29)Proceeds from sales of marketable securities4715Proceeds from maturities of marketable securities3321Other(10)(3)Net cash used in investing activities(187)(188)Financing activities(147)(188)Financing activities(167)(187)Net change in short-term debt143Repayment of letters of credit(4)Proceeds from long-term debt(378)(59)Call premium on senior notes(12)(2)Deferred financing payments(10)Dividends paid to common stockholders(26)Other(4)6Net cash used in financing activities(72)(318)Net decrease in cash and cash equivalents(77)(240)Cash and cash equivalents - beginning of period7911,121Effect of exchange rate changes on cash balances13(64) | Deferred income taxes | | 1 | | (97) |
| Change in working capital (142) (92) Other, net 11 Net cash provided by in operating activities (1) 182 266 Investing activities 11 266 Purchases of property, plant and equipment (1) (198) (192) Acquisition of business (18) (192) Purchases of marketable securities (141) (29) Proceeds from sales of marketable securities 47 15 Proceeds from maturities of marketable securities 33 21 Other (10) (3) Net cash used in investing activities (187) (188) Financing activities (187) (188) Financing activities (141) 3 Repayment of letters of credit (4) 4 Proceeds from long-term debt 14 3 Repayment of long-term debt (12) (2) Call premium on senior notes (12) (2) Deferred financing payments (10) 10) Dividends paid to common stockholders (26) (27) Distributions paid to noncontrolling interests (16) | Pension contributions, net | | (12) | | (14) |
| Change in working capital (142) (92) Other, net 11 Net cash provided by in operating activities (1) 182 266 Investing activities 11 266 Purchases of property, plant and equipment (1) (198) (192) Acquisition of business (18) (192) Purchases of marketable securities (141) (29) Proceeds from sales of marketable securities 47 15 Proceeds from maturities of marketable securities 33 21 Other (10) (3) Net cash used in investing activities (187) (188) Financing activities (187) (188) Financing activities (141) 3 Repayment of letters of credit (4) 4 Proceeds from long-term debt 14 3 Repayment of long-term debt (12) (2) Call premium on senior notes (12) (2) Deferred financing payments (10) 10) Dividends paid to common stockholders (26) (27) Distributions paid to noncontrolling interests (16) | Impairment of long-lived assets | | | | 36 |
| Other, net11Net cash provided by in operating activities (1)182266Investing activities266Purchases of property, plant and equipment (1)(198)(192)Acquisition of business(18)Purchases of marketable securities(41)(29)Proceeds from sales of marketable securities4715Proceeds from maturities of marketable securities3321Other(10)(3)Net cash used in investing activities(187)(188)Financing activities(187)(188)Financing activities(187)(188)Financing activities(187)(188)Call premium on senior notes(12)(2)Deferred financing payments(10)Dividends paid to common stockholders(26)Dividends paid to noncontrolling interests(16)(8)Repurchases of common stock(81)(245)Other(4)6Net cash used in financing activities(77)(240)Cash and cash equivalents(77)(240)Cash and cash equivalents - beginning of period7911,121Effect of exchange rate changes on cash balances13(64) | | | (142) | | (92) |
| Net cash provided by in operating activities (1)182266Investing activitiesPurchases of property, plant and equipment (1)(198)(192)Acquisition of business(18)Purchases of marketable securities(41)(29)Proceeds from sales of marketable securities4715Proceeds from maturities of marketable securities3321Other(10)(3)Net cash used in investing activities(187)(188)Financing activities(187)(188)Financing activities(187)(188)Financing activities(187)(188)Financing activities(187)(188)Financing activities(11)(378)Net change in short-term debt143Repayment of letters of credit(4)(4)Proceeds from long-term debt(11)(12)Deferred financing payments(10)Dividends paid to common stockholders(26)Other(26)(27)Distributions paid to noncontrolling interests(16)Repurchases of common stock(81)(245)(245)Other(4)6Net cash used in financing activities(77)Net decrease in cash and cash equivalents(77)(240)Cash and cash equivalents - beginning of period7911,121Effect of exchange rate changes on cash balances13(64) | | | | | |
| Purchases of property, plant and equipment (1)(198)(192)Acquisition of business(18)Purchases of marketable securities(41)(29)Proceeds from sales of marketable securities4715Proceeds from maturities of marketable securities3321Other(10)(3)Net cash used in investing activities(187)(188)Financing activities(187)(188)Financing activities(187)(188)Financing activities(187)(188)Financing activities(187)(188)Financing activities(187)(188)Sepayment of letters of credit(4)3Proceeds from long-term debt(378)(59)Call premium on senior notes(12)(2)Deferred financing payments(10)10)Dividends paid to common stockholders(26)(27)Distributions paid to noncontrolling interests(16)(8)Repurchases of common stock(81)(245)Other(4)6Net decrease in cash and cash equivalents(77)(240)Cash and cash equivalents - beginning of period7911,121Effect of exchange rate changes on cash balances13(64) | | | 182 | | |
| Acquisition of business(18)Purchases of marketable securities(41)(29)Proceeds from sales of marketable securities4715Proceeds from maturities of marketable securities3321Other(10)(3)Net cash used in investing activities(187)(188)Financing activities(187)(188)Financing activities(187)(188)Financing activities(187)(188)Financing activities(14)3Repayment of letters of credit(4)Proceeds from long-term debt44118Repayment of long-term debt(12)(2)Call premium on senior notes(12)(2)Deferred financing payments(10)0Dividends paid to common stockholders(26)(27)Distributions paid to noncontrolling interests(16)(8)Repurchases of common stock(81)(245)Other(4)6Net cash used in financing activities(77)(240)Cash and cash equivalents(77)(240)Cash and cash equivalents - beginning of period7911,121Effect of exchange rate changes on cash balances13(64) | Investing activities | | | | |
| Purchases of marketable securities(41)(29)Proceeds from sales of marketable securities4715Proceeds from maturities of marketable securities3321Other(10)(3)Net cash used in investing activities(187)(188)Financing activities(187)(188)Financing activities(41)3Repayment of letters of credit(4)Proceeds from long-term debt44118Repayment of long-term debt(378)(59)Call premium on senior notes(12)(2)Deferred financing payments(10)(10)Dividends paid to common stockholders(26)(27)Distributions paid to noncontrolling interests(16)(8)Repurchases of common stock(44)6Net cash used in financing activities(72)(318)Net decrease in cash and cash equivalents(77)(240)Cash and cash equivalents - beginning of period7911,121Effect of exchange rate changes on cash balances13(64) | Purchases of property, plant and equipment (1) | | (198) | | (192) |
| Proceeds from sales of marketable securities4715Proceeds from maturities of marketable securities3321Other(10)(3)Net cash used in investing activities(187)(188)Financing activities(187)(188)Financing activities(4)(4)Proceeds from long-term debt143Repayment of letters of credit(4)(4)Proceeds from long-term debt(4118Repayment of long-term debt(378)(59)Call premium on senior notes(12)(2)Deferred financing payments(10)(10)Dividends paid to common stockholders(26)(27)Distributions paid to noncontrolling interests(16)(8)Repurchases of common stock(81)(245)Other(4)6Net cash used in financing activities(772)(318)Net decrease in cash and cash equivalents(777)(240)Cash and cash equivalents - beginning of period7911,121Effect of exchange rate changes on cash balances13(64) | Acquisition of business | | (18) | | |
| Proceeds from sales of marketable securities4715Proceeds from maturities of marketable securities3321Other(10)(3)Net cash used in investing activities(187)(188)Financing activities(187)(188)Net change in short-term debt143Repayment of letters of credit(4)Proceeds from long-term debt44118Repayment of long-term debt(378)(59)Call premium on senior notes(12)(2)Deferred financing payments(10)0Dividends paid to common stockholders(26)(27)Distributions paid to noncontrolling interests(16)(8)Repurchases of common stock(81)(245)Other(4)6Net cash used in financing activities(77)(240)Cash and cash equivalents - beginning of period7911,121Effect of exchange rate changes on cash balances13(64) | Purchases of marketable securities | | (41) | | (29) |
| Other(10)(3)Net cash used in investing activities(187)(188)Financing activities(187)(188)Net change in short-term debt143Repayment of letters of credit(4)Proceeds from long-term debt44118Repayment of long-term debt(378)(59)Call premium on senior notes(12)(2)Deferred financing payments(10)(10)Dividends paid to common stockholders(26)(27)Distributions paid to noncontrolling interests(16)(8)Repurchases of common stock(81)(245)Other(4)6Net cash used in financing activities(77)(240)Cash and cash equivalents(77)(240)Cash and cash equivalents(31)(64) | Proceeds from sales of marketable securities | | | | |
| Net cash used in investing activities(187)(188)Financing activities143Net change in short-term debt143Repayment of letters of credit(4)Proceeds from long-term debt44118Repayment of long-term debt(378)(59)Call premium on senior notes(12)(2)Deferred financing payments(10)0Dividends paid to common stockholders(26)(27)Distributions paid to noncontrolling interests(16)(8)Repurchases of common stock(81)(245)Other(4)6Net cash used in financing activities(77)(240)Cash and cash equivalents - beginning of period7911,121Effect of exchange rate changes on cash balances13(64) | Proceeds from maturities of marketable securities | | 33 | | 21 |
| Net cash used in investing activities(187)(188)Financing activities143Net change in short-term debt143Repayment of letters of credit(4)Proceeds from long-term debt44118Repayment of long-term debt(378)(59)Call premium on senior notes(12)(2)Deferred financing payments(10)0Dividends paid to common stockholders(26)(27)Distributions paid to noncontrolling interests(16)(8)Repurchases of common stock(81)(245)Other(4)6Net cash used in financing activities(77)(240)Cash and cash equivalents - beginning of period7911,121Effect of exchange rate changes on cash balances13(64) | Other | | (10) | | (3) |
| Net change in short-term debt143Repayment of letters of credit(4)Proceeds from long-term debt44118Repayment of long-term debt(378)(59)Call premium on senior notes(12)(2)Deferred financing payments(10)(10)Dividends paid to common stockholders(26)(27)Distributions paid to noncontrolling interests(16)(8)Repurchases of common stock(81)(245)Other(4)6Net cash used in financing activities(77)(240)Cash and cash equivalents5913Cash and cash equivalents13(64) | Net cash used in investing activities | | | | |
| Repayment of letters of credit(4)Proceeds from long-term debt44118Repayment of long-term debt(378)(59)Call premium on senior notes(12)(2)Deferred financing payments(10)(10)Dividends paid to common stockholders(26)(27)Distributions paid to noncontrolling interests(16)(8)Repurchases of common stock(81)(245)Other(4)6Net cash used in financing activities(77)(240)Cash and cash equivalents – beginning of period7911,121Effect of exchange rate changes on cash balances13(64) | Financing activities | | | | |
| Proceeds from long-term debt44118Repayment of long-term debt(378)(59)Call premium on senior notes(12)(2)Deferred financing payments(10)(10)Dividends paid to common stockholders(26)(27)Distributions paid to noncontrolling interests(16)(8)Repurchases of common stock(81)(245)Other(4)6Net cash used in financing activities(72)(318)Net decrease in cash and cash equivalents(77)(240)Cash and cash equivalents – beginning of period7911,121Effect of exchange rate changes on cash balances13(64) | Net change in short-term debt | | 14 | | 3 |
| Repayment of long-term debt(378)(59)Call premium on senior notes(12)(2)Deferred financing payments(10)(10)Dividends paid to common stockholders(26)(27)Distributions paid to noncontrolling interests(16)(8)Repurchases of common stock(81)(245)Other(4)6Net cash used in financing activities(72)(318)Net decrease in cash and cash equivalents(77)(240)Cash and cash equivalents - beginning of period7911,121Effect of exchange rate changes on cash balances13(64) | Repayment of letters of credit | | | | (4) |
| Call premium on senior notes(12)(2)Deferred financing payments(10)Dividends paid to common stockholders(26)(27)Distributions paid to noncontrolling interests(16)(8)Repurchases of common stock(81)(245)Other(4)6Net cash used in financing activities(72)(318)Net decrease in cash and cash equivalents(77)(240)Cash and cash equivalents - beginning of period7911,121Effect of exchange rate changes on cash balances13(64) | Proceeds from long-term debt | | 441 | | 18 |
| Deferred financing payments(10)Dividends paid to common stockholders(26)(27)Distributions paid to noncontrolling interests(16)(8)Repurchases of common stock(81)(245)Other(4)6Net cash used in financing activities(72)(318)Net decrease in cash and cash equivalents(77)(240)Cash and cash equivalents - beginning of period7911,121Effect of exchange rate changes on cash balances13(64) | Repayment of long-term debt | | (378) | | (59) |
| Deferred financing payments(10)Dividends paid to common stockholders(26)(27)Distributions paid to noncontrolling interests(16)(8)Repurchases of common stock(81)(245)Other(4)6Net cash used in financing activities(72)(318)Net decrease in cash and cash equivalents(77)(240)Cash and cash equivalents - beginning of period7911,121Effect of exchange rate changes on cash balances13(64) | Call premium on senior notes | | (12) | | (2) |
| Dividends paid to common stockholders(26)(27)Distributions paid to noncontrolling interests(16)(8)Repurchases of common stock(81)(245)Other(4)6Net cash used in financing activities(72)(318)Net decrease in cash and cash equivalents(77)(240)Cash and cash equivalents - beginning of period7911,121Effect of exchange rate changes on cash balances13(64) | Deferred financing payments | | | | |
| Distributions paid to noncontrolling interests(16)(8)Repurchases of common stock(81)(245)Other(4)6Net cash used in financing activities(72)(318)Net decrease in cash and cash equivalents(77)(240)Cash and cash equivalents - beginning of period7911,121Effect of exchange rate changes on cash balances13(64) | Dividends paid to common stockholders | | | | (27) |
| Repurchases of common stock(81)(245)Other(4)6Net cash used in financing activities(72)(318)Net decrease in cash and cash equivalents(77)(240)Cash and cash equivalents – beginning of period7911,121Effect of exchange rate changes on cash balances13(64) | Distributions paid to noncontrolling interests | | (16) | | |
| Other(4)6Net cash used in financing activities(72)(318)Net decrease in cash and cash equivalents(77)(240)Cash and cash equivalents - beginning of period7911,121Effect of exchange rate changes on cash balances13(64) | | | | | |
| Net cash used in financing activities(72)(318)Net decrease in cash and cash equivalents(77)(240)Cash and cash equivalents - beginning of period7911,121Effect of exchange rate changes on cash balances13(64) | - | | | | |
| Cash and cash equivalents - beginning of period7911,121Effect of exchange rate changes on cash balances13(64) | Net cash used in financing activities | | | | (318) |
| Cash and cash equivalents - beginning of period7911,121Effect of exchange rate changes on cash balances13(64) | Net decrease in cash and cash equivalents | | (77) | | (240) |
| Effect of exchange rate changes on cash balances13(64) | Cash and cash equivalents - beginning of period | | | | 1,121 |
| | Effect of exchange rate changes on cash balances | | 13 | | (64) |
| | Cash and cash equivalents – end of period | \$ | 727 | \$ | |

(1) Free cash flow of (\$16) in 2016 and \$74 in 2015 is the sum of net cash provided by operating activities reduced by the purchases of property, plant and equipment.

DANA INCORPORATED Segment Sales & Segment EBITDA (Unaudited) For the Three Months Ended September 30, 2016 and 2015

| | Three Months Ended | | | |
|--|--------------------|----|-------|--|
| (In millions) | September 30, | | | |
| | 2016 | | 2015 | |
| Sales | | | | |
| Light Vehicle | \$ 631 | \$ | 605 | |
| Commercial Vehicle | 294 | | 367 | |
| Off-Highway | 199 | | 246 | |
| Power Technologies | 260 | | 250 | |
| Total Sales | \$ 1,384 | \$ | 1,468 | |
| Segment EBITDA | | | | |
| Light Vehicle | \$ 73 | \$ | 63 | |
| Commercial Vehicle | 23 | | 31 | |
| Off-Highway | 28 | | 35 | |
| Power Technologies | 42 | | 40 | |
| Total Segment EBITDA | 166 | | 169 | |
| Corporate expense and other items, net | 2 | | (2) | |
| Adjusted EBITDA | \$ 168 | \$ | 167 | |

DANA INCORPORATED Segment Sales & Segment EBITDA (Unaudited) For the Nine Months Ended September 30, 2016 and 2015

| | Nine Months Ended | | | |
|--|-------------------|-------|----|-------|
| (In millions) | September 30, | | | |
| | | 2016 | | 2015 |
| Sales | | | | |
| Light Vehicle | \$ | 1,913 | \$ | 1,883 |
| Commercial Vehicle | | 976 | | 1,231 |
| Off-Highway | | 692 | | 809 |
| Power Technologies | | 798 | | 762 |
| Total Sales | \$ | 4,379 | \$ | 4,685 |
| Segment EBITDA | | | | |
| Light Vehicle | \$ | 202 | \$ | 193 |
| Commercial Vehicle | | 81 | | 102 |
| Off-Highway | | 97 | | 115 |
| Power Technologies | | 120 | | 117 |
| Total Segment EBITDA | | 500 | | 527 |
| Corporate expense and other items, net | | (6) | | (4) |
| Adjusted EBITDA | \$ | 494 | \$ | 523 |

DANA INCORPORATED Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited) For the Three Months Ended September 30, 2016 and 2015

| | Three Months Ended | | | |
|---|--------------------|------|----|------|
| (In millions) | September 30, | | | |
| | 2016 | | | 2015 |
| Segment EBITDA | \$ | 166 | \$ | 169 |
| Corporate expense and other items, net | | 2 | | (2) |
| Adjusted EBITDA | | 168 | | 167 |
| Depreciation | | (45) | | (39) |
| Amortization of intangibles | | (3) | | (4) |
| Restructuring | | (17) | | (1) |
| Stock compensation expense | | (4) | | (6) |
| Strategic transaction expenses | | (3) | | (1) |
| Other items | | | | (4) |
| Impairment of long-lived assets | | | | (36) |
| Amounts attributable to previously divested/closed operations | | | | (4) |
| Interest expense, net | | (24) | | (27) |
| Income before income taxes | | 72 | | 45 |
| Income tax expense (benefit) | | 13 | | (77) |
| Equity in earnings of affiliates | | 2 | | |
| Net income | \$ | 61 | \$ | 122 |

DANA INCORPORATED Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited) For the Nine Months Ended September 30, 2016 and 2015

| | Nine Months Ended | | | | |
|---|-------------------|-------|----|-------|--|
| (In millions) | September 30, | | | | |
| | 2016 | | 2 | 2015 | |
| Segment EBITDA | \$ | 500 | \$ | 527 | |
| Corporate expense and other items, net | | (6) | | (4) | |
| Adjusted EBITDA | | 494 | | 523 | |
| Depreciation | | (129) | | (117) | |
| Amortization of intangibles | | (7) | | (14) | |
| Restructuring | | (23) | | (13) | |
| Stock compensation expense | | (11) | | (14) | |
| Strategic transaction expenses | | (6) | | (3) | |
| Other items | | (3) | | (4) | |
| Impairment of long-lived assets | | | | (36) | |
| Distressed supplier costs | | (1) | | | |
| Amounts attributable to previously divested/closed operations | | 3 | | (4) | |
| Gain on derecognition of noncontrolling interest | | | | 5 | |
| Loss on extinguishment of debt | | (17) | | (2) | |
| Interest expense, net | | (76) | | (75) | |
| Income before income taxes | | 224 | | 246 | |
| Income tax expense (benefit) | | 66 | | (10) | |
| Equity in earnings of affiliates | | 6 | | 3 | |
| Net income | \$ | 164 | \$ | 259 | |

DANA INCORPORATED Diluted Adjusted EPS (Unaudited) For the Three Months Ended September 30, 2016 and 2015

(In millions except per share amounts)

| | Three Months Ended | | | | |
|---|--------------------|------|-----|------|--|
| | September 30, | | | | |
| | 2 | 2 | 015 | | |
| Net income attributable to parent company | \$ | 57 | \$ | 119 | |
| Items impacting income before income taxes: | | | | | |
| Restructuring charges | | 17 | | 1 | |
| Amortization of intangibles | | 3 | | 4 | |
| Impairment of long-lived assets | | | | 36 | |
| Other items | | 2 | | 13 | |
| Items impacting income taxes: | | | | | |
| Net Income tax expense (benefit) on items above | | (10) | | (16) | |
| Nonrecurring income tax expense | | 2 | | (92) | |
| Adjusted net income | \$ | 71 | \$ | 65 | |
| Diluted shares - as reported | | 145 | | 159 | |
| Adjusted diluted shares | | 145 | | 159 | |
| Diluted adjusted EPS | \$ | 0.49 | \$ | 0.41 | |

DANA INCORPORATED Diluted Adjusted EPS (Unaudited) For the Nine Months Ended September 30, 2016 and 2015

(In millions except per share amounts)

| | Nine Months Ended | | | |
|--|-------------------|------|------|------|
| | September 30, | | | |
| | | | 2015 | |
| Net income attributable to parent company | \$ | 155 | \$ | 241 |
| Items impacting income before income taxes: | | | | |
| Restructuring charges | | 23 | | 13 |
| Amortization of intangibles | | 7 | | 14 |
| Loss on extinguishment of debt | | 17 | | 2 |
| Impairment of long-lived assets | | | | 36 |
| Other items | | 2 | | 14 |
| Items impacting income taxes: | | | | |
| Net Income tax expense on items above | | (12) | | (23) |
| Nonrecurring income tax expense (benefit) | | 8 | | (74) |
| Items impacting noncontrolling interests net income: | | | | |
| Gain on derecognition of noncontrolling interest | | | | (5) |
| Correction of prior period understatement of noncontrolling interest | | | | 9 |
| Adjusted net income | \$ | 200 | \$ | 227 |
| Diluted shares - as reported | | 147 | | 163 |
| Adjusted diluted shares | | 147 | | 163 |
| Diluted adjusted EPS | \$ | 1.36 | \$ | 1.39 |