

DANA HOLDING CORPORATION

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 as earnings from continuing and discontinued operations before interest, taxes, depreciation, amortization, equity grant expense, restructuring expense and other nonrecurring items (gain/loss on debt extinguishment or divestitures, impairment, etc.).

Adjusted EBITDA is a primary driver of cash flows from operations and a measure of our ability to maintain and continue to invest in our operations and provide shareholder returns. 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 (loss) attributable to the parent company, excluding any nonrecurring income tax items, restructuring and impairment expense, amortization expense and other nonrecurring items (as used in adjusted EBITDA), net of any associated income tax effects. We define adjusted diluted 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 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.

DANA HOLDING CORPORATION
Consolidated Statement of Operations (Unaudited)
For the Three Months Ended June 30, 2014 and 2013

(In millions except per share amounts)

	Three Months Ended	
	June 30,	
	2014	2013
	\$	\$
Net sales	1,710	1,800
Costs and expenses		
Cost of sales	1,462	1,541
Selling, general and administrative expenses	108	105
Amortization of intangibles	10	18
Restructuring charges, net	3	4
Other income, net	21	18
Income from continuing operations before interest expense and income taxes	148	150
Interest expense	29	21
Income from continuing operations before income taxes	119	129
Income tax expense	33	35
Equity in earnings of affiliates	6	3
Income from continuing operations	92	97
Loss from discontinued operations	(2)	(1)
Net income	90	96
Less: Noncontrolling interests net income	4	4
Net income attributable to the parent company	86	92
Preferred stock dividend requirements	2	7
Net income available to common stockholders	\$ 84	\$ 85
Net income per share available to parent company common stockholders:		
Basic:		
Income from continuing operations	\$ 0.55	\$ 0.59
Loss from discontinued operations	\$ (0.01)	\$ (0.01)
Net income	\$ 0.54	\$ 0.58
Diluted:		
Income from continuing operations	\$ 0.50	\$ 0.44
Loss from discontinued operations	\$ (0.01)	\$ -
Net income	\$ 0.49	\$ 0.44
Weighted-average common shares outstanding		
Basic	156.7	145.9
Diluted	175.1	211.9
Dividends declared per common share	\$ 0.05	\$ 0.05

DANA HOLDING CORPORATION
Consolidated Statement of Operations (Unaudited)
For the Six Months Ended June 30, 2014 and 2013

(In millions except per share amounts)

	Six Months Ended	
	June 30,	
	2014	2013
Net sales	\$ 3,398	\$ 3,476
Costs and expenses		
Cost of sales	2,916	3,003
Selling, general and administrative expenses	213	208
Amortization of intangibles	23	37
Restructuring charges, net	12	6
Other income, net	15	20
Income from continuing operations before interest expense and income taxes	249	242
Interest expense	59	42
Income from continuing operations before income taxes	190	200
Income tax expense	67	62
Equity in earnings of affiliates	7	7
Income from continuing operations	130	145
Income (loss) from discontinued operations	(3)	1
Net income	127	146
Less: Noncontrolling interests net income	7	12
Net income attributable to the parent company	120	134
Preferred stock dividend requirements	5	15
Net income available to common stockholders	\$ 115	\$ 119
Net income per share available to parent company common stockholders:		
Basic:		
Income from continuing operations	\$ 0.77	\$ 0.80
Income (loss) from discontinued operations	\$ (0.02)	\$ 0.01
Net income	\$ 0.75	\$ 0.81
Diluted:		
Income from continuing operations	\$ 0.70	\$ 0.62
Income (loss) from discontinued operations	\$ (0.02)	\$ 0.01
Net income	\$ 0.68	\$ 0.63
Weighted-average common shares outstanding		
Basic	153.7	146.9
Diluted	176.0	213.1
Dividends declared per common share	\$ 0.10	\$ 0.10

DANA HOLDING CORPORATION
Consolidated Statement of Comprehensive Income (Unaudited)
For the Three Months Ended June 30, 2014 and 2013

(In millions)	Three Months Ended	
	June 30,	
	2014	2013
Net income	\$ 90	\$ 96
Less: Noncontrolling interests net income	4	4
Net income attributable to the parent company	<u>86</u>	<u>92</u>
Other comprehensive income (loss) attributable to the parent company, net of tax:		
Currency translation adjustments	14	(47)
Hedging gains and losses	1	(6)
Investment and other gains and losses	3	(10)
Defined benefit plans	<u>3</u>	<u>6</u>
Other comprehensive income (loss) attributable to the parent company	<u>21</u>	<u>(57)</u>
Other comprehensive income (loss) attributable to noncontrolling interests, net of tax:		
Currency translation adjustments	<u>1</u>	<u>(3)</u>
Other comprehensive income (loss) attributable to noncontrolling interests	<u>1</u>	<u>(3)</u>
Total comprehensive income attributable to the parent company	107	35
Total comprehensive income attributable to noncontrolling interests	<u>5</u>	<u>1</u>
Total comprehensive income	<u>\$ 112</u>	<u>\$ 36</u>

DANA HOLDING CORPORATION
Consolidated Statement of Comprehensive Income (Unaudited)
For the Six Months Ended June 30, 2014 and 2013

(In millions)	Six Months Ended	
	June 30,	
	2014	2013
Net income	\$ 127	\$ 146
Less: Noncontrolling interests net income	7	12
Net income attributable to the parent company	<u>120</u>	<u>134</u>
Other comprehensive income (loss) attributable to the parent company, net of tax:		
Currency translation adjustments	2	(64)
Hedging gains and losses	1	(3)
Investment and other gains and losses	3	(9)
Defined benefit plans	<u>10</u>	<u>14</u>
Other comprehensive income (loss) attributable to the parent company	<u>16</u>	<u>(62)</u>
Other comprehensive income (loss) attributable to noncontrolling interests, net of tax:		
Currency translation adjustments		<u>(5)</u>
Other comprehensive loss attributable to noncontrolling interests	<u>-</u>	<u>(5)</u>
Total comprehensive income attributable to the parent company	136	72
Total comprehensive income attributable to noncontrolling interests	<u>7</u>	<u>7</u>
Total comprehensive income	<u>\$ 143</u>	<u>\$ 79</u>

DANA HOLDING CORPORATION
Consolidated Balance Sheet (Unaudited)
As of June 30, 2014 and December 31, 2013

(In millions except share and per share amounts)

	June 30, 2014	December 31, 2013
Assets		
Current assets		
Cash and cash equivalents	\$ 1,172	\$ 1,256
Marketable securities	168	110
Accounts receivable		
Trade, less allowance for doubtful accounts of \$6 in 2014 and \$7 in 2013	925	793
Other	135	223
Inventories	727	670
Other current assets	131	113
Total current assets	3,258	3,165
Goodwill	105	106
Intangibles	205	227
Other noncurrent assets	198	196
Investments in affiliates	202	210
Property, plant and equipment, net	1,244	1,225
Total assets	\$ 5,212	\$ 5,129
Liabilities and equity		
Current liabilities		
Notes payable, including current portion of long-term debt	\$ 37	\$ 57
Accounts payable	906	804
Accrued payroll and employee benefits	155	161
Accrued restructuring costs	11	14
Taxes on income	54	35
Other accrued liabilities	197	197
Total current liabilities	1,360	1,268
Long-term debt	1,568	1,567
Pension and postretirement obligations	511	530
Other noncurrent liabilities	347	351
Total liabilities	3,786	3,716
Commitments and contingencies		
Parent company stockholders' equity		
Preferred stock, 47,500,000 shares authorized		
Series B, \$0.01 par value, 2,013,180 and 3,803,774 shares outstanding	197	372
Common stock, \$0.01 par value, 450,000,000 shares authorized,		
155,799,361 and 145,338,342 outstanding	2	2
Additional paid-in capital	3,028	2,840
Accumulated deficit	(713)	(812)
Treasury stock, at cost (24,166,118 and 18,742,288 shares)	(481)	(366)
Accumulated other comprehensive loss	(711)	(727)
Total parent company stockholders' equity	1,322	1,309
Noncontrolling equity	104	104
Total equity	1,426	1,413
Total liabilities and equity	\$ 5,212	\$ 5,129

DANA HOLDING CORPORATION
Consolidated Statement of Cash Flows (Unaudited)
For the Three Months Ended June 30, 2014 and 2013

(In millions)	Three Months Ended	
	June 30,	
	2014	2013
Operating activities		
Net income	\$ 90	\$ 96
Depreciation	41	40
Amortization of intangibles	12	21
Amortization of deferred financing charges	2	2
Unremitted earnings of affiliates	5	(2)
Stock compensation expense	5	4
Deferred income taxes	(4)	2
Pension contributions, net	(3)	(4)
Interest payment received on payment-in-kind note receivable		26
Change in working capital	49	25
Other, net	(4)	(8)
Net cash provided by operating activities (1)	<u>193</u>	<u>202</u>
Investing activities		
Purchases of property, plant and equipment (1)	(60)	(42)
Acquisition of business		(4)
Principal payment received on payment-in-kind note receivable		33
Purchases of marketable securities	(22)	(63)
Proceeds from sales of marketable securities	1	24
Proceeds from maturities of marketable securities		4
Proceeds from sale of business	9	
Other	(1)	5
Net cash used in investing activities	<u>(73)</u>	<u>(43)</u>
Financing activities		
Net change in short-term debt	5	2
Proceeds from letters of credit	12	
Repayment of letters of credit	(6)	
Proceeds from long-term debt		4
Repayment of long-term debt	(7)	(18)
Deferred financing payments		(3)
Dividends paid to preferred stockholders	(2)	(7)
Dividends paid to common stockholders	(16)	(15)
Distributions paid to noncontrolling interests	(1)	(1)
Repurchases of common stock	(49)	(62)
Payments to acquire noncontrolling interests		
Other	(1)	3
Net cash used in financing activities	<u>(65)</u>	<u>(97)</u>
Net increase in cash and cash equivalents	55	62
Cash and cash equivalents – beginning of period	1,116	981
Effect of exchange rate changes on cash balances	1	(13)
Cash and cash equivalents – end of period	<u>\$ 1,172</u>	<u>\$ 1,030</u>

(1) Free cash flow of \$133 in 2014 and \$160 in 2013 is the sum of net cash provided by operating activities reduced by the purchases of property, plant and equipment.

DANA HOLDING CORPORATION
Consolidated Statement of Cash Flows (Unaudited)
For the Six Months Ended June 30, 2014 and 2013

(In millions)	Six Months Ended	
	June 30,	
	2014	2013
Operating activities		
Net income	\$ 127	\$ 146
Depreciation	81	82
Amortization of intangibles	27	43
Amortization of deferred financing charges	3	3
Unremitted earnings of affiliates	6	(6)
Stock compensation expense	9	9
Deferred income taxes	(5)	
Pension contributions, net	(5)	(20)
Interest payment received on payment-in-kind note receivable	40	26
Change in working capital	(96)	(84)
Other, net	6	(12)
Net cash provided by operating activities (1)	193	187
Investing activities		
Purchases of property, plant and equipment (1)	(96)	(71)
Acquisition of business		(8)
Principal payment received on payment-in-kind note receivable	35	33
Purchases of marketable securities	(57)	(66)
Proceeds from sales of marketable securities	1	24
Proceeds from maturities of marketable securities	2	5
Proceeds from sale of business	9	
Other	3	8
Net cash used in investing activities	(103)	(75)
Financing activities		
Net change in short-term debt	(5)	(1)
Proceeds from letters of credit	12	
Repayment of letters of credit	(6)	
Proceeds from long-term debt	1	57
Repayment of long-term debt	(19)	(48)
Deferred financing payments		(3)
Dividends paid to preferred stockholders	(4)	(15)
Dividends paid to common stockholders	(16)	(15)
Distributions paid to noncontrolling interests	(2)	(2)
Repurchases of common stock	(113)	(86)
Payments to acquire noncontrolling interests		(7)
Other		3
Net cash used in financing activities	(152)	(117)
Net decrease in cash and cash equivalents	(62)	(5)
Cash and cash equivalents – beginning of period	1,256	1,059
Effect of exchange rate changes on cash balances	(22)	(24)
Cash and cash equivalents – end of period	\$ 1,172	\$ 1,030

(1) Free cash flow of \$97 in 2014 and \$116 in 2013 is the sum of net cash provided by operating activities reduced by the purchases of property, plant and equipment.

DANA HOLDING CORPORATION
Segment Sales & Segment EBITDA (Unaudited)
For the Three Months Ended June 30, 2014 and 2013

(In millions)

	Three Months Ended	
	June 30,	
	2014	2013
Sales		
Light Vehicle	\$ 636	\$ 673
Commercial Vehicle	463	498
Off-Highway	335	364
Power Technologies	276	265
Total Sales	<u>\$ 1,710</u>	<u>\$ 1,800</u>
 Segment EBITDA		
Light Vehicle	\$ 76	\$ 71
Commercial Vehicle	47	61
Off-Highway	46	46
Power Technologies	39	39
Total Segment EBITDA	<u>208</u>	<u>217</u>
Corporate expense and other items, net	<u>(3)</u>	<u>(2)</u>
Adjusted EBITDA	<u>\$ 205</u>	<u>\$ 215</u>

DANA HOLDING CORPORATION
Segment Sales & Segment EBITDA (Unaudited)
For the Six Months Ended June 30, 2014 and 2013

(In millions)

	Six Months Ended	
	June 30,	
	2014	2013
Sales		
Light Vehicle	\$ 1,254	\$ 1,292
Commercial Vehicle	920	956
Off-Highway	676	707
Power Technologies	548	521
Total Sales	<u>\$ 3,398</u>	<u>\$ 3,476</u>
Segment EBITDA		
Light Vehicle	\$ 106	\$ 112
Commercial Vehicle	91	102
Off-Highway	88	87
Power Technologies	83	75
Total Segment EBITDA	<u>368</u>	<u>376</u>
Corporate expense and other items, net	2	(3)
Adjusted EBITDA	<u>\$ 370</u>	<u>\$ 373</u>

DANA HOLDING CORPORATION
Reconciliation of Segment and Adjusted EBITDA
to Net Income (Unaudited)
For the Three Months Ended June 30, 2014 and 2013

(In millions)

	Three Months Ended	
	June 30,	
	2014	2013
Segment EBITDA	\$ 208	\$ 217
Corporate expense and other items, net	(3)	(2)
Adjusted EBITDA	205	215
Depreciation	(41)	(40)
Amortization of intangibles	(12)	(21)
Restructuring	(3)	(4)
Strategic transaction expenses and other items	1	(4)
Write-off of deferred financing costs		(2)
Recognition of unrealized gain on payment-in-kind note receivable		5
Stock compensation expense	(5)	(4)
Interest expense, net	(26)	(16)
Income from continuing operations before income taxes	119	129
Income tax expense	33	35
Equity in earnings of affiliates	6	3
Income from continuing operations	92	97
Loss from discontinued operations	(2)	(1)
Net income	\$ 90	\$ 96

DANA HOLDING CORPORATION
Reconciliation of Segment and Adjusted EBITDA
to Net Income (Unaudited)
For the Six Months Ended June 30, 2014 and 2013

(In millions)

	Six Months Ended	
	June 30,	
	2014	2013
Segment EBITDA	\$ 368	\$ 376
Corporate expense and other items, net	2	(3)
Adjusted EBITDA	370	373
Depreciation	(81)	(82)
Amortization of intangibles	(27)	(43)
Restructuring	(12)	(6)
Strategic transaction expenses and other items		(6)
Write-off of deferred financing costs		(2)
Recognition of unrealized gain on payment-in-kind note receivable	2	5
Stock compensation expense	(9)	(9)
Interest expense, net	(53)	(30)
Income from continuing operations before income taxes	190	200
Income tax expense	67	62
Equity in earnings of affiliates	7	7
Income from continuing operations	130	145
Income (loss) from discontinued operations	(3)	1
Net income	\$ 127	\$ 146

DANA HOLDING CORPORATION
Diluted Adjusted EPS (Unaudited)
For the Three Months Ended June 30, 2014 and 2013

(In millions except per share amounts)

	Three Months Ended	
	June 30,	
	2014	2013
Net income attributable to parent company	\$ 86	\$ 92
Restructuring charges (1)	2	6
Amortization of intangibles (1)	10	17
Non-recurring items (1)	3	
Adjusted net income	<u>\$ 101</u>	<u>\$ 115</u>
Diluted shares - as reported	<u>175</u>	<u>212</u>
Adjusted diluted shares	<u>175</u>	<u>212</u>
Diluted adjusted EPS	\$ 0.58	\$ 0.54

(1) Amounts are net of associated tax effect.

DANA HOLDING CORPORATION
Diluted Adjusted EPS (Unaudited)
For the Six Months Ended June 30, 2014 and 2013

(In millions except per share amounts)

	Six Months Ended	
	June 30,	
	2014	2013
Net income attributable to parent company	\$ 120	\$ 134
Restructuring charges (1)	11	8
Amortization of intangibles (1)	21	34
Non-recurring items (1)	6	(2)
Adjusted net income	<u>\$ 158</u>	<u>\$ 174</u>
Diluted shares - as reported	<u>176</u>	<u>213</u>
Adjusted diluted shares	<u>176</u>	<u>213</u>
Diluted adjusted EPS	\$ 0.90	\$ 0.82

(1) Amounts are net of associated tax effect.