

## **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 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 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 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 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 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 HOLDING CORPORATION**  
**Consolidated Statement of Operations (Unaudited)**  
**For the Three Months Ended June 30, 2016 and 2015**

(In millions except per share amounts)

	Three Months Ended	
	June 30,	
	2016	2015
<b>Net sales</b>	\$ 1,546	\$ 1,609
Costs and expenses		
Cost of sales	1,313	1,373
Selling, general and administrative expenses	106	101
Amortization of intangibles	2	4
Restructuring charges, net	5	11
Loss on extinguishment of debt	(17)	
Other income, net	7	4
Income before interest expense and income taxes	110	124
Interest expense	30	27
Income before income taxes	80	97
Income tax expense	29	36
Equity in earnings of affiliates	4	2
<b>Net income</b>	55	63
Less: Noncontrolling interests net income	2	4
<b>Net income attributable to the parent company</b>	<u>\$ 53</u>	<u>\$ 59</u>
<b>Net income per share attributable to the parent company</b>		
Basic	\$ 0.36	\$ 0.36
Diluted	\$ 0.36	\$ 0.36
Weighted-average shares outstanding - Basic	146.6	162.1
Weighted-average shares outstanding - Diluted	147.0	163.2
Cash dividends declared per share	\$ 0.06	\$ 0.06

**DANA HOLDING CORPORATION**  
**Consolidated Statement of Operations (Unaudited)**  
**For the Six Months Ended June 30, 2016 and 2015**

(In millions except per share amounts)

	Six Months Ended	
	June 30,	
	2016	2015
<b>Net sales</b>	\$ 2,995	\$ 3,217
Costs and expenses		
Cost of sales	2,563	2,753
Selling, general and administrative expenses	204	201
Amortization of intangibles	4	9
Restructuring charges, net	6	12
Loss on extinguishment of debt	(17)	(2)
Other income, net	8	16
Income before interest expense and income taxes	209	256
Interest expense	57	55
Income before income taxes	152	201
Income tax expense	53	67
Equity in earnings of affiliates	4	3
<b>Net income</b>	103	137
Less: Noncontrolling interests net income	5	15
<b>Net income attributable to the parent company</b>	<u>\$ 98</u>	<u>\$ 122</u>
<b>Net income per share attributable to the parent company</b>		
Basic	\$ 0.66	\$ 0.75
Diluted	\$ 0.66	\$ 0.74
Weighted-average shares outstanding - Basic	148.0	163.4
Weighted-average shares outstanding - Diluted	148.4	164.6
Cash dividends declared per share	\$ 0.12	\$ 0.11

**DANA HOLDING CORPORATION**  
**Consolidated Statement of Comprehensive Income (Unaudited)**  
**For the Three Months Ended June 30, 2016 and 2015**

(In millions)	Three Months Ended	
	June 30,	
	2016	2015
<b>Net income</b>	\$ 55	\$ 63
Less: Noncontrolling interests net income	2	4
<b>Net income attributable to the parent company</b>	<u>53</u>	<u>59</u>
Other comprehensive income (loss) attributable to the parent company, net of tax:		
Currency translation adjustments	(24)	14
Hedging gains and losses	(13)	3
Investment and other gains and losses	1	(1)
Defined benefit plans	6	7
Other comprehensive income (loss) attributable to the parent company	<u>(30)</u>	<u>23</u>
Other comprehensive income (loss) attributable to noncontrolling interests, net of tax:		
Currency translation adjustments		(2)
Other comprehensive loss attributable to noncontrolling interests	-	(2)
<b>Total comprehensive income attributable to the parent company</b>	23	82
<b>Total comprehensive income attributable to noncontrolling interests</b>	2	2
<b>Total comprehensive income</b>	<u>\$ 25</u>	<u>\$ 84</u>

**DANA HOLDING CORPORATION**  
**Consolidated Statement of Comprehensive Income (Unaudited)**  
**For the Six Months Ended June 30, 2016 and 2015**

(In millions)	Six Months Ended	
	June 30,	
	2016	2015
<b>Net income</b>	\$ 103	\$ 137
Less: Noncontrolling interests net income	5	15
<b>Net income attributable to the parent company</b>	<u>98</u>	<u>122</u>
Other comprehensive income (loss) attributable to the parent company, net of tax:		
Currency translation adjustments	5	(85)
Hedging gains and losses	(10)	2
Investment and other gains and losses	3	
Defined benefit plans	13	23
Other comprehensive income (loss) attributable to the parent company	<u>11</u>	<u>(60)</u>
Other comprehensive income (loss) attributable to noncontrolling interests, net of tax:		
Currency translation adjustments	1	(2)
Defined benefit plans		1
Other comprehensive income (loss) attributable to noncontrolling interests	<u>1</u>	<u>(1)</u>
<b>Total comprehensive income attributable to the parent company</b>	109	62
<b>Total comprehensive income attributable to noncontrolling interests</b>	<u>6</u>	<u>14</u>
<b>Total comprehensive income</b>	<u>\$ 115</u>	<u>\$ 76</u>

**DANA HOLDING CORPORATION**  
**Consolidated Balance Sheet (Unaudited)**  
**As of June 30, 2016 and December 31, 2015**

(In millions except share and per share amounts)

	June 30, 2016	December 31, 2015
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 745	\$ 791
Marketable securities	164	162
Accounts receivable		
Trade, less allowance for doubtful accounts of \$5 in 2016 and 2015	808	673
Other	129	115
Inventories	666	625
Other current assets	125	108
<b>Total current assets</b>	<b>2,637</b>	<b>2,474</b>
Goodwill	88	80
Intangibles	110	102
Other noncurrent assets	344	353
Investments in affiliates	147	150
Property, plant and equipment, net	1,241	1,167
<b>Total assets</b>	<b>\$ 4,567</b>	<b>\$ 4,326</b>
<b>Liabilities and equity</b>		
Current liabilities		
Notes payable, including current portion of long-term debt	\$ 31	\$ 22
Accounts payable	843	712
Accrued payroll and employee benefits	140	145
Taxes on income	30	19
Other accrued liabilities	193	193
<b>Total current liabilities</b>	<b>1,237</b>	<b>1,091</b>
Long-term debt, less debt issuance costs of \$23 in 2016 and \$21 in 2015	1,637	1,553
Pension and postretirement obligations	510	521
Other noncurrent liabilities	345	330
<b>Total liabilities</b>	<b>3,729</b>	<b>3,495</b>
Commitments and contingencies		
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, 143,732,969 and 150,068,040 shares outstanding	2	2
Additional paid-in capital	2,317	2,311
Accumulated deficit	(330)	(410)
Treasury stock, at cost (6,759,923 and 23,963 shares)	(83)	(1)
Accumulated other comprehensive loss	(1,163)	(1,174)
Total parent company stockholders' equity	743	728
Noncontrolling equity	95	103
<b>Total equity</b>	<b>838</b>	<b>831</b>
<b>Total liabilities and equity</b>	<b>\$ 4,567</b>	<b>\$ 4,326</b>

**DANA HOLDING CORPORATION**  
**Consolidated Statement of Cash Flows (Unaudited)**  
**For the Three Months Ended June 30, 2016 and 2015**

(In millions)

	Three Months Ended	
	June 30,	
	2016	2015
<b>Operating activities</b>		
Net income	\$ 55	\$ 63
Depreciation	43	39
Amortization of intangibles	2	4
Amortization of deferred financing charges	1	1
Call premium on senior notes	12	
Write off of deferred financing costs	5	
Earnings of affiliates, net of dividends received	1	8
Stock compensation expense	5	5
Deferred income taxes	1	(3)
Pension contributions, net	(2)	(4)
Change in working capital	63	33
Other, net	(1)	2
<b>Net cash provided by operating activities (1)</b>	<u>185</u>	<u>148</u>
<b>Investing activities</b>		
Purchases of property, plant and equipment (1)	(77)	(60)
Purchases of marketable securities	(13)	(15)
Proceeds from sales of marketable securities	1	2
Proceeds from maturities of marketable securities	14	10
Other	(1)	(1)
<b>Net cash used in investing activities</b>	<u>(76)</u>	<u>(64)</u>
<b>Financing activities</b>		
Net change in short-term debt	1	(3)
Proceeds from long-term debt	409	
Repayment of long-term debt	(352)	(2)
Call premium on senior notes	(12)	
Deferred financing payments	(10)	
Dividends to common stockholders	(9)	(18)
Distributions paid to noncontrolling interests	(2)	(2)
Repurchases of common stock	(53)	(63)
Other	1	3
<b>Net cash used in financing activities</b>	<u>(27)</u>	<u>(85)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	82	(1)
Cash and cash equivalents – beginning of period	669	885
Effect of exchange rate changes on cash balances	(6)	10
<b>Cash and cash equivalents – end of period</b>	<u>\$ 745</u>	<u>\$ 894</u>

(1) Free cash flow of \$108 in 2016 and \$88 in 2015 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, 2016 and 2015**

(In millions)	Six Months Ended	
	June 30,	
	2016	2015
<b>Operating activities</b>		
Net income	\$ 103	\$ 137
Depreciation	84	78
Amortization of intangibles	4	10
Amortization of deferred financing charges	2	2
Call premium on senior notes	12	2
Write off of deferred financing costs	5	1
Earnings of affiliates, net of dividends received	3	9
Stock compensation expense	7	8
Deferred income taxes	5	2
Pension contributions, net	(9)	(9)
Change in working capital	(65)	(108)
Other, net	7	(4)
<b>Net cash provided by operating activities (1)</b>	<b>158</b>	<b>128</b>
<b>Investing activities</b>		
Purchases of property, plant and equipment (1)	(148)	(122)
Acquisition of business	(18)	
Purchases of marketable securities	(25)	(26)
Proceeds from sales of marketable securities	4	12
Proceeds from maturities of marketable securities	22	16
Other	(3)	(3)
<b>Net cash used in investing activities</b>	<b>(168)</b>	<b>(123)</b>
<b>Financing activities</b>		
Net change in short-term debt	12	3
Repayment of letters of credit		(4)
Proceeds from long-term debt	441	18
Repayment of long-term debt	(376)	(58)
Call premium on senior notes	(12)	(2)
Deferred financing payments	(10)	
Dividends paid to common stockholders	(18)	(18)
Distributions to noncontrolling interests	(3)	(3)
Repurchases of common stock	(81)	(126)
Other		1
<b>Net cash used in financing activities</b>	<b>(47)</b>	<b>(189)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(57)</b>	<b>(184)</b>
Cash and cash equivalents – beginning of period	791	1,121
Effect of exchange rate changes on cash balances	11	(43)
<b>Cash and cash equivalents – end of period</b>	<b>\$ 745</b>	<b>\$ 894</b>

(1) Free cash flow of \$10 in 2016 and \$6 in 2015 is the sum of net cash provided by operating activities reduced by the purchases of property, plant and equipment.

**DANA HOLDING CORPORATION**  
**Segment Sales and Segment EBITDA (Unaudited)**  
**For the Three Months Ended June 30, 2016 and 2015**

(In millions)	Three Months Ended	
	June 30,	
	2016	2015
<b>Sales</b>		
Light Vehicle	\$ 669	\$ 641
Commercial Vehicle	349	431
Off-Highway	252	279
Power Technologies	276	258
<b>Total Sales</b>	<u>\$ 1,546</u>	<u>\$ 1,609</u>
<b>Segment EBITDA</b>		
Light Vehicle	\$ 71	\$ 66
Commercial Vehicle	32	36
Off-Highway	37	41
Power Technologies	43	39
<b>Total Segment EBITDA</b>	<u>183</u>	<u>182</u>
Corporate expense and other items, net	<u>(5)</u>	<u>(2)</u>
<b>Adjusted EBITDA</b>	<u>\$ 178</u>	<u>\$ 180</u>

**DANA HOLDING CORPORATION**  
**Segment Sales and Segment EBITDA (Unaudited)**  
**For the Six Months Ended June 30, 2016 and 2015**

(In millions)	Six Months Ended	
	June 30,	
	2016	2015
<b>Sales</b>		
Light Vehicle	\$ 1,282	\$ 1,278
Commercial Vehicle	682	864
Off-Highway	493	563
Power Technologies	538	512
<b>Total Sales</b>	<u>\$ 2,995</u>	<u>\$ 3,217</u>
<b>Segment EBITDA</b>		
Light Vehicle	\$ 129	\$ 130
Commercial Vehicle	58	71
Off-Highway	69	80
Power Technologies	78	77
<b>Total Segment EBITDA</b>	<u>334</u>	<u>358</u>
Corporate expense and other items, net	<u>(8)</u>	<u>(2)</u>
<b>Adjusted EBITDA</b>	<u>\$ 326</u>	<u>\$ 356</u>

**DANA HOLDING CORPORATION**  
**Reconciliation of Segment and Adjusted EBITDA**  
**to Net Income (Unaudited)**  
**For the Three Months Ended June 30, 2016 and 2015**

(In millions)

	Three Months Ended	
	June 30,	
	2016	2015
<b>Segment EBITDA</b>	\$ 183	\$ 182
Corporate expense and other items, net	(5)	(2)
<b>Adjusted EBITDA</b>	178	180
Depreciation	(43)	(39)
Amortization of intangibles	(2)	(4)
Restructuring	(5)	(11)
Stock compensation expense	(5)	(5)
Strategic transaction expenses	(1)	(1)
Other items	1	
Amounts attributable to previously divested/closed operations	2	
Loss on extinguishment of debt	(17)	
Interest expense, net	(28)	(23)
Income before income taxes	80	97
Income tax expense	29	36
Equity in earnings of affiliates	4	2
<b>Net income</b>	<u>\$ 55</u>	<u>\$ 63</u>

**DANA HOLDING CORPORATION**  
**Reconciliation of Segment and Adjusted EBITDA**  
**to Net Income (Unaudited)**  
**For the Six Months Ended June 30, 2016 and 2015**

(In millions)

	Six Months Ended	
	June 30,	
	2016	2015
<b>Segment EBITDA</b>	\$ 334	\$ 358
Corporate expense and other items, net	(8)	(2)
<b>Adjusted EBITDA</b>	326	356
Depreciation	(84)	(78)
Amortization of intangibles	(4)	(10)
Restructuring	(6)	(12)
Stock compensation expense	(7)	(8)
Strategic transaction expenses	(3)	(2)
Other items	(3)	
Distressed supplier costs	(1)	
Amounts attributable to previously divested/closed operations	3	
Gain on derecognition of noncontrolling interest		5
Loss on extinguishment of debt	(17)	(2)
Interest expense, net	(52)	(48)
Income before income taxes	152	201
Income tax expense	53	67
Equity in earnings of affiliates	4	3
<b>Net income</b>	<b>\$ 103</b>	<b>\$ 137</b>

**DANA HOLDING CORPORATION**  
**Diluted Adjusted EPS (Unaudited)**  
**For the Three Months Ended June 30, 2016 and 2015**

(In millions except per share amounts)

	Three Months Ended June 30,	
	2016	2015
<b>Net income attributable to parent company</b>	\$ 53	\$ 59
Items impacting income before income taxes:		
Restructuring charges	5	11
Amortization of intangibles	2	4
Loss on extinguishment of debt	17	
Other items	(1)	
Items impacting income taxes:		
Net Income tax benefit on items above	(1)	(5)
Nonrecurring income tax expense	3	10
<b>Adjusted net income</b>	<u>\$ 78</u>	<u>\$ 79</u>
Diluted shares - as reported	<u>147</u>	<u>163</u>
Adjusted diluted shares	<u>147</u>	<u>163</u>
<b>Diluted adjusted EPS</b>	\$ 0.53	\$ 0.48

**DANA HOLDING CORPORATION**  
**Diluted Adjusted EPS (Unaudited)**  
**For the Six Months Ended June 30, 2016 and 2015**

(In millions except per share amounts)

	Six Months Ended	
	June 30,	
	2016	2015
<b>Net income attributable to parent company</b>	\$ 98	\$ 122
Items impacting income before income taxes:		
Restructuring charges	6	12
Amortization of intangibles	4	10
Loss on extinguishment of debt	17	2
Other items		1
Items impacting income taxes:		
Net Income tax benefit on items above	(2)	(7)
Nonrecurring income tax expense	6	18
Items impacting noncontrolling interests net income:		
Gain on derecognition of noncontrolling interest		(5)
Correction of prior period understatement of noncontrolling interest		9
<b>Adjusted net income</b>	<u>\$ 129</u>	<u>\$ 162</u>
Diluted shares - as reported	<u>148</u>	<u>165</u>
Adjusted diluted shares	<u>148</u>	<u>165</u>
<b>Diluted adjusted EPS</b>	\$ 0.87	\$ 0.98

**DANA HOLDING CORPORATION**  
**Full Year 2016 Financial Targets**  
**As of July 21, 2016**

(In millions)

Sales	\$5,800 - \$6,000
Adjusted EBITDA <sup>(1)</sup>	\$640 - \$670
Adjusted EBITDA as a percent of sales	11.0% - 11.2%
Diluted adjusted EPS <sup>(1) (2)</sup>	\$1.65 - \$1.75
Net cash provided by operating activities	\$450 - \$470
Purchases of property, plant and equipment	\$320 - \$340
Free cash flow	<u>\$120 - \$140</u>

(1) Net income and diluted EPS guidance is not provided as discussed in Non-GAAP Financial Measures

(2) Target calculated based on 147 million adjusted diluted shares.