

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 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 September 30, 2014 and 2013

(In millions except per share amounts)

	Three Months Ended	
	September 30,	
	2014	2013
	\$	\$
Net sales	1,637	1,669
Costs and expenses		
Cost of sales	1,397	1,434
Selling, general and administrative expenses	97	97
Amortization of intangibles	10	18
Restructuring charges, net	2	8
Other income, net	20	18
Income from continuing operations before interest expense and income taxes	151	130
Interest expense	30	27
Income from continuing operations before income taxes	121	103
Income tax expense	29	34
Equity in earnings of affiliates	2	3
Income from continuing operations	94	72
Loss from discontinued operations	(1)	(1)
Net income	93	71
Less: Noncontrolling interests net income	3	3
Net income attributable to the parent company	90	68
Preferred stock dividend requirements	2	6
Preferred stock redemption premium		232
Net income (loss) available to common stockholders	<u>\$ 88</u>	<u>\$ (170)</u>
Net income (loss) per share available to parent company common stockholders:		
Basic:		
Income (loss) from continuing operations	\$ 0.57	\$ (1.15)
Loss from discontinued operations	\$ (0.01)	\$ (0.01)
Net income (loss)	\$ 0.56	\$ (1.16)
Diluted:		
Income (loss) from continuing operations	\$ 0.53	\$ (1.15)
Loss from discontinued operations	\$ (0.01)	\$ (0.01)
Net income (loss)	\$ 0.52	\$ (1.16)
Weighted-average common shares outstanding		
Basic	156.5	145.8
Diluted	172.9	145.8
Dividends declared per common share	\$ 0.05	\$ 0.05

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

(In millions except per share amounts)

	Nine Months Ended	
	September 30,	
	2014	2013
Net sales	\$ 5,035	\$ 5,145
Costs and expenses		
Cost of sales	4,313	4,437
Selling, general and administrative expenses	310	305
Amortization of intangibles	33	55
Restructuring charges, net	14	14
Other income, net	35	38
Income from continuing operations before interest expense and income taxes	400	372
Interest expense	89	69
Income from continuing operations before income taxes	311	303
Income tax expense	96	96
Equity in earnings of affiliates	9	10
Income from continuing operations	224	217
Loss from discontinued operations	(4)	
Net income	220	217
Less: Noncontrolling interests net income	10	15
Net income attributable to the parent company	210	202
Preferred stock dividend requirements	7	21
Preferred stock redemption premium		232
Net income (loss) available to common stockholders	<u>\$ 203</u>	<u>\$ (51)</u>
Net income (loss) per share available to parent company common stockholders:		
Basic:		
Income (loss) from continuing operations	\$ 1.34	\$ (0.35)
Loss from discontinued operations	\$ (0.03)	\$ -
Net income (loss)	\$ 1.31	\$ (0.35)
Diluted:		
Income (loss) from continuing operations	\$ 1.22	\$ (0.35)
Loss from discontinued operations	\$ (0.02)	\$ -
Net income (loss)	\$ 1.20	\$ (0.35)
Weighted-average common shares outstanding		
Basic	154.6	146.6
Diluted	174.9	146.6
Dividends declared per common share	\$ 0.15	\$ 0.15

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

(In millions)	Three Months Ended	
	September 30,	
	2014	2013
Net income	\$ 93	\$ 71
Less: Noncontrolling interests net income	3	3
Net income attributable to the parent company	<u>90</u>	<u>68</u>
Other comprehensive income (loss) attributable to the parent company, net of tax:		
Currency translation adjustments	(113)	30
Hedging gains and losses	(4)	(1)
Investment and other gains and losses	(2)	3
Defined benefit plans	<u>7</u>	<u>6</u>
Other comprehensive income (loss) attributable to the parent company	<u>(112)</u>	<u>38</u>
Other comprehensive income (loss) attributable to noncontrolling interests, net of tax:		
Currency translation adjustments	(2)	1
Hedging gains and losses	<u> </u>	<u>1</u>
Other comprehensive income (loss) attributable to noncontrolling interests	<u>(2)</u>	<u>2</u>
Total comprehensive income (loss) attributable to the parent company	(22)	106
Total comprehensive income attributable to noncontrolling interests	<u>1</u>	<u>5</u>
Total comprehensive income (loss)	<u>\$ (21)</u>	<u>\$ 111</u>

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

(In millions)	Nine Months Ended	
	September 30,	
	2014	2013
Net income	\$ 220	\$ 217
Less: Noncontrolling interests net income	10	15
Net income attributable to the parent company	<u>210</u>	<u>202</u>
Other comprehensive income (loss) attributable to the parent company, net of tax:		
Currency translation adjustments	(111)	(34)
Hedging gains and losses	(3)	(4)
Investment and other gains and losses	1	(6)
Defined benefit plans	<u>17</u>	<u>20</u>
Other comprehensive loss attributable to the parent company	<u>(96)</u>	<u>(24)</u>
Other comprehensive income (loss) attributable to noncontrolling interests, net of tax:		
Currency translation adjustments	(2)	(4)
Hedging gains and losses	<u> </u>	<u>1</u>
Other comprehensive loss attributable to noncontrolling interests	<u>(2)</u>	<u>(3)</u>
Total comprehensive income attributable to the parent company	114	178
Total comprehensive income attributable to noncontrolling interests	<u>8</u>	<u>12</u>
Total comprehensive income	<u>\$ 122</u>	<u>\$ 190</u>

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

(In millions except share and per share amounts)

	September 30, 2014	December 31, 2013
Assets		
Current assets		
Cash and cash equivalents	\$ 1,103	\$ 1,256
Marketable securities	169	110
Accounts receivable		
Trade, less allowance for doubtful accounts of \$6 in 2014 and \$7 in 2013	902	793
Other	126	223
Inventories	726	670
Other current assets	115	113
Total current assets	3,141	3,165
Goodwill	94	106
Intangibles	185	227
Other noncurrent assets	190	196
Investments in affiliates	204	210
Property, plant and equipment, net	1,200	1,225
Total assets	\$ 5,014	\$ 5,129
Liabilities and equity		
Current liabilities		
Notes payable, including current portion of long-term debt	\$ 29	\$ 57
Accounts payable	877	804
Accrued payroll and employee benefits	167	161
Accrued restructuring costs	8	14
Taxes on income	54	35
Other accrued liabilities	168	197
Total current liabilities	1,303	1,268
Long-term debt	1,580	1,567
Pension and postretirement obligations	461	530
Other noncurrent liabilities	337	351
Total liabilities	3,681	3,716
Commitments and contingencies		
Parent company stockholders' equity		
Preferred stock, 47,500,000 shares authorized		
Series B, \$0.01 par value, zero and 3,803,774 shares outstanding		372
Common stock, 450,000,000 shares authorized, \$0.01 par value, 169,949,672 and 145,338,342 outstanding	2	2
Additional paid-in capital	2,930	2,840
Accumulated deficit	(632)	(812)
Treasury stock, at cost (12,268,493 and 18,742,288 shares)	(248)	(366)
Accumulated other comprehensive loss	(823)	(727)
Total parent company stockholders' equity	1,229	1,309
Noncontrolling equity	104	104
Total equity	1,333	1,413
Total liabilities and equity	\$ 5,014	\$ 5,129

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

(In millions)	Three Months Ended	
	September 30,	
	2014	2013
Operating activities		
Net income	\$ 93	\$ 71
Depreciation	41	41
Amortization of intangibles	11	22
Amortization of deferred financing charges	1	1
Unremitted earnings of affiliates		(2)
Stock compensation expense	2	5
Deferred income taxes	(1)	5
Pension contributions, net	(3)	(36)
Change in working capital	(24)	9
Other, net	(11)	(10)
Net cash provided by operating activities (1)	109	106
Investing activities		
Purchases of property, plant and equipment (1)	(48)	(52)
Purchases of marketable securities	(6)	(14)
Proceeds from sales of marketable securities	1	4
Proceeds from maturities of marketable securities	2	2
Proceeds from sale of business		1
Other	2	
Net cash used in investing activities	(49)	(59)
Financing activities		
Net change in short-term debt		(10)
Repayment of letters of credit	(2)	
Proceeds from long-term debt	22	754
Repayment of long-term debt	(7)	(7)
Deferred financing payments		(14)
Preferred stock redemption		(474)
Dividends paid to preferred stockholders	(2)	(8)
Dividends paid to common stockholders	(8)	(7)
Distributions paid to noncontrolling interests	(6)	(9)
Repurchases of common stock	(68)	(202)
Other	4	4
Net cash provided by (used in) financing activities	(67)	27
Net increase (decrease) in cash and cash equivalents	(7)	74
Cash and cash equivalents – beginning of period	1,172	1,030
Effect of exchange rate changes on cash balances	(62)	17
Cash and cash equivalents – end of period	\$ 1,103	\$ 1,121

(1) Free cash flow of \$61 in 2014 and \$54 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 Nine Months Ended September 30, 2014 and 2013

(In millions)	Nine Months Ended	
	September 30,	
	2014	2013
Operating activities		
Net income	\$ 220	\$ 217
Depreciation	122	123
Amortization of intangibles	38	65
Amortization of deferred financing charges	4	4
Unremitted earnings of affiliates	6	(8)
Stock compensation expense	11	14
Deferred income taxes	(6)	5
Pension contributions, net	(8)	(56)
Interest payment received on payment-in-kind note receivable	40	26
Change in working capital	(120)	(75)
Other, net	(5)	(22)
Net cash provided by operating activities (1)	<u>302</u>	<u>293</u>
Investing activities		
Purchases of property, plant and equipment (1)	(144)	(123)
Acquisition of business		(8)
Principal payment received on payment-in-kind note receivable	35	33
Purchases of marketable securities	(63)	(80)
Proceeds from sales of marketable securities	2	28
Proceeds from maturities of marketable securities	4	7
Proceeds from sale of business	9	1
Other	5	8
Net cash used in investing activities	<u>(152)</u>	<u>(134)</u>
Financing activities		
Net change in short-term debt	(5)	(11)
Proceeds from letters of credit	12	
Repayment of letters of credit	(8)	
Proceeds from long-term debt	23	811
Repayment of long-term debt	(26)	(55)
Deferred financing payments		(17)
Preferred stock redemption		(474)
Dividends paid to preferred stockholders	(6)	(23)
Dividends paid to common stockholders	(24)	(22)
Distributions paid to noncontrolling interests	(8)	(11)
Repurchases of common stock	(181)	(288)
Payments to acquire noncontrolling interests		(7)
Other	4	7
Net cash used in financing activities	<u>(219)</u>	<u>(90)</u>
Net increase (decrease) in cash and cash equivalents	(69)	69
Cash and cash equivalents – beginning of period	1,256	1,059
Effect of exchange rate changes on cash balances	(84)	(7)
Cash and cash equivalents – end of period	<u>\$ 1,103</u>	<u>\$ 1,121</u>

(1) Free cash flow of \$158 in 2014 and \$170 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 September 30, 2014 and 2013

(In millions)

	Three Months Ended	
	September 30,	
	2014	2013
Sales		
Light Vehicle	\$ 608	\$ 629
Commercial Vehicle	487	465
Off-Highway	283	318
Power Technologies	259	257
Total Sales	<u>\$ 1,637</u>	<u>\$ 1,669</u>
Segment EBITDA		
Light Vehicle	\$ 70	\$ 67
Commercial Vehicle	47	52
Off-Highway	40	40
Power Technologies	37	39
Total Segment EBITDA	<u>194</u>	<u>198</u>
Corporate expense and other items, net	4	
Adjusted EBITDA	<u>\$ 198</u>	<u>\$ 198</u>

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

(In millions)

	Nine Months Ended	
	September 30,	
	2014	2013
Sales		
Light Vehicle	\$ 1,862	\$ 1,921
Commercial Vehicle	1,407	1,421
Off-Highway	959	1,025
Power Technologies	807	778
Total Sales	<u>\$ 5,035</u>	<u>\$ 5,145</u>
Segment EBITDA		
Light Vehicle	\$ 176	\$ 179
Commercial Vehicle	138	154
Off-Highway	128	127
Power Technologies	120	114
Total Segment EBITDA	<u>562</u>	<u>574</u>
Corporate expense and other items, net	6	(3)
Adjusted EBITDA	<u>\$ 568</u>	<u>\$ 571</u>

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

(In millions)

	Three Months Ended	
	September 30,	
	2014	2013
Segment EBITDA	\$ 194	\$ 198
Corporate expense and other items, net	4	-
Adjusted EBITDA	198	198
Depreciation	(41)	(41)
Amortization of intangibles	(11)	(22)
Restructuring	(2)	(8)
Strategic transaction expenses and other items	4	
Stock compensation expense	(2)	(5)
Interest expense, net	(25)	(19)
Income from continuing operations before income taxes	121	103
Income tax expense	29	34
Equity in earnings of affiliates	2	3
Income from continuing operations	94	72
Loss from discontinued operations	(1)	(1)
Net income	\$ 93	\$ 71

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

(In millions)

	Nine Months Ended	
	September 30,	
	2014	2013
Segment EBITDA	\$ 562	\$ 574
Corporate expense and other items, net	6	(3)
Adjusted EBITDA	568	571
Depreciation	(122)	(123)
Amortization of intangibles	(38)	(65)
Restructuring	(14)	(14)
Strategic transaction expenses and other items	4	(6)
Write-off of deferred financing costs		(2)
Recognition of unrealized gain on payment-in-kind note receivable	2	5
Stock compensation expense	(11)	(14)
Interest expense, net	(78)	(49)
Income from continuing operations before income taxes	311	303
Income tax expense	96	96
Equity in earnings of affiliates	9	10
Income from continuing operations	224	217
Loss from discontinued operations	(4)	
Net income	\$ 220	\$ 217

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

(In millions except per share amounts)

	Three Months Ended	
	September 30,	
	2014	2013
Net income attributable to parent company	\$ 90	\$ 68
Restructuring charges (1)	2	6
Amortization of intangibles (1)	8	17
Non-recurring items (1)	(2)	1
Adjusted net income	<u>\$ 98</u>	<u>\$ 92</u>
Diluted shares - as reported	173	146
Potentially dilutive shares		2
Conversion of preferred stock		46
Adjusted diluted shares	<u>173</u>	<u>194</u>
Diluted adjusted EPS	\$ 0.57	\$ 0.47

(1) Amounts are net of associated tax effect.

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

(In millions except per share amounts)

	Nine Months Ended	
	September 30,	
	2014	2013
Net income attributable to parent company	\$ 210	\$ 202
Restructuring charges (1)	13	14
Amortization of intangibles (1)	29	51
Non-recurring items (1)	4	(1)
Adjusted net income	<u>\$ 256</u>	<u>\$ 266</u>
Diluted shares - as reported	175	147
Potentially dilutive shares		2
Conversion of preferred stock		58
Adjusted diluted shares	<u>175</u>	<u>207</u>
Diluted adjusted EPS	\$ 1.46	\$ 1.29

(1) Amounts are net of associated tax effect.