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.

Consolidated Statement of Operations (Unaudited)

For the Three Months Ended September 30, 2014 and 2013

(In millions except per chara amounts)		Three Months Ended September 30,				
(In millions except per share amounts)		2014		2013		
Net sales		1,637	\$	1,669		
	Ψ	1,037	φ	1,009		
Costs and expenses Cost of sales		1,397		1 121		
		1,397		1,434 97		
Selling, general and administrative expenses Amortization of intangibles		10		97 18		
		2				
Restructuring charges, net		20		8 18		
Other income, net		20		10		
Income from continuing operations before		151		120		
interest expense and income taxes		151		130		
Interest expense		30		27		
Income from continuing operations before		404		400		
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	\$	88	\$	(170)		
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		

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

	Nine Mon	ths En	ded
(In millions except per share amounts)	Septem	ber 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	\$ 203	\$	(51)
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

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

(In millions)	ths Ended ber 30,		
	2014	2013	
Net income	\$ 93	\$ 71	
Less: Noncontrolling interests net income	3_	3	
Net income attributable to the parent company	90	68	
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	7	6	
Other comprehensive income (loss) attributable			
to the parent company	(112)	38	
Other comprehensive income (loss) attributable to			
noncontrolling interests, net of tax:			
Currency translation adjustments	(2)	1	
Hedging gains and losses		1	
Other comprehensive income (loss) attributable			
to noncontrolling interests	(2)	2	
Total comprehensive income (loss) attributable			
to the parent company	(22)	106	
Total comprehensive income attributable			
to noncontrolling interests	1	5	
Total comprehensive income (loss)	\$ (21)	\$ 111	

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

In millions) September 30, and a controlling interests net income 2014 2013 Net income 10 15 Net income attributable to the parent company 210 202 Other comprehensive income (loss) attributable to the parent company, net of tax: 30 202 Currency translation adjustments (111) (34) Hedging gains and losses (3) (4) Investment and other gains and losses 1 (6) Defined benefit plans 17 20 Other comprehensive loss attributable (96) (24) to the parent company (96) (24) Other comprehensive income (loss) attributable to noncontrolling interests, net of tax: (2) (4) Currency translation adjustments (2) (4) Hedging gains and losses 1 (5) Currency translation adjustments (2) (3) Hedging gains and losses (2) (3) Other comprehensive loss attributable to noncontrolling interests (2) (3) Total comprehensive income attributable to the parent company 114 178 </th <th></th> <th colspan="4">Nine Months End</th>		Nine Months End			
Net income \$ 220 \$ 217 Less: Noncontrolling interests net income 10 15 Net income attributable to the parent company 210 202 Other comprehensive income (loss) attributable to the parent company, net of tax:	(In millions)	Septer	mber 30,		
Less: Noncontrolling interests net income 10 15 Net income attributable to the parent company 210 202 Other comprehensive income (loss) attributable to the parent company, net of tax: Currency translation adjustments (1111) (34) Hedging gains and losses (3) (4) Investment and other gains and losses 1 (6) Defined benefit plans 17 20 Other comprehensive loss attributable to the parent company (96) (24) Other comprehensive income (loss) attributable to noncontrolling interests, net of tax: (2) (4) Hedging gains and losses 1 Other comprehensive loss attributable to noncontrolling interests (2) (3) Total comprehensive income attributable to the parent company 114 178 Total comprehensive income attributable to noncontrolling interests 8 12		2014	2013		
Net income attributable to the parent company 210 202 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 17 20 Other comprehensive loss attributable to the parent company (96) (24) Other comprehensive income (loss) attributable to noncontrolling interests, net of tax: (2) (4) Hedging gains and losses 1 (2) (4) Hedging gains and losses 1 (2) (3) Other comprehensive loss attributable to noncontrolling interests (2) (3) Total comprehensive income attributable to the parent company 114 178 Total comprehensive income attributable to noncontrolling interests 8 12	Net income	\$ 220	\$ 217		
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 17 20 Other comprehensive loss attributable to the parent company (96) (24) Other comprehensive income (loss) attributable to noncontrolling interests, net of tax: Currency translation adjustments (2) (4) Hedging gains and losses 1 (2) (3) Total comprehensive income attributable to noncontrolling interests (2) (3)	Less: Noncontrolling interests net income	10	15		
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 17 20 Other comprehensive loss attributable to the parent company (96) (24) Other comprehensive income (loss) attributable to noncontrolling interests, net of tax: Currency translation adjustments (2) (4) Hedging gains and losses 1 1 Other comprehensive loss attributable to noncontrolling interests (2) (3) Total comprehensive income attributable to the parent company 114 178 Total comprehensive income attributable to noncontrolling interests 8 12	Net income attributable to the parent company	210	202		
Currency translation adjustments (111) (34) Hedging gains and losses (3) (4) Investment and other gains and losses 1 (6) Defined benefit plans 17 20 Other comprehensive loss attributable to the parent company (96) (24) Other comprehensive income (loss) attributable to noncontrolling interests, net of tax: Currency translation adjustments (2) (4) Hedging gains and losses 1 Other comprehensive loss attributable to noncontrolling interests (2) (3) Total comprehensive income attributable to the parent company 114 178 Total comprehensive income attributable to noncontrolling interests 8 12	Other comprehensive income (loss) attributable to				
Hedging gains and losses (3) (4) Investment and other gains and losses 1 (6) Defined benefit plans 17 20 Other comprehensive loss attributable to the parent company (96) (24) Other comprehensive income (loss) attributable to noncontrolling interests, net of tax: Currency translation adjustments (2) (4) Hedging gains and losses 1 Other comprehensive loss attributable to noncontrolling interests (2) (3) Total comprehensive income attributable to the parent company 114 178 Total comprehensive income attributable to noncontrolling interests 8 12	the parent company, net of tax:				
Investment and other gains and losses Defined benefit plans Other comprehensive loss attributable to the parent company Other comprehensive income (loss) attributable to noncontrolling interests, net of tax: Currency translation adjustments Other comprehensive loss attributable to noncontrolling interests Other comprehensive loss attributable to noncontrolling interests (2) (4) Hedging gains and losses 1 Other comprehensive loss attributable to noncontrolling interests (2) (3) Total comprehensive income attributable to the parent company 114 178 Total comprehensive income attributable to noncontrolling interests 8 12	Currency translation adjustments	(111)	(34)		
Defined benefit plans 17 20 Other comprehensive loss attributable to the parent company (96) (24) Other comprehensive income (loss) attributable to noncontrolling interests, net of tax: Currency translation adjustments (2) (4) Hedging gains and losses 1 Other comprehensive loss attributable to noncontrolling interests (2) (3) Total comprehensive income attributable to the parent company 114 178 Total comprehensive income attributable to noncontrolling interests 8 12	Hedging gains and losses	(3)	(4)		
Other comprehensive loss attributable to the parent company (96) (24) Other comprehensive income (loss) attributable to noncontrolling interests, net of tax: Currency translation adjustments (2) (4) Hedging gains and losses 1 Other comprehensive loss attributable to noncontrolling interests (2) (3) Total comprehensive income attributable to the parent company 114 178 Total comprehensive income attributable to noncontrolling interests 8 12	Investment and other gains and losses	1	(6)		
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Other comprehensive income (loss) attributable to noncontrolling interests, net of tax: Currency translation adjustments Hedging gains and losses Other comprehensive loss attributable to noncontrolling interests Total comprehensive income attributable to the parent company Total comprehensive income attributable to noncontrolling interests 114 178 Total comprehensive income attributable to noncontrolling interests 8 12	Other comprehensive loss attributable				
noncontrolling interests, net of tax: Currency translation adjustments Hedging gains and losses Other comprehensive loss attributable to noncontrolling interests Total comprehensive income attributable to the parent company Total comprehensive income attributable to noncontrolling interests 114 178 Total comprehensive income attributable to noncontrolling interests 8 12	to the parent company	(96)	(24)		
Currency translation adjustments (2) (4) Hedging gains and losses 1 Other comprehensive loss attributable to noncontrolling interests (2) (3) Total comprehensive income attributable to the parent company 114 178 Total comprehensive income attributable to noncontrolling interests 8 12	Other comprehensive income (loss) attributable to				
Hedging gains and losses Other comprehensive loss attributable to noncontrolling interests Total comprehensive income attributable to the parent company 114 178 Total comprehensive income attributable to noncontrolling interests 8 12	noncontrolling interests, net of tax:				
Other comprehensive loss attributable to noncontrolling interests Total comprehensive income attributable to the parent company Total comprehensive income attributable to noncontrolling interests 8 12	Currency translation adjustments	(2)	(4)		
Total comprehensive income attributable to the parent company 114 178 Total comprehensive income attributable to noncontrolling interests 8 12	Hedging gains and losses		1		
Total comprehensive income attributable to the parent company 114 178 Total comprehensive income attributable to noncontrolling interests 8 12	Other comprehensive loss attributable to				
to the parent company 114 178 Total comprehensive income attributable to noncontrolling interests 8 12	noncontrolling interests	(2)	(3)		
Total comprehensive income attributable to noncontrolling interests 8 12	Total comprehensive income attributable				
to noncontrolling interests 8 12	to the parent company	114	178		
	Total comprehensive income attributable				
Total comprehensive income \$ 122 \$ 190	to noncontrolling interests	8	12		
	Total comprehensive income	\$ 122	\$ 190		

Consolidated Balance Sheet (Unaudited)

As of September 30, 2014 and December 31, 2013

(In millions except share and per share amounts)

	September 30,		December 31,	
Assets		2014	2013	
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
. J Incoming and equity	<u> </u>	0,011	Ψ	5,120

Consolidated Statement of Cash Flows (Unaudited)

For the Three Months Ended September 30, 2014 and 2013

	Three Months Ended			ded	
(In millions)	September 30),	
	2	014	2	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				(40)	
Net change in short-term debt		(0)		(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		(0)		(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.

Consolidated Statement of Cash Flows (Unaudited)

For the Nine Months Ended September 30, 2014 and 2013

Operating activities 2014 2013 Net income \$ 220 \$ 2 Depreciation 122 1 Amortization of intangibles 38 38 Amortization of deferred financing charges 4 4 Unremitted earnings of affiliates 6 5 Stock compensation expense 11 6 Deferred income taxes (6) 1 Pension contributions, net (6) (8) Interest payment received on payment-in-kind note receivable 40 (120) Change in working capital (120) 6 Other, net (5) 302 2 Investing activities 2 1 Purchases of property, plant and equipment (1) (144) (1 Acquisition of business 9 1 Principal payment received on payment-in-kind note receivable 35 Piricipal payment received on payment-in-kind note receivable 35 Principal payment received on payment-in-kind note receivable 35 Piricipal payment received on payment-in-kind note receivable 35 </th <th>(In millions)</th> <th colspan="3">Nine Months Ended September 30,</th>	(In millions)	Nine Months Ended September 30,		
Net income \$ 220	(•	2013	
Depreciation	Operating activities			
Amortization of intangibles 38 Amortization of deferred financing charges 4 Unremitted earnings of affiliates 6 Stock compensation expense 11 Deferred income taxes (6) Pension contributions, net (8) Interest payment received on payment-in-kind note receivable 40 Change in working capital (120) Other, net (5) Net cash provided by operating activities (1) 302 Investing activities (144) Purchases of property, plant and equipment (1) (144) Acquisition of business (63) Piricipal payment received on payment-in-kind note receivable 35 Piricipal payment received on payment-in-kind note receivable 35 Purchases of marketable securities (63) Proceeds from sales of marketable securities 2 Proceeds from sales of marketable securities 2 Proceeds from sales of business 9 Other 5 Net cash used in investing activities (5) Pirancing activities (5) Net cash used i	Net income	\$ 220	\$ 217	
Amortization of deferred financing charges	Depreciation	122	123	
Unremitted earnings of affiliates Stock compensation expense 11 Deferred income taxes (6) Pension contributions, net (8) Interest payment received on payment-in-kind note receivable Change in working capital (120) Other, net (5) Net cash provided by operating activities (1) Investing activities Purchases of property, plant and equipment (1) Acquisition of business Principal payment received on payment-in-kind note receivable Purchases of property, plant and equipment (1) Acquisition of business Principal payment received on payment-in-kind note receivable Purchases of marketable securities (63) Proceeds from sales of marketable securities (63) Proceeds from sales of marketable securities Proceeds from sale of business Other Steam used in investing activities (5) Net cash used in investing activities (5) Proceeds from letters of credit Proceeds from letters of credit (8) Proceed	Amortization of intangibles	38	65	
Stock compensation expense 11	Amortization of deferred financing charges	4	4	
Deferred income taxes Pension contributions, net Interest payment received on payment-in-kind note receivable Interest payment received on payment-in-kind note receivable Change in working capital (120) Other, net (5) Net cash provided by operating activities (1) Investing activities Purchases of property, plant and equipment (1) Acquisition of business Principal payment received on payment-in-kind note receivable Purchases of marketable securities (63) Purchases of marketable securities (63) Proceeds from sales of marketable securities 2 Proceeds from sale of business 9 Other 5 Net cash used in investing activities (152) Financing activities Net change in short-term debt (5) Proceeds from letters of credit (8) Proceeds from letters of credit (8) Proceeds from long-term debt 23 Repayment of long-term debt (26) Deferred stock redemption Unividends paid to preferred stockholders Dividends paid to preferred stockholders (6) Dividends paid to proferred stockholders (6) Dividends paid to ommon stockholders (6) Dividends paid to ommon stock planters Other 4 Net cash used in financing activities (69) Cash and cash equivalents – beginning of period (69) Cash and cash equivalents – beginning of period (60) Effect of exchange rate changes on cash balances (61) Cash and cash equivalents – (63) Cash and cash equivalents – (64) Cash and cash equivalents – (64) Cash and cash equivalents – (65) Cash and cash equivalents – (65) Cash and cash equivalents – (64) Cash and cash equivalents – (65) Cash and cash equivalents – (64) Cash and cash equivalents – (65) Cash and cash	Unremitted earnings of affiliates	6	(8)	
Pension contributions, net Interest payment received on payment-in-kind note receivable Change in working capital (120) Other, net (5) Net cash provided by operating activities (1) Net cash provided by operating activities (1) Investing activities Purchases of property, plant and equipment (1) Acquisition of business Principal payment received on payment-in-kind note receivable Purchases of marketable securities Proceeds from sales of marketable securities Proceeds from sales of marketable securities Proceeds from sale of business Other Security Net cash used in investing activities Financing activities Net change in short-term debt Proceeds from letters of credit Proceeds from long-term debt Proceed	Stock compensation expense	11	14	
Pension contributions, net Interest payment received on payment-in-kind note receivable Change in working capital (120) Other, net (5) Net cash provided by operating activities (1) Net cash provided by operating activities (1) Investing activities Purchases of property, plant and equipment (1) Acquisition of business Principal payment received on payment-in-kind note receivable Purchases of marketable securities Proceeds from sales of marketable securities Proceeds from sales of marketable securities Proceeds from sale of business Other Security Net cash used in investing activities Financing activities Net change in short-term debt Proceeds from letters of credit Proceeds from long-term debt Proceed	Deferred income taxes	(6)	5	
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Other, net (5) Net cash provided by operating activities (1) 302 Investing activities 2 Purchases of property, plant and equipment (1) (144) (144) Acquisition of business 4 (63) (63) Purchases of marketable securities (63) (63) (63) (63) (63) (63) (64) (63) (64) (63) (64) (63) (64) (63) (64) (63) (64) (63) (64) (64) (63) (64) (64) (64) (65) (67) <t< td=""><td></td><td></td><td>(75)</td></t<>			(75)	
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Purchases of property, plant and equipment (1) (144) (144) Acquisition of business 7 (63) (64) <td>•</td> <td></td> <td>293</td>	•		293	
Purchases of property, plant and equipment (1) (144) (144) Acquisition of business 7 (63) (64) <td>Investing activities</td> <td></td> <td></td>	Investing activities			
Acquisition of business Principal payment received on payment-in-kind note receivable Proceeds from sales of marketable securities Proceeds from sales of marketable securities Proceeds from maturities of marketable securities Proceeds from sale of business Proceeds from long-term debt Financing activities Proceeds from letters of credit Proceeds from letters of credit Proceeds from letters of credit Proceeds from long-term debt Proce	-	(144)	(123)	
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Cash and cash equivalents – beginning of period 1,256 1,0 Effect of exchange rate changes on cash balances (84)	Net increase (decrease) in cash and cash equivalents	(69)	69	
Effect of exchange rate changes on cash balances (84)			1,059	
		•	(7)	
Cash and cash equivalents – end of period \$ 1,103 \$ 1,1	Cash and cash equivalents – end of period		\$ 1,121	

⁽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, Sales 2014 2013 \$ Light Vehicle 608 629 Commercial Vehicle 487 465 Off-Highway 283 318 Power Technologies 259 257 **Total Sales** \$ 1,637 \$ 1,669 Segment EBITDA \$ \$ Light Vehicle 70 67 Commercial Vehicle 47 52 Off-Highway 40 40 Power Technologies 37 39 **Total Segment EBITDA** 194 198

\$

198

\$

198

Corporate expense and other items, net

Adjusted EBITDA

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

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			ed	
	September 30,				
		014	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	

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			ed
	September 30,			
	2014		2	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

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		2014 2		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	\$	98	\$	92	
Diluted shares - as reported		173		146	
Potentially dilutive shares				2	
Conversion of preferred stock				46	
Adjusted diluted shares		173		194	
Diluted adjusted EPS	\$	0.57	\$	0.47	

⁽¹⁾ Amounts are net of associated tax effect.

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		2	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	\$	256	\$	266
Diluted shares - as reported		175		147
Potentially dilutive shares				2
Conversion of preferred stock				58
Adjusted diluted shares		175		207
Diluted adjusted EPS	\$	1.46	\$	1.29

⁽¹⁾ Amounts are net of associated tax effect.