

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, non-cash 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 March 31, 2014 and 2013

(In millions except per share amounts)

	Three Months Ended	
	March 31,	
	2014	2013
	\$ 1,688	\$ 1,676
Net sales		
Costs and expenses		
Cost of sales	1,454	1,462
Selling, general and administrative expenses	105	103
Amortization of intangibles	13	19
Restructuring charges, net	9	2
Other income (expense), net	(6)	2
Income from continuing operations before interest expense and income taxes	101	92
Interest expense	30	21
Income from continuing operations before income taxes	71	71
Income tax expense	34	27
Equity in earnings of affiliates	1	4
Income from continuing operations	38	48
Income (loss) from discontinued operations	(1)	2
Net income	37	50
Less: Noncontrolling interests net income	3	8
Net income attributable to the parent company	34	42
Preferred stock dividend requirements	3	8
Net income available to common stockholders	\$ 31	\$ 34
Net income per share available to parent company common stockholders:		
Basic:		
Income from continuing operations	\$ 0.21	\$ 0.22
Income (loss) from discontinued operations	\$ -	\$ 0.01
Net income	\$ 0.21	\$ 0.23
Diluted:		
Income from continuing operations	\$ 0.19	\$ 0.18
Income (loss) from discontinued operations	\$ -	\$ 0.01
Net income	\$ 0.19	\$ 0.19
Weighted-average common shares outstanding		
Basic	150.7	148.0
Diluted	177.0	214.4
Dividends declared per common share	\$ 0.05	\$ 0.05

DANA HOLDING CORPORATION
Consolidated Statement of Comprehensive Income (Unaudited)
For the Three Months Ended March 31, 2014 and 2013

(In millions)	Three Months Ended	
	March 31,	
	2014	2013
Net income	\$ 37	\$ 50
Less: Noncontrolling interests net income	3	8
Net income attributable to the parent company	<u>34</u>	<u>42</u>
Other comprehensive income (loss) attributable to the parent company, net of tax:		
Currency translation adjustments	(12)	(17)
Hedging gains and losses		3
Investment and other gains and losses		1
Defined benefit plans	<u>7</u>	<u>8</u>
Other comprehensive loss attributable to the parent company	<u>(5)</u>	<u>(5)</u>
Other comprehensive income (loss) attributable to noncontrolling interests, net of tax:		
Currency translation adjustments	<u>(1)</u>	<u>(2)</u>
Other comprehensive loss attributable to noncontrolling interests	<u>(1)</u>	<u>(2)</u>
Total comprehensive income attributable to the parent company	29	37
Total comprehensive income attributable to noncontrolling interests	<u>2</u>	<u>6</u>
Total comprehensive income	<u>\$ 31</u>	<u>\$ 43</u>

DANA HOLDING CORPORATION
Consolidated Balance Sheet
As of March 31, 2014 and December 31, 2013

(In millions except share and per share amounts)

	March 31, 2014	December 31, 2013
Assets		
Current assets		
Cash and cash equivalents	\$ 1,116	\$ 1,256
Marketable securities	144	110
Accounts receivable		
Trade, less allowance for doubtful accounts of \$6 in 2014 and \$7 in 2013	961	793
Other	151	223
Inventories	723	670
Other current assets	124	113
Total current assets	3,219	3,165
Goodwill	106	106
Intangibles	215	227
Other noncurrent assets	192	196
Investments in affiliates	206	210
Property, plant and equipment, net	1,220	1,225
Total assets	\$ 5,158	\$ 5,129
Liabilities and equity		
Current liabilities		
Notes payable, including current portion of long-term debt	\$ 32	\$ 57
Accounts payable	939	804
Accrued payroll and employee benefits	141	161
Accrued restructuring costs	13	14
Taxes on income	47	35
Other accrued liabilities	183	197
Total current liabilities	1,355	1,268
Long-term debt	1,568	1,567
Pension and postretirement obligations	514	530
Other noncurrent liabilities	344	351
Total liabilities	3,781	3,716
Commitments and contingencies		
Parent company stockholders' equity		
Preferred stock, 50,000,000 shares authorized		
Series B, \$0.01 par value, 2,101,384 and 3,803,774 shares outstanding	206	372
Common stock, \$0.01 par value, 450,000,000 shares authorized,		
157,148,833 and 145,338,342 outstanding	2	2
Additional paid-in capital	3,015	2,840
Accumulated deficit	(788)	(812)
Treasury stock, at cost (21,914,062 and 18,742,288 shares)	(431)	(366)
Accumulated other comprehensive loss	(732)	(727)
Total parent company stockholders' equity	1,272	1,309
Noncontrolling equity	105	104
Total equity	1,377	1,413
Total liabilities and equity	\$ 5,158	\$ 5,129

DANA HOLDING CORPORATION
Consolidated Statement of Cash Flows (Unaudited)
For the Three Months Ended March 31, 2014 and 2013

(In millions)	Three Months Ended	
	March 31,	
	2014	2013
Operating activities		
Net income	\$ 37	\$ 50
Depreciation	40	42
Amortization of intangibles	15	22
Amortization of deferred financing charges	1	1
Unremitted earnings of affiliates	1	(4)
Stock compensation expense	4	5
Deferred income taxes	(1)	(2)
Pension contributions, net	(2)	(16)
Interest payment received on payment-in-kind note receivable	40	
Change in working capital	(145)	(109)
Other, net	10	(4)
Net cash provided by (used in) operating activities (1)	-	(15)
Investing activities		
Purchases of property, plant and equipment (1)	(36)	(29)
Acquisition of business		(4)
Principal payment received on payment-in-kind note receivable	35	
Purchases of marketable securities	(35)	(3)
Proceeds from maturities of marketable securities	2	1
Other	4	3
Net cash used in investing activities	(30)	(32)
Financing activities		
Net change in short-term debt	(10)	(3)
Proceeds from long-term debt	1	53
Repayment of long-term debt	(12)	(30)
Dividends paid to preferred stockholders	(2)	(8)
Distributions paid to noncontrolling interests	(1)	(1)
Repurchases of common stock	(64)	(24)
Payments to acquire noncontrolling interests		(7)
Other	1	
Net cash used in financing activities	(87)	(20)
Net decrease in cash and cash equivalents	(117)	(67)
Cash and cash equivalents – beginning of period	1,256	1,059
Effect of exchange rate changes on cash balances	(23)	(11)
Cash and cash equivalents – end of period	\$ 1,116	\$ 981

(1) Free cash flow of (\$36) in 2014 and (\$44) in 2013 is the sum of net cash provided by (used in) operating activities reduced by the purchases of property, plant and equipment.

DANA HOLDING CORPORATION
Segment Sales & Segment EBITDA (Unaudited)
For the Three Months Ended March 31, 2014 and 2013

(In millions)

	Three Months Ended	
	March 31,	
	2014	2013
Sales		
Light Vehicle	\$ 618	\$ 619
Commercial Vehicle	457	458
Off-Highway	341	343
Power Technologies	272	256
Total Sales	<u>\$ 1,688</u>	<u>\$ 1,676</u>
Segment EBITDA		
Light Vehicle	\$ 30	\$ 41
Commercial Vehicle	44	41
Off-Highway	42	41
Power Technologies	44	36
Total Segment EBITDA	<u>160</u>	<u>159</u>
Corporate expense and other items, net	5	(1)
Adjusted EBITDA	<u>\$ 165</u>	<u>\$ 158</u>

DANA HOLDING CORPORATION
Reconciliation of Segment and Adjusted EBITDA
to Net Income (Unaudited)
For the Three Months Ended March 31, 2014 and 2013

(In millions)

	Three Months Ended	
	March 31,	
	2014	2013
Segment EBITDA	\$ 160	\$ 159
Corporate expense and other items, net	5	(1)
Adjusted EBITDA	165	158
Depreciation	(40)	(42)
Amortization of intangibles	(15)	(22)
Restructuring	(9)	(2)
Strategic transaction and other items	(1)	(2)
Recognition of unrealized gain on payment-in-kind note receivable	2	
Stock compensation expense	(4)	(5)
Interest expense	(30)	(21)
Interest income	3	7
Income from continuing operations before income taxes	71	71
Income tax expense	34	27
Equity in earnings of affiliates	1	4
Income from continuing operations	38	48
Income (loss) from discontinued operations	(1)	2
Net income	\$ 37	\$ 50

DANA HOLDING CORPORATION
Diluted Adjusted EPS (Unaudited)
For the Three Months Ended March 31, 2014 and 2013

(In millions except per share amounts)

	Three Months Ended	
	March 31,	
	2014	2013
Net income attributable to parent company	\$ 34	\$ 42
Restructuring charges (1)	9	2
Amortization of intangibles (1)	11	17
Non-recurring items (1)	3	(2)
Adjusted net income	<u>\$ 57</u>	<u>\$ 59</u>
Diluted shares - as reported	<u>177</u>	<u>214</u>
Adjusted diluted shares	<u>177</u>	<u>214</u>
Diluted adjusted EPS	\$ 0.32	\$ 0.28

(1) Amounts are net of associated tax effect.