



Dana Holding Corporation

2014 First Quarter Earnings Conference Call

April 25, 2014

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Safe Harbor Statement



Certain statements and projections contained in this presentation are, by their nature, forward-looking within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on our current expectations, estimates and projections about our industry and business, management's beliefs, and certain assumptions made by us, all of which are subject to change. Forward-looking statements can often be identified by words such as "anticipates," "expects," "intends," "plans," "predicts," "believes," "seeks," "estimates," "may," "will," "should," "would," "could," "potential," "continue," "ongoing," similar expressions, and variations or negatives of these words. These forward-looking statements are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause our actual results to differ materially and adversely from those expressed in any forward-looking statement. Dana's Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q, recent Current Reports on Form 8-K, and other Securities and Exchange Commission filings discuss important risk factors that could affect our business, results of operations and financial condition. The forward-looking statements in this presentation speak only as of this date. Dana does not undertake any obligation to revise or update publicly any forward-looking statement for any reason.

Agenda



- ▶ Introduction
Craig Barber
*Director,
Investor Relations*
- ▶ Business Update
Roger Wood
*President and
Chief Executive Officer*
- ▶ Financial Review
Bill Quigley
*Executive Vice President
and Chief Financial Officer*
- ▶ Q&A Session
Includes:
Mark Wallace
*Executive Vice President and
Group President, On-Highway Driveline Technologies*

First Quarter 2014 Highlights



- ▶ **Sales of \$1.688 billion**
- ▶ **Net Income of \$34 million**
 - ▶ \$17 million charge for Venezuela bolivar devaluation
 - ▶ Diluted Adjusted EPS: \$0.32
- ▶ **Adjusted EBITDA of \$165 million**
 - ▶ 9.8% margin; 40 bps improvement from 2013
 - ▶ Devaluation lowered Adjusted EBITDA margin by ~100 bps
- ▶ **Share Repurchase Program Execution**
 - ▶ 3.1 million shares repurchased in Q1
 - ▶ \$893 million in total returned to shareholders*
- ▶ **Some improvement in market conditions**



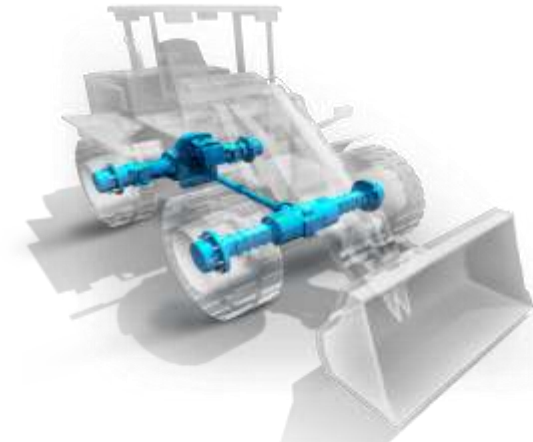
*Program inception through 3/31/14

Construction Trends

- ▶ North America construction sentiment improving
- ▶ Market demand for more powerful machines that increase productivity, reduce downtime, and improve efficiency
- ▶ Renewed emphasis on technology

Dana Solutions

- ▶ Spicer® PowerBoost® hybrid technology
- ▶ Dana Rexroth Hydromechanical Variable Transmission (HVT)
- ▶ Full range of construction drivetrain solutions available



Commercial-Vehicle N.A. Trends

- ▶ OEMs expecting uplift in market demand
- ▶ Positive trends on fleet age, freight tonnage
- ▶ Increasing fuel efficiency standards
- ▶ Keen focus on light weighting opportunities



Dana Solutions

- ▶ Spicer® AdvanTEK® 40 tandem axle
- ▶ Spicer® EconoTrek™ 6x2 tandem axle
- ▶ New, lighter weight steer axles and single-reduction, single-drive axles



2014 Market Considerations – Dana Impact



LVD	CVD	OH	PT
↔	↑	↔	↑



LVD	CVD	OH	PT
↔	↔	↔	↑

End-market demand improving in NA and EU; Asia remains weak

- ▶ Continued strength in full frame light trucks
- ▶ Improving NA commercial vehicle demand
- ▶ Increasing LV and CV vehicle inventories in Brazil as exports slow
- ▶ Construction market improving
- ▶ Mining market stable, albeit at low levels

Currency

- ▶ Continued volatility in emerging countries
- ▶ S. America, India, Thailand and S. Africa most impactful to Dana
- ▶ Euro strength continues

2014 Market Growth Offset by Currency



LVD	CVD	OH	PT
↓	↓	↔	↔



LVD	CVD	OH	PT
↔	↔	↔	↔



Financial Review

2014 First Quarter

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Financial Results



(\$ in millions, except EPS)

First Quarter

	2014	2013	Change
Sales	\$ 1,688	\$ 1,676	\$ 12
Adjusted EBITDA	165	158	7
Margin	9.8%	9.4%	40 bps
Income from Continuing Operations before Interest Expense / Income Taxes	101	92	9
Net Income <i>(attributable to Dana)</i>	34	42	(8)
Diluted Adjusted EPS	\$ 0.32	\$ 0.28	\$ 0.04
Capital Spend	36	29	7
Free Cash Flow	(36)	(44)	8

Sales – 2014 vs. 2013



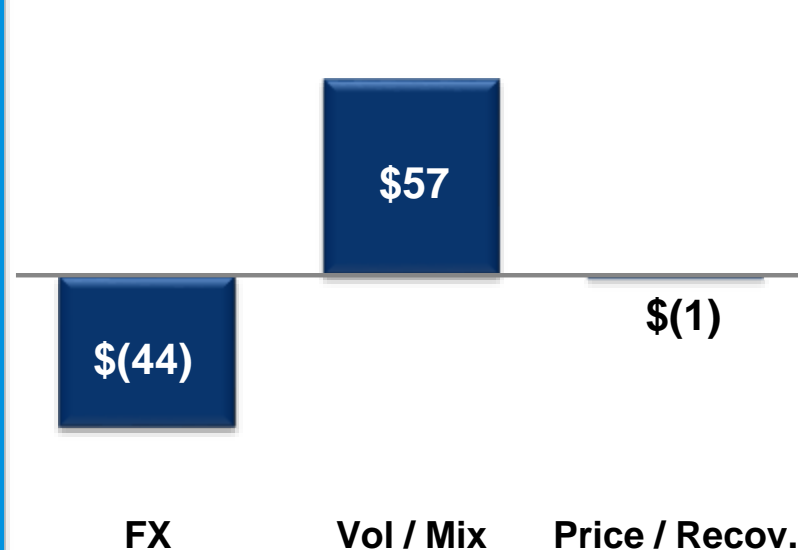
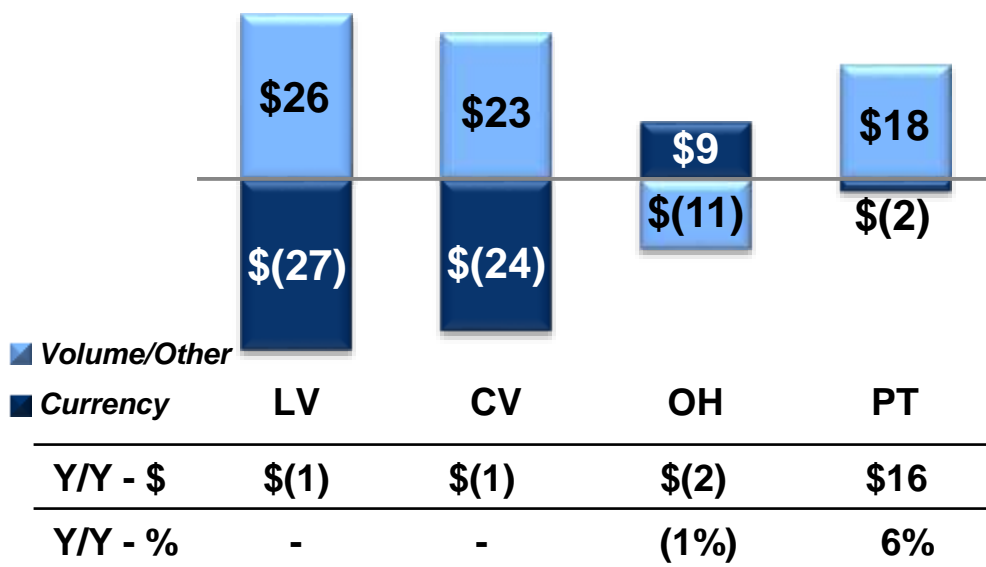
(\$ in millions)

First Quarter

	2014	2013	Change
Sales	\$ 1,688	\$ 1,676	\$ 12
Percent of Consolidated Sales:			
<i>North America</i>	45%	43%	
<i>Europe</i>	32%	30%	
<i>South America</i>	12%	13%	
<i>Asia Pacific</i>	11%	14%	

Y/Y Change by Business Segment

Key Drivers of Y/Y Change



Adjusted EBITDA – 2014 vs. 2013



(\$ in millions)

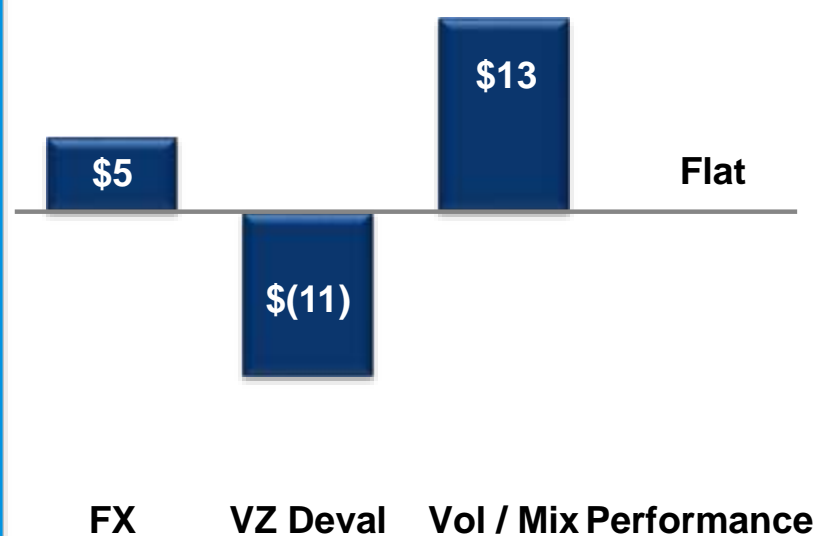
	First Quarter		
	2014	2013	Change
Adjusted EBITDA	\$ 165	\$ 158	\$ 7
Margin	9.8%	9.4%	40 bps

Y/Y Change by Business Segment



	LV	CV	OH	PT
Y/Y - \$	\$(11)	\$3	\$1	\$8
Y/Y - %	(27%)	7%	2%	22%

Key Drivers of Y/Y Change



Current Environment

- ▶ Continued unrest / instability
- ▶ OE automotive production at virtual standstill; non-automotive dependent upon raw material availability
- ▶ No change in official exchange rate; government has opened auctions to allow access to foreign currency (SICAD)
- ▶ Financials remeasured at SICAD rate of 10.7 vs. official rate of 6.3; 2014 guidance assumed rate of 9.5
- ▶ Q1 earnings impact of \$17 million



Venezuela Profile

Light Vehicle Driveline

- Axle Plant
- J.V. Tube Mill
- ~\$55 M Net Assets Q1 2014
- Automotive / Non-Automotive

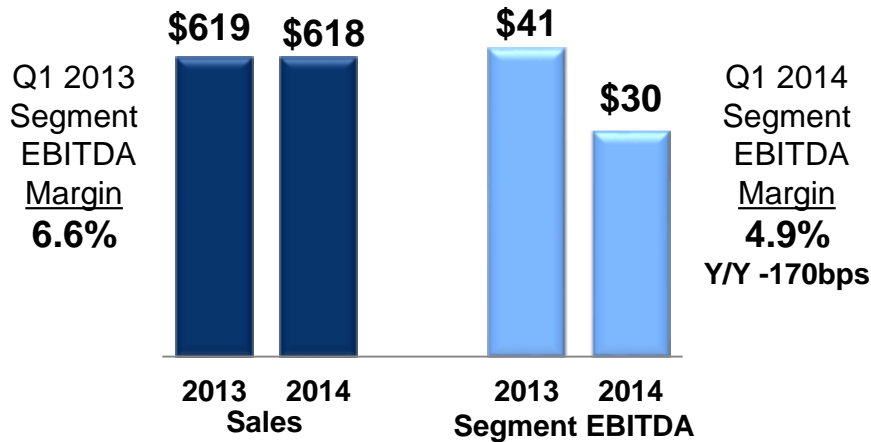
Impact on Dana

- ▶ OE production expected to resume during second half of 2014:
- ▶ 2014 E – Sales - \$150M; EBITDA - \$(10)M, including Q1 2014 devaluation
- ▶ “No Production” scenario would be incremental ~\$40M EBITDA impact for 2014
- ▶ Engaging customers on long-term solution

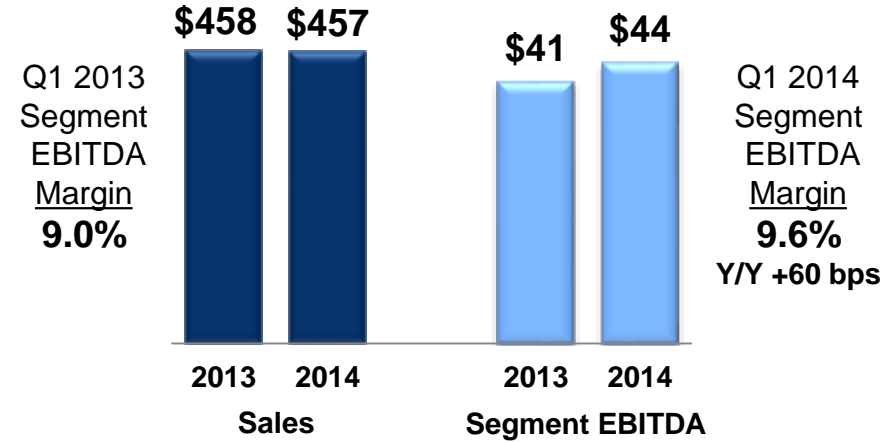
Q1 2014 Business Results



Light Vehicle Driveline



Commercial Vehicle Driveline



Key Drivers of Y/Y Change

	Sales	Segment EBITDA	Margin
Q1 2013	\$619	\$41	6.6%
Currency	(27)	(1)	
VZ	-	(11)	
Vol / Mix	27	5	
Performance	(1)	(4)	
Change	(1)	(11)	
Q1 2014	\$618	\$30	4.9%

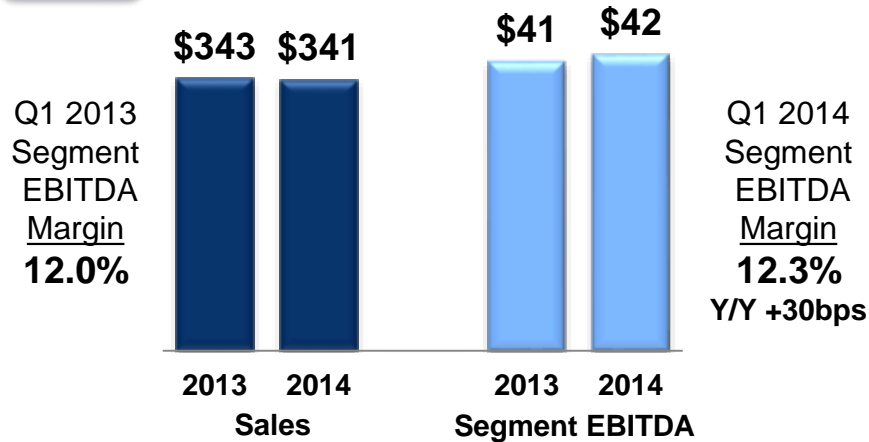
Key Drivers of Y/Y Change

	Sales	Segment EBITDA	Margin
Q1 2013	\$458	\$41	9.0%
Currency	(24)	1	
Vol / Mix	23	5	
Performance	-	(3)	
Change	(1)	3	
Q1 2014	\$457	\$44	9.6%

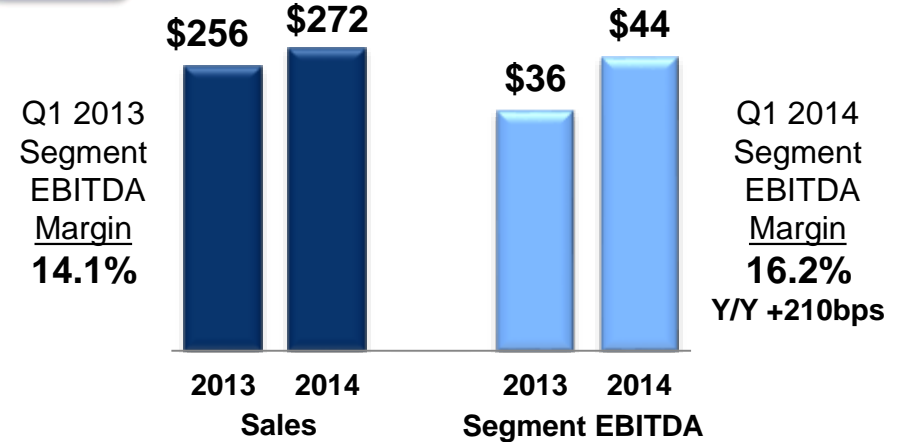
Q1 2014 Business Results



Off-Highway Driveline



Power Technologies



Key Drivers of Y/Y Change

	Sales	Segment EBITDA	Margin
Q1 2013	\$343	\$41	12.0%
Currency	9	-	
Vol / Mix	(12)	(2)	
Performance	1	3	
Change	(2)	1	
Q1 2014	\$341	\$42	12.3%

Key Drivers of Y/Y Change

	Sales	Segment EBITDA	Margin
Q1 2013	\$256	\$36	14.1%
Currency	(2)	(1)	
Vol / Mix	19	5	
Performance	(1)	4	
Change	16	8	
Q1 2014	\$272	\$44	16.2%

Free Cash Flow



(\$ in millions)	First Quarter		
	2014	2013	Change
Adjusted EBITDA	\$ 165	\$ 158	\$ 7
Working Capital*	(110)	(98)	(12)
Restructuring	(11)	(10)	(1)
Pension Contributions	(2)	(16)	14
Interest, Net	(53)	(28)	(25)
Interest Received from Note**	40	-	40
Cash Taxes	(27)	(19)	(8)
Capital Spending	(36)	(29)	(7)
Other	(2)	(2)	-
Free Cash Flow	<u>\$ (36)</u>	<u>\$ (44)</u>	<u>\$ 8</u>

* Changes in working capital relating to interest, taxes, and restructuring are included in those respective categories

** \$40 receipt of prior period interest on a note receivable classified as an operating cash flow in Q1 2014

See appendix for comments regarding the presentation of non-GAAP measures

Cash and Liquidity



Cash and Debt

(\$ in millions)

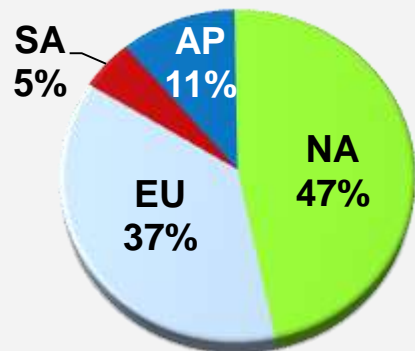
Q1 2014

Total Cash* \$ 1,260

Total Debt 1,600

Net Debt \$ (340)

Cash* by Region



Liquidity

Year-End 2013	\$1,574
Free Cash Flow	(36)
Deval. of Bolivar Denominated Cash	(22)
Note Receivable Principal	35
Share Repurchase Program	(64)
Common Dividends	-
Preferred Dividends	(2)
Change in Financing Availability / Other	55
Q1 2014**	\$ 1,540

* Includes marketable securities; cash and marketable securities also includes \$181 in a subsidiary where access is subject to approval of subsidiary's independent board member

** \$302 available under U.S. ABL facility



Continued Execution

- ▶ **\$64 million returned to shareholders in first quarter of 2014**
 - ▶ **3.1 million shares repurchased in first quarter 2014**
- ▶ **\$893 million since program inception**
 - ▶ **In total, 42 million shares repurchased and redeemed**
 - ▶ **Open market - 21 million shares repurchased**
 - ▶ **Series A Preferred - 21 million share equivalents redeemed**

Share Repurchase Summary as of 3/31/14

Shares Repurchased (incl. Series A shares)	42 M
Q1 2014 Weighted Avg. Adj. Diluted Shares	177 M
Series B Pref. Shares Outstanding	2.1 M
Remaining Authorization	\$107 M

2014 Financial Targets



Key Financial Metrics

2014 Targets

Sales	\$6.8 – \$6.9 B
Adjusted EBITDA	\$760 – \$770 M
Margin	~11.2%
Diluted Adjusted EPS*	\$1.82 – \$1.86
Capital Spend	\$210 – \$230 M
Free Cash Flow**	\$275 – \$295 M
Other Cash Flow Items	
Depreciation / Amortization	~\$180 M / ~\$50 M
Cash Taxes	~\$130 M
Net Interest**	~\$70 M
Pension Funding, Net	~\$25 M
Cash Restructuring	~\$40 M

Commentary

- ▶ Expect sales and earnings metrics to be at the lower end of the range largely driven by currency movements and Venezuela
- ▶ Venezuela remains volatile; timing of OEM production is uncertain at this time
 - ▶ Principally impacting our Light Vehicle Driveline business

Tax Assumptions

US GAAP Rate	29%
Cash Tax Rate	35%
Adjusted EPS Rate	27%

*Calculated based on fully diluted outstanding shares of 177 million - excludes future impact of the share repurchase program.

** Includes \$40 of accrued interest received from sale of callable payment-in-kind note receivable.



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Appendix

Global Vehicle Production Dana Forecasts (Units in 000s)



	2013 Actuals	2014 Outlook
North America		
Light Truck (Full Frame)	3,632	3,550 – 3,650
Light Vehicle Engines	14,348	14,700 – 15,100
Medium Truck (Class 5-7)	201	200 – 210
Heavy Truck (Class 8)	245	265 – 275
Agricultural Equipment	75	75 – 80
Construction/Mining Equipment	157	150 – 155
Europe (Incl. Eastern Europe)		
Light Trucks	7,276	7,000 – 7,200
Light Vehicle Engines	20,936	21,000 – 22,000
Medium/Heavy Truck	400	380 – 390
Agricultural Equipment	244	230 – 250
Construction/Mining Equipment	298	310 – 320
South America		
Light Trucks	1,302	1,200 – 1,300
Light Vehicle Engines	3,767	3,800 – 4,000
Medium/Heavy Truck	221	200 – 210
Agricultural Equipment	54	50 – 55
Construction/Mining Equipment	20	18 – 22
Asia Pacific		
Light Trucks	20,350	20,000 – 21,000
Light Vehicle Engines	45,030	45,500 – 46,100
Medium/Heavy Truck	1,522	1,500 – 1,600
Agricultural Equipment	788	800 – 850
Construction /Mining Equipment	555	550 – 570

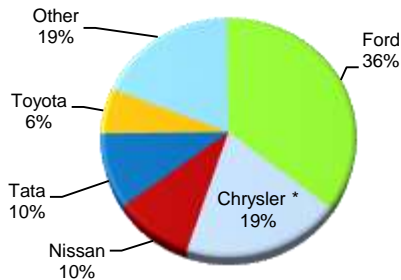
Segment Profiles



Customer Sales

Light Vehicle Driveline

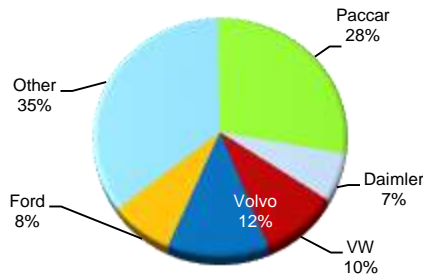
Year to Date 3/31/2014



* Includes sales to Hyundai Mobis for driveline products that support Chrysler vehicles

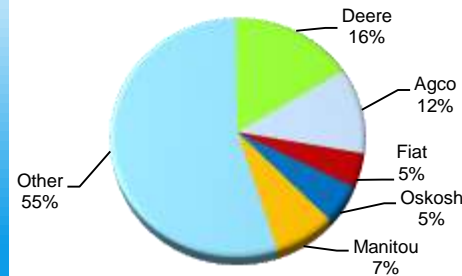
Commercial Vehicle Driveline

Year to Date 3/31/2014



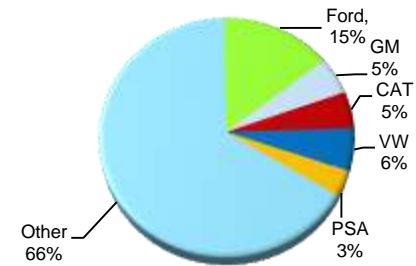
Off-Highway Driveline

Year to Date 3/31/2014

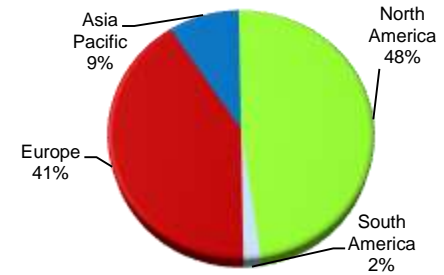
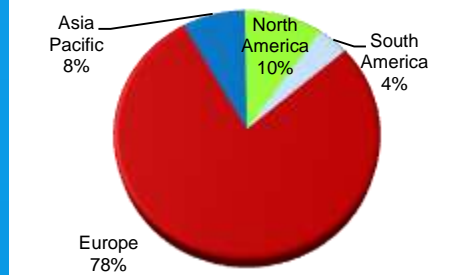
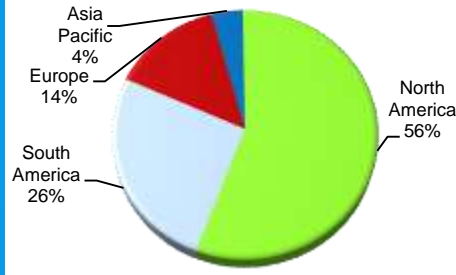
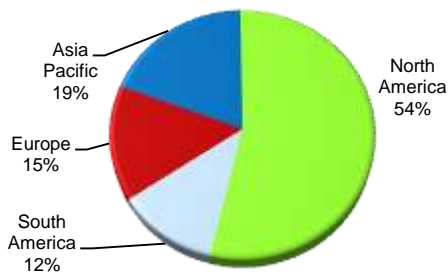


Power Technologies

Year to Date 3/31/2014



Regional Sales



Performance

\$ Millions

	Q1	
	2014	2013
Sales	\$618	\$619
Segment EBITDA	\$30	\$41
EBITDA Margin	4.9%	6.6%

\$ Millions

	Q1	
	2014	2013
Sales	\$457	\$458
Segment EBITDA	\$44	\$41
EBITDA Margin	9.6%	9.0%

\$ Millions

	Q1	
	2014	2013
Sales	\$341	\$343
Segment EBITDA	\$42	\$41
EBITDA Margin	12.3%	12.0%

\$ Millions

	Q1	
	2014	2013
Sales	\$272	\$256
Segment EBITDA	\$44	\$36
EBITDA Margin	16.2%	14.1%

Diluted Adjusted EPS



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	177	214
Adjusted diluted shares	<u>177</u>	<u>214</u>
Diluted adjusted EPS	\$ 0.32	\$ 0.28

(1) Amounts are net of associated tax effect.

See accompanying slide in the appendix for comments regarding the presentation of non-GAAP measures

Segment Data



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	160	159
Corporate expense and other items, net	5	(1)
Adjusted EBITDA	<u>\$ 165</u>	<u>\$ 158</u>

See accompanying slide in the appendix for comments regarding the presentation of non-GAAP measures

Segment Data (continued)



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

See accompanying slide in the appendix for comments regarding the presentation of non-GAAP measures

Non-GAAP Financial Information



The preceding slides refer to Adjusted EBITDA, which we've defined to be 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 (loss) before income taxes, net income (loss) 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.

Please reference the "Non-GAAP financial information" accompanying our quarterly earnings conference call presentations on our website at www.dana.com/investors for our GAAP results and the reconciliations of these measures, where used, to the comparable GAAP measures.