



Dana Holding Corporation

2014 Second Quarter Earnings Conference Call

July 24, 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*

Second Quarter 2014 Highlights



- ▶ **Sales of \$1.71 billion**
- ▶ **Net income of \$86 million**
 - ▶ Diluted Adjusted EPS: \$0.58
- ▶ **Adjusted EBITDA of \$205 million**
 - ▶ 12.0% margin
- ▶ **Free cash flow of \$133 million**
- ▶ **Exercised preferred stock conversion rights**
- ▶ **Share repurchase program actions**
 - ▶ 2.2 million shares repurchased in Q2
 - ▶ \$942 million in total returned to shareholders*
- ▶ **Significant replacement business wins**



*Program inception through 6/30/14

Significant Platform Replacement Wins



Super Duty



Discovery



Navara



TOYOTA

Hilux



99% Win Rate on Replacement Business



TOYOTA

Tacoma



Outstanding Quality and Customer Satisfaction



CATERPILLAR®
8th Quality
Certificate



Top 100



DAF
—
<50 PPM



Excellence in
Quality Award



Excellence in
Quality Award



Supplier of
the Year



Quality Excellence
Performance
Award

2014 Market Considerations

Sales impact vs. prior year



North America

LVD	CVD	OH	PT
↑	↑	↔	↑

- ▶ Continued strength in full frame light trucks and light vehicles
- ▶ Continued improvement in commercial vehicle demand

South America

LVD	CVD	OH	PT
↓	↓	↓	↔

- ▶ Brazil demand slowing more than expected
- ▶ Venezuelan OE production expected to restart in August & September

Emerging market weakness muting North America strength

- ▶ Brazil CV demand slowing more than anticipated offsetting gains in North America

Off-Highway Markets

- ▶ Mining equipment remains sluggish
- ▶ Agriculture equipment softening
- ▶ Construction equipment stable

Currency

- ▶ Signs of easing currency access in Venezuela
- ▶ Euro, Real, Arg. Peso expected to weaken in 2nd half
- ▶ Baht & Rupee stable in 2nd half
- ▶ Currency offsetting market growth

Europe

LVD	CVD	OH	PT
↔	↔	↓	↑

- ▶ Continued weakness in mining and agriculture equipment markets
- ▶ Some improvement in light vehicle and engine demand

Asia

LVD	CVD	OH	PT
↓	↔	↓	↔

- ▶ Continued weakness in mining and agriculture equipment markets
- ▶ India stable but at expected lower demand
- ▶ Thailand weakness continues



Financial Review

2014 Second Quarter

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Financial Results



(\$ in millions, except EPS)

Second Quarter

	2014	2013	Change
Sales	\$ 1,710	\$ 1,800	\$ (90)
Adjusted EBITDA	205	215	(10)
Margin	12.0%	11.9%	10bps
Income from Continuing Operations before Interest Expense / Income Taxes	148	150	(2)
Net Income <i>(attributable to Dana)</i>	86	92	(6)
Diluted Adjusted EPS	\$ 0.58	\$ 0.54	\$ 0.04
Capital Spend	60	42	18
Free Cash Flow*	133	160	(27)

* Q2 2013 includes the receipt of \$26 of prior period interest on a note receivable classified as an operating cash flow

Sales – 2014 vs. 2013

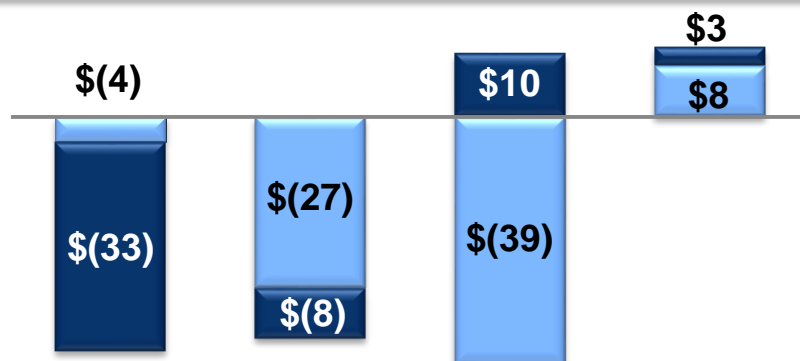


(\$ in millions)

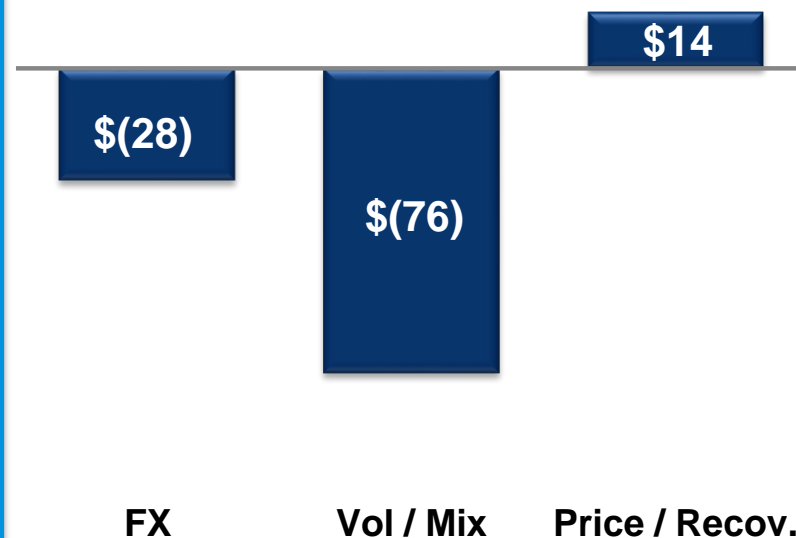
Second Quarter

	2014	2013	Change
Sales	\$ 1,710	\$ 1,800	\$ (90)
Percent of Consolidated Sales:			
<i>North America</i>	47%	44%	
<i>Europe</i>	31%	29%	
<i>South America</i>	11%	15%	
<i>Asia Pacific</i>	11%	12%	

Y/Y Change by Business Segment



Key Drivers of Y/Y Change



■ Volume/Other

■ Currency

LV

CV

OH

PT

Y/Y - \$	\$(37)	\$(35)	\$(29)	\$11
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Y/Y - %	(5%)	(7%)	(8%)	4%
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FX

Vol / Mix

Price / Recov.

Adjusted EBITDA – 2014 vs. 2013



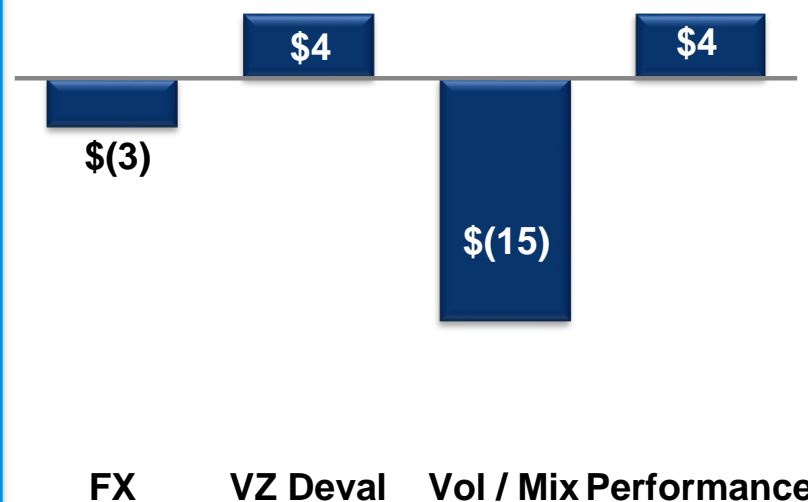
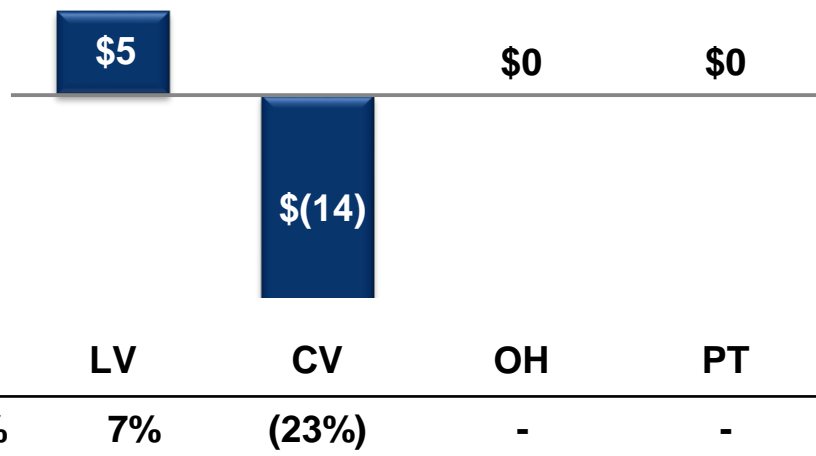
(\$ in millions)

Second Quarter

	2014	2013	Change
Adjusted EBITDA	\$ 205	\$ 215	\$ (10)
Margin	12.0%	11.9%	10 bps

Y/Y Change by Business Segment

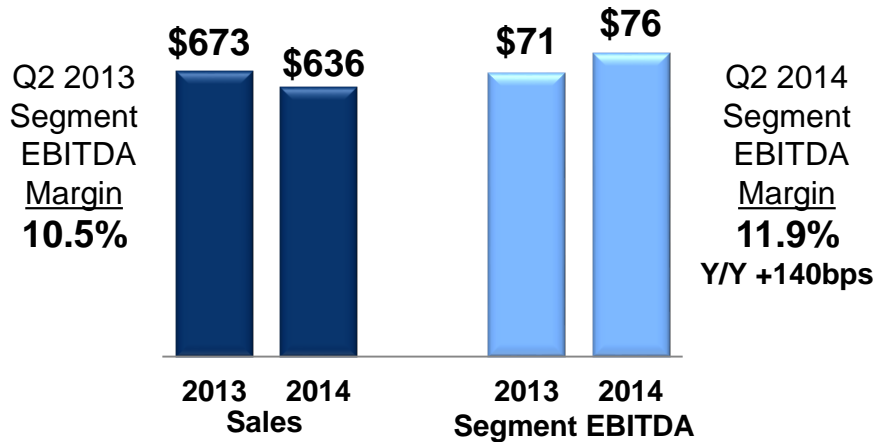
Key Drivers of Y/Y Change



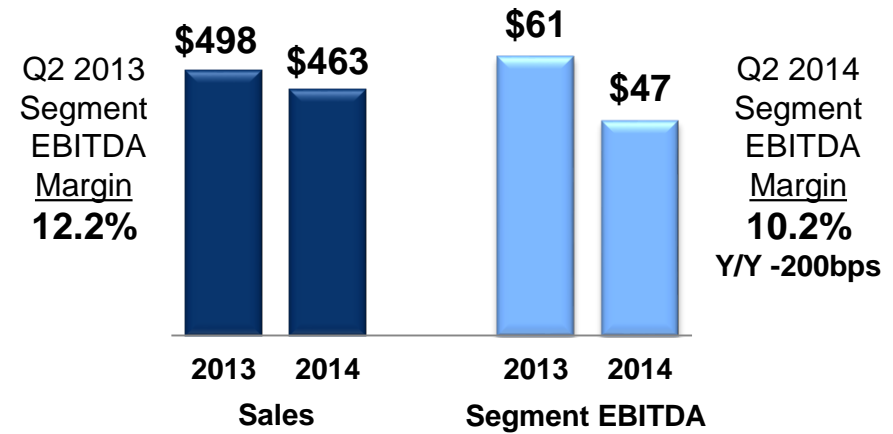
Q2 2014 Business Results



Light Vehicle Driveline



Commercial Vehicle Driveline



Key Drivers of Y/Y Change

	Sales	Segment EBITDA	Margin
Q2 2013	\$673	\$71	10.5%
Currency	(33)	-	
VZ Deval	-	4	
Vol / Mix	(17)	(4)	
Performance	13	5	
Change	(37)	5	
Q2 2014	\$636	\$76	11.9%

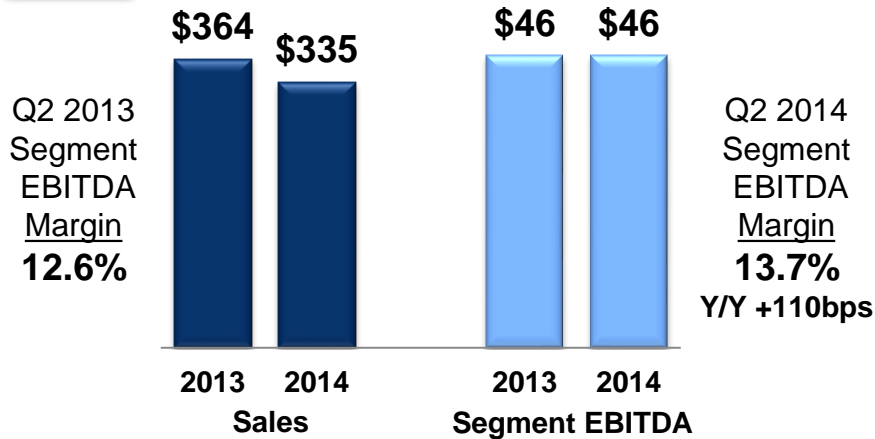
Key Drivers of Y/Y Change

	Sales	Segment EBITDA	Margin
Q2 2013	\$498	\$61	12.2%
Currency	(8)	(3)	
Vol / Mix	(29)	(5)	
Performance	2	(6)	
Change	(35)	(14)	
Q2 2014	\$463	\$47	10.2%

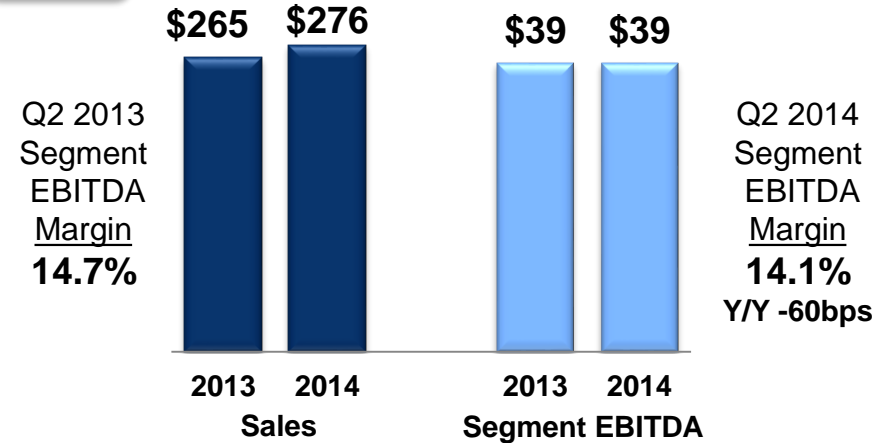
Q2 2014 Business Results



Off-Highway Driveline



Power Technologies



Key Drivers of Y/Y Change

	Sales	Segment EBITDA	Margin
Q2 2013	\$364	\$46	12.6%
Currency	10	-	
Vol / Mix	(40)	(9)	
Performance	1	9	
Change	(29)	-	
Q2 2014	\$335	\$46	13.7%

Key Drivers of Y/Y Change

	Sales	Segment EBITDA	Margin
Q2 2013	\$265	\$39	14.7%
Currency	3	-	
Vol / Mix	10	3	
Performance	(2)	(3)	
Change	11	-	
Q2 2014	\$276	\$39	14.1%

Free Cash Flow



(\$ in millions)	Second Quarter		
	2014	2013	Change
Adjusted EBITDA	\$ 205	\$ 215	\$ (10)
Working Capital*	18	22	(4)
Restructuring	(5)	(12)	7
Pension Contributions	(3)	(4)	1
Interest, Net	(1)	(2)	1
Interest Received from Note**	-	26	(26)
Cash Taxes	(22)	(32)	10
Capital Spending	(60)	(42)	(18)
Other	1	(11)	12
Free Cash Flow	<u>\$ 133</u>	<u>\$ 160</u>	<u>\$ (27)</u>
YTD Free Cash Flow	\$ 97	\$ 116	\$ (19)

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

** \$26 receipt of prior period interest on a note receivable classified as an operating cash flow in Q2 2013

Cash and Liquidity



Cash and Debt

(\$ in millions)

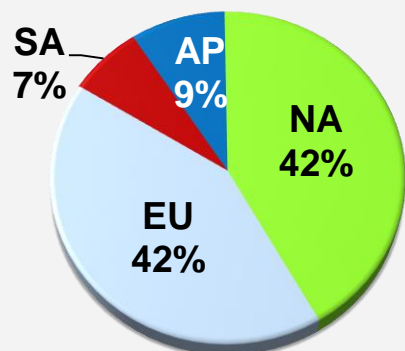
Q2 2014

Total Cash* \$ 1,340

Total Debt 1,605

Net Debt \$ (265)

Cash* by Region



Liquidity

Year-End 2013	\$1,574
Free Cash Flow	97
Devaluation of Bolivar Cash, Net	(15)
Note Receivable Principal	35
Share Repurchase Program	(113)
Common Dividends	(16)
Preferred Dividends	(4)
Change in Financing Availability / Other	68
Q2 2014**	\$1,626

* Includes marketable securities; cash and marketable securities also includes \$168 in a subsidiary where access is subject to approval of subsidiary's independent board member

** \$309 available under U.S. ABL facility

Triggered Mandatory Conversion of Preferred Stock

- ▶ **Converted ~230,000 shares of preferred stock since June 30**
- ▶ **Remaining shares will be converted before end of Q3**

Share Repurchase Program Execution

- ▶ **\$49 million returned to shareholders in second quarter of 2014**
 - ▶ **2.2 million shares repurchased in second quarter 2014**
- ▶ **\$942 million since program inception**
 - ▶ **In total, 44 million shares repurchased and redeemed**
 - ▶ **Open market - 23 million shares repurchased**
 - ▶ **Series A Preferred - 21 million share equivalents redeemed**

Share Repurchase Summary as of 6/30/14	
Shares Repurchased (incl. Series A shares)	44 M
Q2 2014 Weighted Avg. Adj. Diluted Shares	175 M
Series B Pref. Shares Outstanding	2.0 M
Remaining Authorization	\$58 M

2014 Financial Targets



Key Financial Metrics

2014 Targets

Sales	~\$6.8 B
Adjusted EBITDA	~\$760 M
Margin	~11.2%
Diluted Adjusted EPS*	\$1.92 – \$1.95
Capital Spend	~\$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	~\$30 M

Highlights

- ▶ Affirmed previous guidance for Sales, Adjusted EBITDA and Margin
- ▶ Diluted Adjusted EPS guidance raised - lower tax expense and share count
- ▶ Expect Free Cash Flow at higher end of range

Tax Assumptions

US GAAP Rate	29%
Cash Tax Rate	34%
Adjusted EPS Rate	26%

*Calculated based on fully diluted outstanding shares of 175 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	3,750 – 3,850
Light Vehicle Engines	14,233	14,700 – 15,100
Medium Truck (Class 5-7)	201	200 – 210
Heavy Truck (Class 8)	245	280 – 290
Agricultural Equipment	75	70 – 75
Construction/Mining Equipment	157	150 – 155
Europe (Incl. Eastern Europe)		
Light Trucks	7,276	7,400 – 7,500
Light Vehicle Engines	20,836	21,000 – 22,000
Medium/Heavy Truck	400	380 – 390
Agricultural Equipment	244	220 – 240
Construction/Mining Equipment	298	300 – 310
South America		
Light Trucks	1,302	1,100 – 1,200
Light Vehicle Engines	3,775	3,300 – 3,400
Medium/Heavy Truck	218	185 – 195
Agricultural Equipment	54	40 – 45
Construction/Mining Equipment	20	18 – 22
Asia Pacific		
Light Trucks	20,515	21,000 – 22,000
Light Vehicle Engines	45,213	46,100 – 47,100
Medium/Heavy Truck	1,522	1,500 – 1,600
Agricultural Equipment	788	750 – 800
Construction /Mining Equipment	555	550 – 570

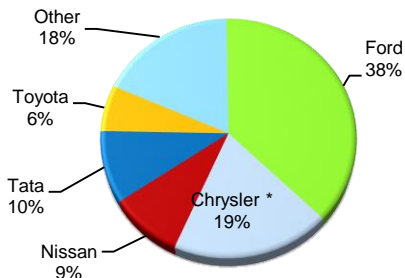
Segment Profiles



Customer Sales

Light Vehicle Driveline

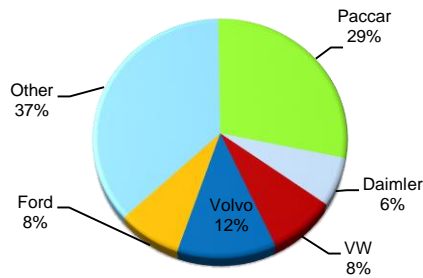
Year to Date 6/30/2014



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

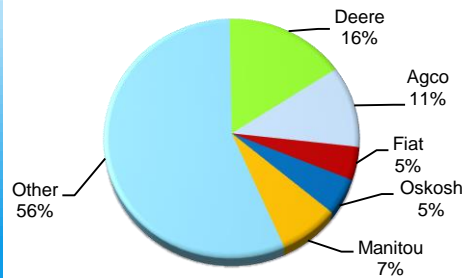
Commercial Vehicle Driveline

Year to Date 6/30/2014



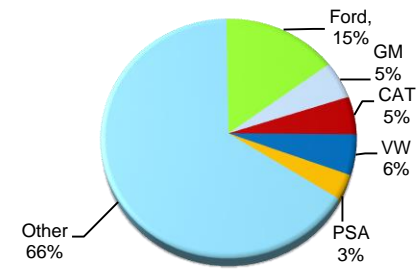
Off-Highway Driveline

Year to Date 6/30/2014

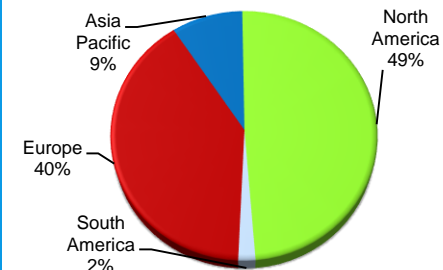
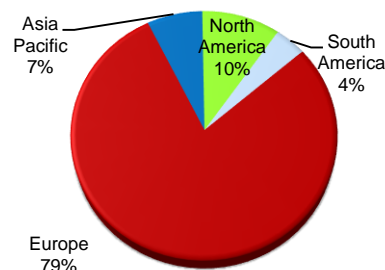
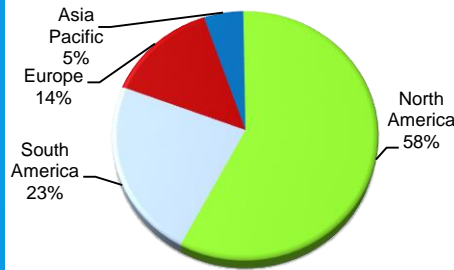
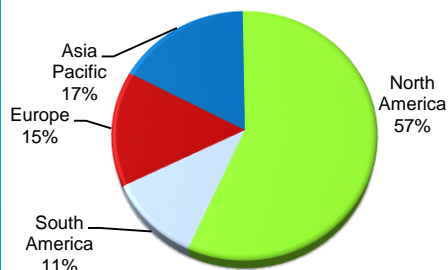


Power Technologies

Year to Date 6/30/2014



Regional Sales



Performance

\$ Millions

	Q2		Year to Date	
	2014	2013	2014	2013
Sales	\$636	\$673	\$1,254	\$1,292
Segment EBITDA	\$76	\$71	\$106	\$112
EBITDA Margin	11.9%	10.5%	8.5%	8.7%

\$ Millions

	Q2		Year to Date	
	2014	2013	2014	2013
Sales	\$463	\$498	\$920	\$956
Segment EBITDA	\$47	\$61	\$91	\$102
EBITDA Margin	10.2%	12.2%	9.9%	10.7%

\$ Millions

	Q2		Year to Date	
	2014	2013	2014	2013
Sales	\$335	\$364	\$676	\$707
Segment EBITDA	\$46	\$46	\$88	\$87
EBITDA Margin	13.7%	12.6%	13.0%	12.3%

\$ Millions

	Q2		Year to Date	
	2014	2013	2014	2013
Sales	\$276	\$265	\$548	\$521
Segment EBITDA	\$39	\$39	\$83	\$75
EBITDA Margin	14.1%	14.7%	15.1%	14.4%

Diluted Adjusted EPS



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

(In millions except per share amounts)

	Three Months Ended June 30,	
	2014	2013
Net income attributable to parent company	\$ 86	\$ 92
Restructuring charges (1)	2	6
Amortization of intangibles (1)	10	17
Non-recurring items (1)	3	
Adjusted net income	<u>\$ 101</u>	<u>\$ 115</u>
Diluted shares - as reported	175	212
Adjusted diluted shares	<u>175</u>	<u>212</u>
Diluted adjusted EPS	\$ 0.58	\$ 0.54

(1) Amounts are net of associated tax effect.

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

(In millions except per share amounts)

	Six Months Ended June 30,	
	2014	2013
Net income attributable to parent company	\$ 120	\$ 134
Restructuring charges (1)	11	8
Amortization of intangibles (1)	21	34
Non-recurring items (1)	6	(2)
Adjusted net income	<u>\$ 158</u>	<u>\$ 174</u>
Diluted shares - as reported	176	213
Adjusted diluted shares	<u>176</u>	<u>213</u>
Diluted adjusted EPS	\$ 0.90	\$ 0.82

(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 June 30, 2014 and 2013

(In millions)

Three Months Ended
 June 30,

	2014	2013
Sales		
Light Vehicle	\$ 636	\$ 673
Commercial Vehicle	463	498
Off-Highway	335	364
Power Technologies	276	265
Total Sales	\$ 1,710	\$ 1,800

Segment EBITDA

Light Vehicle	\$ 76	\$ 71
Commercial Vehicle	47	61
Off-Highway	46	46
Power Technologies	39	39
Total Segment EBITDA	208	217
Corporate expense and other items, net	(3)	(2)
Adjusted EBITDA	\$ 205	\$ 215

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

(In millions)

Six Months Ended
 June 30,

	2014	2013
Sales		
Light Vehicle	\$ 1,254	\$ 1,292
Commercial Vehicle	920	956
Off-Highway	676	707
Power Technologies	548	521
Total Sales	\$ 3,398	\$ 3,476

Segment EBITDA

Light Vehicle	\$ 106	\$ 112
Commercial Vehicle	91	102
Off-Highway	88	87
Power Technologies	83	75
Total Segment EBITDA	368	376
Corporate expense and other items, net	2	(3)
Adjusted EBITDA	\$ 370	\$ 373

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 June 30, 2014 and 2013

(In millions)

	Three Months Ended June 30,	
	2014	2013
Segment EBITDA	\$ 208	\$ 217
Corporate expense and other items, net	(3)	(2)
Adjusted EBITDA	205	215
Depreciation	(41)	(40)
Amortization of intangibles	(12)	(21)
Restructuring	(3)	(4)
Strategic transaction expenses and other items	1	(4)
Write-off of deferred financing costs		(2)
Recognition of unrealized gain on payment-in-kind note receivable		5
Stock compensation expense	(5)	(4)
Interest expense, net	(26)	(16)
Income from continuing operations before income taxes	119	129
Income tax expense	33	35
Equity in earnings of affiliates	6	3
Income from continuing operations	92	97
Loss from discontinued operations	(2)	(1)
Net income	\$ 90	\$ 96

DANA HOLDING CORPORATION

Reconciliation of Segment and Adjusted EBITDA to Net Income (Unaudited)

For the Six Months Ended June 30, 2014 and 2013

(In millions)

	Six Months Ended June 30,	
	2014	2013
Segment EBITDA	\$ 368	\$ 376
Corporate expense and other items, net	2	(3)
Adjusted EBITDA	370	373
Depreciation	(81)	(82)
Amortization of intangibles	(27)	(43)
Restructuring	(12)	(6)
Strategic transaction expenses and other items		(6)
Write-off of deferred financing costs		(2)
Recognition of unrealized gain on payment-in-kind note receivable	2	5
Stock compensation expense	(9)	(9)
Interest expense, net	(53)	(30)
Income from continuing operations before income taxes	190	200
Income tax expense	67	62
Equity in earnings of affiliates	7	7
Income from continuing operations	130	145
Income (loss) from discontinued operations	(3)	1
Net income	\$ 127	\$ 146

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.