



Dana Holding Corporation

2014 Third Quarter Earnings Conference Call

October 23, 2014

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Continuous Improvement

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*

Third Quarter 2014 Highlights



- ▶ **Sales of \$1.637 billion**
- ▶ **Net Income of \$90 million**
 - ▶ Diluted Adjusted EPS: \$0.57
- ▶ **Adjusted EBITDA of \$198 million**
 - ▶ 12.1% margin
- ▶ **Free Cash Flow of \$61 million**
- ▶ **Share Repurchase Program Actions**
 - ▶ Authorized additional \$400 million
 - ▶ 3.0 million shares repurchased in Q3
 - ▶ Over \$1 billion returned to shareholders*
- ▶ **Converted Remaining Preferred Stock**
- ▶ **Successful New Product Launches**



* Program inception through September 30, 2014

Successful Light Vehicle Driveline Launch

GMC Canyon and Chevrolet Colorado Front and Rear Axles



Successful Launches

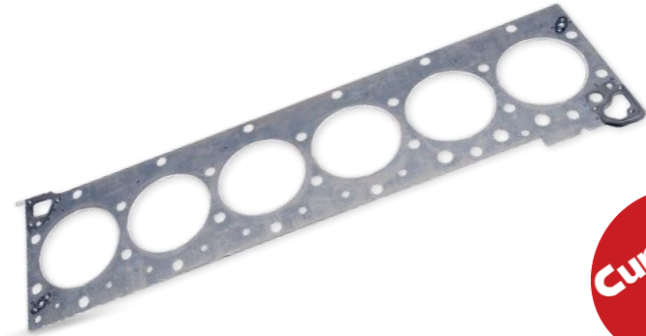
All Business Units



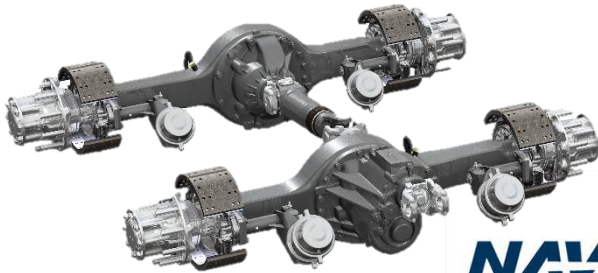
Spicer® Complete Driveline System



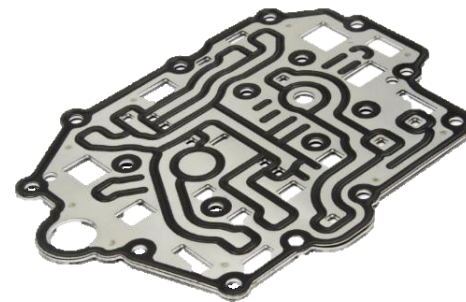
**Victor-Reinz® Victocor® 500
Cylinder Head Gasket**



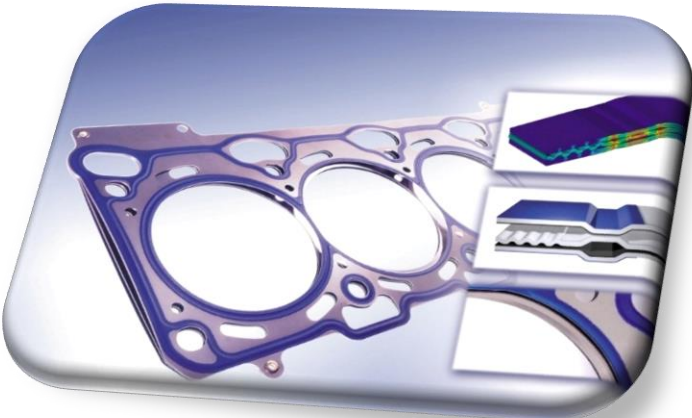
**Spicer® AdvanTEK® 40
Tandem Axle**



**Victor-Reinz® Multi-Layer Steel
Transmission Separator Plate**



2015 Automotive News PACE Award Finalist



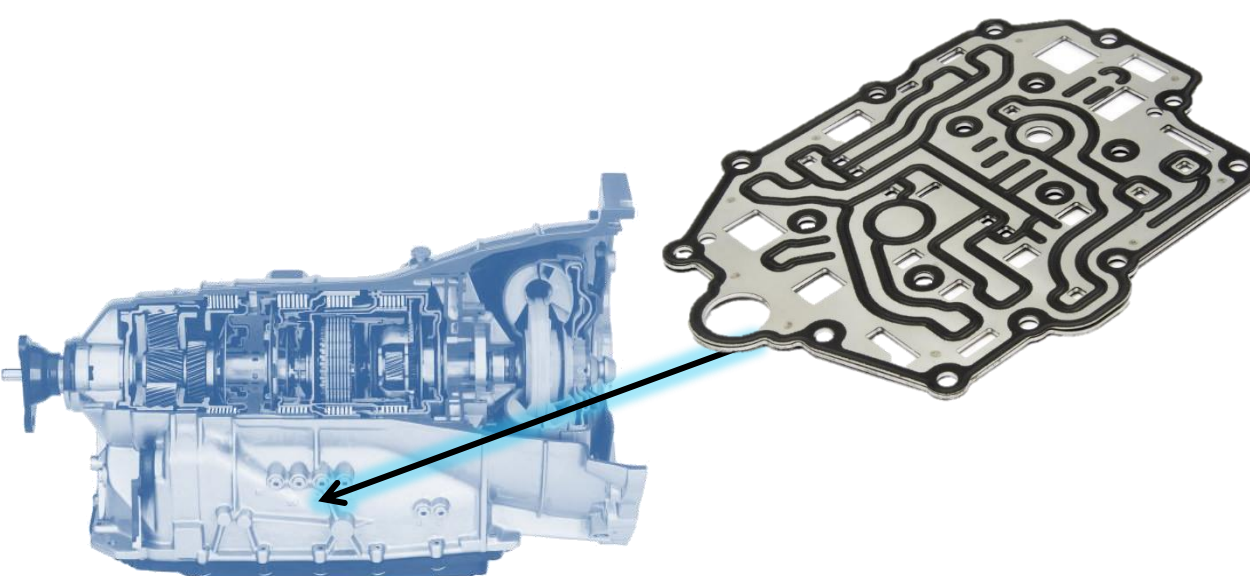
- ▶ **Technology: Partially Coated Multi-layer Steel**
- ▶ **Product: Separator Plates for Today's Fuel Efficient Transmissions**



Fuel Economy



Cost of Ownership





Financial Review

2014 Third Quarter

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Financial Results



(\$ in millions, except EPS)

Third Quarter

	2014	2013	Change
Sales	\$ 1,637	\$ 1,669	\$ (32)
Adjusted EBITDA	198	198	-
Margin	12.1%	11.9%	20 bps
Income from Continuing Operations before Interest Expense / Income Taxes	151	130	21
Net Income <i>(attributable to Dana)</i>	90	68	22
Diluted Adjusted EPS	\$ 0.57	\$ 0.47	\$ 0.10
Capital Spend	48	52	(4)
Free Cash Flow	61	54	7

Sales – 2014 vs. 2013

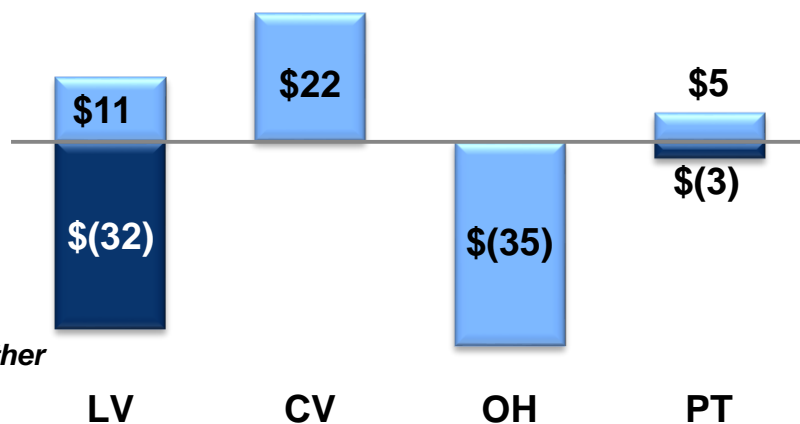


(\$ in millions)

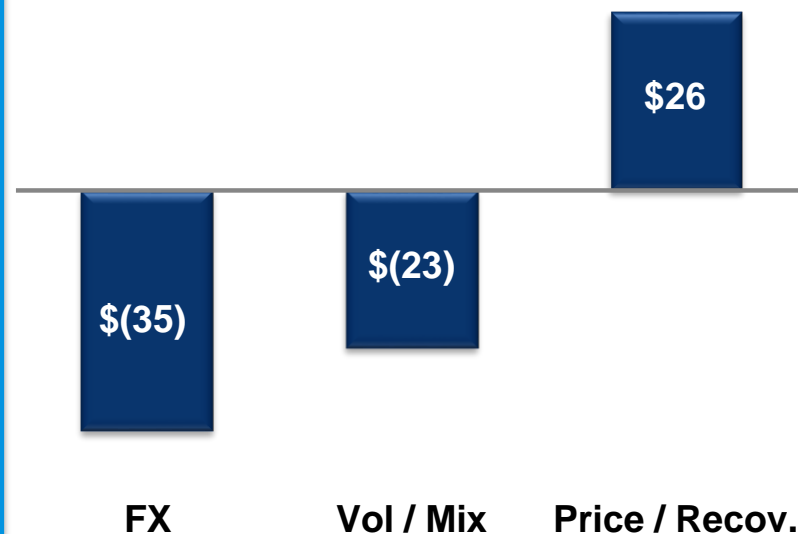
Third Quarter

	2014	2013	Change
Sales	\$ 1,637	\$ 1,669	\$ (32)
Percent of Consolidated Sales:			
<i>North America</i>	48%	44%	
<i>Europe</i>	28%	29%	
<i>South America</i>	12%	15%	
<i>Asia Pacific</i>	12%	12%	

Y/Y Change by Business Segment



Key Drivers of Y/Y Change



Y/Y - \$	\$ (21)	\$ 22	\$ (35)	\$ 2
Y/Y - %	(3%)	5%	(11%)	1%

Adjusted EBITDA – 2014 vs. 2013

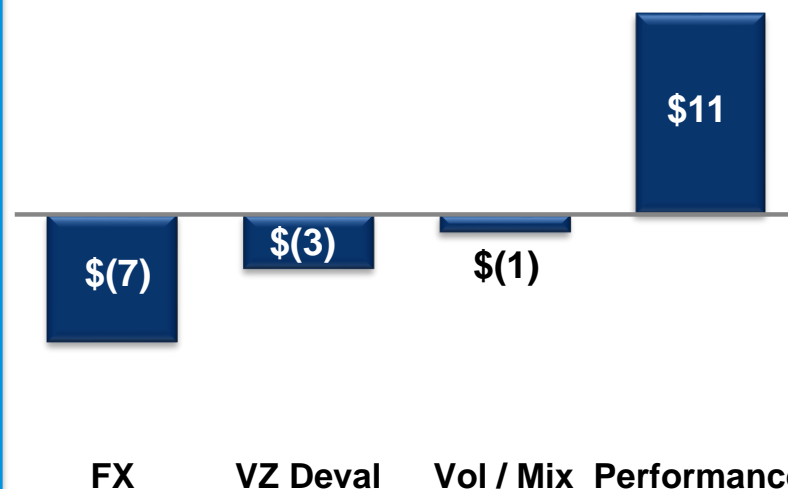
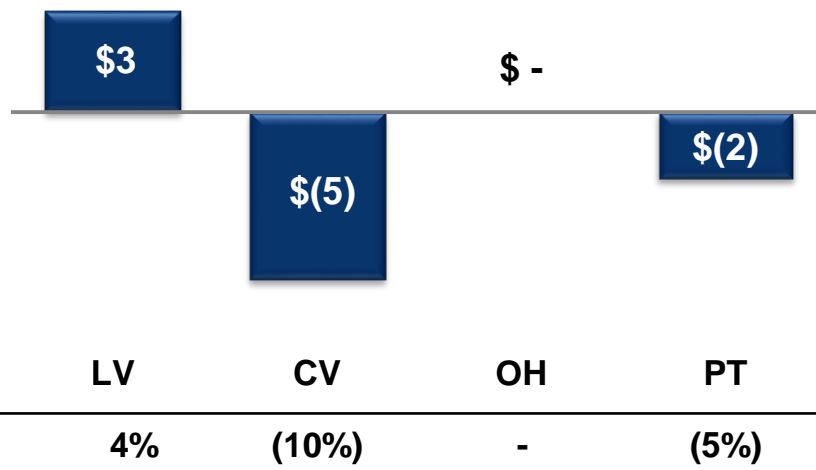


(\$ in millions)

	Third Quarter		
	2014	2013	Change
Adjusted EBITDA	\$ 198	\$ 198	\$ -
Margin	12.1%	11.9%	20 bps

Y/Y Change by Business Segment

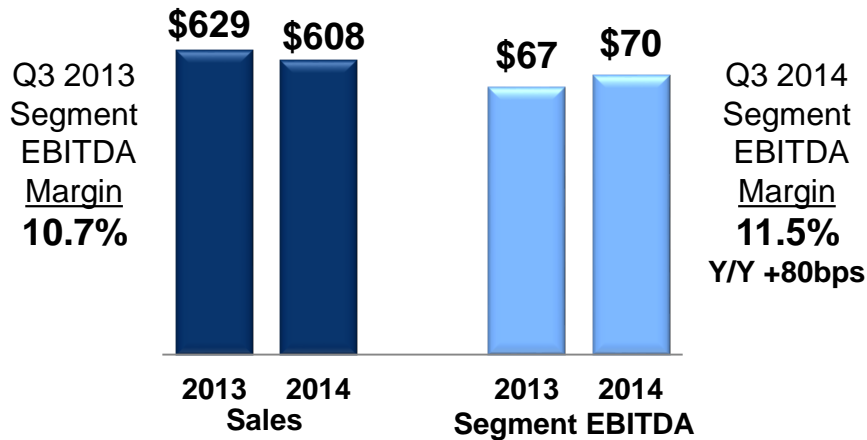
Key Drivers of Y/Y Change



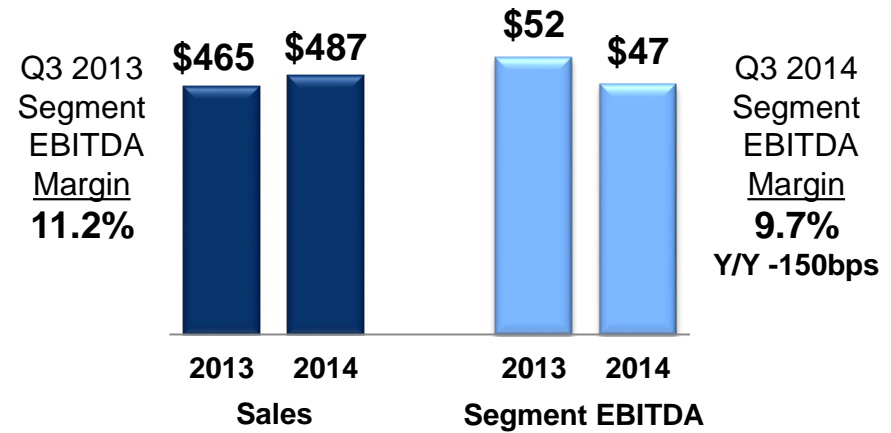
Q3 2014 Business Results



Light Vehicle Driveline



Commercial Vehicle Driveline



Key Drivers of Y/Y Change

	Sales	Segment EBITDA	Margin
Q3 2013	\$629	\$67	10.7%
Currency	(32)	(5)	
VZ Deval	-	(3)	
Vol / Mix	(11)	(2)	
Performance	22	13	
Change	(21)	3	
Q3 2014	\$608	\$70	11.5%

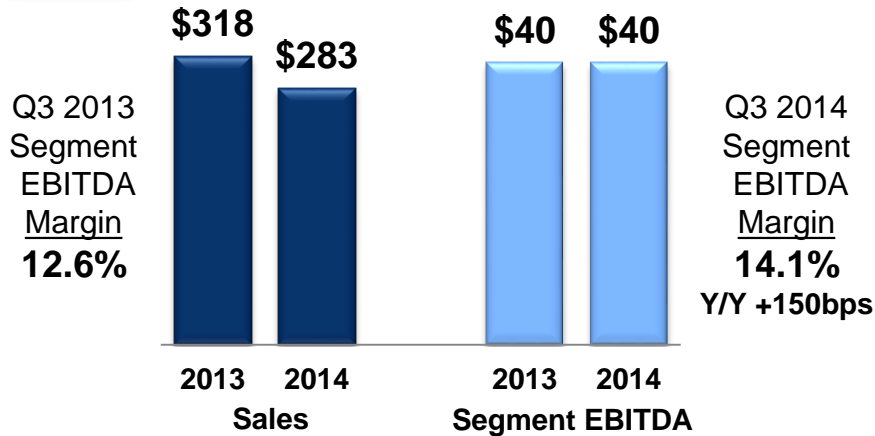
Key Drivers of Y/Y Change

	Sales	Segment EBITDA	Margin
Q3 2013	\$465	\$52	11.2%
Currency	-	(1)	
Vol / Mix	17	3	
Performance	5	(7)	
Change	22	(5)	
Q3 2014	\$487	\$47	9.7%

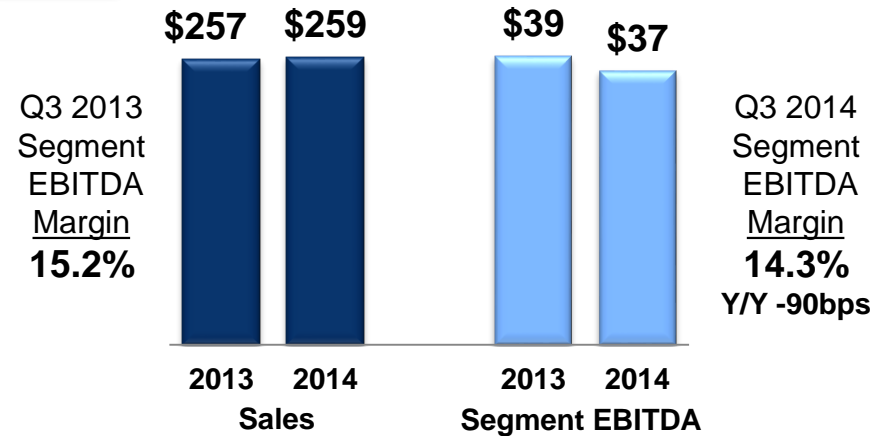
Q3 2014 Business Results



Off-Highway Driveline



Power Technologies



Key Drivers of Y/Y Change

	Sales	Segment EBITDA	Margin
Q3 2013	\$318	\$40	12.6%
Currency	-	-	
Vol / Mix	(35)	(3)	
Performance	-	3	
Change	(35)	-	
Q3 2014	\$283	\$40	14.1%

Key Drivers of Y/Y Change

	Sales	Segment EBITDA	Margin
Q3 2013	\$257	\$39	15.2%
Currency	(3)	(1)	
Vol / Mix	6	1	
Performance	(1)	(2)	
Change	2	(2)	
Q3 2014	\$259	\$37	14.3%

Year-to-Date Performance



(\$ in millions)

YTD Third Quarter

	2014	2013	Change
Sales	\$ 5,035	\$ 5,145	\$ (110)
Adjusted EBITDA	\$ 568	\$ 571	\$ (3)
Adjusted EBITDA Margin	11.3%	11.1%	20 bps

Light Vehicle Driveline

2014	2013
9.5%	9.3%

Commercial Vehicle Driveline

2014	2013
9.8%	10.8%

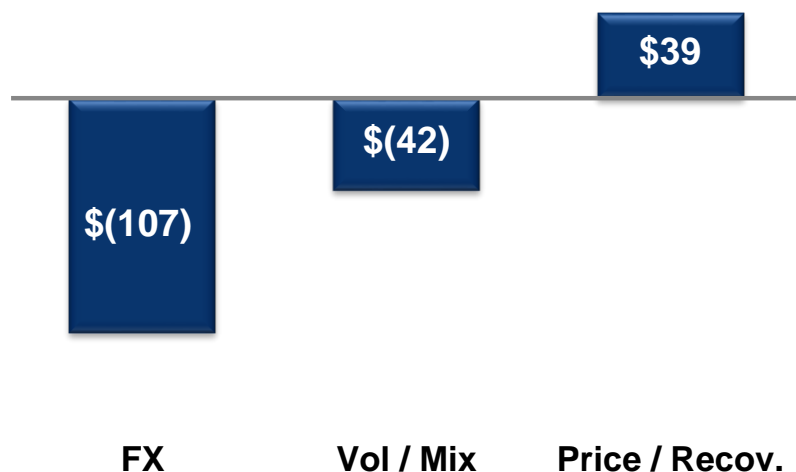
Off-Highway Driveline

2014	2013
13.3%	12.4%

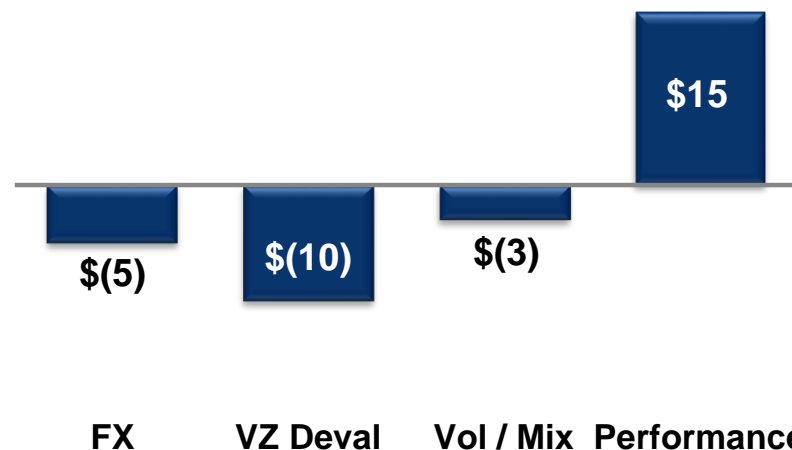
Power Technologies

2014	2013
14.9%	14.7%

Sales - Key Drivers of Y/Y Change



Adj. EBITDA - Key Drivers of Y/Y Change



Free Cash Flow



(\$ in millions)	Third Quarter		
	2014	2013	Change
Adjusted EBITDA	\$ 198	\$ 198	\$ -
Working Capital*	(9)	28	(37)
Restructuring	(5)	(9)	4
Pension Contributions	(3)	(36)	33
Interest, Net	(45)	(29)	(16)
Cash Taxes	(22)	(39)	17
Capital Spending	(48)	(52)	4
Other	(5)	(7)	2
Free Cash Flow	\$ 61	\$ 54	\$ 7
YTD Free Cash Flow**	\$ 158	\$ 170	\$ (12)

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

** Includes \$40 and \$26 receipt of prior period interest on a note receivable classified as an operating cash flow in 2014 and 2013

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

Cash and Liquidity



Cash and Debt

(\$ in millions)

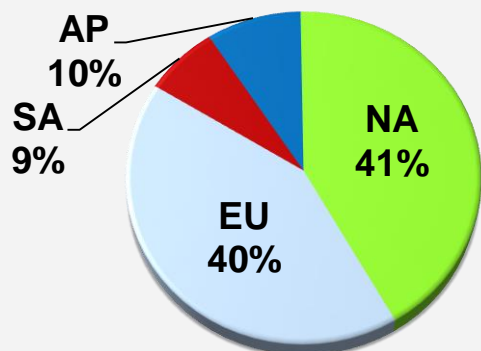
Q3 2014

Total Cash* \$ 1,272

Total Debt 1,609

Net Debt \$ (337)

Cash* by Region



Liquidity

Year-End 2013	\$1,574
Free Cash Flow	158
Currency Effects	(84)
Note Receivable Principal	35
Share Repurchase Program	(181)
Common Dividends	(24)
Preferred Dividends	(6)
Change in Financing Availability / Other	104
Q3 2014**	\$1,576

* Includes marketable securities; cash and marketable securities also includes \$160 in a subsidiary where access is subject to approval of subsidiary's independent board member

** \$326 available under U.S. ABL facility

Completed Conversion of Remaining Preferred Stock

Share Repurchase Program

- ▶ Authorized additional \$400 million; total program now \$1.4 billion
- ▶ Q3 2014 execution: \$68 million returned to shareholders
 - ▶ 3 million shares repurchased
 - ▶ 173 million weighted average adjusted diluted shares at for Q3 2014
- ▶ \$1.01 billion returned to shareholders since program inception
 - ▶ 47 million shares repurchased and redeemed
- ▶ \$390 million remaining authorization

Initiated Voluntary U.S. Pension Lump-Sum Cash Settlement Offer

- ▶ Available to about 10,000 vested former salaried employees
- ▶ Pension plan assets will be used to fund settlements
 - ▶ U.S. plan funding level should remain around 90% after completion
 - ▶ Settlement charge to be reflected in fourth quarter financials
- ▶ Program will reduce Dana's pension liability and risk

2014 Financial Targets



Key Financial Metrics

2014 Targets

Sales	~\$6.65 B
Adjusted EBITDA	~\$745 M
Margin	~11.2%
Diluted Adjusted EPS*	\$1.93 – \$1.96
Capital Spend	~\$230 M
Free Cash Flow**	\$285 – \$295 M
Other Cash Flow Items	
Depreciation / Amortization	~\$180 M / ~\$50 M
Cash Taxes	~\$120 M
Net Interest**	~\$70 M
Pension Funding	~\$25 M
Cash Restructuring	~\$30 M

Highlights

- ▶ Sales and Adjusted EBITDA guidance reflect softer end-market demand in S. America and OH markets
- ▶ Maintained Adjusted EBITDA Margin guidance
- ▶ Diluted Adjusted EPS guidance raised
- ▶ Continue to expect Free Cash Flow at higher end of range

Tax Assumptions

US GAAP Rate	29%
Cash Tax Rate	31%
Adjusted EPS Rate	26%

*Calculated based on fully diluted outstanding shares of 174 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	290 – 300
Agricultural Equipment	75	65 – 70
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	290 – 300
South America		
Light Trucks	1,302	1,100 – 1,200
Light Vehicle Engines	3,775	3,200 – 3,300
Medium/Heavy Truck	218	160 – 170
Agricultural Equipment	54	40 – 45
Construction/Mining Equipment	20	15 – 20
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	710 – 750
Construction /Mining Equipment	555	480 – 500

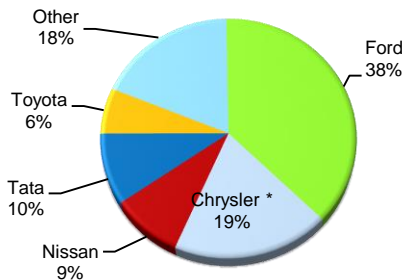
Segment Profiles



Customer Sales

Light Vehicle Driveline

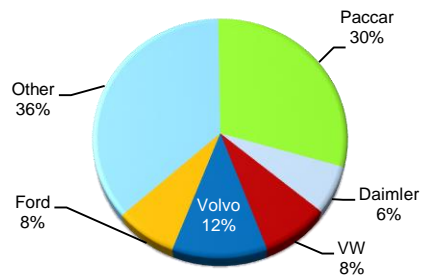
Year to Date 9/30/2014



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

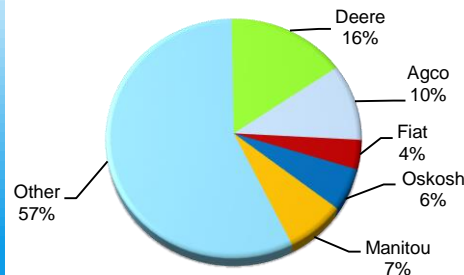
Commercial Vehicle Driveline

Year to Date 9/30/2014



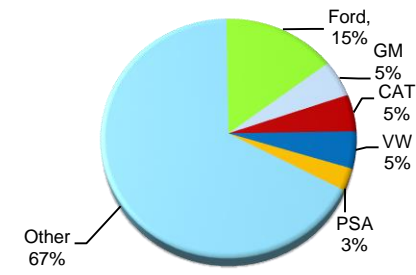
Off-Highway Driveline

Year to Date 9/30/2014

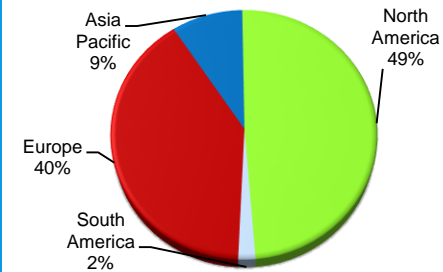
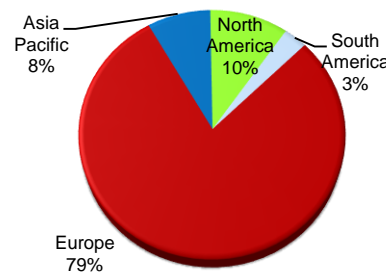
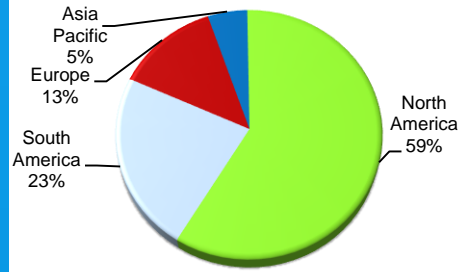
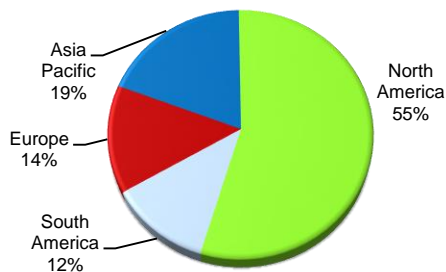


Power Technologies

Year to Date 9/30/2014



Regional Sales



Performance

\$ Millions

	Q3		Year to Date	
	2014	2013	2014	2013
Sales	\$608	\$629	\$1,862	\$1,921
Segment EBITDA	\$70	\$67	\$176	\$179
EBITDA Margin	11.5%	10.7%	9.5%	9.3%

\$ Millions

	Q3		Year to Date	
	2014	2013	2014	2013
Sales	\$487	\$465	\$1,407	\$1,421
Segment EBITDA	\$47	\$52	\$138	\$154
EBITDA Margin	9.7%	11.2%	9.8%	10.8%

\$ Millions

	Q3		Year to Date	
	2014	2013	2014	2013
Sales	\$283	\$318	\$959	\$1,025
Segment EBITDA	\$40	\$40	\$128	\$127
EBITDA Margin	14.1%	12.6%	13.3%	12.4%

\$ Millions

	Q3		Year to Date	
	2014	2013	2014	2013
Sales	\$259	\$257	\$807	\$778
Segment EBITDA	\$37	\$39	\$120	\$114
EBITDA Margin	14.3%	15.2%	14.9%	14.7%

Diluted Adjusted EPS



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.

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 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	\$ 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
Corporate expense and other items, net	4	
Adjusted EBITDA	\$ 198	\$ 198

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	\$ 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

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 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	<u>\$ 93</u>	<u>\$ 71</u>

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	<u>\$ 220</u>	<u>\$ 217</u>

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 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.