



# Dana Holding Corporation

## 2014 Fourth Quarter Earnings Conference Call

*February 19, 2015*

Honesty & Integrity

Good Corporate Citizen

Open Communication

Continuous Improvement



*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.*



- ▶ 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*

# 2014 Highlights



- ▶ **Sales of \$6.617 billion**
- ▶ **Net Income of \$319 million**
  - ▶ Diluted Adjusted EPS: \$1.99
- ▶ **Adjusted EBITDA of \$746 million**
  - ▶ 11.3% Margin
  - ▶ Record Margin Performance
- ▶ **Free Cash Flow of \$276 million**
- ▶ **Significant Shareholder Return**
  - ▶ 2014 Share Repurchases - \$260 million
  - ▶ Over \$1 billion Returned to Date\*
- ▶ **Divested Venezuelan Operations**
- ▶ **Successful New Product Launches**
- ▶ **Continued to Win New Business**
  - ▶ 3 Year Backlog Grew to \$730 million

\*Program inception through 12/31/14



# Key Light Vehicle Program Launches



Ford Everest



GM  
Colorado/Canyon



Mahindra  
Bolero & Xylo  
Mini



Suzuki SX4



Ford  
Super Duty



Jaguar XF & XE



Nissan Navara



Toyota Hilux



# Dana Products Driving Award-Winning Vehicles Light Vehicle Driveline and Power Technologies



## 2015 North American Car and Truck of the Year



## Seven of 10 Ward's 2015 Ten Best Engines



## 2015 Motor Trend Car and Truck of the Year

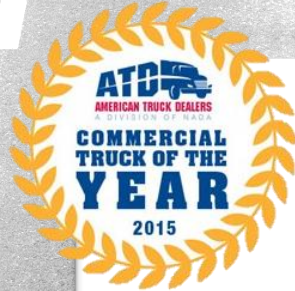


# Dana Products Driving Award-Winning Vehicles Commercial Vehicle



American Truck Dealer's 2015  
Truck of the Year

Spicer® Front  
Steer Axle



**PACCAR**

Kenworth T880 Vocational Truck



Spicer® 46K  
Drive Axle



Spicer® Driveshaft

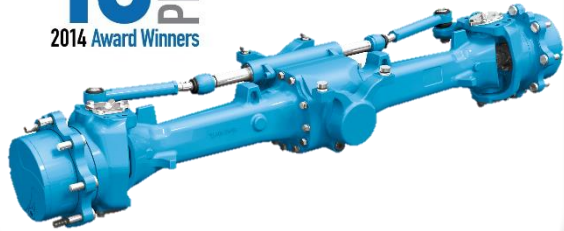


# Dana Products Winning Awards Off-Highway



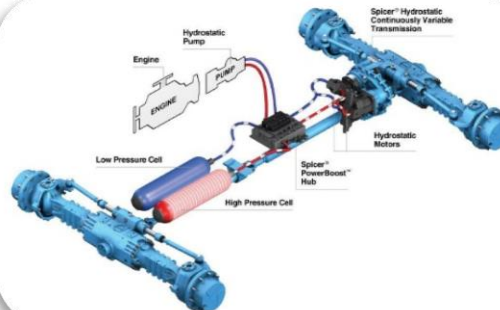
Top 10 New Products' for  
2014 by OEM Off-Highway  
Magazine

OEM Off-Highway  
innovators'  
**top  
10**  
PRODUCTS  
2014 Award Winners



“Spicer® PowerBoost®  
technology named a  
“finalist” for the Intermat  
Innovation Awards

**INTERMAT**  
Innovation Awards



Caterpillar Quality  
Excellence Process Award



Rovereto, Italy  
Off-Highway  
Plant

**CATERPILLAR®**

Supplier Quality Excellence Process



# Sales Backlog Continues to Grow

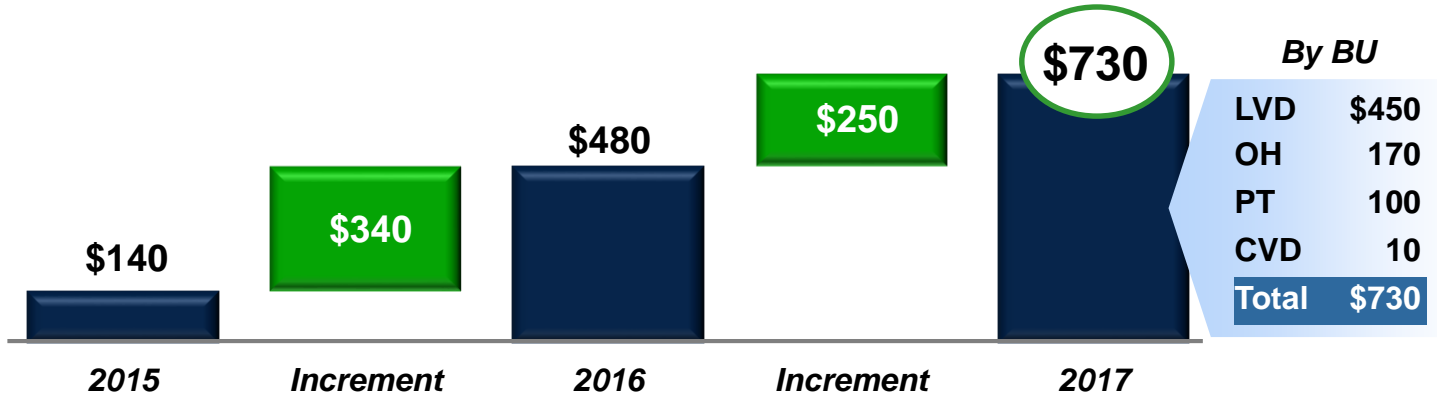


(\$ in millions)

**Sales Backlog Driving Top-Line Growth in Excess of Market Factors**

*Represents new business awards, net of any known losses. Excludes replacement business wins.*

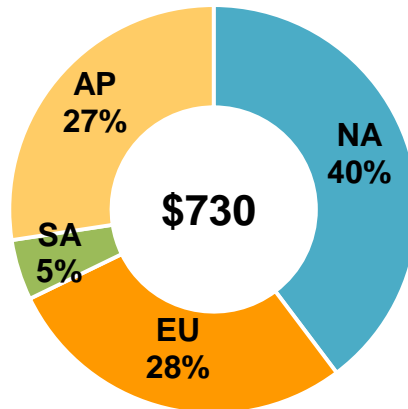
## 2015 - 2017 Sales Backlog Flow by Year



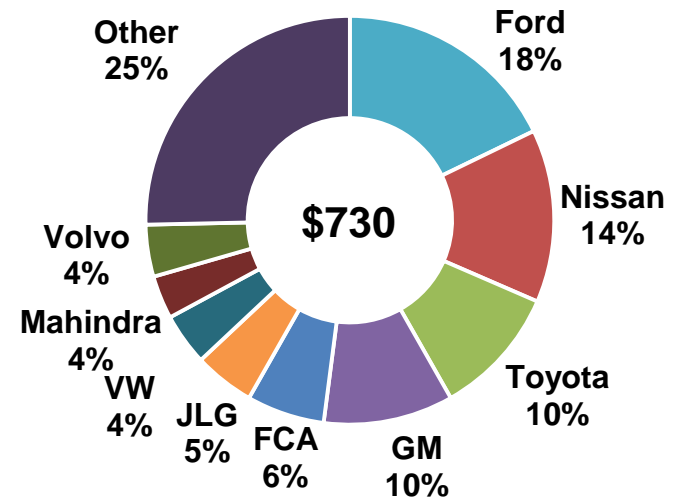
*By BU*

LVD	\$450
OH	170
PT	100
CVD	10
<b>Total</b>	<b>\$730</b>

### By Region



### By Customer



# Dana's VariGlide™ Continuously Variable Transmission Technology



VariGlide™ CVP Unit



# 2015 Market Expectations

## Dana Sales Impact Compared to 2014



### **North America**

- ▶ **Continued Market Strength**
  - ▶ *Light Vehicles*
  - ▶ *Commercial Vehicles*
  - ▶ *Construction Equipment*



### **Europe**

- ▶ **Expect Relatively Flat Demand**
  - ▶ *FX headwinds impacting Off-Highway / Power Technologies*
  - ▶ *Agricultural demand lower ~1%*



### **South America**

- ▶ **Continued Economic Volatility**
  - ▶ *Brazil: Soft commercial vehicle market and FX headwinds*
  - ▶ *Argentina: FX headwinds for Light Vehicle Driveline*



### **Asia Pacific**

- ▶ **Expect Modest Growth**
  - ▶ *India: Commercial Vehicle and Light Vehicle Driveline*
  - ▶ *Thailand: Light Vehicle*
  - ▶ *China: Off Highway Demand flat*

***New Business and Market Offsetting Currency Headwinds***

- ▶ **Trajectory set for profitable growth**
  - ▶ \$730M+ of new business coming on-line through 2017
  - ▶ 2016 expected Adjusted EBITDA exit rate of 13%+
- ▶ **Investing for future**
  - ▶ Capital investments in 2015 supporting new business growth
  - ▶ Supply chain improvements providing efficiencies
- ▶ **Strong cash flow generation**
  - ▶ Strong balance sheet providing flexibility for continued business investment and shareholder value initiatives
- ▶ **Pursuing and investing in technology and innovation**





# Financial Review

## 2014 Fourth Quarter and Full Year

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# 2014 Fourth Quarter Actions



- ▶ **Divested Venezuela operations**
- ▶ **Completed voluntary U.S. pension plan settlement program**
- ▶ **Successful tender and refinancing of long term senior unsecured notes**
- ▶ **Partial release of U.S. deferred tax valuation allowance**

	Q4	Full Year
<b>2013 Net Income</b> <i>(attributable to Dana)</i>	\$ 42	\$ 244
<u>Nonrecurring Items</u>		
Venezuela Divestiture	\$ (77)	\$ (77)
Pension Settlement Charges	(42)	(42)
Debt Refinancing	(19)	(19)
<b>Total Nonrecurring Charges</b>	\$ (138)	\$ (138)
<b>Tax Benefit - Val. Allow Release</b>	\$ 179	\$ 179
<b>Improvement</b>	\$ 26	\$ 34
<b>2014 Net Income</b> <i>(attributable to Dana)</i>	\$ 109	\$ 319

# Financial Results — 2014 Fourth Quarter



(\$ in millions, except EPS)

## Fourth Quarter

	2014	2013	Change
<b>Sales</b>	\$ 1,582	\$ 1,624	\$ (42)
<b>Adjusted EBITDA</b>	178	174	4
<b>Margin</b>	11.3%	10.7%	60 bps
<b>Certain Nonrecurring Charges*</b>	(138)	-	(138)
<b>Income from Cont. Ops Before Int. Exp.</b>	(22)	95	(117)
<b>Income Tax Benefit (Expense)**</b>	166	(23)	189
<b>Net Income</b> <i>(attributable to Dana)</i>	109	42	67
<b>Diluted Adjusted EPS</b> <i>(excludes nonrecurring charges)</i>	\$ 0.53	\$ 0.49	\$ 0.04
<b>Capital Spend</b>	90	86	4
<b>Free Cash Flow</b>	118	198	(80)

\*Includes loss on disposal of Venezuelan operations, \$(77); pension settlements, \$(42); loss on extinguishment of debt, \$(19) in 2014

\*\* Includes \$179 benefit for a partial release of U.S. deferred tax valuation allowance in 2014

# Q4 2014 Performance



(\$ in millions)

## Fourth Quarter

	2014	2013	Change
<b>Sales</b>	\$ 1,582	\$ 1,624	\$ (42)
<b>Adjusted EBITDA</b>	\$ 178	\$ 174	\$ 4
<b>Adjusted EBITDA Margin</b>	11.3%	10.7%	60 bps

### Light Vehicle Driveline

2014	2013
11.7%	10.0%

### Commercial Vehicle Driveline

2014	2013
7.9%	9.1%

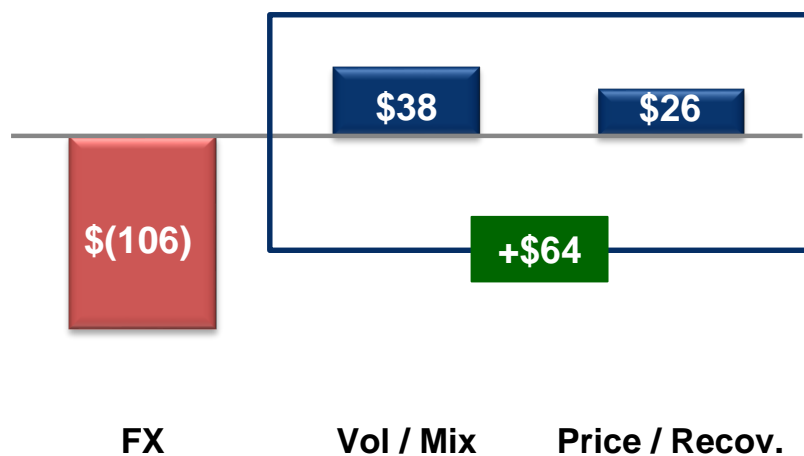
### Off-Highway Driveline

2014	2013
15.1%	11.8%

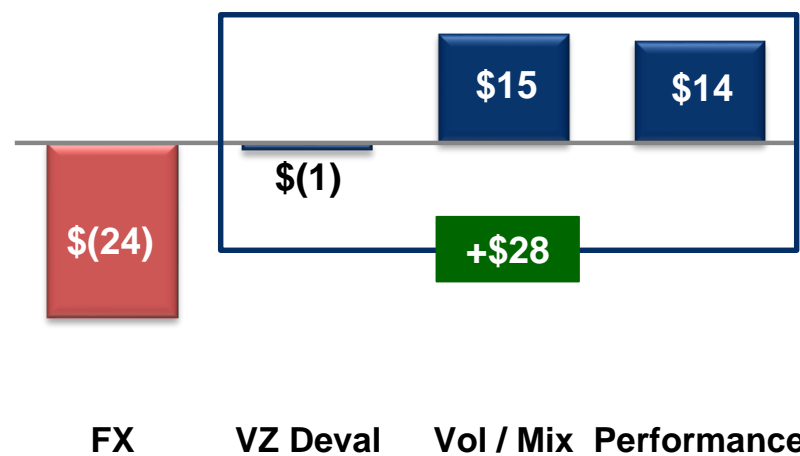
### Power Technologies

2014	2013
13.9%	14.3%

## Sales - Key Drivers of Y/Y Change



## Adj. EBITDA - Key Drivers of Y/Y Change





# Financial Results — 2014 Full Year



(\$ in millions, except EPS)

## Full Year

	2014	2013	Change
<b>Sales</b>	\$ 6,617	\$ 6,769	\$ (152)
<b>Adjusted EBITDA</b>	746	745	1
<b>Margin</b>	11.3%	11.0%	30 bps
<b>Certain Nonrecurring Charges*</b>	(138)	-	(138)
<b>Income from Cont. Ops Before Int. Exp.</b>	378	467	(89)
<b>Income Tax Benefit (Expense)**</b>	70	(119)	189
<b>Net Income</b> <i>(attributable to Dana)</i>	319	244	75
<b>Diluted Adjusted EPS</b> <i>(excludes nonrecurring)</i>	\$ 1.99	\$ 1.77	\$ 0.22
<b>Capital Spend</b>	234	209	25
<b>Free Cash Flow</b>	276	368	(92)

\*Includes loss on disposal of Venezuelan operations, \$(77); pension settlements, \$(42); loss on extinguishment of debt, \$(19) in 2014

\*\* Includes \$179 benefit for a partial release of U.S. deferred tax valuation allowance in 2014

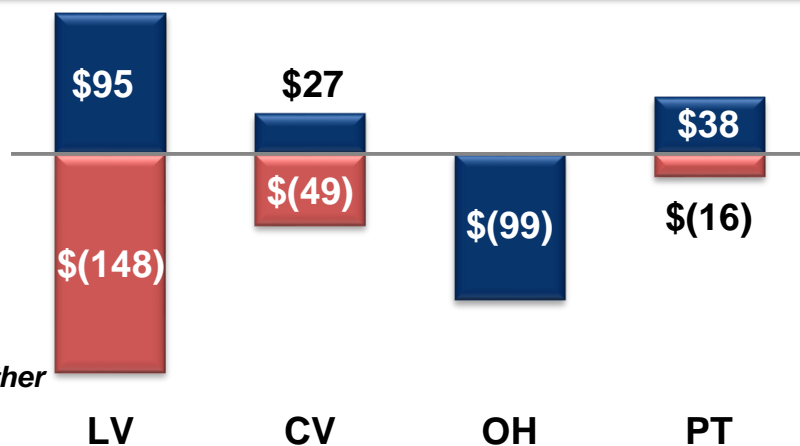
# Sales – 2014 vs. 2013



(\$ in millions)

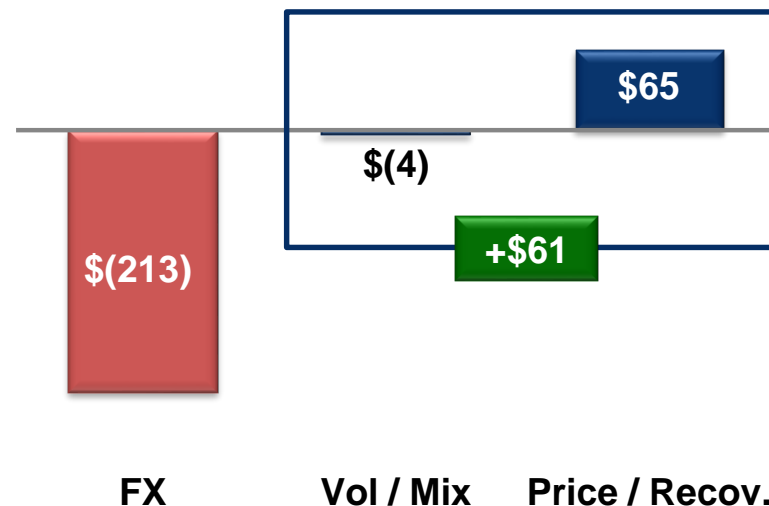
	Full Year		
	2014	2013	Change
<b>Sales</b>	<b>\$ 6,617</b>	<b>\$ 6,769</b>	<b>\$ (152)</b>
<b>Percent of Consolidated Sales:</b>			
<i>North America</i>	47%	44%	
<i>Europe</i>	30%	29%	
<i>South America</i>	12%	15%	
<i>Asia Pacific</i>	11%	12%	

## Y/Y Change by Business Segment



Y/Y - \$	\$ (53)	\$ (22)	\$ (99)	\$ 22
Y/Y - %	(2%)	(1%)	(7%)	2%

## Key Drivers of Y/Y Change



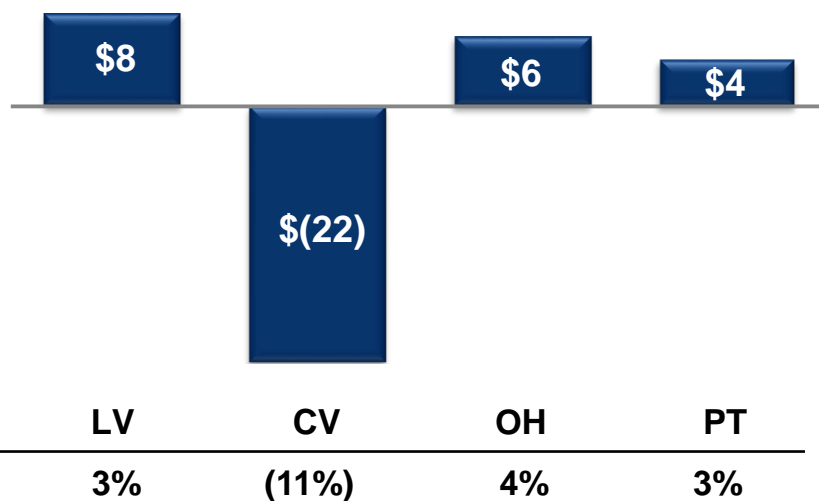
# Adjusted EBITDA – 2014 vs. 2013



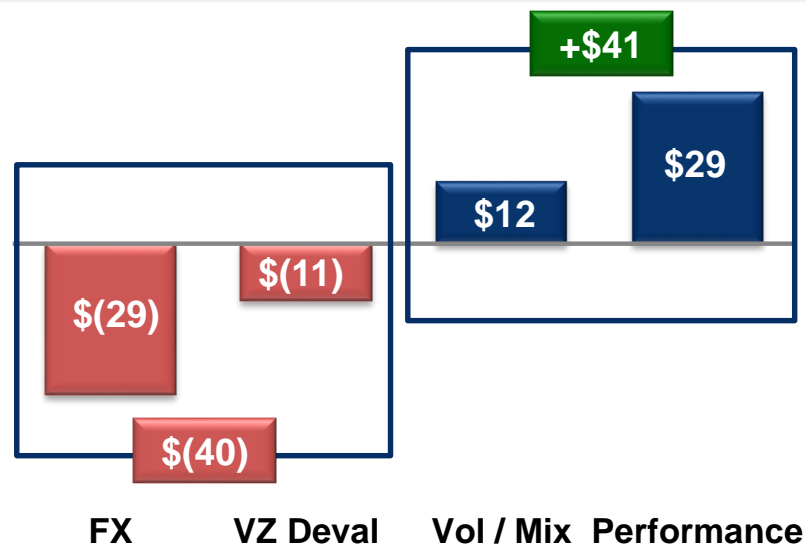
(\$ in millions)

	Full Year		
	2014	2013	Change
<b>Adjusted EBITDA</b>	<b>\$ 746</b>	<b>\$ 745</b>	<b>\$ 1</b>
<b>Margin</b>	<b>11.3%</b>	<b>11.0%</b>	<b>30 bps</b>

## Y/Y Change by Business Segment



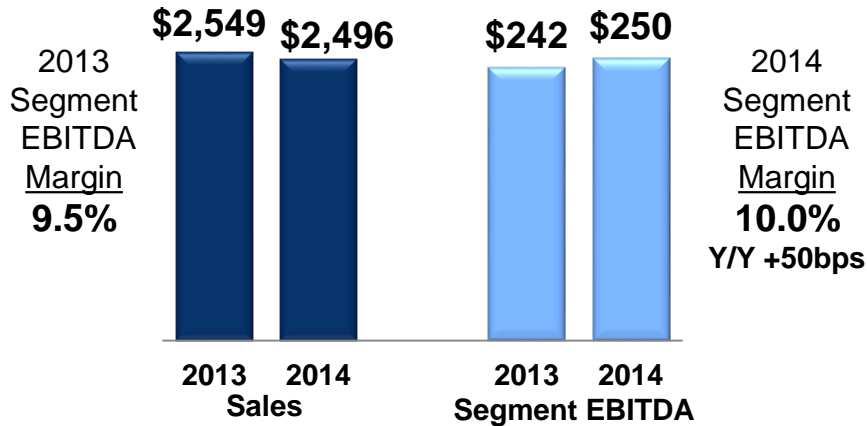
## Key Drivers of Y/Y Change



# 2014 Business Results



## Light Vehicle Driveline

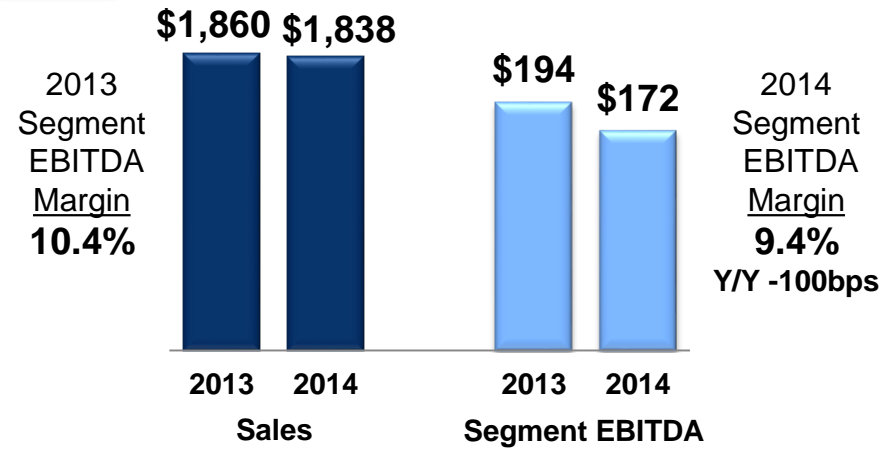


### Key Drivers of Y/Y Change

	Sales	Segment EBITDA	Margin
2013	\$2,549	\$242	9.5%
Currency	(148)	(27)	
VZ Deval	-	(11)	
Vol / Mix	35	8	
Performance	60	38	
Change	(53)	8	
2014	\$2,496	\$250	10.0%



## Commercial Vehicle Driveline



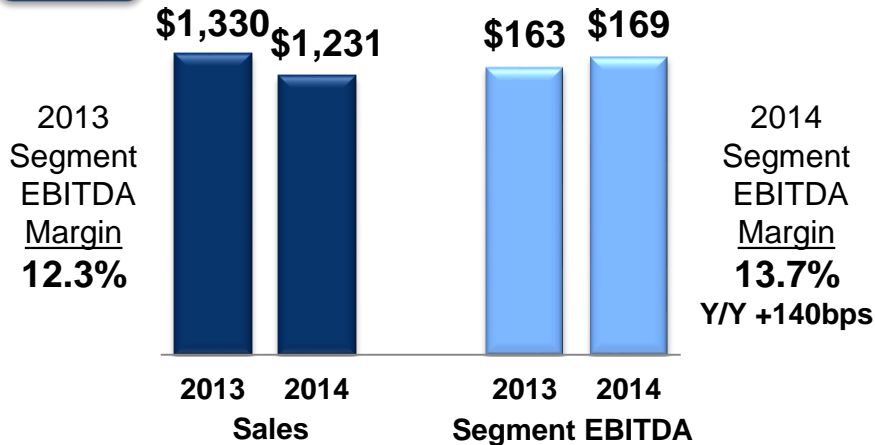
### Key Drivers of Y/Y Change

	Sales	Segment EBITDA	Margin
2013	\$1,860	\$194	10.4%
Currency	(49)	(3)	
Vol / Mix	20	3	
Performance	7	(22)	
Change	(22)	(22)	
2014	\$1,838	\$172	9.4%

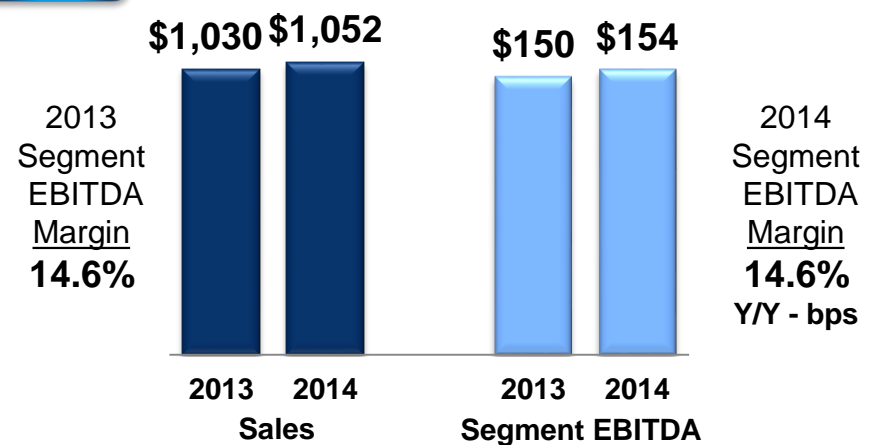
# 2014 Business Results



## Off-Highway Driveline



## Power Technologies



### Key Drivers of Y/Y Change

	Sales	Segment EBITDA	Margin
2013	\$1,330	\$163	12.3%
Currency	-	(1)	
Vol / Mix	(101)	(10)	
Performance	2	17	
Change	(99)	6	
2014	\$1,231	\$169	13.7%

### Key Drivers of Y/Y Change

	Sales	Segment EBITDA	Margin
2013	\$1,030	\$150	14.6%
Currency	(16)	(4)	
Vol / Mix	42	11	
Performance	(4)	(3)	
Change	22	4	
2014	\$1,052	\$154	14.6%

# Free Cash Flow, Cash, and Liquidity

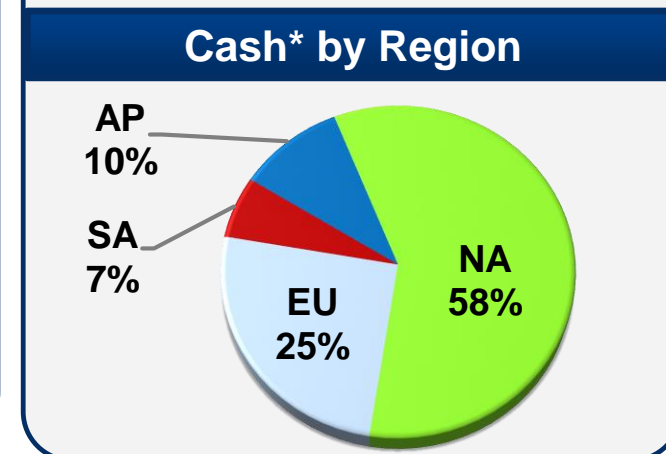


(\$ in millions)	Full Year		
	2014	2013	Change
<b>Adjusted EBITDA</b>	\$ 746	\$ 745	\$ 1
<b>Working Capital*</b>	(19)	116	(135)
<b>Restructuring</b>	(26)	(40)	14
<b>Pension, Net</b>	(11)	(60)	49
<b>Interest, Net**</b>	(67)	(33)	(34)
<b>Cash Taxes</b>	(116)	(136)	20
<b>Capital Spending</b>	(234)	(209)	(25)
<b>Other</b>	3	(15)	18
<b>Free Cash Flow</b>	\$ 276	\$ 368	\$ (92)

\* 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

Cash, Debt & Liquidity	
(\$ in millions)	Q4 2014
<b>Total Cash*</b>	\$ 1,290
<b>Total Debt</b>	1,678
<b>Net Debt</b>	\$ (388)
<b>Liquidity**</b>	\$ 1,571



\* Includes marketable securities; cash and marketable securities also includes \$159 in a subsidiary where access is subject to approval of subsidiary's independent board member

\*\* \$303 available under U.S. ABL facility



## Share Repurchase Actions

- ▶ \$260 million returned to shareholders in 2014
  - ▶ *\$1.09 billion since program inception*
- ▶ In total, 51 million shares repurchased and redeemed\*
- ▶ 24% share reduction since October 2012

## Share Repurchase Summary as of 12/31/14

Shares Repurchased (incl. Series A shares)	51 M
2014 Weighted Avg. Adj. Diluted Shares	174 M
Remaining Authorization	\$311 M

## Debt Structure Actions

- ▶ Refinanced \$400 million in outstanding notes
- ▶ Extended maturity - earliest now 2021
- ▶ Lowered annual interest cost by ~\$2.5 million

## Debt / Leverage

Total Debt 12/2014	\$1.68 B
Net Debt 12/2014	\$388 M
Net Leverage	~0.52x

## Pension Actions

- ▶ Completed voluntary U.S. pension lump-sum cash settlement offer to salaried term vested
- ▶ 71% of eligible participants accepted
- ▶ Reduced Dana's pension liability by \$171 million using plan assets

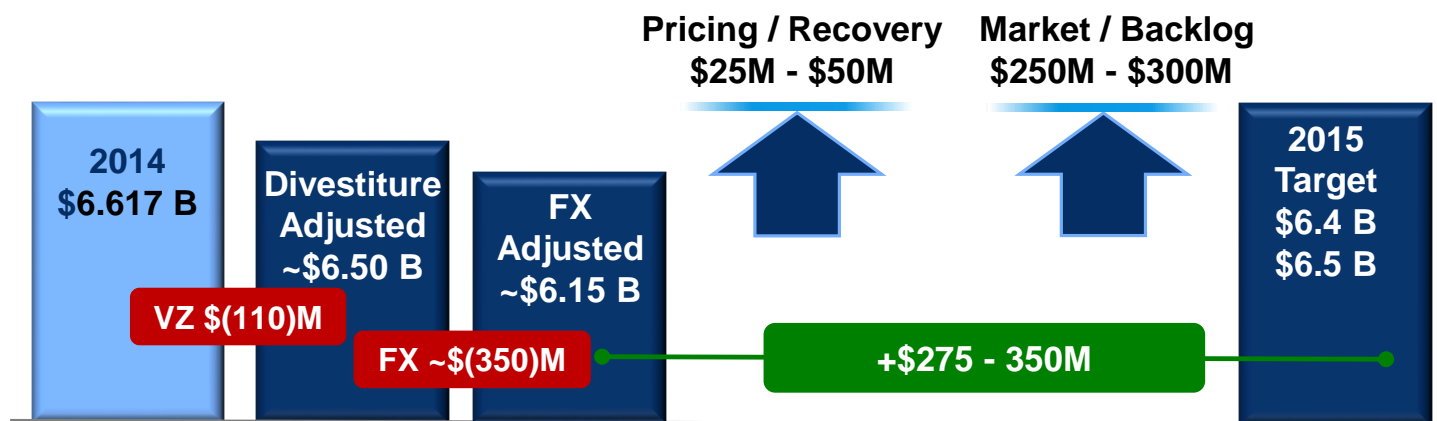
## U.S. Defined Benefit Pension

	<u>2013</u>	<u>2014</u>	
PBO	\$ 1,805	\$ 1,823	
FV of Assets	1,649	1,622	
<b>(Unfunded)</b>	<b>\$ (156)</b>	<b>\$ (201)</b>	
<b>Funded %</b>	<b>91%</b>	<b>89%</b>	
Growth/Fixed 13%	Cash 1%	Immunizing 53%	Equity/Alt 33%

# 2015 Sales and Adjusted EBITDA

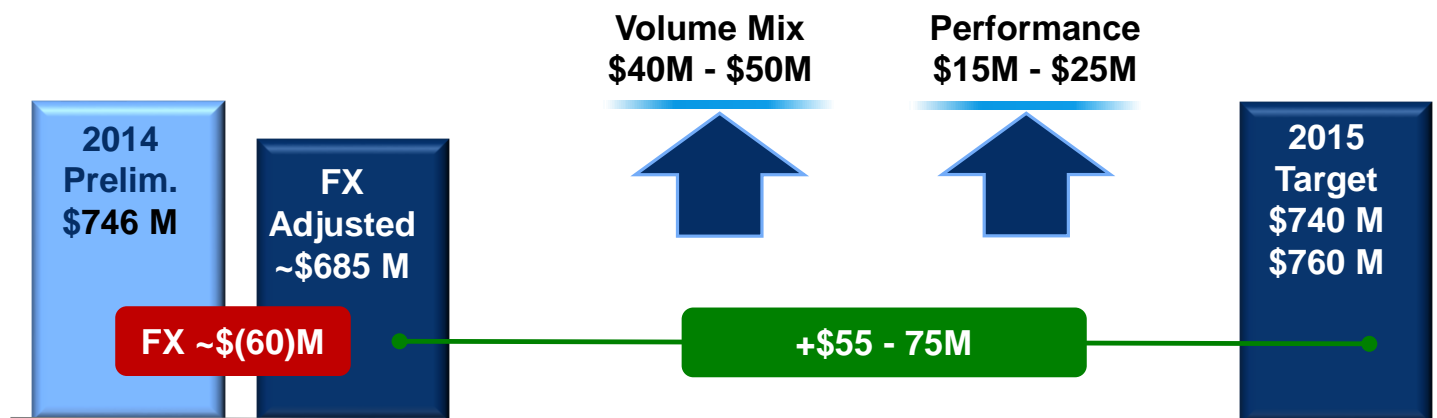


## Sales Progression From 2014



- ▶ Venezuela divestiture in January 2015
- ▶ Continued USD strength against major currencies
- ▶ Excluding FX and divestitures organic growth expected to be 4-6%

## Adjusted EBITDA Progression From 2014



- ▶ No impact from Venezuela divestiture
- ▶ Business unit mix drives FX impact



# 2015 Financial Targets



## Key Financial Metrics

	2015 Targets
<b>Sales</b>	<b>\$6.4 – \$6.5 B</b>
<b>Adjusted EBITDA</b>	<b>\$740 – \$760</b>
<b>Margin</b>	<b>~11.6%</b>
<b>Diluted Adjusted EPS*</b>	<b>\$2.05 – \$2.15</b>
<b>Capital Spend</b>	<b>\$300 – \$320 M</b>
<b>Free Cash Flow</b>	<b>\$190 – \$220 M</b>
<b>Other Cash Flow Items</b>	
<b>Depreciation / Amortization</b>	<b>~\$190 M / ~\$20 M</b>
<b>Cash Taxes</b>	<b>~\$95 M</b>
<b>Net Interest</b>	<b>~\$90 M</b>
<b>Pension Funding, Net</b>	<b>~\$15 M</b>
<b>Cash Restructuring</b>	<b>~\$20 M</b>

## Business Segments – 2015 Targets

### Light Vehicle Driveline

Sales	Margin
~\$2.5 B	~10%

### Commercial Vehicle Driveline

Sales	Margin
~\$1.8 B	~10%

### Off-Highway Driveline

Sales	Margin
~\$1.1 B	~13%

### Power Technologies

Sales	Margin
~\$1.0 B	~15%

### Currency Assumptions

Euro / USD	1.15
USD / CAD	0.80
USD / BRL	2.50
USD / ARP	10.70
USD / GBP	1.51

### Tax Assumptions

U.S. GAAP Rate	24%
Cash Tax Rate	23%
Adjusted EPS Rate	23%

\*Calculated based on fully diluted outstanding shares of 168 million - excludes future impact of the share repurchase program



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# *Appendix*

# Global Vehicle Production Dana Forecasts (Units in 000s)



	2014 Actuals	2015 Outlook
<b>North America</b>		
Light Truck (Full Frame)	3,820	3,750 – 3,850
Light Vehicle Engines	14,972	15,100 – 15,500
Medium Truck (Class 5-7)	219	205 – 225
Heavy Truck (Class 8)	298	300 – 320
Agricultural Equipment	64	60 – 65
Construction/Mining Equipment	158	155 – 165
<b>Europe (Incl. Eastern Europe)</b>		
Light Trucks	7,736	7,600 – 7,900
Light Vehicle Engines	21,524	21,500 – 22,500
Medium/Heavy Truck	400	400 – 420
Agricultural Equipment	220	205 – 215
Construction/Mining Equipment	301	300 – 310
<b>South America</b>		
Light Trucks	1,146	1,150 – 1,250
Light Vehicle Engines	3,190	3,100 – 3,300
Medium/Heavy Truck	160	150 – 160
Agricultural Equipment	43	40 – 45
Construction/Mining Equipment	17	15 – 20
<b>Asia Pacific</b>		
Light Trucks	22,187	22,300 – 23,300
Light Vehicle Engines	46,426	48,000 – 49,000
Medium/Heavy Truck	1,555	1,500 – 1,600
Agricultural Equipment	710	710 – 725
Construction /Mining Equipment	509	500 – 525

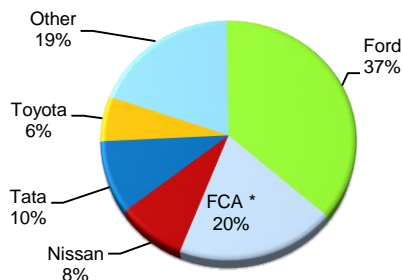
# Segment Profiles



Customer Sales

## Light Vehicle Driveline

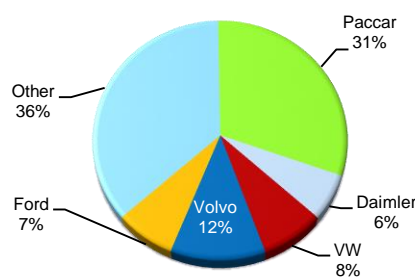
Year to Date 12/31/2014



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

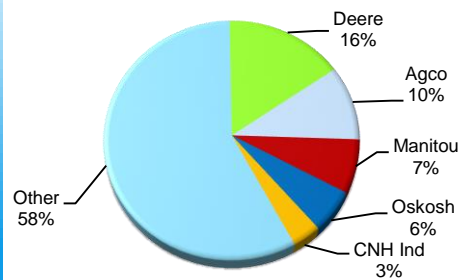
## Commercial Vehicle Driveline

Year to Date 12/31/2014



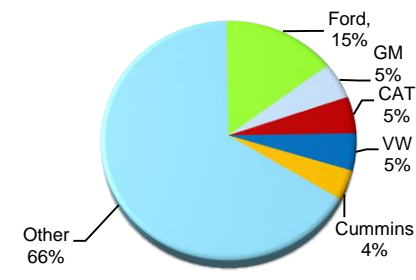
## Off-Highway Driveline

Year to Date 12/31/2014

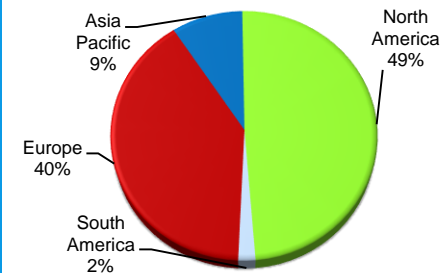
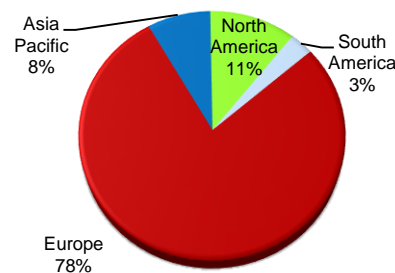
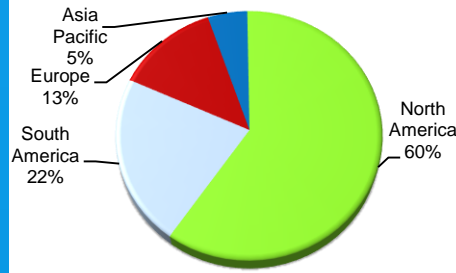
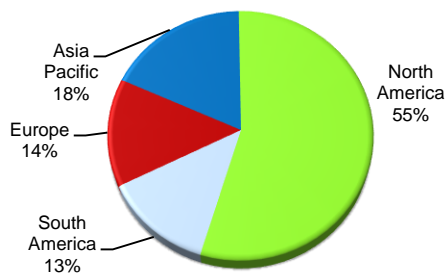


## Power Technologies

Year to Date 12/31/2014



Regional Sales



Performance

\$ Millions

	Q4		Full Year	
	2014	2013	2014	2013
Sales	\$634	\$628	\$2,496	\$2,549
Segment EBITDA	\$74	\$63	\$250	\$242
EBITDA Margin	11.7%	10.0%	10.0%	9.5%

\$ Millions

	Q4		Full Year	
	2014	2013	2014	2013
Sales	\$431	\$439	\$1,838	\$1,860
Segment EBITDA	\$34	\$40	\$172	\$194
EBITDA Margin	7.9%	9.1%	9.4%	10.4%

\$ Millions

	Q4		Full Year	
	2014	2013	2014	2013
Sales	\$272	\$305	\$1,231	\$1,330
Segment EBITDA	\$41	\$36	\$169	\$163
EBITDA Margin	15.1%	11.8%	13.7%	12.3%

\$ Millions

	Q4		Full Year	
	2014	2013	2014	2013
Sales	\$245	\$252	\$1,052	\$1,030
Segment EBITDA	\$34	\$36	\$154	\$150
EBITDA Margin	13.9%	14.3%	14.6%	14.6%

# Diluted Adjusted EPS



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

(In millions except per share amounts)

	Three Months Ended December 31,	
	2014	2013
<b>Net income attributable to parent company</b>	\$ 109	\$ 42
Restructuring charges (1)	6	8
Amortization of intangibles (1)	8	23
Non-recurring items (1)		
U.S. valuation allowance release	(179)	
Loss on divestiture of Venezuelan operations	77	
Pension settlement charges	42	
Loss on extinguishment of debt	19	
Other items	8	16
<b>Adjusted net income</b>	<u>\$ 90</u>	<u>\$ 89</u>
Diluted shares - as reported	169	181
Adjusted diluted shares	<u>169</u>	<u>181</u>
<b>Diluted adjusted EPS</b>	\$ 0.53	\$ 0.49

(1) Amounts are net of associated tax effect.

## DANA HOLDING CORPORATION Diluted Adjusted EPS (Unaudited) For the Year Ended December 31, 2014 and 2013

(In millions except per share amounts)

	Year Ended December 31,	
	2014	2013
<b>Net income attributable to parent company</b>	\$ 319	\$ 244
Restructuring charges (1)	19	22
Amortization of intangibles (1)	37	74
Non-recurring items (1)		
U.S. valuation allowance release	(179)	
Loss on divestiture of Venezuelan operations	77	
Pension settlement charges	42	
Loss on extinguishment of debt	19	
Other items	12	15
<b>Adjusted net income</b>	<u>\$ 346</u>	<u>\$ 355</u>
Diluted shares - as reported	174	146
Potentially dilutive shares		2
Conversion of preferred stock		52
Adjusted diluted shares	<u>174</u>	<u>200</u>
<b>Diluted adjusted EPS</b>	\$ 1.99	\$ 1.77

(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 December 31, 2014 and 2013

(In millions)	Three Months Ended December 31,	
	2014	2013
<b>Sales</b>		
Light Vehicle	\$ 634	\$ 628
Commercial Vehicle	431	439
Off-Highway	272	305
Power Technologies	245	252
<b>Total Sales</b>	<b>\$ 1,582</b>	<b>\$ 1,624</b>

<b>Segment EBITDA</b>		
Light Vehicle	\$ 74	\$ 63
Commercial Vehicle	34	40
Off-Highway	41	36
Power Technologies	34	36
<b>Total Segment EBITDA</b>	<b>183</b>	<b>175</b>
Corporate expense and other items, net	(5)	1
Structures EBITDA		(2)
<b>Adjusted EBITDA</b>	<b>\$ 178</b>	<b>\$ 174</b>

## DANA HOLDING CORPORATION Segment Sales & Segment EBITDA (Unaudited) For the Year Ended December 31, 2014 and 2013

(In millions)	Year Ended December 31,	
	2014	2013
<b>Sales</b>		
Light Vehicle	\$ 2,496	\$ 2,549
Commercial Vehicle	1,838	1,860
Off-Highway	1,231	1,330
Power Technologies	1,052	1,030
<b>Total Sales</b>	<b>\$ 6,617</b>	<b>\$ 6,769</b>

<b>Segment EBITDA</b>		
Light Vehicle	\$ 250	\$ 242
Commercial Vehicle	172	194
Off-Highway	169	163
Power Technologies	154	150
<b>Total Segment EBITDA</b>	<b>745</b>	<b>749</b>
Corporate expense and other items, net	1	(2)
Structures EBITDA		(2)
<b>Adjusted EBITDA</b>	<b>\$ 746</b>	<b>\$ 745</b>

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 December 31, 2014 and 2013**

(In millions)

	Three Months Ended	
	December 31,	
	2014	2013
<b>Segment EBITDA</b>	\$ 183	\$ 175
Corporate expense and other items, net	(5)	1
Structures EBITDA	-	(2)
<b>Adjusted EBITDA</b>	178	174
Depreciation	(42)	(52)
Amortization of intangibles	(11)	(22)
Restructuring	(7)	(10)
Strategic transaction expenses and other items	2	2
Loss on disposal group held for sale	(80)	
Pension settlement charges	(42)	
Loss on extinguishment of debt	(19)	
Write-off of deferred financing costs		(2)
Recognition of unrealized gain on payment-in-kind note receivable		2
Structures EBITDA		2
Stock compensation expense	(5)	(2)
Interest expense, net	(25)	(25)
Income (loss) from continuing operations before income taxes	(51)	65
Income tax expense (benefit)	(166)	23
Equity in earnings of affiliates	4	2
Income from continuing operations	119	44
Loss from discontinued operations	(11)	(1)
<b>Net income</b>	<b>\$ 108</b>	<b>\$ 43</b>

**DANA HOLDING CORPORATION**  
**Reconciliation of Segment and Adjusted EBITDA**  
**to Net Income (Unaudited)**  
**For the Year Ended December 31, 2014 and 2013**

(In millions)

	Year Ended	
	December 31,	
	2014	2013
<b>Segment EBITDA</b>	\$ 745	\$ 749
Corporate expense and other items, net	1	(2)
Structures EBITDA		(2)
<b>Adjusted EBITDA</b>	746	745
Depreciation	(164)	(175)
Amortization of intangibles	(49)	(87)
Restructuring	(21)	(24)
Strategic transaction expenses and other items	6	(4)
Loss on disposal group held for sale	(80)	
Pension settlement charges	(42)	
Loss on extinguishment of debt	(19)	
Write-off of deferred financing costs		(4)
Recognition of unrealized gain on payment-in-kind note receivable	2	5
Structures EBITDA		2
Stock compensation expense	(16)	(16)
Interest expense, net	(103)	(74)
Income from continuing operations before income taxes	260	368
Income tax expense (benefit)	(70)	119
Equity in earnings of affiliates	13	12
Income from continuing operations	343	261
Loss from discontinued operations	(15)	(1)
<b>Net income</b>	<b>\$ 328</b>	<b>\$ 260</b>

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, pension settlements 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](http://www.dana.com/investors) for our GAAP results and the reconciliations of these measures, where used, to the comparable GAAP measures.