

## **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, equity grant expense, restructuring expense and other adjustments not related to our core operations (gain/loss on debt extinguishment, pension settlements, 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 attributable to the parent company, excluding any nonrecurring income tax items, restructuring charges, amortization expense and other adjustments not related to our core operations (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 net 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 December 31, 2015 and 2014**

	Three Months Ended	
	December 31,	
	2015	2014
(In millions except per share amounts)		
<b>Net sales</b>	\$ 1,375	\$ 1,582
Costs and expenses		
Cost of sales	1,203	1,359
Selling, general and administrative expenses	92	101
Amortization of intangibles	1	9
Restructuring charges, net	2	7
Loss on disposal group held for sale		(80)
Pension settlement charges		(42)
Loss on extinguishment of debt		(19)
Other income (expense), net	(4)	13
Income (loss) from continuing operations before interest expense and income taxes	73	(22)
Interest expense	27	29
Income (loss) from continuing operations before income taxes	46	(51)
Income tax expense (benefit)	92	(166)
Equity in earnings (losses) of affiliates	(37)	4
Income (loss) from continuing operations	(83)	119
Income (loss) from discontinued operations	4	(11)
<b>Net income (loss)</b>	(79)	108
Less: Noncontrolling interests net income (loss)	3	(1)
<b>Net income (loss) attributable to the parent company</b>	(82)	109
<b>Preferred stock dividend requirements</b>		
<b>Net income (loss) available to common stockholders</b>	\$ (82)	\$ 109
<b>Net income (loss) per share available to parent company common stockholders:</b>		
Basic:		
Income (loss) from continuing operations	\$ (0.57)	\$ 0.71
Income (loss) from discontinued operations	\$ 0.03	\$ (0.06)
Net income (loss)	\$ (0.54)	\$ 0.65
Diluted:		
Income (loss) from continuing operations	\$ (0.57)	\$ 0.71
Income (loss) from discontinued operations	\$ 0.03	\$ (0.07)
Net income (loss)	\$ (0.54)	\$ 0.64
Weighted-average common shares outstanding		
Basic	151.2	168.1
Diluted	151.2	169.3
Dividends declared per common share	\$ 0.06	\$ 0.05

**DANA HOLDING CORPORATION**  
**Consolidated Statement of Operations**  
**For the Year Ended December 31, 2015 and 2014**

	Year Ended	
	December 31,	
	2015	2014
(In millions except per share amounts)		
<b>Net sales</b>	\$ 6,060	\$ 6,617
Costs and expenses		
Cost of sales	5,211	5,672
Selling, general and administrative expenses	391	411
Amortization of intangibles	14	42
Restructuring charges, net	15	21
Impairment of long-lived assets	(36)	
Loss on disposal group held for sale		(80)
Pension settlement charges		(42)
Loss on extinguishment of debt	(2)	(19)
Other income, net	14	48
Income from continuing operations before interest expense and income taxes	405	378
Interest expense	113	118
Income from continuing operations before income taxes	292	260
Income tax expense (benefit)	82	(70)
Equity in earnings (losses) of affiliates	(34)	13
Income from continuing operations	176	343
Income (loss) from discontinued operations	4	(15)
<b>Net income</b>	180	328
Less: Noncontrolling interests net income	21	9
<b>Net income attributable to the parent company</b>	159	319
<b>Preferred stock dividend requirements</b>		7
<b>Net income available to common stockholders</b>	\$ 159	\$ 312
<b>Net income per share available to parent company common stockholders:</b>		
Basic:		
Income from continuing operations	\$ 0.98	\$ 2.07
Income (loss) from discontinued operations	\$ 0.02	\$ (0.10)
Net income	\$ 1.00	\$ 1.97
Diluted:		
Income from continuing operations	\$ 0.97	\$ 1.93
Income (loss) from discontinued operations	\$ 0.02	\$ (0.09)
Net income	\$ 0.99	\$ 1.84
Weighted-average common shares outstanding		
Basic	159.0	158.0
Diluted	160.0	173.5
Dividends declared per common share	\$ 0.23	\$ 0.20

**DANA HOLDING CORPORATION**  
**Consolidated Statement of Comprehensive Income (Unaudited)**  
**For the Three Months Ended December 31, 2015 and 2014**

(In millions)	Three Months Ended	
	December 31,	
	2015	2014
<b>Net income (loss)</b>	\$ (79)	\$ 108
Less: Noncontrolling interests net income (loss)	3	(1)
<b>Net income (loss) attributable to the parent company</b>	<u>(82)</u>	<u>109</u>
Other comprehensive income (loss) attributable to the parent company, net of tax:		
Currency translation adjustments	(30)	(74)
Hedging gains and losses	2	(6)
Investment and other gains and losses	2	1
Defined benefit plans	<u>(38)</u>	<u>(95)</u>
Other comprehensive loss attributable to the parent company	<u>(64)</u>	<u>(174)</u>
Other comprehensive income (loss) attributable to noncontrolling interests, net of tax:		
Currency translation adjustments		(2)
Other comprehensive loss attributable to noncontrolling interests	<u>-</u>	<u>(2)</u>
<b>Total comprehensive loss attributable to the parent company</b>	(146)	(65)
<b>Total comprehensive income (loss) attributable to noncontrolling interests</b>	<u>3</u>	<u>(3)</u>
<b>Total comprehensive loss</b>	<u>\$ (143)</u>	<u>\$ (68)</u>

**DANA HOLDING CORPORATION**  
**Consolidated Statement of Comprehensive Income**  
**For the Year Ended December 31, 2015 and 2014**

(In millions)	Year Ended	
	December 31,	
	2015	2014
<b>Net income</b>	\$ 180	\$ 328
Less: Noncontrolling interests net income	21	9
<b>Net income attributable to the parent company</b>	<u>159</u>	<u>319</u>
Other comprehensive income (loss) attributable to the parent company, net of tax:		
Currency translation adjustments	(181)	(185)
Hedging gains and losses	5	(9)
Investment and other gains and losses	(3)	2
Defined benefit plans	<u>2</u>	<u>(78)</u>
Other comprehensive loss attributable to the parent company	<u>(177)</u>	<u>(270)</u>
Other comprehensive income (loss) attributable to noncontrolling interests, net of tax:		
Currency translation adjustments	(5)	(4)
Defined benefit plans	<u>1</u>	<u></u>
Other comprehensive loss attributable to noncontrolling interests	<u>(4)</u>	<u>(4)</u>
<b>Total comprehensive income (loss) attributable to the parent company</b>	(18)	49
<b>Total comprehensive income attributable to noncontrolling interests</b>	<u>17</u>	<u>5</u>
<b>Total comprehensive income (loss)</b>	<u>\$ (1)</u>	<u>\$ 54</u>

**DANA HOLDING CORPORATION**  
**Consolidated Balance Sheet**  
**As of December 31, 2015 and December 31, 2014**

(In millions except share and per share amounts)

	December 31, 2015	December 31, 2014
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 791	\$ 1,121
Marketable securities	162	169
Accounts receivable		
Trade, less allowance for doubtful accounts of \$5 in 2015 and \$6 in 2014	673	755
Other	115	117
Inventories	625	654
Other current assets	108	111
Current assets of disposal group held for sale		27
<b>Total current assets</b>	<b>2,474</b>	<b>2,954</b>
Goodwill	80	90
Intangibles	102	169
Other noncurrent assets	353	312
Investments in affiliates	150	204
Property, plant and equipment, net	1,167	1,176
<b>Total assets</b>	<b>\$ 4,326</b>	<b>\$ 4,905</b>
<b>Liabilities and equity</b>		
Current liabilities		
Notes payable, including current portion of long-term debt	\$ 22	\$ 65
Accounts payable	712	791
Accrued payroll and employee benefits	145	158
Taxes on income	19	32
Other accrued liabilities	193	194
Current liabilities of disposal group held for sale		21
<b>Total current liabilities</b>	<b>1,091</b>	<b>1,261</b>
Long-term debt, less debt issuance costs of \$21 in 2015 and \$25 in 2014	1,553	1,588
Pension and postretirement obligations	521	580
Other noncurrent liabilities	330	279
Noncurrent liabilities of disposal group held for sale		17
<b>Total liabilities</b>	<b>3,495</b>	<b>3,725</b>
Commitments and contingencies		
Parent company stockholders' equity		
Preferred stock, 50,000,000 shares authorized, \$0.01 par value, zero shares outstanding	-	-
Common stock, 450,000,000 shares authorized, \$0.01 par value, 150,068,040 and 166,070,057 shares outstanding	2	2
Additional paid-in capital	2,311	2,640
Accumulated deficit	(410)	(532)
Treasury stock, at cost (23,963 and 1,588,990 shares)	(1)	(33)
Accumulated other comprehensive loss	(1,174)	(997)
Total parent company stockholders' equity	728	1,080
Noncontrolling equity	103	100
<b>Total equity</b>	<b>831</b>	<b>1,180</b>
<b>Total liabilities and equity</b>	<b>\$ 4,326</b>	<b>\$ 4,905</b>

**DANA HOLDING CORPORATION**  
**Consolidated Statement of Cash Flows (Unaudited)**  
**For the Three Months Ended December 31, 2015 and 2014**

(In millions)	Three Months Ended	
	December 31,	
	2015	2014
<b>Operating activities</b>		
Net income (loss)	\$ (79)	\$ 108
Depreciation	41	42
Amortization of intangibles	2	11
Amortization of deferred financing charges	2	1
Call premium on senior notes		15
Write off of deferred financing costs		4
Earnings of affiliates, net of dividends received		(2)
Stock compensation expense		5
Deferred income taxes	87	(193)
Pension expense (contributions), net	(4)	38
Impairment of equity affiliate	39	
Loss on disposal group held for sale		78
Change in working capital	51	56
Change in other noncurrent assets and liabilities	(8)	(3)
Other, net	9	23
<b>Net cash provided by operating activities (1)</b>	<b>140</b>	<b>183</b>
<b>Investing activities</b>		
Purchases of property, plant and equipment (1)	(68)	(65)
Purchases of marketable securities	(14)	(21)
Proceeds from sales of marketable securities	2	5
Proceeds from maturities of marketable securities	9	17
Other	1	(5)
<b>Net cash used in investing activities</b>	<b>(70)</b>	<b>(69)</b>
<b>Financing activities</b>		
Net change in short-term debt	(8)	(3)
Proceeds from long-term debt		425
Repayment of long-term debt	(1)	(346)
Call premium on senior notes		(15)
Deferred financing payments		(7)
Dividends paid to preferred stockholders		(2)
Dividends paid to common stockholders	(10)	(8)
Distributions paid to noncontrolling interests	(1)	(1)
Repurchases of common stock	(66)	(79)
Other	1	1
<b>Net cash used in financing activities</b>	<b>(85)</b>	<b>(35)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(15)</b>	<b>79</b>
Cash and cash equivalents – beginning of period	817	1,103
Effect of exchange rate changes on cash balances	(11)	(34)
Less: cash of disposal group held for sale		(27)
<b>Cash and cash equivalents – end of period</b>	<b>\$ 791</b>	<b>\$ 1,121</b>

(1) Free cash flow of \$72 in 2015 and \$118 in 2014 is the sum of net cash provided by operating activities reduced by the purchases of property, plant and equipment.

**DANA HOLDING CORPORATION**  
**Consolidated Statement of Cash Flows**  
**For the Year Ended December 31, 2015 and 2014**

(In millions)	Year Ended	
	December 31,	
	2015	2014
<b>Operating activities</b>		
Net income	\$ 180	\$ 328
Depreciation	158	164
Amortization of intangibles	16	49
Amortization of deferred financing charges	5	5
Call premium on senior notes	2	15
Write off of deferred financing costs	1	4
Earnings of affiliates, net of dividends received	12	4
Stock compensation expense	14	16
Deferred income taxes	(10)	(199)
Pension expense (contributions), net	(18)	30
Impairment of long-lived assets	36	
Impairment of equity affiliate	39	
Loss on disposal group held for sale		78
Interest payment received on payment-in-kind note receivable		40
Change in working capital	(41)	(39)
Change in other noncurrent assets and liabilities	(7)	(16)
Other, net	19	31
<b>Net cash provided by operating activities (1)</b>	<b>406</b>	<b>510</b>
<b>Investing activities</b>		
Purchases of property, plant and equipment (1)	(260)	(234)
Principal payment received on payment-in-kind note receivable		35
Purchases of marketable securities	(43)	(84)
Proceeds from sales of marketable securities	17	7
Proceeds from maturities of marketable securities	30	21
Proceeds from sale of business		9
Other	(2)	
<b>Net cash used in investing activities</b>	<b>(258)</b>	<b>(246)</b>
<b>Financing activities</b>		
Net change in short-term debt	(5)	(8)
Proceeds from letters of credit		12
Repayment of letters of credit	(4)	(8)
Proceeds from long-term debt	18	448
Repayment of long-term debt	(60)	(372)
Call premium on senior notes	(2)	(15)
Deferred financing payments		(7)
Dividends paid to preferred stockholders		(8)
Dividends paid to common stockholders	(37)	(32)
Distributions to noncontrolling interests	(9)	(9)
Repurchases of common stock	(311)	(260)
Other	7	5
<b>Net cash used in financing activities</b>	<b>(403)</b>	<b>(254)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(255)</b>	<b>10</b>
Cash and cash equivalents – beginning of period	1,121	1,256
Effect of exchange rate changes on cash balances	(75)	(118)
Less: cash of disposal group held for sale		(27)
<b>Cash and cash equivalents – end of period</b>	<b>\$ 791</b>	<b>\$ 1,121</b>

(1) Free cash flow of \$146 in 2015 and \$276 in 2014 is the sum of net cash provided by operating activities reduced by the purchases of property, plant and equipment.

**DANA HOLDING CORPORATION**  
**Segment Sales & Segment EBITDA (Unaudited)**  
**For the Three Months Ended December 31, 2015 and 2014**

(In millions)	Three Months Ended	
	December 31,	
	2015	2014
<b>Sales</b>		
Light Vehicle	\$ 599	\$ 634
Commercial Vehicle	302	431
Off-Highway	231	272
Power Technologies	243	245
<b>Total Sales</b>	<u>\$ 1,375</u>	<u>\$ 1,582</u>
<b>Segment EBITDA</b>		
Light Vehicle	\$ 69	\$ 74
Commercial Vehicle	(2)	34
Off-Highway	32	41
Power Technologies	32	34
<b>Total Segment EBITDA</b>	<u>131</u>	<u>183</u>
Corporate expense and other items, net	<u>(2)</u>	<u>(5)</u>
<b>Adjusted EBITDA</b>	<u>\$ 129</u>	<u>\$ 178</u>

**DANA HOLDING CORPORATION**  
**Segment Sales & Segment EBITDA (Unaudited)**  
**For the Year Ended December 31, 2015 and 2014**

(In millions)	Year Ended	
	December 31,	
	2015	2014
<b>Sales</b>		
Light Vehicle	\$ 2,482	\$ 2,496
Commercial Vehicle	1,533	1,838
Off-Highway	1,040	1,231
Power Technologies	1,005	1,052
<b>Total Sales</b>	<u>\$ 6,060</u>	<u>\$ 6,617</u>
<b>Segment EBITDA</b>		
Light Vehicle	\$ 262	\$ 250
Commercial Vehicle	100	172
Off-Highway	147	169
Power Technologies	149	154
<b>Total Segment EBITDA</b>	<u>658</u>	<u>745</u>
Corporate expense and other items, net	(6)	1
<b>Adjusted EBITDA</b>	<u>\$ 652</u>	<u>\$ 746</u>

**DANA HOLDING CORPORATION**  
**Reconciliation of Segment and Adjusted EBITDA**  
**to Net Income (Loss) (Unaudited)**  
**For the Three Months Ended December 31, 2015 and 2014**

(In millions)	Three Months Ended	
	December 31,	
	2015	2014
<b>Segment EBITDA</b>	\$ 131	\$ 183
Corporate expense and other items, net	(2)	(5)
<b>Adjusted EBITDA</b>	129	178
Depreciation	(41)	(42)
Amortization of intangibles	(2)	(11)
Restructuring	(2)	(7)
Stock compensation expense		(5)
Other items	(4)	2
Distressed supplier costs	(8)	
Amounts attributable to previously divested/closed operations	(1)	
Loss on disposal group held for sale		(80)
Pension settlement charges		(42)
Loss on extinguishment of debt		(19)
Interest expense, net	(25)	(25)
Income (loss) from continuing operations before income taxes	46	(51)
Income tax expense (benefit)	92	(166)
Equity in earnings (losses) of affiliates	(37)	4
Income (loss) from continuing operations	(83)	119
Income (loss) from discontinued operations	4	(11)
<b>Net income (loss)</b>	<b>\$ (79)</b>	<b>\$ 108</b>

**DANA HOLDING CORPORATION**  
**Reconciliation of Segment and Adjusted EBITDA**  
**to Net Income (Unaudited)**  
**For the Year Ended December 31, 2015 and 2014**

(In millions)	Year Ended	
	December 31,	
	2015	2014
<b>Segment EBITDA</b>	\$ 658	\$ 745
Corporate expense and other items, net	(6)	1
<b>Adjusted EBITDA</b>	652	746
Depreciation	(158)	(164)
Amortization of intangibles	(16)	(49)
Restructuring	(15)	(21)
Stock compensation expense	(14)	(16)
Strategic transaction expenses	(4)	(3)
Other items	(6)	9
Impairment of long-lived assets	(36)	
Distressed supplier costs	(8)	
Amounts attributable to previously divested/closed operations	(6)	
Loss on disposal group held for sale		(80)
Pension settlement charges		(42)
Loss on extinguishment of debt	(2)	(19)
Gain on derecognition of noncontrolling interest	5	
Recognition of unrealized gain on payment-in-kind note receivable		2
Interest expense, net	(100)	(103)
Income from continuing operations before income taxes	292	260
Income tax expense (benefit)	82	(70)
Equity in earnings (losses) of affiliates	(34)	13
Income from continuing operations	176	343
Income (loss) from discontinued operations	4	(15)
<b>Net income</b>	<b>\$ 180</b>	<b>\$ 328</b>

**DANA HOLDING CORPORATION**  
**Diluted Adjusted EPS (Unaudited)**  
**For the Three Months Ended December 31, 2015 and 2014**

(In millions except per share amounts)

	Three Months Ended	
	December 31,	
	2015	2014
<b>Net income attributable to parent company</b>	\$ (82)	\$ 109
Restructuring charges (1)	3	6
Amortization of intangibles (1)	2	8
Non-recurring items (1):		
Income tax valuation allowance release, net	79	(179)
Impairment of equity method investment	39	
Loss on divestiture of Venezuelan operations		77
Pension settlement charge		42
Loss on extinguishment of debt		19
Other items	10	8
<b>Adjusted net income</b>	<u>\$ 51</u>	<u>\$ 90</u>
Diluted shares - as reported	<u>152</u>	<u>169</u>
Adjusted diluted shares	<u>152</u>	<u>169</u>
<b>Diluted adjusted EPS</b>	\$ 0.34	\$ 0.53

(1) Amounts are net of associated tax effect.

**DANA HOLDING CORPORATION**  
**Diluted Adjusted EPS (Unaudited)**  
**For the Year Ended December 31, 2015 and 2014**

(In millions except per share amounts)

	Year Ended	
	December 31,	
	2015	2014
<b>Net income attributable to parent company</b>	\$ 159	\$ 319
Restructuring charges (1)	12	19
Amortization of intangibles (1)	11	37
Non-recurring items (1)		
Income tax valuation allowance release, net	5	(179)
Impairment of long-lived assets	24	
Impairment of equity method investment	39	
Loss on divestiture of Venezuelan operations		77
Pension settlement charge		42
Loss on extinguishment of debt		19
Other items	28	12
<b>Adjusted net income</b>	<u>\$ 278</u>	<u>\$ 346</u>
Diluted shares - as reported	160	174
Adjusted diluted shares	<u>160</u>	<u>174</u>
<b>Diluted adjusted EPS</b>	\$ 1.74	\$ 1.99

(1) Amounts are net of associated tax effect.