

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 nonrecurring items (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 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 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 September 30, 2015 and 2014

	Three Months Ended	
	September 30,	
	2015	2014
(In millions except per share amounts)		
Net sales	\$ 1,468	\$ 1,637
Costs and expenses		
Cost of sales	1,255	1,397
Selling, general and administrative expenses	98	97
Amortization of intangibles	4	10
Restructuring charges, net	1	2
Impairment of long-lived assets	(36)	
Other income, net	2	20
Income from continuing operations before interest expense and income taxes	76	151
Interest expense	31	30
Income from continuing operations before income taxes	45	121
Income tax expense (benefit)	(77)	29
Equity in earnings of affiliates		2
Income from continuing operations	122	94
Loss from discontinued operations		(1)
Net income	122	93
Less: Noncontrolling interests net income	3	3
Net income attributable to the parent company	119	90
Preferred stock dividend requirements		2
Net income available to common stockholders	\$ 119	\$ 88
Net income per share available to parent company common stockholders:		
Basic:		
Income from continuing operations	\$ 0.75	\$ 0.57
Loss from discontinued operations	\$ -	\$ (0.01)
Net income	\$ 0.75	\$ 0.56
Diluted:		
Income from continuing operations	\$ 0.75	\$ 0.53
Loss from discontinued operations	\$ -	\$ (0.01)
Net income	\$ 0.75	\$ 0.52
Weighted-average common shares outstanding		
Basic	158.0	156.5
Diluted	158.9	172.9
Dividends declared per common share	\$ 0.06	\$ 0.05

DANA HOLDING CORPORATION
Consolidated Statement of Operations (Unaudited)
For the Nine Months Ended September 30, 2015 and 2014

	Nine Months Ended	
	September 30,	
	2015	2014
(In millions except per share amounts)		
Net sales	\$ 4,685	\$ 5,035
Costs and expenses		
Cost of sales	4,008	4,313
Selling, general and administrative expenses	299	310
Amortization of intangibles	13	33
Restructuring charges, net	13	14
Impairment of long-lived assets	(36)	
Loss on extinguishment of debt	(2)	
Other income, net	18	35
Income from continuing operations before interest expense and income taxes	332	400
Interest expense	86	89
Income from continuing operations before income taxes	246	311
Income tax expense (benefit)	(10)	96
Equity in earnings of affiliates	3	9
Income from continuing operations	259	224
Loss from discontinued operations		(4)
Net income	259	220
Less: Noncontrolling interests net income	18	10
Net income attributable to the parent company	241	210
Preferred stock dividend requirements		7
Net income available to common stockholders	<u>\$ 241</u>	<u>\$ 203</u>
Net income per share available to parent company common stockholders:		
Basic:		
Income from continuing operations	\$ 1.49	\$ 1.34
Loss from discontinued operations	\$ -	\$ (0.03)
Net income	\$ 1.49	\$ 1.31
Diluted:		
Income from continuing operations	\$ 1.48	\$ 1.22
Loss from discontinued operations	\$ -	\$ (0.02)
Net income	\$ 1.48	\$ 1.20
Weighted-average common shares outstanding		
Basic	161.6	154.6
Diluted	162.7	174.9
Dividends declared per common share	\$ 0.17	\$ 0.15

DANA HOLDING CORPORATION
Consolidated Statement of Comprehensive Income (Unaudited)
For the Three Months Ended September 30, 2015 and 2014

(In millions)	Three Months Ended	
	September 30,	
	2015	2014
Net income	\$ 122	\$ 93
Less: Noncontrolling interests net income	3	3
Net income attributable to the parent company	<u>119</u>	<u>90</u>
Other comprehensive income (loss) attributable to the parent company, net of tax:		
Currency translation adjustments	(66)	(113)
Hedging gains and losses	1	(4)
Investment and other gains and losses	(5)	(2)
Defined benefit plans	<u>17</u>	<u>7</u>
Other comprehensive loss attributable to the parent company	<u>(53)</u>	<u>(112)</u>
Other comprehensive income (loss) attributable to noncontrolling interests, net of tax:		
Currency translation adjustments	<u>(3)</u>	<u>(2)</u>
Other comprehensive loss attributable to noncontrolling interests	<u>(3)</u>	<u>(2)</u>
Total comprehensive income (loss) attributable to the parent company	66	(22)
Total comprehensive income attributable to noncontrolling interests	-	1
Total comprehensive income (loss)	<u>\$ 66</u>	<u>\$ (21)</u>

DANA HOLDING CORPORATION
Consolidated Statement of Comprehensive Income
For the Nine Months Ended September 30, 2015 and 2014

(In millions)	Nine Months Ended	
	September 30,	
	2015	2014
Net income	\$ 259	\$ 220
Less: Noncontrolling interests net income	18	10
Net income attributable to the parent company	<u>241</u>	<u>210</u>
Other comprehensive income (loss) attributable to the parent company, net of tax:		
Currency translation adjustments	(151)	(111)
Hedging gains and losses	3	(3)
Investment and other gains and losses	(5)	1
Defined benefit plans	<u>40</u>	<u>17</u>
Other comprehensive loss attributable to the parent company	<u>(113)</u>	<u>(96)</u>
Other comprehensive income (loss) attributable to noncontrolling interests, net of tax:		
Currency translation adjustments	(5)	(2)
Defined benefit plans	<u>1</u>	<u></u>
Other comprehensive loss attributable to noncontrolling interests	<u>(4)</u>	<u>(2)</u>
Total comprehensive income attributable to the parent company	128	114
Total comprehensive income attributable to noncontrolling interests	<u>14</u>	<u>8</u>
Total comprehensive income	<u>\$ 142</u>	<u>\$ 122</u>

DANA HOLDING CORPORATION
Consolidated Balance Sheet (Unaudited)
As of September 30, 2015 and December 31, 2014

(In millions except share and per share amounts)

	September 30, 2015	December 31, 2014
Assets		
Current assets		
Cash and cash equivalents	\$ 817	\$ 1,121
Marketable securities	157	169
Accounts receivable		
Trade, less allowance for doubtful accounts of \$5 in 2015 and \$6 in 2014	775	755
Other	111	117
Inventories	690	654
Other current assets	131	111
Current assets of disposal group held for sale		27
Total current assets	2,681	2,954
Goodwill	83	90
Intangibles	104	169
Other noncurrent assets	400	337
Investments in affiliates	191	204
Property, plant and equipment, net	1,141	1,176
Total assets	\$ 4,600	\$ 4,930
Liabilities and equity		
Current liabilities		
Notes payable, including current portion of long-term debt	\$ 40	\$ 65
Accounts payable	796	791
Accrued payroll and employee benefits	151	158
Taxes on income	44	32
Other accrued liabilities	165	194
Current liabilities of disposal group held for sale		21
Total current liabilities	1,196	1,261
Long-term debt	1,566	1,613
Pension and postretirement obligations	501	580
Other noncurrent liabilities	286	279
Noncurrent liabilities of disposal group held for sale		17
Total liabilities	3,549	3,750
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, 153,989,973 and 166,070,057 shares outstanding	2	2
Additional paid-in capital	2,657	2,640
Accumulated deficit	(318)	(532)
Treasury stock, at cost (14,192,554 and 1,588,990 shares)	(281)	(33)
Accumulated other comprehensive loss	(1,110)	(997)
Total parent company stockholders' equity	950	1,080
Noncontrolling equity	101	100
Total equity	1,051	1,180
Total liabilities and equity	\$ 4,600	\$ 4,930

DANA HOLDING CORPORATION
Consolidated Statement of Cash Flows (Unaudited)
For the Three Months Ended September 30, 2015 and 2014

(In millions)	Three Months Ended	
	September 30,	
	2015	2014
Operating activities		
Net income	\$ 122	\$ 93
Depreciation	39	41
Amortization of intangibles	4	11
Amortization of deferred financing charges	1	1
Dividends received in excess of current earnings of affiliates	3	
Stock compensation expense	6	2
Deferred income taxes	(99)	(1)
Pension contributions, net	(5)	(3)
Impairment of long-lived assets	36	
Change in working capital	16	(29)
Other, net	15	(11)
Net cash provided by operating activities (1)	138	104
Investing activities		
Purchases of property, plant and equipment (1)	(70)	(43)
Purchases of marketable securities	(3)	(6)
Proceeds from sales of marketable securities	3	1
Proceeds from maturities of marketable securities	5	2
Other		2
Net cash used in investing activities	(65)	(44)
Financing activities		
Repayment of letters of credit		(2)
Proceeds from long-term debt		22
Repayment of long-term debt	(1)	(7)
Dividends paid to preferred stockholders		(2)
Dividends paid to common stockholders	(9)	(8)
Distributions paid to noncontrolling interests	(5)	(6)
Repurchases of common stock	(119)	(68)
Other	5	4
Net cash used in financing activities	(129)	(67)
Net decrease in cash and cash equivalents	(56)	(7)
Cash and cash equivalents – beginning of period	894	1,172
Effect of exchange rate changes on cash balances	(21)	(62)
Cash and cash equivalents – end of period	\$ 817	\$ 1,103

(1) Free cash flow of \$68 in 2015 and \$61 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 (Unaudited)
For the Nine Months Ended September 30, 2015 and 2014

(In millions)	Nine Months Ended	
	September 30,	
	2015	2014
Operating activities		
Net income	\$ 259	\$ 220
Depreciation	117	122
Amortization of intangibles	14	38
Amortization of deferred financing charges	3	4
Call premium on senior notes	2	
Dividends received in excess of current earnings of affiliates	12	6
Stock compensation expense	14	11
Deferred income taxes	(97)	(6)
Pension contributions, net	(14)	(8)
Impairment of long-lived assets	36	
Interest payment received on payment-in-kind note receivable		40
Change in working capital	(92)	(95)
Other, net	12	(5)
Net cash provided by operating activities (1)	<u>266</u>	<u>327</u>
Investing activities		
Purchases of property, plant and equipment (1)	(192)	(169)
Principal payment received on payment-in-kind note receivable		35
Purchases of marketable securities	(29)	(63)
Proceeds from sales of marketable securities	15	2
Proceeds from maturities of marketable securities	21	4
Proceeds from sale of business		9
Other	(3)	5
Net cash used in investing activities	<u>(188)</u>	<u>(177)</u>
Financing activities		
Net change in short-term debt	3	(5)
Proceeds from letters of credit		12
Repayment of letters of credit	(4)	(8)
Proceeds from long-term debt	18	23
Repayment of long-term debt	(59)	(26)
Call premium on senior notes	(2)	
Dividends paid to preferred stockholders		(6)
Dividends paid to common stockholders	(27)	(24)
Distributions to noncontrolling interests	(8)	(8)
Repurchases of common stock	(245)	(181)
Other	6	4
Net cash used in financing activities	<u>(318)</u>	<u>(219)</u>
Net decrease in cash and cash equivalents	(240)	(69)
Cash and cash equivalents – beginning of period	1,121	1,256
Effect of exchange rate changes on cash balances	(64)	(84)
Cash and cash equivalents – end of period	<u>\$ 817</u>	<u>\$ 1,103</u>

(1) Free cash flow of \$74 in 2015 and \$158 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 September 30, 2015 and 2014

(In millions)	Three Months Ended	
	September 30,	
	2015	2014
Sales		
Light Vehicle	\$ 605	\$ 608
Commercial Vehicle	367	487
Off-Highway	246	283
Power Technologies	250	259
Total Sales	<u>\$ 1,468</u>	<u>\$ 1,637</u>
Segment EBITDA		
Light Vehicle	\$ 63	\$ 70
Commercial Vehicle	31	47
Off-Highway	35	40
Power Technologies	40	37
Total Segment EBITDA	<u>169</u>	<u>194</u>
Corporate expense and other items, net	<u>(2)</u>	<u>4</u>
Adjusted EBITDA	<u>\$ 167</u>	<u>\$ 198</u>

DANA HOLDING CORPORATION
Segment Sales & Segment EBITDA (Unaudited)
For the Nine Months Ended September 30, 2015 and 2014

(In millions)	Nine Months Ended	
	September 30,	
	2015	2014
Sales		
Light Vehicle	\$ 1,883	\$ 1,862
Commercial Vehicle	1,231	1,407
Off-Highway	809	959
Power Technologies	762	807
Total Sales	<u>\$ 4,685</u>	<u>\$ 5,035</u>
Segment EBITDA		
Light Vehicle	\$ 193	\$ 176
Commercial Vehicle	102	138
Off-Highway	115	128
Power Technologies	117	120
Total Segment EBITDA	<u>527</u>	<u>562</u>
Corporate expense and other items, net	<u>(4)</u>	<u>6</u>
Adjusted EBITDA	<u>\$ 523</u>	<u>\$ 568</u>

DANA HOLDING CORPORATION
Reconciliation of Segment and Adjusted EBITDA
to Net Income (Unaudited)
For the Three Months Ended September 30, 2015 and 2014

(In millions)	Three Months Ended	
	September 30,	
	2015	2014
Segment EBITDA	\$ 169	\$ 194
Corporate expense and other items, net	(2)	4
Adjusted EBITDA	167	198
Depreciation	(39)	(41)
Amortization of intangibles	(4)	(11)
Restructuring	(1)	(2)
Strategic transaction expenses and other items	(9)	4
Impairment of long-lived assets	(36)	
Stock compensation expense	(6)	(2)
Interest expense, net	(27)	(25)
Income from continuing operations before income taxes	45	121
Income tax expense (benefit)	(77)	29
Equity in earnings of affiliates		2
Income from continuing operations	122	94
Loss from discontinued operations		(1)
Net income	<u>\$ 122</u>	<u>\$ 93</u>

DANA HOLDING CORPORATION
Reconciliation of Segment and Adjusted EBITDA
to Net Income (Unaudited)
For the Nine Months Ended September 30, 2015 and 2014

(In millions)	Nine Months Ended	
	September 30,	
	2015	2014
Segment EBITDA	\$ 527	\$ 562
Corporate expense and other items, net	(4)	6
Adjusted EBITDA	523	568
Depreciation	(117)	(122)
Amortization of intangibles	(14)	(38)
Restructuring	(13)	(14)
Strategic transaction expenses and other items	(11)	4
Impairment of long-lived assets	(36)	
Gain on derecognition of noncontrolling interest	5	
Loss on extinguishment of debt	(2)	
Recognition of unrealized gain on payment-in-kind note receivable		2
Stock compensation expense	(14)	(11)
Interest expense, net	(75)	(78)
Income from continuing operations before income taxes	246	311
Income tax expense (benefit)	(10)	96
Equity in earnings of affiliates	3	9
Income from continuing operations	259	224
Loss from discontinued operations		(4)
Net income	\$ 259	\$ 220

DANA HOLDING CORPORATION
Diluted Adjusted EPS (Unaudited)
For the Three Months Ended September 30, 2015 and 2014

(In millions except per share amounts)

	Three Months Ended	
	September 30,	
	2015	2014
Net income attributable to parent company	\$ 119	\$ 90
Restructuring charges (1)	1	2
Amortization of intangibles (1)	2	8
Non-recurring items (1):		
Income tax valuation allowance release, net	(92)	
Impairment of long-lived assets	24	
Other items	11	(2)
Adjusted net income	<u>\$ 65</u>	<u>\$ 98</u>
Diluted shares - as reported	159	173
Adjusted diluted shares	<u>159</u>	<u>173</u>
Diluted adjusted EPS	\$ 0.41	\$ 0.57

(1) Amounts are net of associated tax effect.

DANA HOLDING CORPORATION
Diluted Adjusted EPS (Unaudited)
For the Nine Months Ended September 30, 2015 and 2014

(In millions except per share amounts)

	Nine Months Ended	
	September 30,	
	2015	2014
Net income attributable to parent company	\$ 241	\$ 210
Restructuring charges (1)	9	13
Amortization of intangibles (1)	9	29
Non-recurring items (1)		
Income tax valuation allowance release, net	(74)	
Impairment of long-lived assets	24	
Other items	18	4
Adjusted net income	<u>\$ 227</u>	<u>\$ 256</u>
Diluted shares - as reported	163	175
Adjusted diluted shares	<u>163</u>	<u>175</u>
Diluted adjusted EPS	\$ 1.39	\$ 1.46

(1) Amounts are net of associated tax effect.