

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 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 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 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 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 March 31, 2015 and 2014

(In millions except per share amounts)

	Three Months Ended	
	March 31,	
	2015	2014
Net sales	\$ 1,608	\$ 1,688
Costs and expenses		
Cost of sales	1,380	1,454
Selling, general and administrative expenses	100	105
Amortization of intangibles	5	13
Restructuring charges, net	1	9
Loss on extinguishment of debt	(2)	
Other income (expense), net	12	(6)
Income from continuing operations before interest expense and income taxes	132	101
Interest expense	28	30
Income from continuing operations before income taxes	104	71
Income tax expense	31	34
Equity in earnings of affiliates	1	1
Income from continuing operations	74	38
Loss from discontinued operations		(1)
Net income	74	37
Less: Noncontrolling interests net income	11	3
Net income attributable to the parent company	63	34
Preferred stock dividend requirements		3
Net income available to common stockholders	\$ 63	\$ 31
Net income per share available to parent company common stockholders:		
Basic:		
Income from continuing operations	\$ 0.38	\$ 0.21
Loss from discontinued operations	\$ -	\$ -
Net income	\$ 0.38	\$ 0.21
Diluted:		
Income from continuing operations	\$ 0.38	\$ 0.19
Loss from discontinued operations	\$ -	\$ -
Net income	\$ 0.38	\$ 0.19
Weighted-average common shares outstanding		
Basic	164.7	150.7
Diluted	166.0	177.0
Dividends declared per common share	\$ 0.05	\$ 0.05

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

(In millions)	Three Months Ended	
	March 31,	
	2015	2014
Net income	\$ 74	\$ 37
Less: Noncontrolling interests net income	11	3
Net income attributable to the parent company	<u>63</u>	<u>34</u>
Other comprehensive income (loss) attributable to the parent company, net of tax:		
Currency translation adjustments	(99)	(12)
Hedging gains and losses	(1)	
Investment and other gains and losses	1	
Defined benefit plans	<u>16</u>	<u>7</u>
Other comprehensive loss attributable to the parent company	<u>(83)</u>	<u>(5)</u>
Other comprehensive income (loss) attributable to noncontrolling interests, net of tax:		
Currency translation adjustments		(1)
Defined benefit plans	<u>1</u>	
Other comprehensive income (loss) attributable to noncontrolling interests	<u>1</u>	<u>(1)</u>
Total comprehensive income (loss) attributable to the parent company	(20)	29
Total comprehensive income attributable to noncontrolling interests	<u>12</u>	<u>2</u>
Total comprehensive income (loss)	<u>\$ (8)</u>	<u>\$ 31</u>

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

(In millions except share and per share amounts)

	March 31, 2015	December 31, 2014
Assets		
Current assets		
Cash and cash equivalents	\$ 885	\$ 1,121
Marketable securities	165	169
Accounts receivable		
Trade, less allowance for doubtful accounts of \$6 in both 2015 and 2014	880	755
Other	119	117
Inventories	686	654
Other current assets	125	111
Current assets of disposal group held for sale		27
Total current assets	2,860	2,954
Goodwill	79	90
Intangibles	152	169
Other noncurrent assets	313	337
Investments in affiliates	203	204
Property, plant and equipment, net	1,131	1,176
Total assets	\$ 4,738	\$ 4,930
Liabilities and equity		
Current liabilities		
Notes payable, including current portion of long-term debt	\$ 53	\$ 65
Accounts payable	866	791
Accrued payroll and employee benefits	127	158
Taxes on income	40	32
Other accrued liabilities	182	194
Current liabilities of disposal group held for sale		21
Total current liabilities	1,268	1,261
Long-term debt	1,572	1,613
Pension and postretirement obligations	532	580
Other noncurrent liabilities	269	279
Noncurrent liabilities of disposal group held for sale		17
Total liabilities	3,641	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, 163,458,091 and 166,070,057 shares outstanding	2	2
Additional paid-in capital	2,644	2,640
Accumulated deficit	(477)	(532)
Treasury stock, at cost (4,622,370 and 1,588,990 shares)	(98)	(33)
Accumulated other comprehensive loss	(1,080)	(997)
Total parent company stockholders' equity	991	1,080
Noncontrolling equity	106	100
Total equity	1,097	1,180
Total liabilities and equity	\$ 4,738	\$ 4,930

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

(In millions)	Three Months Ended	
	March 31,	
	2015	2014
Operating activities		
Net income	\$ 74	\$ 37
Depreciation	39	40
Amortization of intangibles	6	15
Amortization of deferred financing charges	1	1
Call premium on senior notes	2	
Unremitted earnings of affiliates	1	1
Stock compensation expense	3	4
Deferred income taxes	5	(1)
Pension contributions, net	(5)	(2)
Interest payment received on payment-in-kind note receivable		40
Change in working capital	(141)	(114)
Other, net	(5)	10
Net cash provided by (used in) operating activities (1)	(20)	31
Investing activities		
Purchases of property, plant and equipment (1)	(62)	(67)
Principal payment received on payment-in-kind note receivable		35
Purchases of marketable securities	(11)	(35)
Proceeds from sales of marketable securities	10	
Proceeds from maturities of marketable securities	6	2
Other	(2)	4
Net cash used in investing activities	(59)	(61)
Financing activities		
Net change in short-term debt	6	(10)
Repayment of letters of credit	(4)	
Proceeds from long-term debt	18	1
Repayment of long-term debt	(56)	(12)
Call premium on senior notes	(2)	
Dividends paid to preferred stockholders		(2)
Distributions to noncontrolling interests	(1)	(1)
Repurchases of common stock	(63)	(64)
Other	(2)	1
Net cash used in financing activities	(104)	(87)
Net decrease in cash and cash equivalents	(183)	(117)
Cash and cash equivalents – beginning of period	1,121	1,256
Effect of exchange rate changes on cash balances	(53)	(23)
Cash and cash equivalents – end of period	\$ 885	\$ 1,116

(1) Free cash flow of (\$82) in 2015 and (\$36) in 2014 is the sum of net cash provided by (used in) operating activities reduced by the purchases of property, plant and equipment.

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

(In millions)	Three Months Ended	
	March 31,	
	2015	2014
Sales		
Light Vehicle	\$ 637	\$ 618
Commercial Vehicle	433	457
Off-Highway	284	341
Power Technologies	254	272
Total Sales	<u>\$ 1,608</u>	<u>\$ 1,688</u>
Segment EBITDA		
Light Vehicle	\$ 64	\$ 30
Commercial Vehicle	35	44
Off-Highway	39	42
Power Technologies	38	44
Total Segment EBITDA	<u>176</u>	<u>160</u>
Corporate expense and other items, net		5
Adjusted EBITDA	<u>\$ 176</u>	<u>\$ 165</u>

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

(In millions)

	Three Months Ended	
	March 31,	
	2015	2014
Segment EBITDA	\$ 176	\$ 160
Corporate expense and other items, net		5
Adjusted EBITDA	176	165
Depreciation	(39)	(40)
Amortization of intangibles	(6)	(15)
Restructuring	(1)	(9)
Stock compensation expense	(3)	(4)
Strategic transaction expenses and other items	(1)	(1)
Gain on derecognition of noncontrolling interest	5	
Loss on extinguishment of debt	(2)	
Recognition of unrealized gain on payment-in-kind note receivable		2
Interest expense, net	(25)	(27)
Income from continuing operations before income taxes	104	71
Income tax expense	31	34
Equity in earnings of affiliates	1	1
Income from continuing operations	74	38
Loss from discontinued operations		(1)
Net income	\$ 74	\$ 37

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

(In millions except per share amounts)	Three Months Ended	
	March 31,	
	2015	2014
Net income attributable to parent company	\$ 63	\$ 34
Restructuring charges (1)	1	9
Amortization of intangibles (1)	4	11
Non-recurring items (1):		
Noncontrolling interests adjustments	4	
Loss on extinguishment of debt	2	
Nonrecurring tax expense	8	
Other items	1	3
Adjusted net income	<u>\$ 83</u>	<u>\$ 57</u>
Diluted shares - as reported	<u>166</u>	<u>177</u>
Adjusted diluted shares	<u>166</u>	<u>177</u>
Diluted adjusted EPS	\$ 0.50	\$ 0.32

(1) Amounts are net of associated tax effect.