

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 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, 2014 and 2013

(In millions except per share amounts)

	Three Months Ended	
	December 31,	
	2014	2013
Net sales	\$ 1,582	\$ 1,624
Costs and expenses		
Cost of sales	1,359	1,412
Selling, general and administrative expenses	101	105
Amortization of intangibles	9	19
Restructuring charges, net	7	10
Loss on disposal group held for sale	(80)	
Pension settlement charges	(42)	
Loss on extinguishment of debt	(19)	
Other income, net	13	17
Income (loss) from continuing operations before interest expense and income taxes	(22)	95
Interest expense	29	30
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)
Net income	108	43
Less: Noncontrolling interests net income (loss)	(1)	1
Net income attributable to the parent company	109	42
Preferred stock dividend requirements		4
Net income available to common stockholders	\$ 109	\$ 38
Net income (loss) per share available to parent company common stockholders:		
Basic:		
Income from continuing operations	\$ 0.71	\$ 0.27
Loss from discontinued operations	\$ (0.06)	\$ (0.01)
Net income	\$ 0.65	\$ 0.26
Diluted:		
Income from continuing operations	\$ 0.71	\$ 0.24
Loss from discontinued operations	\$ (0.07)	\$ (0.01)
Net income	\$ 0.64	\$ 0.23
Weighted-average common shares outstanding		
Basic	168.1	146.0
Diluted	169.3	181.2
Dividends declared per common share	\$ 0.05	\$ 0.05

DANA HOLDING CORPORATION
Consolidated Statement of Operations
For the Year Ended December 31, 2014 and 2013

(In millions except per share amounts)

	Year Ended	
	December 31,	
	2014	2013
Net sales	\$ 6,617	\$ 6,769
Costs and expenses		
Cost of sales	5,672	5,849
Selling, general and administrative expenses	411	410
Amortization of intangibles	42	74
Restructuring charges, net	21	24
Loss on disposal group held for sale	(80)	
Pension settlement charges	(42)	
Loss on extinguishment of debt	(19)	
Other income, net	48	55
Income from continuing operations before interest expense and income taxes	378	467
Interest expense	118	99
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)
Net income	328	260
Less: Noncontrolling interests net income	9	16
Net income attributable to the parent company	319	244
Preferred stock dividend requirements	7	25
Preferred stock redemption premium		232
Net income (loss) available to common stockholders	\$ 312	\$ (13)
 Net income (loss) per share available to parent company common stockholders:		
Basic:		
Income (loss) from continuing operations	\$ 2.07	\$ (0.08)
Loss from discontinued operations	\$ (0.10)	\$ (0.01)
Net income (loss)	\$ 1.97	\$ (0.09)
Diluted:		
Income (loss) from continuing operations	\$ 1.93	\$ (0.08)
Loss from discontinued operations	\$ (0.09)	\$ (0.01)
Net income (loss)	\$ 1.84	\$ (0.09)
Weighted-average common shares outstanding		
Basic	158.0	146.4
Diluted	173.5	146.4
Dividends declared per common share	\$ 0.20	\$ 0.20

DANA HOLDING CORPORATION
Consolidated Statement of Comprehensive Income (Unaudited)
For the Three Months Ended December 31, 2014 and 2013

(In millions)	Three Months Ended	
	December 31,	
	2014	2013
Net income	\$ 108	\$ 43
Less: Noncontrolling interests net income	(1)	1
Net income attributable to the parent company	<u>109</u>	<u>42</u>
Other comprehensive income (loss) attributable to the parent company, net of tax:		
Currency translation adjustments	(74)	(6)
Hedging gains and losses	(6)	
Investment and other gains and losses	1	(3)
Defined benefit plans	(95)	102
Other comprehensive income (loss) attributable to the parent company	<u>(174)</u>	<u>93</u>
Other comprehensive income (loss) attributable to noncontrolling interests, net of tax:		
Currency translation adjustments	(2)	(1)
Other comprehensive loss attributable to noncontrolling interests	<u>(2)</u>	<u>(1)</u>
Total comprehensive income attributable to the parent company	(65)	135
Total comprehensive loss attributable to noncontrolling interests	(3)	-
Total comprehensive income	<u>\$ (68)</u>	<u>\$ 135</u>

DANA HOLDING CORPORATION
Consolidated Statement of Comprehensive Income
For the Year Ended December 31, 2014 and 2013

(In millions)	Year Ended	
	December 31,	
	2014	2013
Net income	\$ 328	\$ 260
Less: Noncontrolling interests net income	9	16
Net income attributable to the parent company	<u>319</u>	<u>244</u>
Other comprehensive income (loss) attributable to the parent company, net of tax:		
Currency translation adjustments	(185)	(40)
Hedging gains and losses	(9)	(4)
Investment and other gains and losses	2	(9)
Defined benefit plans	(78)	122
Other comprehensive income (loss) attributable to the parent company	<u>(270)</u>	<u>69</u>
Other comprehensive income (loss) attributable to noncontrolling interests, net of tax:		
Currency translation adjustments	(4)	(5)
Hedging gains and losses		1
Other comprehensive loss attributable to noncontrolling interests	<u>(4)</u>	<u>(4)</u>
Total comprehensive income attributable to the parent company	49	313
Total comprehensive income attributable to noncontrolling interests	5	12
Total comprehensive income	<u>\$ 54</u>	<u>\$ 325</u>

DANA HOLDING CORPORATION
Consolidated Balance Sheet
As of December 31, 2014 and December 31, 2013

(In millions except share and per share amounts)

	December 31, 2014	December 31, 2013
Assets		
Current assets		
Cash and cash equivalents	\$ 1,121	\$ 1,256
Marketable securities	169	110
Accounts receivable		
Trade, less allowance for doubtful accounts of \$6 in 2014 and \$7 in 2013	755	793
Other	117	223
Inventories	654	670
Other current assets	111	113
Current assets of disposal group held for sale	27	
Total current assets	2,954	3,165
Goodwill	90	106
Intangibles	169	227
Other noncurrent assets	337	196
Investments in affiliates	204	210
Property, plant and equipment, net	1,176	1,225
Total assets	\$ 4,930	\$ 5,129
Liabilities and equity		
Current liabilities		
Notes payable, including current portion of long-term debt	\$ 65	\$ 57
Accounts payable	791	804
Accrued payroll and employee benefits	158	161
Accrued restructuring costs	9	14
Taxes on income	32	35
Other accrued liabilities	185	197
Current liabilities of disposal group held for sale	21	
Total current liabilities	1,261	1,268
Long-term debt	1,613	1,567
Pension and postretirement obligations	580	530
Other noncurrent liabilities	279	351
Noncurrent liabilities of disposal group held for sale	17	
Total liabilities	3,750	3,716
Commitments and contingencies		
Parent company stockholders' equity		
Preferred stock, 50,000,000 shares authorized		
Series B, \$0.01 par value, zero and 3,803,774 shares outstanding		372
Common stock, 450,000,000 shares authorized, \$0.01 par value,		
166,070,057 and 145,338,342 outstanding	2	2
Additional paid-in capital	2,640	2,840
Accumulated deficit	(532)	(812)
Treasury stock, at cost (1,588,990 and 18,742,288 shares)	(33)	(366)
Accumulated other comprehensive loss	(997)	(727)
Total parent company stockholders' equity	1,080	1,309
Noncontrolling equity	100	104
Total equity	1,180	1,413
Total liabilities and equity	\$ 4,930	\$ 5,129

DANA HOLDING CORPORATION
Consolidated Statement of Cash Flows (Unaudited)
For the Three Months Ended December 31, 2014 and 2013

(In millions)	Three Months Ended	
	December 31,	
	2014	2013
Operating activities		
Net income	\$ 108	\$ 43
Depreciation	42	52
Amortization of intangibles	11	22
Amortization of deferred financing charges	1	1
Call premium on senior notes	15	
Write off of deferred financing costs	4	2
Unremitted earnings of affiliates	(2)	6
Stock compensation expense	5	2
Deferred income taxes	(193)	(15)
Pension expense (contributions), net	38	(4)
Loss on disposal group held for sale	78	
Change in working capital	81	179
Change in other noncurrent assets and liabilities	(16)	(1)
Other, net	36	(3)
Net cash provided by operating activities (1)	208	284
Investing activities		
Purchases of property, plant and equipment (1)	(90)	(86)
Purchases of marketable securities	(21)	(4)
Proceeds from sales of marketable securities	5	
Proceeds from maturities of marketable securities	17	1
Other	(5)	1
Net cash used in investing activities	(94)	(88)
Financing activities		
Net change in short-term debt	(3)	(3)
Proceeds from long-term debt	425	6
Repayment of long-term debt	(346)	(2)
Call premium on senior notes	(15)	
Deferred financing payments	(7)	
Dividends paid to preferred stockholders	(2)	(5)
Dividends paid to common stockholders	(8)	(8)
Distributions paid to noncontrolling interests	(1)	
Repurchases of common stock	(79)	(49)
Other	1	1
Net cash provided by (used in) financing activities	(35)	(60)
Net increase (decrease) in cash and cash equivalents	79	136
Cash and cash equivalents – beginning of period	1,103	1,121
Effect of exchange rate changes on cash balances	(34)	(1)
Less: cash of disposal group held for sale	(27)	
Cash and cash equivalents – end of period	\$ 1,121	\$ 1,256

(1) Free cash flow of \$118 in 2014 and \$198 in 2013 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, 2014 and 2013

(In millions)	Year Ended	
	December 31,	
	2014	2013
Operating activities		
Net income	\$ 328	\$ 260
Depreciation	164	175
Amortization of intangibles	49	87
Amortization of deferred financing charges	5	5
Call premium on senior notes	15	
Write off of deferred financing costs	4	4
Unremitted earnings of affiliates	4	(2)
Stock compensation expense	16	16
Deferred income taxes	(199)	(10)
Pension expense (contributions), net	30	(60)
Loss on disposal group held for sale	78	
Interest payment received on payment-in-kind note receivable	40	26
Change in working capital	(39)	104
Change in other noncurrent assets and liabilities	(16)	(3)
Other, net	31	(25)
Net cash provided by operating activities (1)	510	577
Investing activities		
Purchases of property, plant and equipment (1)	(234)	(209)
Acquisition of business		(8)
Principal payment received on payment-in-kind note receivable	35	33
Purchases of marketable securities	(84)	(84)
Proceeds from sales of marketable securities	7	28
Proceeds from maturities of marketable securities	21	8
Proceeds from sale of business	9	1
Other		9
Net cash used in investing activities	(246)	(222)
Financing activities		
Net change in short-term debt	(8)	(14)
Proceeds from letters of credit	12	
Repayment of letters of credit	(8)	
Proceeds from long-term debt	448	817
Repayment of long-term debt	(372)	(57)
Call premium on senior notes	(15)	
Deferred financing payments	(7)	(17)
Preferred stock redemption		(474)
Dividends paid to preferred stockholders	(8)	(28)
Dividends paid to common stockholders	(32)	(30)
Distributions paid to noncontrolling interests	(9)	(11)
Repurchases of common stock	(260)	(337)
Payments to acquire noncontrolling interests		(7)
Other	5	8
Net cash used in financing activities	(254)	(150)
Net increase in cash and cash equivalents	10	205
Cash and cash equivalents – beginning of period	1,256	1,059
Effect of exchange rate changes on cash balances	(118)	(8)
Less: cash of disposal group held for sale	(27)	
Cash and cash equivalents – end of period	\$ 1,121	\$ 1,256

(1) Free cash flow of \$276 in 2014 and \$368 in 2013 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, 2014 and 2013

(In millions)

Three Months Ended

December 31,

Sales	<u>December 31,</u>	
	<u>2014</u>	<u>2013</u>
Light Vehicle	\$ 634	\$ 628
Commercial Vehicle	431	439
Off-Highway	272	305
Power Technologies	245	252
Total Sales	\$ 1,582	\$ 1,624
Segment EBITDA		
Light Vehicle	\$ 74	\$ 63
Commercial Vehicle	34	40
Off-Highway	41	36
Power Technologies	34	36
Total Segment EBITDA	183	175
Corporate expense and other items, net	(5)	1
Structures EBITDA		(2)
Adjusted EBITDA	\$ 178	\$ 174

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
Sales		
Light Vehicle	\$ 2,496	\$ 2,549
Commercial Vehicle	1,838	1,860
Off-Highway	1,231	1,330
Power Technologies	1,052	1,030
Total Sales	<u>\$ 6,617</u>	<u>\$ 6,769</u>
Segment EBITDA		
Light Vehicle	\$ 250	\$ 242
Commercial Vehicle	172	194
Off-Highway	169	163
Power Technologies	154	150
Total Segment EBITDA	<u>745</u>	<u>749</u>
Corporate expense and other items, net	1	(2)
Structures EBITDA		(2)
Adjusted EBITDA	<u>\$ 746</u>	<u>\$ 745</u>

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
Segment EBITDA	\$ 183	\$ 175
Corporate expense and other items, net	(5)	1
Structures EBITDA	-	(2)
Adjusted EBITDA	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		
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)
Net income	\$ 108	\$ 43

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
Segment EBITDA	\$ 745	\$ 749
Corporate expense and other items, net	1	(2)
Structures EBITDA		(2)
Adjusted EBITDA	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)
Net income	\$ 328	\$ 260

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
Net income attributable to parent company	\$ 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
Adjusted net income	<u>\$ 90</u>	<u>\$ 89</u>
Diluted shares - as reported	169	181
Adjusted diluted shares	<u>169</u>	<u>181</u>
Diluted adjusted EPS	\$ 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,	
	<u>2014</u>	<u>2013</u>
Net income attributable to parent company	\$ 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
Adjusted net income	<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>
Diluted adjusted EPS	\$ 1.99	\$ 1.77

(1) Amounts are net of associated tax effect.