

## **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 net income 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 March 31, 2016 and 2015**

(In millions except per share amounts)

	Three Months Ended	
	March 31,	
	2016	2015
<b>Net sales</b>	\$ 1,449	\$ 1,608
Costs and expenses		
Cost of sales	1,250	1,380
Selling, general and administrative expenses	98	100
Amortization of intangibles	2	5
Restructuring charges, net	1	1
Loss on extinguishment of debt		(2)
Other income, net	1	12
Income before interest expense and income taxes	99	132
Interest expense	27	28
Income before income taxes	72	104
Income tax expense	24	31
Equity in earnings of affiliates		1
<b>Net income</b>	48	74
Less: Noncontrolling interests net income	3	11
<b>Net income attributable to the parent company</b>	<u>\$ 45</u>	<u>\$ 63</u>
<b>Net income per share attributable to the parent company</b>		
Basic	\$ 0.30	\$ 0.38
Diluted	\$ 0.30	\$ 0.38
Weighted-average shares outstanding - Basic	149.4	164.7
Weighted-average shares outstanding - Diluted	149.9	166.0
Cash dividends declared per share	\$ 0.06	\$ 0.05

**DANA HOLDING CORPORATION**  
**Consolidated Statement of Comprehensive Income (Unaudited)**  
**For the Three Months Ended March 31, 2016 and 2015**

(In millions)	Three Months Ended	
	March 31,	
	2016	2015
<b>Net income</b>	\$ 48	\$ 74
Less: Noncontrolling interests net income	3	11
<b>Net income attributable to the parent company</b>	<u>45</u>	<u>63</u>
Other comprehensive income (loss) attributable to the parent company, net of tax:		
Currency translation adjustments	29	(99)
Hedging gains and losses	3	(1)
Investment and other gains and losses	2	1
Defined benefit plans	<u>7</u>	<u>16</u>
Other comprehensive income (loss) attributable to the parent company	<u>41</u>	<u>(83)</u>
Other comprehensive income (loss) attributable to noncontrolling interests, net of tax:		
Currency translation adjustments	1	
Defined benefit plans	<u></u>	<u>1</u>
Other comprehensive income attributable to noncontrolling interests	<u>1</u>	<u>1</u>
<b>Total comprehensive income (loss) attributable to the parent company</b>	86	(20)
<b>Total comprehensive income attributable to noncontrolling interests</b>	<u>4</u>	<u>12</u>
<b>Total comprehensive income (loss)</b>	<u>\$ 90</u>	<u>\$ (8)</u>

**DANA HOLDING CORPORATION**  
**Consolidated Balance Sheet (Unaudited)**  
**As of March 31, 2016 and December 31, 2015**

(In millions except share and per share amounts)

	March 31, 2016	December 31, 2015
	<u>                    </u>	<u>                    </u>
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 669	\$ 791
Marketable securities	164	162
Accounts receivable		
Trade, less allowance for doubtful accounts of \$5 in 2016 and 2015	804	673
Other	133	115
Inventories	670	625
Other current assets	123	108
<b>Total current assets</b>	<u>2,563</u>	<u>2,474</u>
Goodwill	91	80
Intangibles	112	102
Other noncurrent assets	342	353
Investments in affiliates	150	150
Property, plant and equipment, net	1,210	1,167
<b>Total assets</b>	<u>\$ 4,468</u>	<u>\$ 4,326</u>
<b>Liabilities and equity</b>		
Current liabilities		
Notes payable, including current portion of long-term debt	\$ 27	\$ 22
Accounts payable	795	712
Accrued payroll and employee benefits	130	145
Taxes on income	19	19
Other accrued liabilities	181	193
<b>Total current liabilities</b>	<u>1,152</u>	<u>1,091</u>
Long-term debt, less debt issuance costs of \$21 in 2016 and 2015	1,574	1,553
Pension and postretirement obligations	523	521
Other noncurrent liabilities	335	330
<b>Total liabilities</b>	<u>3,584</u>	<u>3,495</u>
Commitments and contingencies		
Parent company stockholders' equity		
Preferred stock, 50,000,000 shares authorized, \$0.01 par value, no shares outstanding	-	-
Common stock, 450,000,000 shares authorized, \$0.01 par value, 148,074,536 and 150,068,040 shares outstanding	2	2
Additional paid-in capital	2,313	2,311
Accumulated deficit	(374)	(410)
Treasury stock, at cost (2,412,087 and 23,963 shares)	(30)	(1)
Accumulated other comprehensive loss	(1,133)	(1,174)
Total parent company stockholders' equity	<u>778</u>	<u>728</u>
Noncontrolling equity	106	103
<b>Total equity</b>	<u>884</u>	<u>831</u>
<b>Total liabilities and equity</b>	<u>\$ 4,468</u>	<u>\$ 4,326</u>

**DANA HOLDING CORPORATION**  
**Consolidated Statement of Cash Flows (Unaudited)**  
**For the Three Months Ended March 31, 2016 and 2015**

(In millions)	Three Months Ended	
	March 31,	
	2016	2015
<b>Operating activities</b>		
Net income	\$ 48	\$ 74
Depreciation	41	39
Amortization of intangibles	2	6
Amortization of deferred financing charges	1	1
Call premium on senior notes		2
Earnings of affiliates, net of dividends received	2	1
Stock compensation expense	2	3
Deferred income taxes	4	5
Pension contributions, net	(7)	(5)
Change in working capital	(128)	(141)
Other, net	8	(5)
<b>Net cash used in operating activities (1)</b>	<b>(27)</b>	<b>(20)</b>
<b>Investing activities</b>		
Purchases of property, plant and equipment (1)	(71)	(62)
Acquisition of business	(18)	
Purchases of marketable securities	(12)	(11)
Proceeds from sales of marketable securities	3	10
Proceeds from maturities of marketable securities	8	6
Other	(2)	(2)
<b>Net cash used in investing activities</b>	<b>(92)</b>	<b>(59)</b>
<b>Financing activities</b>		
Net change in short-term debt	11	6
Repayment of letters of credit		(4)
Proceeds from long-term debt	32	18
Repayment of long-term debt	(24)	(56)
Call premium on senior notes		(2)
Dividends paid to common stockholders	(9)	
Distributions paid to noncontrolling interests	(1)	(1)
Repurchases of common stock	(28)	(63)
Other	(1)	(2)
<b>Net cash used in financing activities</b>	<b>(20)</b>	<b>(104)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(139)</b>	<b>(183)</b>
Cash and cash equivalents – beginning of period	791	1,121
Effect of exchange rate changes on cash balances	17	(53)
<b>Cash and cash equivalents – end of period</b>	<b>\$ 669</b>	<b>\$ 885</b>

(1) Free cash flow of (\$98) in 2016 and (\$82) in 2015 is net cash provided by (used in) operating activities less purchases of property, plant and equipment.

**DANA HOLDING CORPORATION**  
**Segment Sales & Segment EBITDA (Unaudited)**  
**For the Three Months Ended March 31, 2016 and 2015**

(In millions)	Three Months Ended	
	March 31,	
	2016	2015
<b>Sales</b>		
Light Vehicle	\$ 613	\$ 637
Commercial Vehicle	333	433
Off-Highway	241	284
Power Technologies	262	254
<b>Total Sales</b>	<u>\$ 1,449</u>	<u>\$ 1,608</u>
<b>Segment EBITDA</b>		
Light Vehicle	\$ 58	\$ 64
Commercial Vehicle	26	35
Off-Highway	32	39
Power Technologies	35	38
<b>Total Segment EBITDA</b>	<u>151</u>	<u>176</u>
Corporate expense and other items, net	(3)	-
<b>Adjusted EBITDA</b>	<u>\$ 148</u>	<u>\$ 176</u>

**DANA HOLDING CORPORATION**  
**Reconciliation of Segment and Adjusted EBITDA**  
**to Net Income (Unaudited)**  
**For the Three Months Ended March 31, 2016 and 2015**

(In millions)

	Three Months Ended	
	March 31,	
	2016	2015
<b>Segment EBITDA</b>	\$ 151	\$ 176
Corporate expense and other items, net	(3)	
<b>Adjusted EBITDA</b>	148	176
Depreciation	(41)	(39)
Amortization of intangibles	(2)	(6)
Restructuring	(1)	(1)
Stock compensation expense	(2)	(3)
Strategic transaction expenses	(2)	(1)
Other items	(4)	
Distressed supplier costs	(1)	
Amounts attributable to previously divested/closed operations	1	
Gain on derecognition of noncontrolling interest		5
Loss on extinguishment of debt		(2)
Interest expense, net	(24)	(25)
Income before income taxes	72	104
Income tax expense	24	31
Equity in earnings of affiliates		1
<b>Net income</b>	<b>\$ 48</b>	<b>\$ 74</b>

**DANA HOLDING CORPORATION**  
**Diluted Adjusted EPS (Unaudited)**  
**For the Three Months Ended March 31, 2016 and 2015**

(In millions except per share amounts)

	Three Months Ended	
	March 31,	
	2016	2015
<b>Net income attributable to parent company</b>	\$ 45	\$ 63
Restructuring charges (1)	1	1
Amortization of intangibles (1)	2	4
Non-recurring items (1):		
Noncontrolling interests adjustment		4
Loss on extinguishment of debt		2
Nonrecurring tax expense	3	8
Other items		1
<b>Adjusted net income</b>	<u>\$ 51</u>	<u>\$ 83</u>
Diluted shares - as reported	<u>150</u>	<u>166</u>
Adjusted diluted shares	<u>150</u>	<u>166</u>
<b>Diluted adjusted EPS</b>	\$ 0.34	\$ 0.50

(1) Amounts are net of associated tax effect.