

**Dana Incorporated**  
**Consolidated Statement of Operations**  
(In millions, except per share amounts)

	2016	2015	2014
<b>Net sales</b>	\$ 5,826	\$ 6,060	\$ 6,617
Costs and expenses			
Cost of sales	4,982	5,211	5,672
Selling, general and administrative expenses	406	391	411
Amortization of intangibles	8	14	42
Restructuring charges, net	36	15	21
Loss on sale of subsidiaries	(80)		
Impairment of long-lived assets		(36)	
Loss on disposal group held for sale			(80)
Pension settlement charges			(42)
Other income, net	18	1	33
Income before interest and income taxes	332	394	382
Loss on extinguishment of debt	(17)	(2)	(19)
Interest income	13	13	15
Interest expense	113	113	118
Income from continuing operations before income taxes	215	292	260
Income tax expense (benefit)	(424)	82	(70)
Equity in earnings (losses) of affiliates	14	(34)	13
Income from continuing operations	653	176	343
Income (loss) from discontinued operations		4	(15)
<b>Net income</b>	653	180	328
Less: Noncontrolling interests net income	13	21	9
<b>Net income attributable to the parent company</b>	640	159	319
<b>Preferred stock dividend requirements</b>			7
<b>Net income available to common stockholders</b>	<u>\$ 640</u>	<u>\$ 159</u>	<u>\$ 312</u>
<b>Net income per share available to parent company common stockholders:</b>			
Basic:			
Income from continuing operations	\$ 4.38	\$ 0.98	\$ 2.07
Income (loss) from discontinued operations	\$ —	\$ 0.02	\$ (0.10)
Net income	\$ 4.38	\$ 1.00	\$ 1.97
Diluted:			
Income from continuing operations	\$ 4.36	\$ 0.97	\$ 1.93
Income (loss) from discontinued operations	\$ —	\$ 0.02	\$ (0.09)
Net income	\$ 4.36	\$ 0.99	\$ 1.84
Weighted-average common shares outstanding			
Basic	146.0	159.0	158.0
Diluted	146.8	160.0	173.5
Dividends declared per common share	\$ 0.24	\$ 0.23	\$ 0.20

The accompanying notes are an integral part of the consolidated financial statements.

**Dana Incorporated**  
**Consolidated Balance Sheet**  
(In millions, except share and per share amounts)

	2016	2015
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 707	\$ 791
Marketable securities	30	162
Accounts receivable		
Trade, less allowance for doubtful accounts of \$6 in 2016 and \$5 in 2015	721	673
Other	110	115
Inventories	638	625
Other current assets	78	65
<b>Total current assets</b>	2,284	2,431
Goodwill	90	80
Intangibles	109	102
Deferred tax assets	588	96
Other noncurrent assets	226	275
Investments in affiliates	150	150
Property, plant and equipment, net	1,413	1,167
<b>Total assets</b>	<b>\$ 4,860</b>	<b>\$ 4,301</b>
<b>Liabilities and equity</b>		
Current liabilities		
Notes payable, including current portion of long-term debt	\$ 69	\$ 22
Accounts payable	819	712
Accrued payroll and employee benefits	149	145
Taxes on income	15	17
Other accrued liabilities	201	193
<b>Total current liabilities</b>	1,253	1,089
Long-term debt, less debt issuance costs of \$21 in 2016 and 2015	1,595	1,553
Pension and postretirement obligations	565	521
Other noncurrent liabilities	205	307
<b>Total liabilities</b>	3,618	3,470
Commitments and contingencies (Note 15)		
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, 143,938,280 and 150,068,040 shares outstanding	2	2
Additional paid-in capital	2,327	2,311
Retained earnings (accumulated deficit)	195	(410)
Treasury stock, at cost (6,812,784 and 23,963 shares)	(83)	(1)
Accumulated other comprehensive loss	(1,284)	(1,174)
<b>Total parent company stockholders' equity</b>	1,157	728
Noncontrolling interests	85	103
<b>Total equity</b>	1,242	831
<b>Total liabilities and equity</b>	<b>\$ 4,860</b>	<b>\$ 4,301</b>

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**Dana Incorporated**  
**Consolidated Statement of Cash Flows**  
(In millions)

	2016	2015	2014
<b>Operating activities</b>			
Net income	\$ 653	\$ 180	\$ 328
Depreciation	173	158	164
Amortization of intangibles	9	16	49
Amortization of deferred financing charges	5	5	5
Call premium on senior notes	12	2	15
Write-off of deferred financing costs	5	1	4
Earnings of affiliates, net of dividends received	(3)	12	4
Stock compensation expense	17	14	16
Deferred income taxes	(480)	(10)	(199)
Pension expense (contributions), net	(16)	(18)	30
Loss on sale of subsidiaries	80		
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	(51)	(41)	(39)
Change in other noncurrent assets and liabilities	(1)	(7)	(16)
Other, net	(19)	19	31
<b>Net cash provided by operating activities</b>	<b>384</b>	<b>406</b>	<b>510</b>
<b>Investing activities</b>			
Purchases of property, plant and equipment	(322)	(260)	(234)
Acquisition of businesses	(78)		
Principal payment received on payment-in-kind note receivable			35
Purchases of marketable securities	(93)	(43)	(84)
Proceeds from sales of marketable securities	47	17	7
Proceeds from maturities of marketable securities	47	30	21
Proceeds from sale of subsidiaries	34		9
Other		(2)	
<b>Net cash used in investing activities</b>	<b>(365)</b>	<b>(258)</b>	<b>(246)</b>
<b>Financing activities</b>			
Net change in short-term debt	9	(5)	(8)
Proceeds from letters of credit			12
Repayment of letters of credit		(4)	(8)
Proceeds from long-term debt	441	18	448
Repayment of long-term debt	(382)	(60)	(372)
Call premium on senior notes	(12)	(2)	(15)
Deferred financing payments	(11)		(7)
Dividends paid to preferred stockholders			(8)
Dividends paid to common stockholders	(35)	(37)	(32)
Distributions to noncontrolling interests	(17)	(9)	(9)
Repurchases of common stock	(81)	(311)	(260)
Other		7	5
<b>Net cash used in financing activities</b>	<b>(88)</b>	<b>(403)</b>	<b>(254)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(69)</b>	<b>(255)</b>	<b>10</b>
Cash and cash equivalents - beginning of period	791	1,121	1,256
Effect of exchange rate changes on cash balances	(15)	(75)	(118)
Less: cash of disposal group held for sale			(27)
<b>Cash and cash equivalents - end of period</b>	<b>\$ 707</b>	<b>\$ 791</b>	<b>\$ 1,121</b>

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