

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

	2017	2016	2015
Net sales	\$ 7,209	\$ 5,826	\$ 6,060
Costs and expenses			
Cost of sales	6,147	4,982	5,211
Selling, general and administrative expenses	511	406	391
Amortization of intangibles	11	8	14
Restructuring charges, net	14	36	15
Loss on disposal group held for sale	(27)		
Loss on sale of subsidiaries		(80)	
Impairment of long-lived assets			(36)
Other income (expense), net	(9)	18	1
Earnings before interest and income taxes	490	332	394
Loss on extinguishment of debt	(19)	(17)	(2)
Interest income	11	13	13
Interest expense	102	113	113
Earnings from continuing operations before income taxes	380	215	292
Income tax expense (benefit)	283	(424)	82
Equity in earnings (losses) of affiliates	19	14	(34)
Income from continuing operations	116	653	176
Income from discontinued operations			4
Net income	116	653	180
Less: Noncontrolling interests net income	10	13	21
Less: Redeemable noncontrolling interests net loss	(5)		
Net income attributable to the parent company	<u>\$ 111</u>	<u>\$ 640</u>	<u>\$ 159</u>
Net income per share available to common stockholders:			
Basic:			
Income from continuing operations	\$ 0.72	\$ 4.38	\$ 0.98
Income from discontinued operations	\$ —	\$ —	\$ 0.02
Net income	\$ 0.72	\$ 4.38	\$ 1.00
Diluted:			
Income from continuing operations	\$ 0.71	\$ 4.36	\$ 0.97
Income from discontinued operations	\$ —	\$ —	\$ 0.02
Net income	\$ 0.71	\$ 4.36	\$ 0.99
Weighted-average common shares outstanding			
Basic	145.1	146.0	159.0
Diluted	146.9	146.8	160.0
Dividends declared per common share	\$ 0.24	\$ 0.24	\$ 0.23

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)

	2017	2016
Assets		
Current assets		
Cash and cash equivalents	\$ 603	\$ 707
Marketable securities	40	30
Accounts receivable		
Trade, less allowance for doubtful accounts of \$8 in 2017 and \$6 in 2016	994	721
Other	172	110
Inventories	969	638
Other current assets	97	78
Current assets of disposal group held for sale	7	
Total current assets	2,882	2,284
Goodwill	127	90
Intangibles	174	109
Deferred tax assets	420	588
Other noncurrent assets	71	226
Investments in affiliates	163	150
Property, plant and equipment, net	1,807	1,413
Total assets	\$ 5,644	\$ 4,860
Liabilities and equity		
Current liabilities		
Notes payable, including current portion of long-term debt	\$ 40	\$ 69
Accounts payable	1,165	819
Accrued payroll and employee benefits	219	149
Taxes on income	53	15
Other accrued liabilities	220	201
Current liabilities of disposal group held for sale	5	
Total current liabilities	1,702	1,253
Long-term debt, less debt issuance costs of \$22 in 2017 and \$21 in 2016	1,759	1,595
Pension and postretirement obligations	607	565
Other noncurrent liabilities	413	205
Noncurrent liabilities of disposal group held for sale	2	
Total liabilities	4,483	3,618
Commitments and contingencies (Note 16)		
Redeemable noncontrolling interests	47	
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, 144,984,050 and 143,938,280 shares outstanding	2	2
Additional paid-in capital	2,354	2,327
Retained earnings	86	195
Treasury stock, at cost (7,001,017 and 6,812,784 shares)	(87)	(83)
Accumulated other comprehensive loss	(1,342)	(1,284)
Total parent company stockholders' equity	1,013	1,157
Noncontrolling interests	101	85
Total equity	1,114	1,242
Total liabilities and equity	\$ 5,644	\$ 4,860

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Dana Incorporated
Consolidated Statement of Cash Flows
(In millions)

	2017	2016	2015
Operating activities			
Net income	\$ 116	\$ 653	\$ 180
Depreciation	220	173	158
Amortization of intangibles	13	9	16
Amortization of deferred financing charges	5	5	5
Call premium on debt	15	12	2
Write-off of deferred financing costs	4	5	1
Earnings of affiliates, net of dividends received	(3)	(3)	12
Stock compensation expense	23	17	14
Deferred income taxes	179	(480)	(10)
Pension contributions, net	(6)	(16)	(18)
(Gain) loss on sale of subsidiaries	(3)	80	
Loss on disposal group held for sale	27		
Impairment of long-lived assets			36
Impairment of equity affiliate			39
Change in working capital	(8)	(51)	(41)
Change in other noncurrent assets and liabilities	(9)	(1)	(7)
Other, net	(19)	(19)	19
Net cash provided by operating activities	554	384	406
Investing activities			
Purchases of property, plant and equipment	(393)	(322)	(260)
Acquisition of businesses, net of cash acquired	(187)	(78)	
Purchases of marketable securities	(35)	(93)	(43)
Proceeds from sales of marketable securities	1	47	17
Proceeds from maturities of marketable securities	27	47	30
Proceeds from sale of subsidiaries	3	34	
Other	3		(2)
Net cash used in investing activities	(581)	(365)	(258)
Financing activities			
Net change in short-term debt	(90)	9	(5)
Repayment of letters of credit			(4)
Proceeds from long-term debt	676	441	18
Repayment of long-term debt	(640)	(382)	(60)
Call premium on debt	(15)	(12)	(2)
Deferred financing payments	(9)	(11)	
Dividends paid to common stockholders	(35)	(35)	(37)
Distributions to noncontrolling interests	(12)	(17)	(9)
Repurchases of common stock		(81)	(311)
Other	5		7
Net cash used in financing activities	(120)	(88)	(403)
Net decrease in cash and cash equivalents	(147)	(69)	(255)
Cash and cash equivalents - beginning of period	707	791	1,121
Effect of exchange rate changes on cash balances	43	(15)	(75)
Cash and cash equivalents - end of period	\$ 603	\$ 707	\$ 791

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