

DANA HOLDING CORP
Form 10-Q
October 23, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549
Form 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

For the quarterly period ended: September 30, 2014
Commission File Number: 1-1063

Dana Holding Corporation
(Exact name of registrant as specified in its charter)

Delaware 26-1531856
(State of incorporation) (IRS Employer Identification Number)

3939 Technology Drive, Maumee, OH 43537
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (419) 887-3000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

There were 169,404,173 shares of the registrant's common stock outstanding at October 10, 2014.

DANA HOLDING CORPORATION – FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2014

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PART I – FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Dana Holding Corporation
Consolidated Statement of Operations (Unaudited)
(In millions except per share amounts)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2014	2013	2014	2013
Net sales	\$1,637	\$1,669	\$5,035	\$5,145
Costs and expenses				
Cost of sales	1,397	1,434	4,313	4,437
Selling, general and administrative expenses	97	97	310	305
Amortization of intangibles	10	18	33	55
Restructuring charges, net	2	8	14	14
Other income, net	20	18	35	38
Income from continuing operations before interest expense and income taxes	151	130	400	372
Interest expense	30	27	89	69
Income from continuing operations before income taxes	121	103	311	303
Income tax expense	29	34	96	96
Equity in earnings of affiliates	2	3	9	10
Income from continuing operations	94	72	224	217
Loss from discontinued operations	(1	) (1	) (4) —
Net income	93	71	220	217
Less: Noncontrolling interests net income	3	3	10	15
Net income attributable to the parent company	90	68	210	202
Preferred stock dividend requirements	2	6	7	21
Preferred stock redemption premium		232		232
Net income (loss) available to common stockholders	\$88	\$(170	) \$203	\$(51
))
Net income (loss) per share available to parent company common stockholders:				
Basic:				
Income (loss) from continuing operations	\$0.57	\$(1.15	) \$1.34	\$(0.35
Loss from discontinued operations	\$(0.01	) \$(0.01	) \$(0.03) \$—
Net income (loss)	\$0.56	\$(1.16	) \$1.31	\$(0.35
))
Diluted:				
Income (loss) from continuing operations	\$0.53	\$(1.15	) \$1.22	\$(0.35
Loss from discontinued operations	\$(0.01	) \$(0.01	) \$(0.02) \$—
Net income (loss)	\$0.52	\$(1.16	) \$1.20	\$(0.35
))
Weighted-average common shares outstanding				
Basic	156.5	145.8	154.6	146.6
Diluted	172.9	145.8	174.9	146.6

Dividends declared per common share	\$0.05	\$0.05	\$0.15	\$0.15
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The accompanying notes are an integral part of the consolidated financial statements.

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Dana Holding Corporation
Consolidated Statement of Comprehensive Income (Unaudited)
(In millions)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2014	2013	2014	2013
Net income	\$93	\$71	\$220	\$217
Less: Noncontrolling interests net income	3	3	10	15
Net income attributable to the parent company	90	68	210	202
Other comprehensive income (loss) attributable to the parent company, net of tax:				
Currency translation adjustments	(113	) 30	(111	) (34
Hedging gains and losses	(4	) (1	) (3	) (4
Investment and other gains and losses	(2	) 3	1	(6
Defined benefit plans	7	6	17	20
Other comprehensive income (loss) attributable to the parent company	(112	) 38	(96	) (24
Other comprehensive income (loss) attributable to noncontrolling interests, net of tax:				
Currency translation adjustments	(2	) 1	(2	) (4
Hedging gains and losses		1		1
Other comprehensive income (loss) attributable to noncontrolling interests	(2	) 2	(2	) (3
Total comprehensive income (loss) attributable to the parent company	(22	) 106	114	178
Total comprehensive income attributable to noncontrolling interests	1	5	8	12
Total comprehensive income (loss)	\$(21	) \$111	\$122	\$190

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

Dana Holding Corporation
Consolidated Balance Sheet (Unaudited)
(In millions except share and per share amounts)

	September 30, 2014	December 31, 2013	
Assets			
Current assets			
Cash and cash equivalents	\$1,103	\$1,256	
Marketable securities	169	110	
Accounts receivable			
Trade, less allowance for doubtful accounts of \$6 in 2014 and \$7 in 2013	902	793	
Other	126	223	
Inventories			
Raw materials	356	337	
Work in process and finished goods	370	333	
Other current assets	115	113	
Total current assets	3,141	3,165	
Goodwill	94	106	
Intangibles	185	227	
Other noncurrent assets	190	196	
Investments in affiliates	204	210	
Property, plant and equipment, net	1,200	1,225	
Total assets	\$5,014	\$5,129	
Liabilities and equity			
Current liabilities			
Notes payable, including current portion of long-term debt	\$29	\$57	
Accounts payable	877	804	
Accrued payroll and employee benefits	167	161	
Accrued restructuring costs	8	14	
Taxes on income	54	35	
Other accrued liabilities	168	197	
Total current liabilities	1,303	1,268	
Long-term debt	1,580	1,567	
Pension and postretirement obligations	461	530	
Other noncurrent liabilities	337	351	
Total liabilities	3,681	3,716	
Commitments and contingencies (Note 13)			
Parent company stockholders' equity			
Preferred stock, 47,500,000 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, 169,949,672 and 145,338,342 outstanding	2	2	
Additional paid-in capital	2,930	2,840	
Accumulated deficit	(632	) (812)
Treasury stock, at cost (12,268,493 and 18,742,288 shares)	(248	) (366)
Accumulated other comprehensive loss			