

DANA HOLDING CORP
Form 10-Q
October 22, 2015

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, 2015
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 152,896,181 shares of the registrant's common stock outstanding at October 9, 2015.

DANA HOLDING CORPORATION – FORM 10-Q
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2015

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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 September 30,		Nine Months Ended September 30,		
	2015	2014	2015	2014	
Net sales	\$1,468	\$1,637	\$4,685	\$5,035	
Costs and expenses					
Cost of sales	1,255	1,397	4,008	4,313	
Selling, general and administrative expenses	98	97	299	310	
Amortization of intangibles	4	10	13	33	
Restructuring charges, net	1	2	13	14	
Impairment of long-lived assets	(36	)	(36)	
Loss on extinguishment of debt			(2)	
Other income, net	2	20	18	35	
Income from continuing operations before interest expense and income taxes	76	151	332	400	
Interest expense	31	30	86	89	
Income from continuing operations before income taxes	45	121	246	311	
Income tax expense (benefit)	(77	) 29	(10	) 96
Equity in earnings of affiliates	—	2	3	9	
Income from continuing operations	122	94	259	224	
Loss from discontinued operations	—	(1) —	(4)
Net income	122	93	259	220	
Less: Noncontrolling interests net income	3	3	18	10	
Net income attributable to the parent company	119	90	241	210	
Preferred stock dividend requirements		2		7	
Net income available to common stockholders	\$119	\$88	\$241	\$203	
Net income per share available to parent company common stockholders:					
Basic:					
Income from continuing operations	\$0.75	\$0.57	\$1.49	\$1.34	
Loss from discontinued operations	\$—	\$(0.01) \$—	\$(0.03)
Net income	\$0.75	\$0.56	\$1.49	\$1.31	
Diluted:					
Income from continuing operations	\$0.75	\$0.53	\$1.48	\$1.22	
Loss from discontinued operations	\$—	\$(0.01) \$—	\$(0.02)
Net income	\$0.75	\$0.52	\$1.48	\$1.20	
Weighted-average common shares outstanding					
Basic	158.0	156.5	161.6	154.6	
Diluted	158.9	172.9	162.7	174.9	

Dividends declared per common share	\$0.06	\$0.05	\$0.17	\$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,	
	2015	2014	2015	2014
Net income	\$122	\$93	\$259	\$220
Less: Noncontrolling interests net income	3	3	18	10
Net income attributable to the parent company	119	90	241	210
Other comprehensive income (loss) attributable to the parent company, net of tax:				
Currency translation adjustments	(66	) (113	) (151	) (111
Hedging gains and losses	1	(4	) 3	(3
Investment and other gains and losses	(5	) (2	) (5	) 1
Defined benefit plans	17	7	40	17
Other comprehensive loss attributable to the parent company	(53	) (112	) (113	) (96
Other comprehensive income (loss) attributable to noncontrolling interests, net of tax:				
Currency translation adjustments	(3	) (2	) (5	) (2
Defined benefit plans			1	
Other comprehensive loss attributable to noncontrolling interests	(3	) (2	) (4	) (2
Total comprehensive income (loss) attributable to the parent company	66	(22	) 128	114
Total comprehensive income attributable to noncontrolling interests	—	1	14	8
Total comprehensive income (loss)	\$66	\$(21	) \$142	\$122

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, 2015	December 31, 2014
Assets		
Current assets		
Cash and cash equivalents	\$817	\$1,121
Marketable securities	157	169
Accounts receivable		
Trade, less allowance for doubtful accounts of \$5 in 2015 and \$6 in 2014	775	755
Other	111	117
Inventories		
Raw materials	334	304
Work in process and finished goods	356	350
Other current assets	131	111
Current assets of disposal group held for sale		27
Total current assets	2,681	2,954
Goodwill	83	90
Intangibles	104	169
Other noncurrent assets	400	337
Investments in affiliates	191	204
Property, plant and equipment, net	1,141	1,176
Total assets	\$4,600	\$4,930
Liabilities and equity		
Current liabilities		
Notes payable, including current portion of long-term debt	\$40	\$65
Accounts payable	796	791
Accrued payroll and employee benefits	151	158
Taxes on income	44	32
Other accrued liabilities	165	194
Current liabilities of disposal group held for sale		21
Total current liabilities	1,196	1,261
Long-term debt	1,566	1,613
Pension and postretirement obligations	501	580
Other noncurrent liabilities	286	279
Noncurrent liabilities of disposal group held for sale		17
Total liabilities	3,549	3,750
Commitments and contingencies (Note 12)		
Parent company stockholders' equity		
Preferred stock, 50,000,000 shares authorized, \$0.01 par value, zero shares outstanding	—	—
Common stock, 450,000,000 shares authorized, \$0.01 par value, 153,989,973 and 166,070,057 shares outstanding	2	2
Additional paid-in capital	2,657	2,640
Accumulated deficit	(318	) (532
Treasury stock, at cost (14,192,554 and 1,588,990 shares)	(281) (33
Accumulated other comprehensive loss	(1,110) (997

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Total parent company stockholders' equity	950	1,080
Noncontrolling equity	101	100
Total equity	1,051	1,180
Total liabilities and equity	\$4,600	\$4,930

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

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Dana Holding Corporation
Consolidated Statement of Cash Flows (Unaudited)
(In millions)

	Nine Months Ended September 30,	
	2015	2014
Operating activities		
Net income	\$259	\$220
Depreciation	117	122
Amortization of intangibles	14	38
Amortization of deferred financing charges	3	4
Call premium on senior notes	2	
Dividends received in excess of current earnings of affiliates	12	6
Stock compensation expense	14	11
Deferred income taxes	(97	) (6
Pension contributions, net	(14	) (8
Impairment of long-lived assets	36	
Interest payment received on payment-in-kind note receivable		40
Change in working capital	(92	) (95
Other, net	12	(5
Net cash provided by operating activities	266	327
Investing activities		
Purchases of property, plant and equipment	(192	) (169
Principal payment received on payment-in-kind note receivable		35
Purchases of marketable securities	(29	) (63
Proceeds from sales of marketable securities	15	2
Proceeds from maturities of marketable securities	21	4
Proceeds from sale of business		9
Other	(3	) 5
Net cash used in investing activities	(188	) (177
Financing activities		
Net change in short-term debt	3	(5
Proceeds from letters of credit		12
Repayment of letters of credit	(4	) (8
Proceeds from long-term debt	18	23
Repayment of long-term debt	(59	) (26
Call premium on senior notes	(2)
Dividends paid to preferred stockholders		(6
Dividends paid to common stockholders	(27	) (24
Distributions to noncontrolling interests	(8	) (8
Repurchases of common stock	(245	) (181
Other	6	4
Net cash used in financing activities	(318	) (219
Net decrease in cash and cash equivalents	(240	) (69
Cash and cash equivalents – beginning of period	1,121	1,256
Effect of exchange rate changes on cash balances	(64) (84

Cash and cash equivalents – end of period	\$817	\$1,103
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The accompanying notes are an integral part of the consolidated financial statements.

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Dana Holding Corporation
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Notes to Consolidated Financial Statements (Unaudited)

(In millions, except share and per share amounts)

Note 1. Organization and Summary of Significant Accounting Policies

General

Dana Holding Corporation (Dana) is headquartered in Maumee, Ohio and was incorporated in Delaware in 2007. As a global provider of high technology driveline (axles, driveshafts and transmissions), sealing and thermal-management products our customer base includes virtually every major vehicle manufacturer in the global light vehicle, medium/heavy vehicle and off-highway markets.

The terms "Dana," "we," "our" and "us," when used in this report, are references to Dana. These references include the subsidiaries of Dana unless otherwise indicated or the context requires otherwise.

Summary of significant accounting policies

Basis of presentation — Our consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States (GAAP) for interim financial information. These statements are unaudited, but in the opinion of management include all adjustments (consisting only of normal recurring adjustments) necessary for a fair presentation of the results for the interim periods. The results reported in these consolidated financial statements should not necessarily be taken as indicative of results that may be expected for the entire year. The financial information included herein should be read in conjunction with the consolidated financial statements in Item 8 of our 2014 Form 10-K.

In the first quarter of 2015, we identified an error attributable to the calculation of noncontrolling interests net income of a subsidiary. The error resulted in an understatement of noncontrolling equity and noncontrolling interests net income and a corresponding overstatement of parent company stockholders' equity and net income attributable to the parent company in prior periods. Based on our assessments of qualitative and quantitative factors, the error and related impacts were not considered material to the financial statements of the prior periods to which they relate. The error was corrected in March 2015 by increasing noncontrolling interests net income by \$9. The correction is not anticipated to be material to our 2015 full year net income attributable to the parent company.

In the third quarter of 2014, we identified an error that had resulted in a \$10 overstatement of the values assigned to our defined benefit pension obligation and goodwill when we applied fresh start accounting in 2008. These overstatements affected pension expense, other comprehensive income and impairment of goodwill in subsequent periods. Based on our assessments of qualitative and quantitative factors, the error and the related impacts were not considered material to the financial statements for the quarter ended September 30, 2014 or the prior periods to which they relate. The error was corrected in September 2014 by decreasing pension and postretirement obligations by \$17, decreasing accumulated other comprehensive loss by \$3 to eliminate the related impacts on unrecognized pension expense and currency translation adjustments, decreasing goodwill by \$3, decreasing cost of sales by \$5 to reverse the cumulative impact on pension expense and crediting other income, net for \$6 to effectively reverse a portion of the goodwill impairment recognized in 2008.

Historically, we have not adjusted the purchases of property, plant and equipment presented in our consolidated statement of cash flows for invoices not paid in cash as of the end of the period. While the error had no impact on the total net cash flows presented in any prior period it did result in a misclassification between net cash provided by (used in) operating activities and net cash used in investing activities. Prior period amounts have been revised to properly reflect capital invoices not paid in cash as of the end of each period presented. Purchases of property, plant

and equipment previously presented for the nine months ended September 30, 2014, have been increased by \$25 with a corresponding offset to change in working capital. At September 30, 2015 and 2014, we had \$42 and \$18 of purchases of property, plant and equipment included in accounts payable.

Held for sale — We classify long-lived assets or disposal groups as held for sale in the period: management commits to a plan to sell; the long-lived asset or disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such long-lived assets or disposal groups; an active program to locate a buyer and other actions required to complete the plan to sell have been initiated; the sale is probable within one year; the asset or disposal group is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Long-lived assets and disposal groups classified as held for sale are measured at the lower of their carrying amount or fair value less costs to sell. See Note 2 for additional information regarding the disposal group held for sale at the end of 2014 and divested in January 2015.

Discontinued operations — Prior to January 1, 2015, we would classify a business component that had been disposed of or classified as held for sale as discontinued operations if the cash flows of the component were eliminated from our ongoing operations and we no longer had any significant continuing involvement in or with the component. The results of operations of our discontinued operations, including any gains or losses on disposition, were aggregated and presented on one line in the income statement. See Note 2 for additional information regarding our discontinued operations.

Recently adopted accounting pronouncements

In April 2014, the Financial Accounting Standards Board (FASB) issued guidance that revises the definition of a discontinued operation. The revised definition limits discontinued operations reporting to disposals of components of an entity that represent strategic shifts that have (or will have) a major effect on operations and financial results. The guidance also requires new disclosures of both discontinued operations and certain other disposals that do not meet the definition of a discontinued operation. The guidance applies to covered transactions that occur after December 31, 2014. The significance of this guidance for us is dependent on any qualifying future dispositions or disposals.

In August 2015, the FASB issued guidance that resolves the issue of whether the scope exception in existing derivatives and hedging guidance is applicable to certain electricity contracts, permitting application of the exception. The guidance confirmed that a forward contract to purchase or sell electricity that is transmitted through a grid operated by an independent system operator will meet the physical delivery criterion under the normal purchases and normal sales scope exception. This guidance is effective immediately, permitting entities to designate prospective qualifying contracts as normal purchases or normal sales. Adoption of the guidance did not impact our consolidated financial statements.

Recently issued accounting pronouncements

In September 2015, the FASB issued an amendment that eliminates the requirement to restate prior period financial statements for measurement period adjustments in accounting for business combinations. Entities should recognize adjustments to provisional amounts that are identified during the measurement period in the reporting period in which the adjustment amounts are determined. This guidance becomes effective January 1, 2016 and requires prospective application. The guidance will apply to any qualifying future business combinations.

In July 2015, the FASB issued an amendment that changes the measurement principle for inventory from the lower of cost or market to lower of cost and net realizable value. This amendment only addresses the measurement of inventory if its value declines or is impaired. The guidance on determining the cost of inventory is not being amended. This guidance becomes effective January 1, 2017 and requires prospective application. Early adoption is permitted. Adoption of this guidance will have no impact on our consolidated financial statements.

In May 2015, the FASB issued guidance that modifies disclosures related to investments for which fair value is measured using the net asset value (or its equivalent) per share practical expedient by eliminating the requirement to categorize such assets under the fair value hierarchy. The new guidance also eliminates the requirement to include in certain disclosures those investments that are merely eligible to be measured using the practical expedient, limiting the disclosures to those investments actually valued under that approach. This guidance becomes effective January 1, 2016 and requires retrospective application. Early adoption is permitted. We are currently evaluating the impact this guidance will have on disclosures covering certain assets held by our pension plans.

In April 2015, the FASB issued an amendment to provide explicit guidance about a customer's accounting for fees paid in a cloud computing arrangement. If a cloud computing arrangement includes a software license, then the customer should account for the software license element of the arrangement consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, then the customer should

account for the arrangement as a service contract. The guidance is effective January 1, 2016 and can be adopted either prospectively to all arrangements entered into or materially modified after the effective date or retrospectively. We are currently evaluating the impact this guidance will have on our consolidated financial statements.

In April 2015, the FASB issued guidance to provide for a practical expedient that permits an entity to measure defined benefit plan assets and obligations as of the month end that is closest to the entity's fiscal year end or the month end that is closest to the date of a significant event caused by the entity that occurred in an interim period. Significant events, such as a plan amendment, settlement or curtailment, call for a remeasurement in accordance with existing requirements. An entity is required to disclose the accounting policy election and the date used to measure defined benefit plan assets and obligations. The guidance is effective January 1, 2016 and early adoption is permitted. The guidance will not impact our consolidated financial statements.

In April 2015, the FASB issued guidance which changes the presentation of debt issuance costs. Debt issuance costs related to term debt will be presented on the balance sheet as a direct deduction from the related debt liability rather than recorded as a separate asset. The amendment does not affect the recognition and measurement of debt issuance costs. There is no effect on the statement of operations as debt issuance costs will continue to be amortized to interest expense. Subsequently, the SEC staff announced that it will not object when debt issuance costs related to a revolving debt arrangement are presented as an asset regardless of whether or not there is an outstanding balance on the revolving debt arrangement. The guidance becomes effective January 1, 2016 and requires retrospective application to all prior periods presented. We intend to early adopt the guidance effective December 31, 2015.

In February 2015, the FASB released updated consolidation guidance that entities must use to evaluate specific ownership and contractual arrangements that lead to a consolidation conclusion. The updates could change consolidation outcomes affecting presentation and disclosures. This guidance becomes effective January 1, 2016. We are currently evaluating the impact this guidance will have on our consolidated financial statements.

In June 2014, the FASB issued guidance to provide clarity on whether to treat a performance target that could be achieved after the requisite service period as a performance condition that affects vesting or as a nonvesting condition that affects the grant-date fair value of a share-based payment award. Generally, an award with a performance target also requires an employee to render service until the performance target is achieved. In some cases, however, the terms of an award may provide that the performance target could be achieved after an employee completes the requisite service period. The amendment requires that a performance target that affects vesting and extends beyond the end of the service period be treated as a performance condition and not as a factor in estimating the grant-date fair value of the award. Compensation cost should be recognized in the period in which it becomes probable that the performance target will be achieved and should represent the compensation cost attributable to the period(s) for which the requisite service has already been rendered. The guidance, which is effective January 1, 2016, is not expected to impact our consolidated financial statements.

In May 2014, the FASB issued guidance that requires companies to recognize revenue in a manner that depicts the transfer of promised goods or services to customers in amounts that reflect the consideration a company expects to be entitled to in exchange for those goods or services. The new guidance will also require new disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. In July 2015, the FASB adopted a one-year deferral of this guidance. As a result, this guidance will be effective January 1, 2018 with the option to adopt the standard as of the original effective date, January 1, 2017. The guidance allows for either a full retrospective or a modified retrospective transition method. We are currently evaluating the impact this guidance will have on our consolidated financial statements.

Note 2. Disposal Groups, Discontinued Operations and Impairment of Long-Lived Assets

Disposal of operations in Venezuela — In December 2014, we entered into an agreement to divest our Light Vehicle operations in Venezuela (the disposal group) to an unaffiliated company for no consideration. Upon classification of the disposal group as held for sale in December 2014, we recognized an \$80 loss to adjust the carrying value of the net assets of our operations in Venezuela to fair value less cost to sell. The assets and liabilities of our operations in Venezuela were presented as held for sale on our balance sheet as of December 31, 2014. The carrying amounts of the major classes of assets and liabilities of our operations in Venezuela as of that date were as follows:

	December 31,
	2014
Cash and cash equivalents	\$27
Current assets classified as held for sale	\$27

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Accounts payable	\$16	
Accrued payroll and employee benefits	4	
Other accrued liabilities	1	
Current liabilities classified as held for sale	\$21	
Pension obligations	\$11	
Other noncurrent liabilities	6	
Noncurrent liabilities classified as held for sale	\$17	
Accumulated other comprehensive loss classified as held for sale	\$(11)

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Upon completion of the divestiture of the disposal group in January 2015, we recognized a gain of \$5 on the derecognition of the noncontrolling interest in a former Venezuelan subsidiary in other income, net. We also credited other comprehensive loss attributable to the parent for \$10 and other comprehensive loss attributable to noncontrolling interests for \$1 to eliminate the unrecognized pension expense recorded in accumulated other comprehensive loss.

Discontinued operations of Structural Products business — In March 2010, we sold substantially all of the assets of our Structural Products business to Metalsa S.A. de C.V. (Metalsa). Upon cessation of all operations in August 2012, the former Structural Products business was presented as discontinued operations in the accompanying financial statements. We reached a final agreement on the remaining issues with the buyer in May 2014, resulting in the receipt of \$9 from the escrow agent and a charge of \$1 to other expense within discontinued operations during the second quarter of 2014. The loss from discontinued operations for the first nine months of 2014 also included legal fees and other costs associated with resolving claims of the buyer and a former customer.

Impairment of long-lived assets — On February 1, 2011, we entered into an agreement with SIFCO S.A. (SIFCO), a leading producer of steer axles and forged components in South America. In return for payment of \$150 to SIFCO, we acquired the distribution rights to SIFCO's commercial vehicle steer axle systems as well as an exclusive long-term supply agreement for key driveline components. During 2014, our Commercial Vehicle operating segment had \$225 of sales attributable to SIFCO supplied axles and parts.

This agreement was accounted for as a business combination for financial reporting purposes. The aggregate fair value of the net assets acquired were allocated primarily to the exclusivity provisions of the supply agreement as a contract-based intangible asset and recorded within our Commercial Vehicle operating segment. Fair value was also allocated to fixed assets and an embedded lease obligation. The intangible asset is being amortized and the fixed assets are being depreciated on a straight-line basis over ten years. The embedded lease obligations are being amortized using the effective interest method over the ten-year useful lives of the related fixed assets.

On April 22, 2014, SIFCO and affiliated companies filed for judicial reorganization before Bankruptcy Court in São Paulo, Brazil, and an ancillary Chapter 15 proceeding before the Bankruptcy Court of the Southern District of New York. The Brazilian bankruptcy case has subsequently been moved to the 5th Lower Civil Court in the Judicial District of Jundiai, the location of SIFCO's principal operations. Until the third quarter of 2015, SIFCO complied with the terms of the supply agreement. In August 2015, SIFCO discontinued production of our orders and failed to comply with provisions of the supply agreement. We obtained a judicial injunction requiring that SIFCO release any finished product in their possession that was produced pursuant to the supply agreement, resume production and parts supply pursuant to the terms of the supply agreement and cease communications with our customers regarding direct sale of parts. SIFCO contested the injunction we obtained, without success, and refused to comply with injunction. Through a judicial seizure order we were successful in obtaining the release of the finished product. However, to date, SIFCO has not complied with requirements to resume production pursuant to the supply agreement and cease direct sale of parts to our customers. Although we continue to pursue the legal rights and remedies available to us to enforce compliance with the supply agreement, the likelihood of success with these efforts is uncertain.

Based on SIFCO's refusal to comply with the terms of the supply agreement and the court injunctions as noted above, we believed that the carrying amount of the contract-based intangible asset is not recoverable and therefore, tested the associated asset group for impairment as of September 30, 2015 under ASC 360-10. Based upon management's conclusion that there were no future economic benefit and related cash flows associated with the long-lived assets of this asset group, which is comprised predominantly of the intangible asset, management concluded that the fair value of the asset group was de minimis and accordingly recorded a full impairment charge of \$36 in the third quarter of 2015.

Note 3. Goodwill and Other Intangible Assets

Goodwill — Our goodwill is assigned to our Off-Highway operating segment. The change in the carrying amount of goodwill in 2015 is due to currency fluctuation.

Components of other intangible assets —

	Weighted Average Useful Life (years)	September 30, 2015			December 31, 2014		
		Gross Carrying Amount	Accumulated Impairment and Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Impairment and Amortization	Net Carrying Amount
Amortizable intangible assets							
Core technology	7	\$87	\$(83)	\$4	\$90	\$(85)	\$5
Trademarks and trade names	16	3	(2)	1	3	(1)	2
Customer relationships	7	387	(373)	14	493	(416)	77
Non-amortizable intangible assets							
Trademarks and trade names		65		65	65		65
Used in research and development activities		20		20	20		20
		\$562	\$(458)	\$104	\$671	\$(502)	\$169

During the third quarter of 2015, we impaired the customer relationships intangible asset associated with our exclusive long-term supply agreement with SIFCO. See Note 2 for additional information.

The net carrying amounts of intangible assets, other than goodwill, attributable to each of our operating segments at September 30, 2015 were as follows: Light Vehicle — \$11, Commercial Vehicle — \$37, Off-Highway — \$48 and Power Technologies — \$8.

Amortization expense related to amortizable intangible assets —

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2015	2014	2015	2014
Charged to cost of sales	\$—	\$1	\$1	\$5
Charged to amortization of intangibles	4	10	13	33
Total amortization	\$4	\$11	\$14	\$38

The following table provides the estimated aggregate pre-tax amortization expense related to intangible assets for each of the next five years based on September 30, 2015 exchange rates. Actual amounts may differ from these estimates due to such factors as currency translation, customer turnover, impairments, additional intangible asset acquisitions and other events.

	Remainder of 2015	2016	2017	2018	2019
Amortization expense	\$2	\$8	\$5	\$2	\$1

Note 4. Restructuring of Operations

Our restructuring activities primarily include rationalizing our operating footprint by consolidating facilities, positioning operations in lower cost locations and reducing overhead costs. Restructuring expense includes costs associated with current and previously announced actions and is comprised of contractual and noncontractual separation costs and exit costs, including costs associated with lease continuation obligations and certain operating

costs of facilities that we are in the process of closing.

During the third quarter of 2015, restructuring expense of \$1 primarily represented continuing exit costs associated with previously announced actions.

During the first nine months of 2015, we also implemented certain headcount reduction initiatives, primarily in our Commercial Vehicle business in Brazil in response to lower demand in that region. Including costs associated with this action and with other previously announced initiatives, restructuring expense for the nine months ended September 30, 2015 was \$13, including \$11 of severance and related benefits costs and \$2 of exit costs.

During the third quarter of 2014, we continued to execute our previously announced initiatives. Restructuring expense during the third quarter of 2014 was \$2, including \$1 of severance and related benefit costs and \$1 of exit costs.

During the first nine months of 2014, we also implemented certain headcount reduction programs, primarily associated with the closure of our Commercial Vehicle foundry operation in Argentina. Including costs associated with this action and with other previously announced initiatives, restructuring expense for the nine months ended September 30, 2014 was \$14, including \$9 of severance and related benefit costs and \$5 of exit costs.

Accrued restructuring costs and activity, including noncurrent portion —

	Employee Termination Benefits	Exit Costs	Total
Balance at June 30, 2015	\$15	\$9	\$24
Charges to restructuring		1	1
Cash payments	(1	) (2	) (3
Currency impact	(2	)	(2
Balance at September 30, 2015	\$12	\$8	\$20
Balance at December 31, 2014	\$12	\$9	\$21
Charges to restructuring	11	2	13
Cash payments	(8	) (3	) (11
Currency impact	(3	)	(3
Balance at September 30, 2015	\$12	\$8	\$20

At September 30, 2015, the accrued employee termination benefits include costs to reduce approximately 100 employees over the next two years. The exit costs relate primarily to lease continuation obligations.

Cost to complete — The following table provides project-to-date and estimated future expenses for completion of our restructuring initiatives.

	Expense Recognized		Total to Date	Future Cost to Complete
	Prior to 2015	2015		
Light Vehicle	\$9	\$1	\$10	\$1
Commercial Vehicle	23	12	35	10
Total	\$32	\$13	\$45	\$11

The future cost to complete includes estimated separation costs and exit costs, including lease continuation costs, equipment transfers and other costs which are required to be recognized as closures are finalized or as incurred during the closure.

Note 5. Stockholders' Equity

Common stock — Our Board of Directors declared a quarterly cash dividend of six cents per share of common stock in the second and third quarters of 2015 and five cents per share of common stock in the first quarter of 2015. Dividends accrue on restricted stock units (RSUs) granted under our stock compensation program and will be paid in cash or additional units when the underlying units vest.

Share repurchase program — Our Board of Directors approved a share repurchase program of \$1,400, expiring on December 31, 2015. Under the program, we spent \$245 to repurchase 12,482,277 shares of our common stock during the first nine months of 2015 through open market transactions. Approximately \$66 remained available under the program for future share repurchases as of September 30, 2015.

Changes in equity —

Three Months Ended September 30,	2015			2014		
	Attributable to Parent	Attributable to Non-controlling Interests	Total Equity	Attributable to Parent	Attributable to Non-controlling Interests	Total Equity
Balance, June 30	\$1,006	\$103	\$1,109	\$1,322	\$104	\$1,426
Total comprehensive income (loss)	66	—	66	(22)	1	(21)
Preferred stock dividends			—	(2)		(2)
Common stock dividends	(9)	)	(9)	(7)	)	(7)
Distributions to noncontrolling interests		(2)	(2)		(1)	(1)
Common stock share repurchases	(119)	)	(119)	(68)	)	(68)
Stock compensation	7		7	6		6
Stock withheld for employee taxes	(1)	)	(1)			—
Balance, September 30	\$950	\$101	\$1,051	\$1,229	\$104	\$1,333
Nine Months Ended September 30,						
Balance, December 31	\$1,080	\$100	\$1,180	\$1,309	\$104	\$1,413
Total comprehensive income	128	14	142	114	8	122
Preferred stock dividends			—	(7)	)	(7)
Common stock dividends	(27)	)	(27)	(23)	)	(23)
Distributions to noncontrolling interests		(8)	(8)		(8)	(8)
Share conversion			—	3		3
Common stock share repurchases	(245)	)	(245)	(181)	)	(181)
Derecognition of noncontrolling interests		(5)	(5)			—
Stock compensation	17		17	16		16
Stock withheld for employee taxes	(3)	)	(3)	(2)	)	(2)
Balance, September 30	\$950	\$101	\$1,051	\$1,229	\$104	\$1,333

Changes in each component of accumulated other comprehensive income (AOCI) of the parent —

	Parent Company Stockholders			Defined Benefit Plans	Accumulated Other Comprehensive Income (Loss)
	Foreign Currency Translation	Hedging	Investments		
Balance, June 30, 2015	\$ (512)	\$ (7)	\$ 5	\$ (543)	\$ (1,057)
Other comprehensive income (loss):					
Currency translation adjustments	(66)				(66)
Holding gains and losses		(4)	(5)		(9)
Reclassification of amount to net income (a)		5			5
Actuarial gain on census update				13	13
Reclassification adjustment for net actuarial losses included in net periodic benefit cost (b)				5	5
Tax expense				(1)	(1)
Other comprehensive income (loss)	(66)	1	(5)	17	(53)
Balance, September 30, 2015	\$ (578)	\$ (6)	\$ —	\$ (526)	\$ (1,110)
Balance, June 30, 2014	\$ (240)	\$ 1	\$ 6	\$ (478)	\$ (711)
Other comprehensive income:					
Currency translation adjustments	(113)				(113)
Holding gains and losses		(5)	(2)		(7)
Venezuelan bolivar devaluation				1	1
Reclassification adjustment for net actuarial losses included in net periodic benefit cost (b)				6	6
Tax expense		1			1
Other comprehensive income (loss)	(113)	(4)	(2)	7	(112)
Balance, September 30, 2014	\$ (353)	\$ (3)	\$ 4	\$ (471)	\$ (823)

	Parent Company Stockholders				
	Foreign Currency Translation	Hedging	Investments	Defined Benefit Plans	Accumulated Other Comprehensive Income (Loss)
Balance, December 31, 2014	\$(427)	\$(9)	\$5	\$(566)	\$(997)
Other comprehensive income (loss):					
Currency translation adjustments	(149)				(149)
Holding loss on net investment hedge	(2)				(2)
Holding gains and losses		(13)	(5)		(18)
Reclassification of amount to net income (a)		16			16
Actuarial gain on census update				13	13
Reclassification adjustment for net actuarial losses included in net periodic benefit cost (b)				18	18
Elimination of net prior service costs and actuarial losses of disposal group				10	10
Tax expense				(1)	(1)
Other comprehensive income (loss)	(151)	3	(5)	40	(113)
Balance, September 30, 2015	\$(578)	\$(6)	\$—	\$(526)	\$(1,110)
Balance, December 31, 2013	\$(242)	\$—	\$3	\$(488)	\$(727)
Other comprehensive income (loss):					
Currency translation adjustments	(111)				(111)
Holding gains and losses		(4)	3		(1)
Reclassification of amount to net income (a)			(2)		(2)
Venezuelan bolivar devaluation				4	4
Reclassification adjustment for net actuarial losses included in net periodic benefit cost (b)				14	14
Tax expense		1		(1)	—
Other comprehensive income (loss)	(111)	(3)	1	17	(96)
Balance, September 30, 2014	\$(353)	\$(3)	\$4	\$(471)	\$(823)

(a) Foreign currency contract and investment reclassifications are included in other income, net.

(b) See Note 8 for additional details.

Upon completion of the divestiture of our operations in Venezuela in January 2015, we eliminated the unrecognized pension expense and the noncontrolling interest related to our former Venezuelan subsidiaries. See Note 2 for additional information regarding the disposal group held for sale at the end of 2014 and divested in January 2015.

Note 6. Earnings per Share

Reconciliation of the numerators and denominators of the earnings per share calculations —

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
Income from continuing operations	\$ 122	\$ 94	\$ 259	\$ 224
Less: Noncontrolling interests	3	3	18	10
Less: Preferred stock dividend requirements		2		