



Stoneridge, Inc.
Use of Non-GAAP Financial Information

In addition to the results reported in accordance with U.S. generally accepted accounting principles (“GAAP”) throughout the live Internet broadcast of Stoneridge’s conference call regarding 2004 fourth-quarter results on Tuesday, February 8, 2005, the Company has provided information regarding certain non-GAAP financial measures.

Set forth, as required by Regulation G, are reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP.

(in thousands)

	Three Months Ended December 31,	
	2004	2003
<u>Earnings before interest, other income, goodwill impairment, taxes, depreciation and amortization</u>		
Net (loss) income	\$ (112,674)	\$ 5,081
Interest expense, net	5,929	7,093
Other income, net	(113)	(121)
Goodwill impairment loss	183,450	--
(Benefit) Provision for income taxes	(68,616)	1,974
Depreciation and amortization	6,045	5,731
Earnings before interest, other income, taxes, depreciation and amortization	<u>\$ 14,021</u>	<u>\$ 19,758</u>

	Three Months Ended December 31, 2004
<u>Net income, excluding the goodwill impairment loss</u>	
Net loss	\$ (114,924)
Goodwill impairment loss	183,450
Tax benefit related to goodwill impairment loss	(63,699)
Net income, excluding the goodwill impairment loss	<u>\$ 4,827</u>
Diluted net income per share, excluding the goodwill impairment loss	<u>\$ 0.21</u>
Diluted weighted average shares outstanding	<u>22,915</u>

	Three Months Ended September 30,	
	<u>2004</u>	<u>2003</u>
<u>Operating cash flow, net of fixed asset additions</u>		
Operating cash flow	\$ 20,468	\$ 21,317
Less: Capital expenditures	(5,809)	(14,767)
Operating cash flow, net of fixed asset additions	<u>\$ 14,659</u>	<u>\$ 6,550</u>