



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 fourth-quarter 2005 results on Tuesday, February 14, 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)

	For the Three Months Ended December 31,		For the Fiscal Year Ended December 31,	
	2005	2004	2005	2004
<u>Earnings before interest, other income, taxes, depreciation and amortization</u>				
Net income (loss).....	\$ (2,959)	\$ (114,924)	\$ 933	\$ (92,503)
Interest expense, net.....	5,899	5,928	23,872	24,456
Other income, net.....	(978)	(113)	(5,081)	(870)
Provision for income taxes.....	(180)	(66,365)	3,503	(56,653)
Depreciation and amortization.....	6,202	6,045	25,742	24,802
Earnings before interest, other income, taxes, depreciation and amortization.....	<u>\$ 7,984</u>	<u>\$ (169,429)</u>	<u>\$ 48,969</u>	<u>\$ (100,768)</u>
<u>Operating cash flow, net of fixed asset additions</u>				
Operating cash flow.....	\$ 3,540	\$ 20,447	\$ 19,061	\$ 48,276
Less: Capital additions.....	<u>(8,000)</u>	<u>(5,808)</u>	<u>(28,934)</u>	<u>(23,917)</u>
Operating cash flow, net of fixed asset additions.....	<u>\$ (4,460)</u>	<u>\$ 14,639</u>	<u>\$ (9,873)</u>	<u>\$ 24,359</u>