



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 2008 results on Wednesday, February 25, 2009, 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 the following tables (in thousands except per share amounts).

	For the Three Months Ended December 31,		For the Fiscal Year Ended December 31,	
	2008	2007	2008	2007
	Dollars	Dollars	Dollars	Dollars
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<u>Earnings before interest, other income, taxes, depreciation and amortization</u>				
Net income (loss).....	\$ (108,394)	\$ 6,481	\$ (97,527)	\$ 16,671
Interest expense, net.....	5,274	5,189	20,575	21,759
Equity in earnings of investees.....	(2,284)	(2,969)	(13,490)	(10,893)
Other (income) expense, net.....	(395)	(76)	419	709
Provision for income taxes.....	36,723	4,319	46,752	6,553
Depreciation and amortization.....	5,541	6,573	26,399	28,502
Earnings before interest, other income, taxes, depreciation and amortization.....	<u>\$ (63,535)</u>	<u>\$ 19,517</u>	<u>\$ (16,872)</u>	<u>\$ 63,301</u>
Goodwill impairment, net of tax benefits.....	46,052	-	46,052	-
Deferred tax asset valuation allowance.....	62,006	-	62,006	-
Earnings before interest, other income, taxes, depreciation, amortization, goodwill impairment and tax asset valuation allowance.....	<u>\$ 44,523</u>	<u>\$ 19,517</u>	<u>\$ 91,186</u>	<u>\$ 63,301</u>
<u>Operating cash flow, net of fixed asset additions</u>				
Operating cash flow.....	\$ 11,788	\$ 25,616	\$ 42,456	\$ 33,525
Less: Capital additions.....	(6,617)	(3,883)	(24,573)	(18,141)
Operating cash flow, net of fixed asset additions.....	<u>\$ 5,171</u>	<u>\$ 21,733</u>	<u>\$ 17,883</u>	<u>\$ 15,384</u>

	For the Three Months Ended December 31,				For the Fiscal Year Ended December 31,			
	2008		2007		2008		2007	
	Dollars (Unaudited)	EPS	Dollars (Unaudited)	EPS	Dollars (Unaudited)	EPS	Dollars (Audited)	EPS
<u>Adjusted net income per share before restructuring related expenses and other non-recurring items</u>								
Net income (loss).....	\$ (108,394)	\$ (4.63)	\$ 6,481	\$ 0.28	\$ (97,527)	\$ (4.17)	\$ 16,671	\$ 0.71
Total restructuring related expenses, net of tax benefits.....	3,386	0.14	867	0.04	12,286	0.53	915	0.04
Goodwill impairment, net of tax benefits.....	46,052	1.97	-	-	46,052	1.97	-	-
Deferred tax asset valuation allowance.....	<u>62,006</u>	2.65	<u>-</u>	-	<u>62,006</u>	2.65	<u>-</u>	-
Adjusted net income before restructuring related expenses and other non-recurring items.....	<u>\$ 3,050</u>	\$ 0.13	<u>\$ 7,348</u>	\$ 0.31	<u>\$ 22,817</u>	\$ 0.98	<u>\$ 17,586</u>	\$ 0.75
Diluted weighted average shares outstanding ¹	<u>23,407</u>		<u>23,524</u>		<u>23,367</u>		<u>23,548</u>	

1 - Basic and Diluted weighted average shares outstanding are the same for 2008 periods as a net loss caused the dilutive shares to have an anti-dilutive effect.