
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): July 20, 2005

Dana Corporation

(Exact name of registrant as specified in its charter)

Virginia

(State or other jurisdiction
of incorporation)

1-1063

(Commission File Number)

34-4361040

(IRS Employer
Identification Number)

4500 Dorr Street, Toledo, Ohio

(Address of principal executive offices)

43615

(Zip Code)

Registrant's telephone number, including area code: (419) 535-4500

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-
-

TABLE OF CONTENTS

[Item 2.02. Results of Operations and Financial Condition.](#)

[Item 7.01. Regulation FD Disclosure.](#)

[Item 9.01. Financial Statements and Exhibits.](#)

[Signatures](#)

[Exhibit Index](#)

[EX-99.1 Press Release Dated July 20, 2005](#)

[EX-99.2 Slide Presentation for July 20, 2005 Conference Call](#)

Item 2.02. Results of Operations and Financial Condition.

On July 20, 2005, Dana Corporation (Dana) issued a news release regarding its earnings for the fiscal quarter and six-month period ended June 30, 2005. A copy of that release is furnished as Exhibit 99.1 to this Current Report.

The earnings release includes tables showing (i) Dana Corporation (Including Dana Credit Corporation on an Equity Basis), Condensed Statements of Income (Unaudited) for the Three Months and Six Months Ended June 30, 2005 and 2004; (ii) Dana Corporation (Including Dana Credit Corporation on an Equity Basis), Condensed Balance Sheets (Unaudited) as of June 30, 2005 and December 31, 2004; and (iii) Dana Corporation (Including Dana Credit Corporation on an Equity Basis), Cash Flow Impacts on Net Debt (Unaudited) for the Three Months and Six Months Ended June 30, 2005 and 2004. As accounting principles generally accepted in the United States (GAAP) require that Dana Credit Corporation (DCC) be included in Dana's results on a consolidated basis, these tables contain non-GAAP financial measures. For each of these tables, the earnings release also includes (i) a presentation of the most directly comparable financial measures calculated and presented in accordance with GAAP and (ii) a quantitative reconciliation of the differences between the non-GAAP financial measures disclosed and the most directly comparable GAAP financial measures. Management believes that the presentation of the non-GAAP financial measures provides useful information to investors regarding Dana's financial condition and results of operations because management evaluates Dana's operating segments and regions as if DCC were accounted for on the equity method of accounting. This is done because DCC is not homogenous with Dana's manufacturing operations, its financing activities do not support the sales of the other operating segments and its financial and performance measures are inconsistent with those of the other operating segments. Moreover, the financial covenants contained in Dana's long-term bank facility are measured with DCC accounted for on an equity basis.

Item 7.01. Regulation FD Disclosure.

During a conference call scheduled to be held at 1:00 p.m. EDT on July 20, 2005, Dana's Chairman and Chief Executive Officer, Michael J. Burns, and Chief Financial Officer, Robert C. Richter, will discuss Dana's second quarter and six-month 2005 results. Copies of the slides for this presentation are furnished as Exhibit 99.2 to this Current Report.

Certain of the slides in Exhibit 99.2 include financial measures which are not presented in accordance with GAAP. These include (i) slide 3 (which presents income from continuing operations, excluding unusual items); and (ii) slides 13, 14, 15 and 16, (which include DCC on an equity basis). Slides 33 through 38 of the presentation; Item 2.02, above; and Dana's earnings release in the attached Exhibit 99.1 also contain information about the reconciliation of some of these non-GAAP financial measures to comparable GAAP financial measures and an explanation of why management believes the non-GAAP financial measures provide useful information to investors.

[Table of Contents](#)

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

99.1 Press release dated July 20, 2005 (furnished but not filed)

99.2 Slides for July 20, 2005 conference call (furnished but not filed)

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dana Corporation
(Registrant)

Date: July 20, 2005

By: /s/ Robert C. Richter
Name: Robert C. Richter
Title: Chief Financial Officer

Exhibit Index

99.1 Press release dated July 20, 2005

99.2 Slide presentation for July 20, 2005 conference call



Contact: Michelle Hards
(419) 535-4636
michelle.hards@dana.com

Dana Corporation Reports Second-Quarter Results

TOLEDO, Ohio, July 20, 2005 – Dana Corporation (NYSE: DCN) today reported financial results for the second quarter of 2005, which showed significant improvement over results for the first three months of the year. Second-quarter highlights included:

- ¾ Sales of \$2.6 billion were up 6 percent from the first quarter of 2005;
- ¾ The addition of \$215 million in net new business for the years 2005 to 2007 raised total net new business for this period to \$1.3 billion;
- ¾ Higher sales and cost savings drove operating profit improvements of 53 percent in the Automotive Systems Group and 48 percent in the Heavy Vehicle Technologies and Systems Group; and
- ¾ Net income, exclusive of unusual items, increased to \$53 million, or 35 cents per share, compared to \$18 million, or 12 cents per share, during the first three months of 2005. Unusual items in the second quarter included a net charge of \$5 million related to enactment of new Ohio tax legislation and a \$3 million net gain from the sale of certain Dana Credit Corporation (DCC) assets. With these unusual items, net income totaled \$51 million, or 34 cents per share.

“In the face of continuing industry-wide challenges, Dana people have made significant progress in strengthening our company,” said Dana Chairman and CEO Mike Burns. “Specifically, our lean manufacturing and value engineering programs are delivering tangible results as evidenced by the substantial profit improvement from last quarter.

“Our cost reduction and efficiency programs are essential. But equally important to achieving our goals is our aggressive pursuit of steady top-line growth,” Mr. Burns said. “To this end, we are extremely pleased to report that we have added another \$215 million in the second quarter to our increasingly strong – and diverse – book of new business.”

Second-Quarter Results

Second-quarter sales in 2005 were \$2.6 billion, compared to \$2.3 billion during the same period last year. Earnings from continuing operations for the quarter, excluding unusual items, totaled \$53 million, or 35 cents per share, compared to \$59 million, or 39 cents per share, on a similar basis during the second quarter of 2004.

(more)

Net unusual charges for the second quarter of 2005 totaled \$2 million. This amount included a net charge of \$5 million resulting from a change in the basis of Ohio corporate taxation enacted on June 30. The accounting treatment of this change impacted the company's deferred tax assets. This charge was partially offset by a \$3 million gain from the company's ongoing divestiture of DCC leasing assets.

The second quarter of 2004 included net unusual gains of \$33 million associated with the sale of DCC assets and a tax benefit that we expected to realize on the sale of the automotive aftermarket operations that was completed in November 2004. Reported second-quarter 2004 net income, including net unusual gains, totaled \$110 million, or 73 cents per share.

Business Unit Performance

The Heavy Vehicle Technologies and Systems Group continued to benefit from the strong commercial and off-highway markets. Its sales grew by 21 percent in the second quarter compared to the same period last year. Currency translation added \$11 million to the group's sales for the second quarter of 2005. Automotive Systems Group sales for the second quarter of 2005 were up 10 percent versus the same period last year, with currency translation contributing \$62 million.

Heavy Vehicle profits were up 19 percent compared to the second quarter of 2004, while Automotive Systems profits were down 15 percent over the same period. Second-quarter profits – particularly those of the Automotive Systems Group – were negatively impacted by approximately \$27 million, after tax and net of customer recoveries, in additional steel costs Dana incurred compared to the second quarter of 2004. Additionally, 2005 profit after tax for the Heavy Vehicle group was favorably impacted by \$4 million related to a decrease in the group's liability for warranty to reflect lower average claims costs.

2005 First-Half Results

Dana's six-month consolidated sales for 2005 were \$5.1 billion. Income from continuing operations for the first half of 2005, excluding unusual items, was \$71 million, or 47 cents per share. Including a net charge of \$2 million for unusual items, net income for the six months was \$69 million, or 46 cents per share.

In comparison, Dana's six-month consolidated sales for the first half of 2004 totaled \$4.6 billion and income from continuing operations, excluding unusual items, was \$109 million, or 72 cents per share. In this period, Dana reported income from discontinued operations of \$48 million, or 32 cents per share, representing the automotive aftermarket businesses divested in November 2004. The \$48 million included a \$20 million tax benefit expected to be realized on the divestiture and a \$3 million charge for divestiture-related expenses. Also during the first half of 2004, the company reported gains on the sale of DCC assets totaling \$18 million. Including unusual items, net income for the first half of 2004 was \$175 million.

Looking Ahead

"We are encouraged by the profit improvement we've achieved since last quarter," Mr. Burns said. "And we believe there is considerable opportunity to achieve additional cost savings and process efficiencies as our efforts gain more momentum."

“Production schedules for North American heavy trucks continue to be stronger than expected and, as a result, we are raising our estimate for full-year 2005 production to 310,000 units from 293,000 units. The off-highway market segments we serve are also expected to remain strong for the rest of the year,” he said. “We’re also expecting to benefit from subsiding steel costs, which will be particularly important to the Automotive Systems Group.

“However,” Mr. Burns continued, “given the uncertainty surrounding North American light vehicle production in the second half of the year, we are lowering our 2005 production forecast to 15.5 million units from 15.7 million units. We are also concerned about the possible impact on sales if the dollar continues to gain strength. As a result, our earnings expectations for the full year remain unchanged at a range of \$1.30 to \$1.45 per share.”

Quarterly Conference Call Scheduled Today at 1 p.m.

Dana will discuss its second-quarter results in a conference call at 1 p.m. (ET) today. The call may be accessed via Dana’s web site (www.dana.com), where it will be accompanied by a slide presentation, or by dialing (800) 275-3210. Please dial into the conference five minutes prior to the call. An audio recording of this conference call will be available after 5 p.m. today. To access this recording, please dial (800) 537-8823. A webcast replay of the call will also be available after 5 p.m. today and will be accessible via the Dana web site.

About Dana Corporation

Dana people design and manufacture products for every major vehicle producer in the world. Dana is focused on being an essential partner to automotive, commercial, and off-highway vehicle customers, which collectively produce more than 60 million vehicles annually. A leading supplier of axle, driveshaft, engine, frame, chassis, and transmission technologies, Dana employs 46,000 people in 28 countries. Based in Toledo, Ohio, the company reported sales of \$9.1 billion in 2004. Dana’s Internet address is: www.dana.com.

Forward-Looking Statements

Certain statements contained in this release constitute “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements represent Dana’s expectations based on our current information and assumptions. Forward-looking statements are inherently subject to risks and uncertainties. Dana’s actual results could differ materially from those that are anticipated or projected due to a number of factors. These factors include national and international economic conditions; adverse effects from terrorism or hostilities; the strength of other currencies relative to the U.S. dollar; increases in commodity costs, including steel, that cannot be recouped in product pricing; our ability and that of our customers to achieve projected sales and production levels; the continued availability of necessary goods and services from our suppliers; competitive pressures on our sales and pricing; the success of our cost reduction, cash management, and long-term transformation programs, and our U.S. tax loss carryforward utilization strategies, and other factors set out in our public filings with the Securities and Exchange Commission. Dana does not undertake to update any forward-looking statements in this release.

###

Dana Corporation
Financial Summary (Unaudited)
(in millions, except per share amounts)

	Three Months Ended June 30	
	2005	2004
Sales	\$ 2,632	\$ 2,331
Income from continuing operations	\$ 51	\$ 75
Income from discontinued operations		35
Net income	\$ 51	\$ 110
Income from continuing operations	\$ 51	\$ 75
Net gains associated with DCC asset sales	(3)	(16)
Charge related to Ohio tax legislation	5	
Income from continuing operations, excluding unusual items	\$ 53	\$ 59
Income from discontinued operations	\$ —	\$ 35
Anticipated tax benefit related to sale of automotive aftermarket business		(20)
Charges related to sales of discontinued operations		3
Income from discontinued operations, excluding unusual items	\$ —	\$ 18
Diluted earnings per share:		
Income from continuing operations	\$ 0.34	\$ 0.50
Income from discontinued operations		0.23
Net income	\$ 0.34	\$ 0.73
Income from continuing operations, excluding unusual items	\$ 0.35	\$ 0.39
Income from discontinued operations, excluding unusual items		0.12
Net income, excluding unusual items	0.35	0.51
Unusual items	(0.01)	0.22
Net income	\$ 0.34	\$ 0.73

Dana Corporation
 Financial Summary (Unaudited)
 (in millions, except per share amounts)

	Six Months Ended June 30	
	2005	2004
Sales	\$ 5,120	\$ 4,642
Income from continuing operations	\$ 69	\$ 127
Income from discontinued operations		48
Net income	\$ 69	\$ 175
Income from continuing operations	\$ 69	\$ 127
Net gains associated with DCC asset sales	(3)	(18)
Charge related to Ohio tax legislation	5	
Income from continuing operations, excluding unusual items	\$ 71	\$ 109
Income from discontinued operations	\$ —	\$ 48
Anticipated tax benefit related to sale of automotive aftermarket business		(20)
Charges related to sale of discontinued operations		3
Income from discontinued operations, excluding unusual items	\$ —	\$ 31
Diluted earnings per share:		
Income from continuing operations	\$ 0.46	\$ 0.84
Income from discontinued operations		0.32
Net income	\$ 0.46	\$ 1.16
Income from continuing operations, excluding unusual items	\$ 0.47	\$ 0.72
Income from discontinued operations, excluding unusual items		0.21
Net income, excluding unusual items	0.47	0.93
Unusual items	(0.01)	0.23
Net income	\$ 0.46	\$ 1.16

Dana Corporation
Condensed Statement of Income (Unaudited)
(in millions, except per share amounts)

	Three Months Ended June 30	
	2005	2004
Net sales	\$ 2,632	\$ 2,331
Revenue from lease financing and other income	25	25
	<u>2,657</u>	<u>2,356</u>
Costs and expenses		
Cost of sales	2,428	2,101
Selling, general and administrative expenses	136	124
Interest expense	40	51
	<u>2,604</u>	<u>2,276</u>
Income before income taxes	53	80
Income tax expense	(10)	(6)
Minority interest	(3)	(3)
Equity in earnings of affiliates	11	4
Income from continuing operations	51	75
Income from discontinued operations		35
Net income	<u>\$ 51</u>	<u>\$ 110</u>
Basic earnings per share		
Income from continuing operations	\$ 0.34	\$ 0.51
Income from discontinued operations		0.23
Net income	<u>\$ 0.34</u>	<u>\$ 0.74</u>
Diluted earnings per share		
Income from continuing operations	\$ 0.34	\$ 0.50
Income from discontinued operations		0.23
Net income	<u>\$ 0.34</u>	<u>\$ 0.73</u>
Average shares outstanding -		
For Basic EPS	150	149
For Diluted EPS	151	151

Dana Corporation
Condensed Statement of Income (Unaudited)
(in millions, except per share amounts)

	Six Months Ended June 30	
	2005	2004
Net sales	\$ 5,120	\$ 4,642
Revenue from lease financing and other income	57	39
	<u>5,177</u>	<u>4,681</u>
Costs and expenses		
Cost of sales	4,753	4,206
Selling, general and administrative expenses	274	258
Interest expense	83	102
	<u>5,110</u>	<u>4,566</u>
Income before income taxes	67	115
Income tax expense	(10)	(3)
Minority interest	(6)	(6)
Equity in earnings of affiliates	18	21
Income from continuing operations	69	127
Income from discontinued operations		48
Net income	<u>\$ 69</u>	<u>\$ 175</u>
Basic earnings per share		
Income from continuing operations	\$ 0.46	\$ 0.86
Income from discontinued operations		0.32
Net income	<u>\$ 0.46</u>	<u>\$ 1.18</u>
Diluted earnings per share		
Income from continuing operations	\$ 0.46	\$ 0.84
Income from discontinued operations		0.32
Net income	<u>\$ 0.46</u>	<u>\$ 1.16</u>
Average shares outstanding -		
For Basic EPS	150	148
For Diluted EPS	151	150

Dana Corporation
Condensed Balance Sheet (Unaudited)
(in millions)

<u>Assets</u>	June 30 2005	December 31 2004
Current assets		
Cash and cash equivalents	\$ 666	\$ 634
Accounts receivable		
Trade	1,478	1,266
Other	295	444
Inventories	920	907
Other current assets	276	217
Total current assets	3,635	3,468
Investment in leases	246	281
Investments and other assets	3,037	3,145
Property, plant and equipment, net	1,998	2,153
Total assets	<u>\$ 8,916</u>	<u>\$ 9,047</u>
Liabilities and Shareholders' Equity		
Current liabilities		
Notes payable	\$ 409	\$ 155
Accounts payable	1,356	1,317
Other current liabilities	1,006	1,217
Total current liabilities	2,771	2,689
Long-term debt	1,979	2,054
Deferred employee benefits and other noncurrent liabilities	1,677	1,746
Minority interest	131	123
Shareholders' equity	2,358	2,435
Total liabilities and shareholders' equity	<u>\$ 8,916</u>	<u>\$ 9,047</u>

Dana Corporation
Condensed Statement of Cash Flows (Unaudited)
(in millions)

	Three Months Ended June 30	
	2005	2004
Net income	\$ 51	\$ 110
Depreciation and amortization	80	90
Gain on divestitures and asset sales	(4)	(21)
Working capital decrease (increase)	(21)	58
Deferred taxes	(23)	(46)
Other	(47)	(74)
Net cash flows — operating activities	<u>36</u>	<u>117</u>
Purchases of property, plant and equipment	(62)	(63)
Payments received on leases and loans	1	4
Asset sales	102	52
Other	(17)	(41)
Net cash flows — investing activities	<u>24</u>	<u>(48)</u>
Net change in short-term debt	61	38
Payments on long-term debt	(25)	(45)
Dividends paid	(18)	(18)
Other	(2)	5
Net cash flows — financing activities	<u>16</u>	<u>(20)</u>
Net change in cash and cash equivalents	76	49
Net change in cash — discontinued operations		2
Cash and cash equivalents — beginning of period	590	546
Cash and cash equivalents — end of period	<u>\$ 666</u>	<u>\$ 597</u>

Dana Corporation
Condensed Statement of Cash Flows (Unaudited)
(in millions)

	Six Months Ended June 30	
	2005	2004
Net income	\$ 69	\$ 175
Depreciation and amortization	163	183
Gain on divestitures and asset sales	(5)	(25)
Working capital increase	(287)	(164)
Deferred taxes	(35)	(41)
Other	(72)	(73)
Net cash flows — operating activities	<u>(167)</u>	<u>55</u>
Purchases of property, plant and equipment	(132)	(142)
Payments received on leases and loans	5	8
Payments received from DCC partnerships	64	15
Asset sales	137	155
Other	(16)	(55)
Net cash flows — investing activities	<u>58</u>	<u>(19)</u>
Net change in short-term debt	225	153
Proceeds from long-term debt		5
Payments on long-term debt	(45)	(304)
Dividends paid	(36)	(36)
Other	(3)	10
Net cash flows — financing activities	<u>141</u>	<u>(172)</u>
Net change in cash and cash equivalents	32	(136)
Net change in cash — discontinued operations		2
Cash and cash equivalents — beginning of period	634	731
Cash and cash equivalents — end of period	<u>\$ 666</u>	<u>\$ 597</u>

Dana Corporation
(Including Dana Credit Corporation on an Equity Basis)
Condensed Statement of Income (Unaudited)
(in millions)

	<u>Three Months Ended June 30</u>	
	<u>2005</u>	<u>2004</u>
Net sales	\$ 2,632	\$ 2,331
Other income	25	13
	<u>2,657</u>	<u>2,344</u>
Costs and expenses		
Cost of sales	2,432	2,108
Selling, general and administrative expenses	126	123
Interest expense	33	39
	<u>2,591</u>	<u>2,270</u>
Income before income taxes	66	74
Income tax expense	(27)	(27)
Minority interest	(3)	(3)
Equity in earnings of affiliates	15	31
Income from continuing operations	51	75
Income from discontinued operations		35
Net income	<u>\$ 51</u>	<u>\$ 110</u>

Dana Corporation
(Including Dana Credit Corporation on an Equity Basis)
Condensed Statement of Income (Unaudited)
(in millions)

	Six Months Ended June 30	
	2005	2004
Net sales	\$ 5,120	\$ 4,642
Other income	43	20
	<u>5,163</u>	<u>4,662</u>
Costs and expenses		
Cost of sales	4,762	4,222
Selling, general and administrative expenses	257	243
Interest expense	67	77
	<u>5,086</u>	<u>4,542</u>
Income before income taxes	77	120
Income tax expense	(27)	(38)
Minority interest	(6)	(6)
Equity in earnings of affiliates	25	51
Income from continuing operations	69	127
Income from discontinued operations		48
Net income	<u>\$ 69</u>	<u>\$ 175</u>

Dana Corporation
(Including Dana Credit Corporation on an Equity Basis)
Condensed Balance Sheet (Unaudited)
(in millions)

<u>Assets</u>	<u>June 30 2005</u>	<u>December 31 2004</u>
Current assets		
Cash and cash equivalents	\$ 651	\$ 619
Accounts receivable		
Trade	1,478	1,266
Other	295	445
Inventories	920	907
Other current assets	256	192
Total current assets	3,600	3,429
Investments and other assets	3,245	3,337
Property, plant and equipment, net	1,943	2,015
Total assets	<u>\$ 8,788</u>	<u>\$ 8,781</u>
Liabilities and Shareholders' Equity		
Current liabilities		
Notes payable	\$ 572	\$ 289
Accounts payable	1,356	1,317
Other current liabilities	1,096	1,269
Total current liabilities	3,024	2,875
Long-term debt	1,606	1,611
Deferred employee benefits and other noncurrent liabilities	1,671	1,739
Minority interest	129	121
Shareholders' equity	2,358	2,435
Total liabilities and shareholders' equity	<u>\$ 8,788</u>	<u>\$ 8,781</u>

Dana Corporation
(Including Dana Credit Corporation on an Equity Basis)
Cash Flow Impact on Net Debt (Unaudited)
(in millions)

	Three Months Ended June 30	
	2005	2004
Sources		
Net income	\$ 51	\$ 110
Depreciation	75	82
Asset sales	4	19
Working capital decrease (increase)	(12)	65
Other	16	—
	<u>134</u>	<u>276</u>
Uses		
Capital spend	(62)	(63)
Dividends	(18)	(18)
Restructuring cash payments	(15)	(26)
Deferred taxes	(9)	(54)
Net changes in other accounts	(11)	(109)
	<u>(115)</u>	<u>(270)</u>
Cash change in net debt	<u>\$ 19</u>	<u>\$ 6</u>

Dana Corporation
(Including Dana Credit Corporation on an Equity Basis)
Cash Flow Impact on Net Debt (Unaudited)
(in millions)

	Six Months Ended June 30	
	2005	2004
Sources		
Net income	\$ 69	\$ 175
Depreciation	153	165
Asset sales	23	33
Working capital increase	(262)	(115)
	<u>(17)</u>	<u>258</u>
Uses		
Capital spend	(132)	(139)
Dividends	(36)	(36)
Restructuring cash payments	(23)	(49)
Deferred taxes	(39)	(50)
Net changes in other accounts	(1)	(101)
	<u>(231)</u>	<u>(375)</u>
Cash change in net debt	<u>\$ (248)</u>	<u>\$ (117)</u>

Dana Corporation
Condensed Consolidating Statement of Income (Unaudited)
(in millions)

	Three Months Ended June 30, 2005			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Net sales	\$ 2,632	\$	\$	\$ 2,632
Other income (expense)	25	8	(8)	25
	<u>2,657</u>	<u>8</u>	<u>(8)</u>	<u>2,657</u>
Costs and expenses				
Cost of sales	2,432		(4)	2,428
Selling, general and administrative expenses	126	12	(2)	136
Interest expense	33	9	(2)	40
	<u>2,591</u>	<u>21</u>	<u>(8)</u>	<u>2,604</u>
Income (loss) before income taxes	66	(13)	—	53
Income tax benefit (expense)	(27)	17		(10)
Minority interest	(3)			(3)
Equity in earnings of affiliates	15	1	(5)	11
Income from continuing operations	<u>51</u>	<u>5</u>	<u>(5)</u>	<u>51</u>
Net income	<u>\$ 51</u>	<u>\$ 5</u>	<u>\$ (5)</u>	<u>\$ 51</u>

This consolidating statement provides a reconciliation of the amounts presented for Dana with Dana Credit Corporation (DCC) on an equity basis to amounts reported for Dana Corporation on a fully consolidated basis.

Dana Corporation
Condensed Consolidating Statement of Income (Unaudited)
(in millions)

	Six Months Ended June 30, 2005			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Net sales	\$ 5,120	\$	\$	\$ 5,120
Other income (expense)	43	31	(17)	57
	<u>5,163</u>	<u>31</u>	<u>(17)</u>	<u>5,177</u>
Costs and expenses				
Cost of sales	4,762		(9)	4,753
Selling, general and administrative expenses	257	22	(5)	274
Interest expense	67	19	(3)	83
	<u>5,086</u>	<u>41</u>	<u>(17)</u>	<u>5,110</u>
Income (loss) before income taxes	77	(10)	—	67
Income tax benefit (expense)	(27)	17		(10)
Minority interest	(6)			(6)
Equity in earnings of affiliates	25	6	(13)	18
Income from continuing operations	69	13	(13)	69
Net income	<u>\$ 69</u>	<u>\$ 13</u>	<u>\$ (13)</u>	<u>\$ 69</u>

This consolidating statement provides a reconciliation of the amounts presented for Dana with Dana Credit Corporation (DCC) on an equity basis to amounts reported for Dana Corporation on a fully consolidated basis.

Dana Corporation
Condensed Consolidating Statement of Income (Unaudited)
(in millions)

	Three Months Ended June 30, 2004			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Net sales	\$ 2,331	\$	\$	\$ 2,331
Other income (expense)	13	24	(12)	25
	<u>2,344</u>	<u>24</u>	<u>(12)</u>	<u>2,356</u>
Costs and expenses				
Cost of sales	2,108		(7)	2,101
Selling, general and administrative expenses	123	6	(5)	124
Interest expense	39	12		51
	<u>2,270</u>	<u>18</u>	<u>(12)</u>	<u>2,276</u>
Income before income taxes	74	6	—	80
Income tax benefit (expense)	(27)	21		(6)
Minority interest	(3)			(3)
Equity in earnings of affiliates	31	(2)	(25)	4
Income from continuing operations	75	25	(25)	75
Income from discontinued operations	35			35
Net income	<u>\$ 110</u>	<u>\$ 25</u>	<u>\$ (25)</u>	<u>\$ 110</u>

This consolidating statement provides a reconciliation of the amounts presented for Dana with Dana Credit Corporation (DCC) on an equity basis to amounts reported for Dana Corporation on a fully consolidated basis.

Dana Corporation
Condensed Consolidating Statement of Income (Unaudited)
(in millions)

	Six Months Ended June 30, 2004			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Net sales	\$ 4,642	\$	\$	\$ 4,642
Other income (expense)	20	46	(27)	39
	<u>4,662</u>	<u>46</u>	<u>(27)</u>	<u>4,681</u>
Costs and expenses				
Cost of sales	4,222		(16)	4,206
Selling, general and administrative expenses	243	26	(11)	258
Interest expense	77	25		102
	<u>4,542</u>	<u>51</u>	<u>(27)</u>	<u>4,566</u>
Income (loss) before income taxes	120	(5)	—	115
Income tax benefit (expense)	(38)	35		(3)
Minority interest	(6)			(6)
Equity in earnings of affiliates	51	4	(34)	21
Income from continuing operations	127	34	(34)	127
Income from discontinued operations	48			48
Net income	<u>\$ 175</u>	<u>\$ 34</u>	<u>\$ (34)</u>	<u>\$ 175</u>

This consolidating statement provides a reconciliation of the amounts presented for Dana with Dana Credit Corporation (DCC) on an equity basis to amounts reported for Dana Corporation on a fully consolidated basis.

Dana Corporation
Condensed Consolidating Balance Sheet (Unaudited)
(in millions)

	June 30, 2005			
<u>Assets</u>	<u>Dana with DCC on Equity Basis</u>	<u>DCC</u>	<u>Elimination Entries</u>	<u>Dana Consolidated</u>
Current assets				
Cash and cash equivalents	\$ 651	\$ 15	\$	\$ 666
Accounts receivable	1,478			1,478
Trade	1,478			1,478
Other	295	268	(268)	295
Inventories	920			920
Other current assets	256	172	(152)	276
Total current assets	<u>3,600</u>	<u>455</u>	<u>(420)</u>	<u>3,635</u>
Investment in leases		293	(47)	246
Investments and other assets	3,245	400	(608)	3,037
Property, plant and equipment, net	1,943	8	47	1,998
Total assets	<u>\$ 8,788</u>	<u>\$ 1,156</u>	<u>\$ (1,028)</u>	<u>\$ 8,916</u>
Liabilities and Shareholders' Equity				
Current liabilities				
Notes payable	\$ 572	\$ 98	\$ (261)	\$ 409
Accounts payable	1,356			1,356
Other current liabilities	1,096	69	(159)	1,006
Total current liabilities	<u>3,024</u>	<u>167</u>	<u>(420)</u>	<u>2,771</u>
Long-term debt	1,606	373		1,979
Deferred employee benefits and other noncurrent liabilities	1,671	305	(299)	1,677
Minority interest	129	2		131
Shareholders' equity	2,358	309	(309)	2,358
Total liabilities and shareholders' equity	<u>\$ 8,788</u>	<u>\$ 1,156</u>	<u>\$ (1,028)</u>	<u>\$ 8,916</u>

This consolidating statement provides a reconciliation of the amounts presented for Dana with Dana Credit Corporation (DCC) on an equity basis to amounts reported for Dana Corporation on a fully consolidated basis.

Dana Corporation
Condensed Consolidating Balance Sheet (Unaudited)
(in millions)

Assets	December 31, 2004			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Current assets				
Cash and cash equivalents	\$ 619	\$ 15	\$	\$ 634
Accounts receivable				
Trade	1,266			1,266
Other	445	208	(209)	444
Inventories	907			907
Other current assets	192	137	(112)	217
Total current assets	<u>3,429</u>	<u>360</u>	<u>(321)</u>	<u>3,468</u>
Investment in leases		411	(130)	281
Investments and other assets	3,337	467	(659)	3,145
Property, plant and equipment, net	2,015	8	130	2,153
Total assets	<u>\$ 8,781</u>	<u>\$ 1,246</u>	<u>\$ (980)</u>	<u>\$ 9,047</u>
Liabilities and Shareholders' Equity				
Current liabilities				
Notes payable	\$ 289	\$ 68	\$ (202)	\$ 155
Accounts payable	1,317			1,317
Other current liabilities	1,269	67	(119)	1,217
Total current liabilities	<u>2,875</u>	<u>135</u>	<u>(321)</u>	<u>2,689</u>
Long-term debt	1,611	443		2,054
Deferred employee benefits and other noncurrent liabilities	1,739	316	(309)	1,746
Minority interest	121	2		123
Shareholders' equity	2,435	350	(350)	2,435
Total liabilities and shareholders' equity	<u>\$ 8,781</u>	<u>\$ 1,246</u>	<u>\$ (980)</u>	<u>\$ 9,047</u>

This consolidating statement provides a reconciliation of the amounts presented for Dana with Dana Credit Corporation (DCC) on an equity basis to amounts reported for Dana Corporation on a fully consolidated basis.

Dana Corporation
Consolidating Cash Flow Impact on Net Debt (Unaudited)
(in millions)

	Three Months Ended June 30, 2005			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Sources				
Net income	\$ 51	\$ 5	\$ (5)	\$ 51
Depreciation	75	5		80
Asset sales	4	98		102
Working capital decrease (increase)	(12)	6	—	(6)
Other	16	(48)	(38)	(70)
	<u>134</u>	<u>66</u>	<u>(43)</u>	<u>157</u>
Uses				
Capital spend	(62)			(62)
Dividends	(18)	(50)	50	(18)
Restructuring cash payments	(15)			(15)
Deferred taxes	(9)	(14)		(23)
Net changes in other accounts	(11)	13	(1)	1
	<u>(115)</u>	<u>(51)</u>	<u>49</u>	<u>(117)</u>
Cash change in net debt	<u>\$ 19</u>	<u>\$ 15</u>	<u>\$ 6</u>	<u>\$ 40</u>
Analysis of components of decrease in net debt:				
Net change in short-term debt	\$ 68	\$ (1)	\$ (6)	\$ 61
Net payments on long-term debt		(25)		(25)
Change in cash — continuing operations	(87)	11		(76)
Cash change in net debt	(19)	(15)	(6)	(40)
Non-cash changes in net debt	2	(1)		1
Total change in net debt	<u>\$ (17)</u>	<u>\$ (16)</u>	<u>\$ (6)</u>	<u>\$ (39)</u>

This consolidating statement provides a reconciliation of the amounts presented for Dana with Dana Credit Corporation (DCC) on an equity basis to amounts presented for Dana Corporation on a fully consolidated basis.

Dana Corporation
Consolidating Cash Flow Impact on Net Debt (Unaudited)
(includes revisions to the version attached to the press release)
(in millions)

	Six Months Ended June 30, 2005			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Sources				
Net income	\$ 69	\$ 13	\$ (13)	\$ 69
Depreciation	153	10		163
Asset sales	23	114		137
Working capital decrease (increase)	(262)	(2)		(264)
	<u>(17)</u>	<u>135</u>	<u>(13)</u>	<u>105</u>
Uses				
Capital spend	(132)			(132)
Dividends	(36)	(50)	50	(36)
Restructuring cash payments	(23)			(23)
Deferred taxes	(39)	4		(35)
Payments received from DCC partnerships	—	64		64
Net changes in other accounts	(1)	(113)	23	(91)
	<u>(231)</u>	<u>(95)</u>	<u>73</u>	<u>(253)</u>
Cash change in net debt	<u>\$ (248)</u>	<u>\$ 40</u>	<u>\$ 60</u>	<u>\$ (148)</u>
Analysis of components of increase (decrease) in net debt:				
Net change in short-term debt	\$ 286	\$ (1)	\$ (60)	\$ 225
Net payments on long-term debt	(6)	(39)		(45)
Change in cash — continuing operations	(32)			(32)
Cash change in net debt	248	(40)	(60)	148
Non-cash changes in net debt	(2)			(2)
Total change in net debt	<u>\$ 246</u>	<u>\$ (40)</u>	<u>\$ (60)</u>	<u>\$ 146</u>

This consolidating statement provides a reconciliation of the amounts presented for Dana with Dana Credit Corporation (DCC) on an equity basis to amounts presented for Dana Corporation on a fully consolidated basis.

Dana Corporation
Consolidating Cash Flow Impact on Net Debt (Unaudited)
(in millions)

	Three Months Ended June 30, 2004			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Sources				
Net income	\$ 110	\$ 25	\$ (25)	\$ 110
Depreciation	82		8	90
Asset sales	19	36	(3)	52
Working capital decrease	65	7	12	84
	<u>276</u>	<u>76</u>	<u>(16)</u>	<u>336</u>
Uses				
Capital spend	(63)	(3)	3	(63)
Dividends	(18)			(18)
Realignment cash payments	(26)			(26)
Deferred taxes	(54)	8		(46)
Net changes in other accounts	(109)	(29)	13	(125)
	<u>(270)</u>	<u>(24)</u>	<u>16</u>	<u>(278)</u>
Cash change in net debt	<u>\$ 6</u>	<u>\$ 52</u>	<u>\$ —</u>	<u>\$ 58</u>
Analysis of components of decrease in net debt:				
Net change in short-term debt	\$ 38	\$ —	\$ —	\$ 38
Net payments on long-term debt	3	(48)		(45)
Change in cash — continuing operations	(47)	(4)		(51)
Cash change in net debt	(6)	(52)	—	(58)
Non-cash changes in net debt	(49)	—	—	(49)
Total change in net debt	<u>\$ (55)</u>	<u>\$(52)</u>	<u>\$ —</u>	<u>\$ (107)</u>

This consolidating statement provides a reconciliation of the amounts presented for Dana with Dana Credit Corporation (DCC) on an equity basis to amounts presented for Dana Corporation on a fully consolidated basis.

Dana Corporation
Consolidating Cash Flow Impact on Net Debt (Unaudited)
(in millions)

	Six Months Ended June 30, 2004			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Sources				
Net income	\$ 175	\$ 34	\$ (34)	\$ 175
Depreciation	165	18		183
Asset sales	33	125	(3)	155
Working capital decrease (increase)	(115)	(1)	1	(115)
Other	—	—	—	—
	<u>258</u>	<u>176</u>	<u>(36)</u>	<u>398</u>
Uses				
Capital spend	(139)	(6)	3	(142)
Dividends	(36)			(36)
Restructuring cash payments	(49)			(49)
Deferred taxes	(50)	9		(41)
Net changes in other accounts	(101)	(52)	33	(120)
	<u>(375)</u>	<u>(49)</u>	<u>36</u>	<u>(388)</u>
Cash change in net debt	<u>\$ (117)</u>	<u>\$ 127</u>	<u>\$ —</u>	<u>\$ 10</u>
Analysis of components of increase (decrease) in net debt:				
Net change in short-term debt	\$ 183	\$ (30)	\$ —	\$ 153
Net payments on long-term debt	(234)	(65)		(299)
Change in cash — continuing operations	166	(32)		134
Change in cash — discontinued	2			2
Cash change in net debt	<u>117</u>	<u>(127)</u>	<u>—</u>	<u>(10)</u>
Non-cash changes in net debt	<u>(33)</u>	<u>(27)</u>		<u>(60)</u>
Total change in net debt	<u>\$ 84</u>	<u>\$ (154)</u>	<u>\$ —</u>	<u>\$ (70)</u>

This consolidating statement provides a reconciliation of the amounts presented for Dana with Dana Credit Corporation (DCC) on an equity basis to amounts presented for Dana Corporation on a fully consolidated basis.



Investor Relations
Dana Corporation
Quarterly Financial Information (Unaudited)
For the Three Months Ended June 30, 2005
(in millions)

	External Sales		Inter-Segment Sales		EBIT		Operating PAT		Net Profit		Net Assets	
	05	04	05	04	05	04	05	04	05	04	05	04
Automotive Systems Group	\$ 1,914	\$ 1,719	\$ 34	\$ 47	\$ 85	\$ 109	\$ 61	\$ 72	\$ 25	\$ 44	\$ 3,121	\$ 2,986
Heavy Vehicle Technologies and Systems Group	711	588	1	1	59	51	37	31	20	18	779	632
Dana Commercial Credit							3	5	3	5	309	325
Other	7	24	16	16	(61)	(46)	(48)	(49)	5	(8)	(102)	(61)
Continuing Operations	2,632	2,331	51	64	83	114	53	59	53	59	4,107	3,882
Discontinued Operations						30		18		18		
Unusual Items												
Excluded from Performance Measurement					9	(8)	(2)	33	(2)	33		
Consolidated	<u>\$ 2,632</u>	<u>\$ 2,331</u>	<u>\$ 51</u>	<u>\$ 64</u>	<u>\$ 92</u>	<u>\$ 136</u>	<u>\$ 51</u>	<u>\$ 110</u>	<u>\$ 51</u>	<u>\$ 110</u>	<u>\$ 4,107</u>	<u>\$ 3,882</u>
North America	\$ 1,635	\$ 1,577	\$ 27	\$ 25	\$ 32	\$ 80	\$ 21	\$ 48	\$ (8)	\$ 24	\$ 2,382	\$ 2,206
Europe	553	442	34	31	54	37	38	26	29	19	1,145	1,096
South America	245	153	66	50	34	27	21	17	17	14	430	327
Asia Pacific	199	159	2	13	18	10	11	7	7	3	190	159
Dana Commercial Credit							3	5	3	5	309	325
Other					(55)	(40)	(41)	(44)	5	(6)	(349)	(231)
Continuing Operations	2,632	2,331	129	119	83	114	53	59	53	59	4,107	3,882
Discontinued Operations						30		18		18		
Unusual Items Excluded from Performance Measurement					9	(8)	(2)	33	(2)	33		
Consolidated	<u>\$ 2,632</u>	<u>\$ 2,331</u>	<u>\$ 129</u>	<u>\$ 119</u>	<u>\$ 92</u>	<u>\$ 136</u>	<u>\$ 51</u>	<u>\$ 110</u>	<u>\$ 51</u>	<u>\$ 110</u>	<u>\$ 4,107</u>	<u>\$ 3,882</u>
Information for Discontinued Operations		557		5								962

FOR MORE INFORMATION

(www.dana.com) - Dial-For-Dana U.S. or Canada 800-537-8823; OH 800-472-8810

E-Mail michelle.hards@dana.com or karen.crawford@dana.com

Dana Investor Relations 419-535-4635



Investor Relations
Dana Corporation
Quarterly Financial Information (Unaudited)
For the Six Months Ended June 30, 2005
(in millions)

	External Sales		Inter-Segment Sales		EBIT		Operating PAT		Net Profit		Net Assets	
	05	04	05	04	05	04	05	04	05	04	05	04
Automotive Systems Group	\$ 3,724	\$ 3,431	\$ 71	\$ 92	\$ 144	\$ 212	\$ 101	\$ 143	\$ 30	\$ 84	\$ 3,121	\$ 2,986
Heavy Vehicle Technologies and Systems Group	1,381	1,161	2	2	99	91	62	55	28	28	779	632
Dana Commercial Credit							9	12	9	12	309	325
Other	15	50	30	32	(120)	(106)	(101)	(101)	4	(15)	(102)	(61)
Continuing Operations	5,120	4,642	103	126	123	197	71	109	71	109	4,107	3,882
Discontinued Operations						55		31		31		
Unusual Items												
Excluded from Performance Measurement					7	(9)	(2)	35	(2)	35		
Consolidated	<u>\$ 5,120</u>	<u>\$ 4,642</u>	<u>\$ 103</u>	<u>\$ 126</u>	<u>\$ 130</u>	<u>\$ 243</u>	<u>\$ 69</u>	<u>\$ 175</u>	<u>\$ 69</u>	<u>\$ 175</u>	<u>\$ 4,107</u>	<u>\$ 3,882</u>
North America	\$ 3,221	\$ 3,171	\$ 54	\$ 52	\$ 56	\$ 163	\$ 33	\$ 102	\$ (24)	\$ 49	\$ 2,382	\$ 2,206
Europe	1,085	880	76	61	92	67	64	48	45	33	1,145	1,096
South America	454	283	125	94	56	45	35	28	27	23	430	327
Asia Pacific	360	308	7	14	28	18	18	12	10	5	190	159
Dana Commercial Credit							9	12	9	12	309	325
Other					(109)	(96)	(88)	(93)	4	(13)	(349)	(231)
Continuing Operations	5,120	4,642	262	221	123	197	71	109	71	109	4,107	3,882
Discontinued Operations						55		31		31		
Unusual Items Excluded from Performance Measurement					7	(9)	(2)	35	(2)	35		
Consolidated	<u>\$ 5,120</u>	<u>\$ 4,642</u>	<u>\$ 262</u>	<u>\$ 221</u>	<u>\$ 130</u>	<u>\$ 243</u>	<u>\$ 69</u>	<u>\$ 175</u>	<u>\$ 69</u>	<u>\$ 175</u>	<u>\$ 4,107</u>	<u>\$ 3,882</u>
Information for Discontinued Operations		<u>1,067</u>		<u>9</u>								<u>962</u>

FOR MORE INFORMATION

(www.dana.com) - Dial-For-Dana U.S. or Canada 800-537-8823; OH 800-472-8810

E-Mail michelle.hards@dana.com or karen.crawford@dana.com

Dana Investor Relations 419-535-4635



Dana Corporation

Second-Quarter 2005 Conference Call

July 20, 2005

Certain statements contained in this presentation constitute "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements represent Dana's expectations based on our current information and assumptions. Forward-looking statements are inherently subject to risks and uncertainties. Dana's actual results could differ materially from those that are anticipated or projected due to a number of factors. These factors include national and international economic conditions; adverse effects from terrorism or hostilities; the strength of other currencies relative to the U.S. dollar; increases in commodity costs, including steel, that cannot be recouped in product pricing; our ability and that of our customers to achieve projected sales and production levels; the continued availability of necessary goods and services from our suppliers; competitive pressures on our sales and pricing; the success of our cost reduction, cash management, and long-term transformation programs, and our U.S. tax loss carryforward utilization strategies; and other factors set out in our public filings with the Securities and Exchange Commission. Dana does not undertake to update any forward-looking statements in this presentation.

Agenda

- ▶ **Second-Quarter Overview** **Mike Burns**
 - Highlights
 - Operational review
 - Market outlook
- ▶ **Detailed Financial Review** **Bob Richter**
 - Second-quarter results
 - 2005 guidance
- ▶ **Wrap-Up** **Mike Burns**

Financial Overview

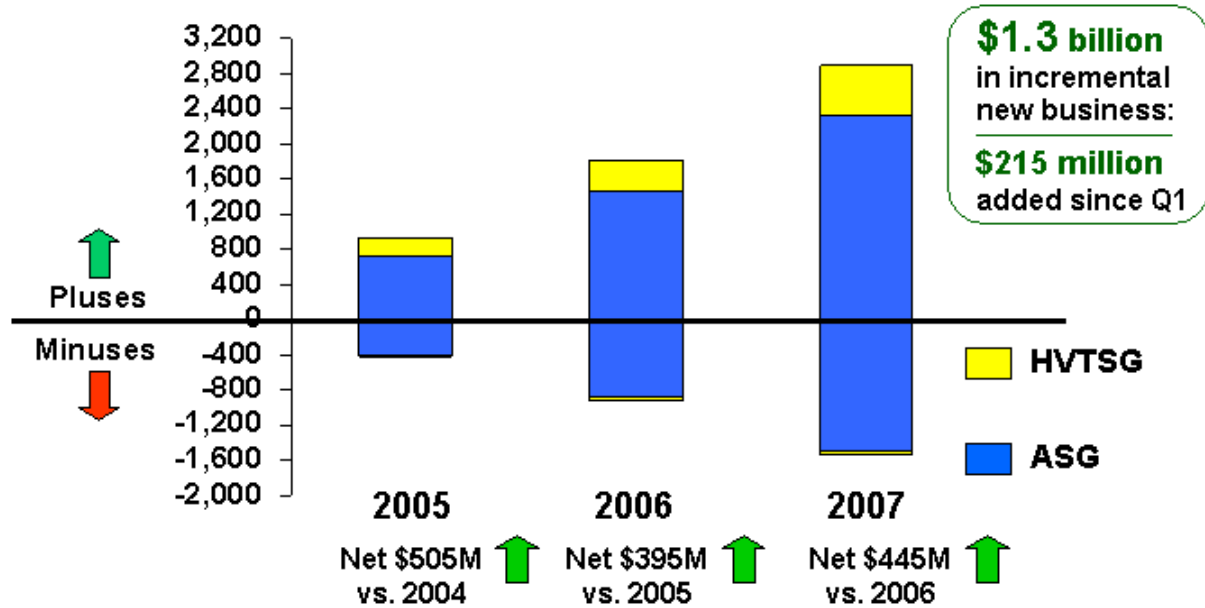
(\$ Millions, except per share data)

	<u>Second Quarter</u>		<u>Six Months</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Sales	\$ 2,632	\$ 2,331	\$ 5,120	\$ 4,642
Net Income	\$ 51	\$ 110	\$ 69	\$ 175
Earnings per share	\$ 0.34	\$ 0.73	\$ 0.46	\$ 1.16
Income from continuing ops., excluding unusual items*	\$ 53	\$ 59	\$ 71	\$ 109
Earnings per share from continuing ops., excluding unusual items*	\$ 0.35	\$ 0.39	\$ 0.47	\$ 0.72

* Non-GAAP measure

Cumulative Net New Business

(\$ Millions)

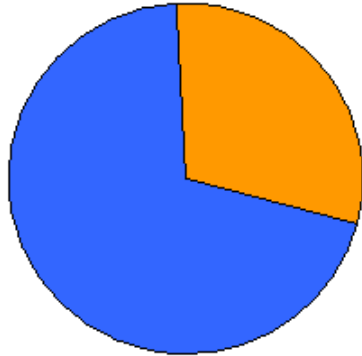


Note: Estimates based on Dana's review of the projected production schedules of our customers.

Net New Business Highlights

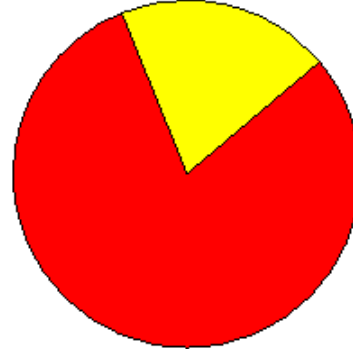
2005 - 2007

Geographic Diversity



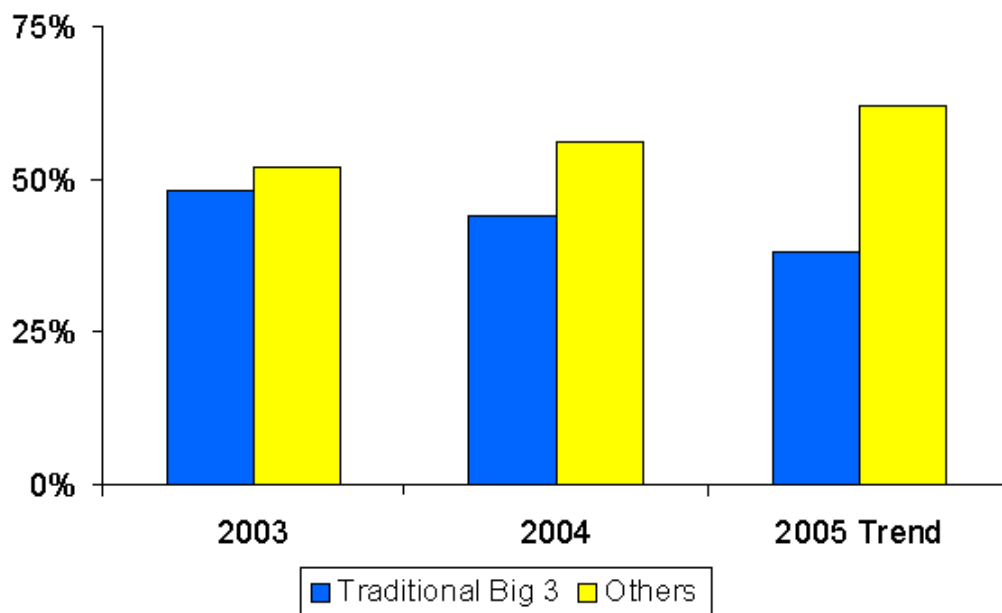
■ Non-North America ■ North America

Customer Diversity



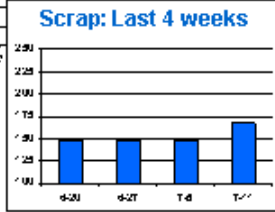
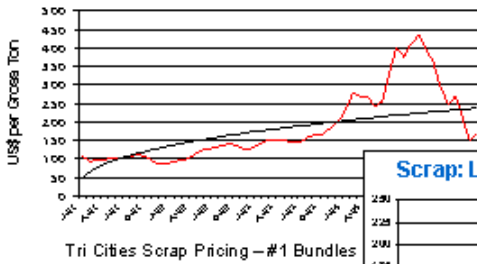
■ Others ■ Traditional Big 3

Customer Diversification (As a % of Revenue)

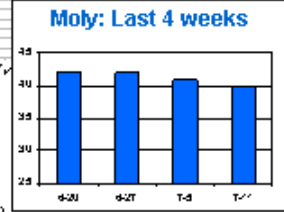
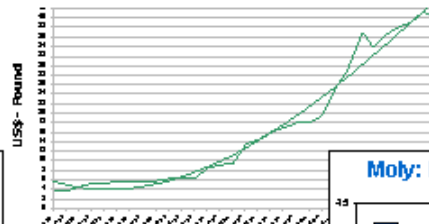


Leading Steel Indicators

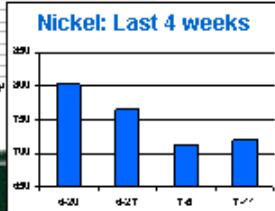
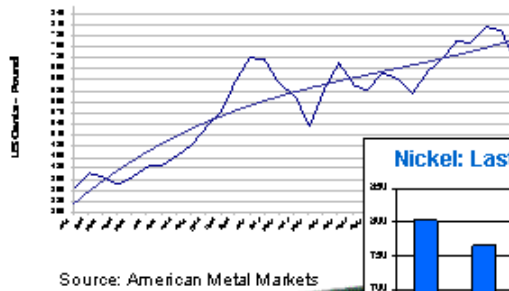
Scrap (2001 to present)



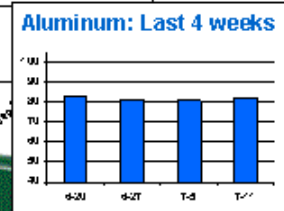
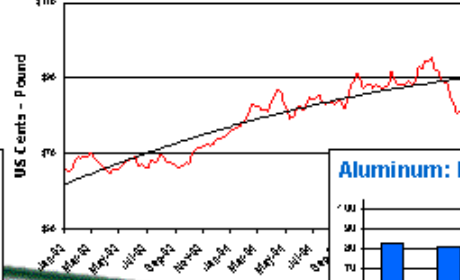
Ferromolybdenum (2003 to present)



Nickel (2003 to present)



Aluminum (2003 to present)



Steel Impact and Revised Outlook

- ▶ Adverse profit impact of \$27 million more in Q2-05 than in Q2-04
- ▶ Six-month adverse impact of \$59 million over 2004
- ▶ Full year impact now estimated at \$125 million over base prices at the beginning of 2004
- ▶ Uncertainty persists

Note: Steel impact amounts are after tax, net of customer recoveries, for continuing operations

Q2 2005 vs. Q2 2004 Performance

(\$ Millions)

	<u>ASG</u>	<u>HVTSG</u>
<u>Sales</u>		
Q2-2005	\$ 1,948	\$ 712
Q2-2004	\$ 1,766	\$ 589
% Change	10%	21%

<u>OPAT</u>		
Q2-2005	\$ 61	\$ 37
Q2-2004	\$ 72	\$ 31
% Change	-15%	19%

After-Tax Steel Impact*

Q2-2005	\$ 30	\$ 7
Q2-2004	\$ 7	\$ 3
\$ Change	\$ 23	\$ 4

* Net of Customer Recoveries

Q2 2005 vs. Q1 2005 Performance

(\$ Millions)

	<u>ASG</u>	<u>HVTSG</u>
<u>Sales</u>		
Q2-2005	\$ 1,948	\$ 712
Q1-2005	\$ 1,847	\$ 671
% Change	5%	6%
 <u>OPAT</u>		
Q2-2005	\$ 61	\$ 37
Q1-2005	\$ 40	\$ 25
% Change	53%	48%
 <u>After-Tax Steel Impact*</u>		
Q2-2005	\$ 30	\$ 7
Q1-2005	\$ 24	\$ 10
\$ Change	\$ 6	\$ (3)

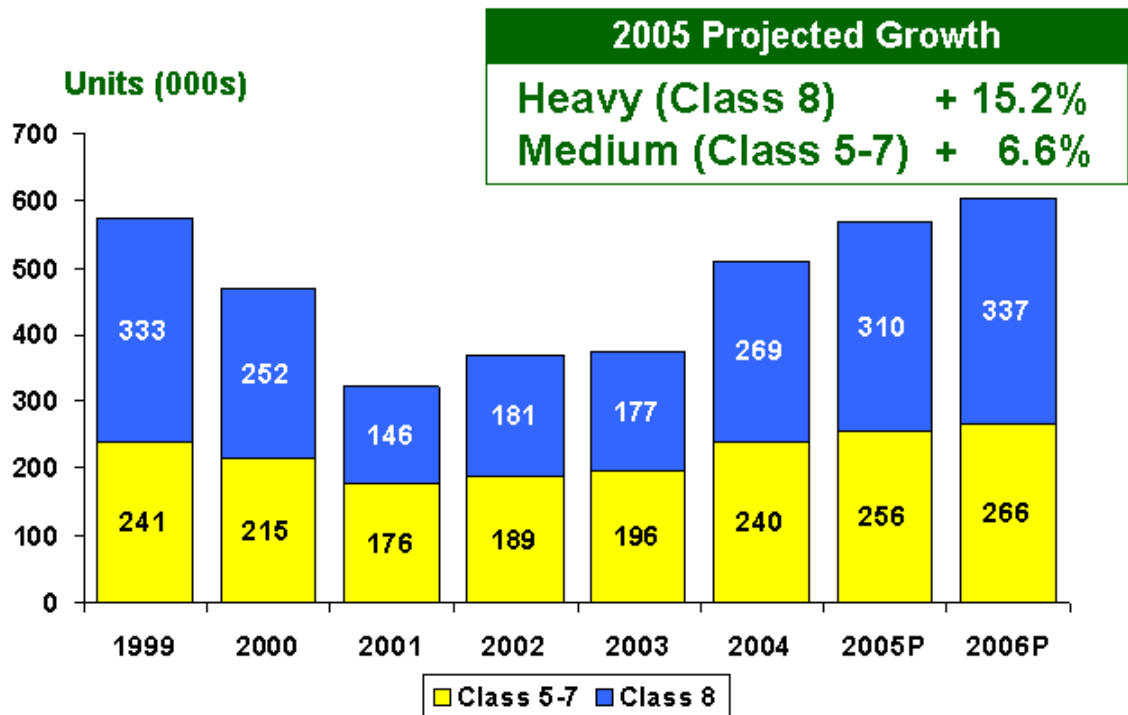
* Net of Customer Recoveries

N.A. Light-Vehicle Production

- ▶ **Revised Dana estimate – 15.5 million units**
 - 60% light truck, 40% passenger car*
- ▶ **2005 production outlook***
 - Q3 '05 vs Q3 '04 0.5%
 - Q4 '05 vs Q4 '04 (1.9)%
 - 2005 vs 2004 (1.8)%
- ▶ **Six-month unit production vs. 2004 (U.S. & Canada)***
 - Light truck (4.2)% / Passenger car (0.3)%
 - Significant Dana content (8.5)% / Other 1.2%

* Source: Ward's

NAFTA Commercial Vehicle Production



Q2 2005 Income Statement

With DCC on an Equity Basis*

(\$ Millions)

	Excluding Unusual Items	Unusual Items		As Reported
		Taxes	DCC Asset Sales	
Net sales	\$ 2,632			\$ 2,632
Other income	25	-	-	25
	<u>2,657</u>	<u>-</u>	<u>-</u>	<u>2,657</u>
Cost of sales	2,432			2,432
SG&A expense	135	(9)		126
Interest expense	33	-	-	33
	<u>2,600</u>	<u>(9)</u>	<u>-</u>	<u>2,591</u>
Income before taxes	57	9	-	66
Tax expense	(13)	(14)		(27)
Minority interest	(3)			(3)
Equity in affiliate earnings	12	-	3	15
Net income (loss)	<u>\$ 53</u>	<u>\$ (5)</u>	<u>\$ 3</u>	<u>\$ 51</u>

*Comparable GAAP measures available at www.dana.com/investors

Six-Month Income Statement

With DCC on an Equity Basis*

(\$ Millions)

	Excluding Unusual Items	Unusual Items		As Reported
		Taxes	DCC Asset Sales	
Net sales	\$ 5,120			\$ 5,120
Other income (expense)	45	-	(2)	43
	<u>5,165</u>	<u>-</u>	<u>(2)</u>	<u>5,163</u>
Cost of sales	4,762			4,762
SG&A expense	266	(9)		257
Interest expense	67	-	-	67
	<u>5,095</u>	<u>(9)</u>	<u>-</u>	<u>5,086</u>
Income (loss) before taxes	70	9	(2)	77
Tax benefit (expense)	(14)	(14)	1	(27)
Minority interest	(6)			(6)
Equity in affiliate earnings	21	-	4	25
Net income (loss)	<u>\$ 71</u>	<u>\$ (5)</u>	<u>\$ 3</u>	<u>\$ 69</u>

*Comparable GAAP measures available at www.dana.com/investors

Income Statement

With DCC on an Equity Basis*

(\$ Millions)	Second Quarter		Six Months	
	2005	2004	2005	2004
Net sales	\$ 2,632	\$ 2,331	\$ 5,120	\$ 4,642
Other income	25	13	43	20
	<u>2,657</u>	<u>2,344</u>	<u>5,163</u>	<u>4,662</u>
Cost of sales	2,432	2,108	4,762	4,222
SG&A expense	126	123	257	243
Interest expense	33	39	67	77
	<u>2,591</u>	<u>2,270</u>	<u>5,086</u>	<u>4,542</u>
Income before taxes	66	74	77	120
Tax expense	(27)	(27)	(27)	(38)
Minority interest	(3)	(3)	(6)	(6)
Equity in affiliate earnings	15	31	25	51
	<u>51</u>	<u>75</u>	<u>69</u>	<u>127</u>
Discontinued operations	-	35	-	48
Net income	<u>\$ 51</u>	<u>\$ 110</u>	<u>\$ 69</u>	<u>\$ 175</u>

Cash Flow Statement

With DCC on an Equity Basis*

(\$ Millions)

	<u>Second Quarter</u>		<u>Six Months</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Sources				
Net income	\$ 51	\$ 110	\$ 69	\$ 175
Depreciation	75	82	153	165
Asset sales & divestitures	4	19	23	33
Working capital decrease (increase)	(12)	65	(262)	(115)
	<u>118</u>	<u>276</u>	<u>(17)</u>	<u>258</u>
Uses				
Capital spend	(62)	(63)	(132)	(139)
Dividends	(18)	(18)	(36)	(36)
Restructuring payments	(15)	(26)	(23)	(49)
Net changes in other accounts	(4)	(163)	(40)	(151)
	<u>\$ (99)</u>	<u>\$ (270)</u>	<u>\$ (231)</u>	<u>\$ (375)</u>
Cash change in net debt	<u>\$ 19</u>	<u>\$ 6</u>	<u>\$ (248)</u>	<u>\$ (117)</u>

Capital Structure

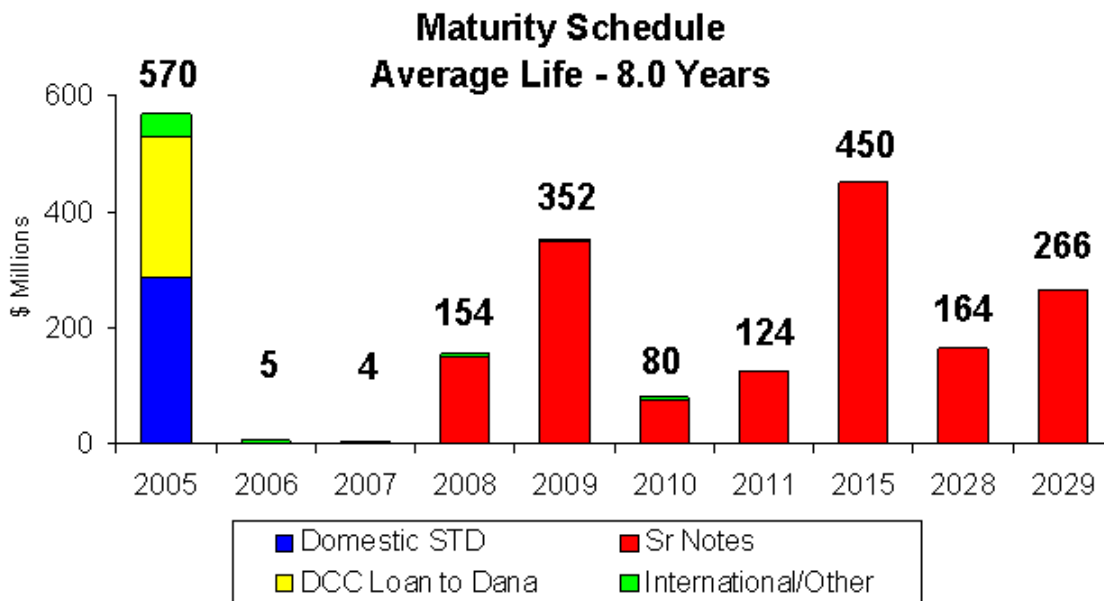
With DCC on an Equity Basis*

(\$ Millions)

	<u>Dec-04</u>	<u>Operations</u>	<u>Other</u>	<u>Jun-05</u>
Short-term debt	\$ 289	\$ 280	\$ 3	\$ 572
Long-term debt	<u>1,611</u>	<u>-</u>	<u>(5)</u>	<u>1,606</u>
Borrowings	1,900	280	(2)	2,178
Cash	<u>619</u>	<u>32</u>	<u>-</u>	<u>651</u>
Net debt	\$ 1,281	\$ 248	\$ (2)	\$ 1,527
Equity	\$ 2,435	\$ 33	\$ (110)	\$ 2,358
Net Debt / Capital	34.5%			39.3%

June 30, 2005 Debt Portfolio

Excluding Debt Maturities of DCC



Note: Maturities do not reflect swap valuation adjustments

June 30, 2005 Liquidity

Excluding DCC

(\$ Millions)

	<u>Lines</u>	<u>Drawn</u>	<u>Available</u>
5-year bank facility	\$ 400	\$ 175	\$ 225
Accts receivable program	275	110	165
Bank lines	<u>50</u>	<u>-</u>	<u>50</u>
Bank facilities	725	285	440
Amount due DCC		<u>\$ 246</u>	<u>\$ (246)</u>
Total short-term facilities		\$ 531	\$ 194
Plus cash			<u>651</u>
		Total	\$ 845

Note: Excludes committed borrowing lines related to foreign operations.

Dana Credit Corporation Portfolio Analysis

(\$ Millions)



12/01 Total Portfolio Assets - \$2,200

Value-Added Services
Real Estate



6/05 Total Portfolio Assets - \$640

Capital Markets
Retained

2005 Guidance

(\$ Millions, except per share data)

Net Income*	\$196 - \$219
EPS*	\$1.30 - \$1.45

* Excluding unusual items

2005 Free Cash Flow Outlook

With DCC on an Equity Basis

(\$ Millions)

Sources:

Net income	\$196 - \$219
Depreciation	300
Working Capital	100
	<hr/>
	\$596 - \$619

Less:

Capital spend	(325)
Restructuring payments	(45)
Other	(80)
	<hr/>
	\$ (450)

Free Cash Flow

\$146 - \$169

2005 Working Capital Walk Forward

With DCC on an Equity Basis

(\$ Millions)

Reduction required in second half to hit goal:

Full-year target reduction	\$100
Actual increase in first half	262
Total required	\$362

2005 Working Capital Walk Forward

With DCC on an Equity Basis

(\$ Millions)

Reduction required in second half to hit goal:

Full-year target reduction	\$100
Actual increase in first half	262
Total required	\$362

Second half plan:

Reduction in accounts receivable	\$ 200
Increase in accounts payable	25
Reduction in inventory	150
Total	\$ 375

Second Quarter in Summary

- ▶ **Solid progress Q2 versus Q1**
 - Sales up 6%
 - Earnings up 53% in ASG and 48% in HVTSG
- ▶ **New business momentum continues**
 - \$215 million net new business in Q2
 - \$1.3 billion in net new business: 2005-2007
 - More diverse geographically and by customer

Looking Ahead

- ▶ **Strong commercial and off-highway markets**
- ▶ **Steel prices subsiding**
- ▶ **Uncertainty with North American light-vehicle production**
- ▶ **Continued strength of U.S. dollar**
- ▶ **Imperative that we continue to strengthen operational performance and reduce costs**

Execution is our top priority



Questions



Supplemental Slides

Dana's Net New Business

(\$ Millions)

<u>Q2-2005</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
ASG	\$320	\$260	\$240
HVTSG	185	135	205
TOTAL	\$505	\$395	\$445

Q1-2005

ASG	\$295	\$205	\$160
HVTSG	175	115	180
TOTAL	\$470	\$320	\$340

**Incremental Wins
Since Q1 Conf. Call**

\$ 35	\$ 75	\$ 105 =	\$215
-------	-------	----------	--------------



Note: Estimates based on Dana's review of the projected production schedules of our customers.

Q2 2005 Segment Comparison

(\$ Millions)	Sales			OPAT		
	<u>2005</u>	<u>2004</u>	<u>Chg.</u>	<u>2005</u>	<u>2004</u>	<u>Chg.</u>
Automotive	\$ 1,948	\$ 1,766	10 %	\$ 61	\$ 72	(15) %
Heavy Vehicle	712	589	21	37	31	19
DCC				3	5	(40)
Other	(28)	(24)	(17)	(48)	(49)	2
Results from						
Cont. Operations	\$ 2,632	\$ 2,331	13 %	\$ 53	\$ 59	(10) %
Discontinued Ops.*					18	
Unusual Items				(2)	33	
Consolidated	\$ 2,632	\$ 2,331	13 %	\$ 51	\$ 110	(54) %

* Q2 sales from discontinued operations were \$557 in 2004.

Six-Month 2005 Segment Comparison

(\$ Millions)	Sales			OPAT		
	2005	2004	Chg.	2005	2004	Chg.
Automotive	\$ 3,795	\$ 3,523	8 %	\$ 101	\$ 143	(29) %
Heavy Vehicle	1,383	1,163	19	62	55	13
DCC				9	12	(25)
Other	(58)	(44)	(32)	(101)	(101)	
Results from						
Cont. Operations	\$ 5,120	\$ 4,642	10 %	\$ 71	\$ 109	(35) %
Discontinued Ops.*					31	
Unusual Items				(2)	35	
Consolidated	\$ 5,120	\$ 4,642	10 %	\$ 69	\$ 175	(61) %

* First-half sales from discontinued operations were \$1,067 in 2004.

Cash Flow Statement

With DCC on an Equity Basis *

(Millions)	Second Quarter		Six Months	
	2005	2004	2005	2004
Net income	\$ 51	110	\$ 69	175
Depreciation and amortization	75	82	153	165
Gain on divestitures and asset sales	(1)	(3)	(1)	(3)
Working capital (increase) decrease	(27)	39	(285)	(164)
Deferred taxes	(9)	(54)	(39)	(50)
Other	25	(64)	19	(60)
Net cash flows - operating activities	114	110	(84)	63
Purchases of property, plant and equipment	(62)	(63)	(132)	(139)
Asset sales	4	19	23	33
Other	(17)	(49)	(16)	(48)
Net cash flows - investing activities	(75)	(93)	(125)	(154)
Net change in short-term debt	68	38	286	183
Net change in long-term debt		3	(6)	(234)
Dividends paid	(18)	(18)	(36)	(36)
Other	(2)	5	(3)	10
Net cash flows - financing activities	48	28	241	(77)
Net change in cash and cash equivalents	87	45	32	(168)
Net change in cash - discontinued operations		2		2
Cash and cash equivalents - beginning of period	564	451	619	664
Cash and cash equivalents - end of period	\$ 651	\$ 498	\$ 651	\$ 498

Cash Flow Statement

Reconciliation for Three Months Ended June 30, 2005

(\$ Millions)	Dana With DCC			Eliminations	Dana With DCC Consolidated
	On Equity Basis	DCC			
Net income	\$ 51	\$ 5	\$ (5)	\$ 51	
Depreciation and amortization	75	5		80	
Gain on divestitures and asset sales	(1)	(3)		(4)	
Working capital (increase) decrease	(27)	6		(21)	
Deferred taxes	(9)	(14)		(23)	
Other	25	(33)	(39)	(47)	
Net cash flows - operating activities	<u>114</u>	<u>(34)</u>	<u>(44)</u>	<u>36</u>	
Purchases of property, plant and equipment	(62)			(62)	
Payments received on leases and loans		1		1	
Assets sales	4	98		102	
Other	(17)			(17)	
Net cash flows - investing activities	<u>(75)</u>	<u>99</u>	<u>-</u>	<u>24</u>	
Net change in short-term debt	68	(1)	(6)	61	
Payments on long-term debt		(25)		(25)	
Dividends paid	(18)	(50)	50	(18)	
Other	(2)			(2)	
Net cash flows - financing activities	<u>48</u>	<u>(76)</u>	<u>44</u>	<u>16</u>	
Net change in cash and cash equivalents	87	(11)	-	76	
Cash and cash equivalents - beginning of period	564	26		590	
Cash and cash equivalents - end of period	<u>\$ 651</u>	<u>\$ 15</u>	<u>\$ -</u>	<u>\$ 666</u>	

Cash Flow Statement

Reconciliation for Six Months Ended June 30, 2005

(\$ Millions)	Dana With DCC			Eliminations	Dana With DCC Consolidated
	On Equity Basis	DCC			
Net income	\$ 69	\$ 13	\$ (13)	\$ 69	
Depreciation and amortization	153	10		163	
Gain on divestitures and asset sales	(1)	(4)		(5)	
Working capital (increase) decrease	(285)	(2)		(287)	
Deferred taxes	(39)	4		(35)	
Other	19	(114)	23	(72)	
Net cash flows - operating activities	(84)	(93)	10	(167)	
Purchases of property, plant and equipment	(132)			(132)	
Payments received on leases and loans		5		5	
Payments received from DCC partnerships		64		64	
Assets sales	23	109	5	137	
Other	(16)	5	(5)	(16)	
Net cash flows - investing activities	(125)	183	-	58	
Net change in short-term debt	286	(1)	(60)	225	
Payments on long-term debt	(6)	(39)		(45)	
Dividends paid	(36)	(50)	50	(36)	
Other	(3)			(3)	
Net cash flows - financing activities	241	(90)	(10)	141	
Net change in cash and cash equivalents	32	-	-	32	
Cash and cash equivalents - beginning of period	619	15		634	
Cash and cash equivalents - end of period	\$ 651	\$ 15	\$ -	\$ 666	

Cash Flow Statement

Reconciliation for Three Months Ended June 30, 2004

(\$ Millions)	Dana With DCC			Dana With DCC Consolidated
	On Equity Basis	DCC	Eliminations	
Net income	\$ 110	\$ 25	\$ (25)	\$ 110
Depreciation and amortization	82	8		90
Gain on divestitures and assets sales	(3)	(18)		(21)
Working capital (increase) decrease	39	6	12	57
Deferred taxes	(54)	8	-	(46)
Other	(64)	(23)	13	(74)
Net cash flows - operating activities	110	6	-	116
Purchases of property, plant and equipment	(63)	(2)	2	(63)
Payments received on leases and loans		4		4
Assets sales	19	35	(2)	52
Other	(49)	9		(40)
Net cash flows - investing activities	(93)	46	-	(47)
Net change in short-term debt	38			38
Net change in long-term debt	3	(48)		(45)
Dividends paid	(18)			(18)
Other	5			5
Net cash flows - financing activities	28	(48)	-	(20)
Net change in cash and cash equivalents	45	4	-	49
Net change in cash - discontinued operations	2		-	2
Cash and cash equivalents - beginning of period	451	95		546
Cash and cash equivalents - end of period	\$ 498	\$ 99	\$ -	\$ 597

Cash Flow Statement

Reconciliation for Six Months Ended June 30, 2004

(\$ Millions)	Dana With DCC			Dana With DCC
	On Equity Basis	DCC	Eliminations	Consolidated
Net income	\$ 175	\$ 34	\$ (34)	\$ 175
Depreciation and amortization	165	18		183
Gain on divestitures and asset sales	(3)	(22)		(25)
Working capital (increase) decrease	(164)	-		(164)
Deferred taxes	(50)	9		(41)
Other	(60)	(47)	34	(73)
Net cash flows - operating activities	63	(8)	-	55
Purchases of property, plant and equipment	(139)	(6)	3	(142)
Payments received on leases and loans		8		8
Payments received from DCC partnerships		15		15
Assets sales	33	125	(3)	155
Other	(48)	(7)		(55)
Net cash flows - investing activities	(154)	135	-	(19)
Net change in short-term debt	183	(30)		153
Proceeds from long-term debt		5		5
Payments on long-term debt	(234)	(70)		(304)
Dividends paid	(36)			(36)
Other	10			10
Net cash flows - financing activities	(77)	(95)	-	(172)
Net change in cash and cash equivalents	(168)	32	-	(136)
Net change in cash - discontinued operations	2	-	-	2
Cash and cash equivalents - beginning of period	664	67		731
Cash and cash equivalents - end of period	\$ 498	\$ 99	\$ -	\$ 597

Capital Structure

Reconciliation as of December 31, 2004

(\$ Millions)	Dana with DCC <u>On Equity Basis</u>	<u>DCC</u>	<u>Eliminations</u>	Dana with DCC <u>Consolidated</u>
Short-term Debt	\$ 289	\$ 68	\$ (202)	\$ 155
Long-term Debt	<u>1,611</u>	<u>443</u>	<u>-</u>	<u>2,054</u>
Borrowings	1,900	511	(202)	2,209
Cash	<u>619</u>	<u>15</u>	<u>-</u>	<u>634</u>
Net Debt	\$ 1,281	\$ 496	\$ (202)	\$ 1,575
Equity	\$ 2,435			\$ 2,435
Net Debt / Capital	34.5%			39.3%

Capital Structure

Reconciliation as of June 30, 2005

(\$ Millions)	Dana with DCC <u>On Equity Basis</u>	<u>DCC</u>	<u>Eliminations</u>	Dana with DCC <u>Consolidated</u>
Short-term Debt	\$ 572	\$ 98	\$ (261)	\$ 409
Long-term Debt	<u>1,606</u>	<u>373</u>	<u>-</u>	<u>1,979</u>
Borrowings	2,178	471	(261)	2,388
Cash	<u>651</u>	<u>15</u>	<u>-</u>	<u>666</u>
Net Debt	\$ 1,527	\$ 456	\$ (261)	\$ 1,722
Equity	\$ 2,358			\$ 2,358
Net Debt / Capital	39.3%			42.2%



DCN
LISTED
NYSE

www.dana.com