[DANA CORP. LOGO]

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-K
ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 1996 Commission file number 1-1063

DANA CORPORATION
(Exact name of registrant as specified in its charter)

Virginia	34-4361040
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
4500 Dorr Street, Toledo Ohio	43615
(Address of principal executive offices)	(Zip Code)

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock of $1 par value	New York, Pacific, London Stock Exchanges

Securities registered pursuant to Section 12(g) of the Act:

None
(Title of Class)

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 X No ___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.___

The aggregate market value of the voting stock held by non-affiliates of the registrant at February 13, 1997, was approximately $3,261,950,300.

The number of shares of registrant's Common Stock, $1 Par Value, outstanding at February 13, 1997, was 103,144,673 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Document	Where Incorporated
1. Proxy Statement dated February 28, 1997 for Annual Meeting of Shareholders to be held on April 2, 1997.	Part III (Items 10, 11,12,13)
2. Annual Report to Shareholders for year ended December 31, 1996.	Part I (Item 1) Part II (Items 5, 6, 7, 8) Part IV (Item 14)

The Exhibit Index is located at pages 24-27 of the sequential numbering system.

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DANA CORPORATION - FORM 10-K
FOR THE YEAR ENDED DECEMBER 31, 1996

PART I

ITEM 1 - BUSINESS

Dana Corporation, incorporated in 1905, is a global leader in engineering, manufacturing and marketing of products and systems for the worldwide vehicular, industrial and off-highway original equipment (OE) markets and is a major supplier to the related aftermarkets (also called "distribution," "service parts" or "replacement parts" markets). Dana also wholly owns Dana Credit Corporation (DCC), a provider of lease financing services in certain markets.

Dana's Vehicular segment is comprised of components and parts used on light, medium and heavy trucks, sport utility vehicles, trailers, vans and automobiles. The Company's products include components for drivetrain systems, such as axles, driveshafts, clutches and transmissions; engine parts, such as gaskets and sealing systems, piston rings, and filtration products; structural components, such as vehicular frames, engine cradles and rails; chassis products, such as steering and suspension components. In 1996, sales from this segment accounted for 80% of Dana's sales.

The Company's Industrial segment products are used in off-highway vehicle and stationary equipment applications. These products include components for industrial power transmission products, such as electrical and mechanical brakes and clutches, drives and motion control devices; fluid power systems, such as pumps, cylinders and control valves. Sales from this segment amounted to 20% of the Company's 1996 sales.

Dana's Lease Financing segment is almost exclusively comprised of the operations of DCC which offer lease financing services in the form of capital markets specialized lease transactions worldwide and customized equipment financing programs in the U.S., Canada, the United Kingdom and continental Europe. The revenue derived from such services is included in Revenue from Lease Financing and Other Income in Dana's financial statements and is not considered a component of net sales.

"Note 16. Business Segments" at pages 34 - 36 of Dana's 1996 Annual Report is incorporated herein by reference.

GEOGRAPHICAL AREAS

To serve its global markets, Dana has established regional operating organizations in North America, Europe, South America and Asia Pacific, each with management responsibility for its specific geographic markets. The Company's operations are located in the following twenty-nine countries:

North America	Europe		South America	Asia Pacific	
Canada	Austria	Portugal	Argentina	Australia	Malaysia
Mexico	France	Spain	Brazil	China	Singapore
United States	Germany	Sweden	Colombia	Hong Kong	Taiwan
	India	Switzerland	Uruguay	Japan	Thailand
	Italy	United Kingdom	Venezuela	Korea	New Zealand
	Netherlands				

Dana's international subsidiaries and affiliates manufacture and sell a number of vehicular and industrial products which are similar to those produced by Dana in the United States (U.S.). In addition to normal business risks, operations outside the U.S. are subject to other risks including, among others, changing political, economic and social environments, changing governmental laws and regulations, and currency revaluations and market fluctuations.

Consolidated international sales were $2.2 billion, or 28% of the Company's 1996 sales. Including U.S. exports of $676 million, international sales accounted for 37% of 1996 consolidated sales. International operating income was $135 million, or 19% of consolidated 1996 operating income. In addition, there was $11 million of equity in earnings from international affiliates in 1996.

"Business Segments" by geographic areas at page 36 of Dana's 1996 Annual Report and "Note 6. International Operations" at page 30 of Dana's 1996 Annual Report are incorporated herein by reference.

MARKETS

During the past three years, Dana's sales to Vehicular and Industrial original equipment manufacturers (OEM) and service parts markets were as follows:

		Market Analysis by Business Segment* Percentage of Consolidated Sales		
		1994	1995	1996
Vehicular Products -				
OE Manufacturers		56%	58%	58%
Service Parts		24%	22%	22%
	Total	80%	80%	80%
Industrial Products -				
OE Manufacturers		10%	10%	10%
Service parts		10%	10%	10%
	Total	20%	20%	20%

*Note: End use of products is not always identifiable but these are reasonable estimates derived from expected customer usages.

Sales in the Lease Financing segment consisted of real estate sales and did not exceed 1% of consolidated sales for 1994, 1995 or 1996. Lease financing revenues (amounting to less than 5% of Dana's consolidated 1996 total revenues) have been excluded from this market analysis.

CUSTOMER DEPENDENCE

The Company has thousands of customers around the world and has developed long-standing business relationships with many of these customers. The Company's attention to cost, as well as quality, delivery and service, has been recognized by numerous customers who have awarded the Company supplier quality awards. Ford Motor Company (Ford) and Chrysler Corporation (Chrysler) were the only customers accounting for more than 10% of the Company's consolidated sales in 1996. The Company has been supplying product to Ford, Chrysler and their subsidiaries for many years. Sales to Ford, as a percentage of the Company's sales, were 16%, 17% and 16% in 1994, 1995 and 1996, respectively. Sales to Chrysler, as a percentage of sales, were 12%, 13% and 14% in 1994, 1995 and 1996, respectively. Loss of all or a substantial portion of the Company's sales to Ford, Chrysler or other large volume customers, would have a significant adverse effect on the Company's financial results until this lost sales volume could be replaced. This event is considered unlikely in the ordinary course of business and would most likely occur only in the event of a major business interruption such as a prolonged strike at one of the Company's customers.

PRODUCTS

The major groups of products within the Vehicular segment are as follows:

	Major Product Groups - Vehicular Segment Percentage of Consolidated Sales		
	1994	1995	1996
Types of Products			
Front and rear axles for highway vehicles, primarily trucks	29%	30%	30%
Engine parts and accessories for highway vehicles, primarily trucks, such as gaskets,seals, piston rings and filters	14%	13%	12%
Driveshafts and universal joints for highway vehicles, primarily trucks	11%	10%	11%
Frames and other structural components for highway vehicles, primarily trucks	8%	8%	9%
Other Vehicular products	18%	19%	18%
Total	80%	80%	80%

No product or product group within the Industrial or Lease Financing segments exceeded 10% of consolidated sales during these periods.

MATERIAL SOURCE AND SUPPLY

Most raw materials (such as steel) and semi-processed or finished items (such as forgings and castings) are purchased from capable long-term suppliers within the geographic regions of the Dana operating units. Generally, the Company does not rely on any one supplier for these materials, which are for the most part available from numerous sources in quantities need by the Company. Temporary shortages of a particular material or part occasionally occur, but the overall availability of materials is not considered to be a problem by the Company.

SEASONALITY

Dana's businesses are not considered to be seasonal, but the OE vehicular businesses are closely related to the vehicle manufacturers' production schedules.

BACKLOG

The majority of Dana's products are not on a backlog status. They are produced from readily available materials such as steel and have a relatively short manufacturing cycle. Each operating unit of the company maintains its own inventories and production schedules. Many of Dana's products are available from more than one facility. Production capacity is adequate to handle current requirements and will be expanded to handle anticipated growth in certain product lines.

COMPETITION

In its Vehicular and Industrial segments, the Company competes worldwide with a number of other manufacturers and distributors which produce and sell similar products. These competitors include vertically-integrated units of the Company's major vehicular OE customers and a number of independent U.S. and international suppliers. The Company's traditional U.S. OE customers, in response to substantial international competition in the past few years, have expanded their worldwide sourcing of components while reducing their overall number of suppliers. The Company has established operations in several regions of the world to enable Dana to be a strong global supplier of its core products.

In the Lease Financing segment, the Company's primary focus is on leasing activities. The Company's competitors include national and regional leasing and finance organizations.

STRATEGY

The Company is actively pursuing two broad strategies, focused around Dana's eight core businesses: axles, driveshafts, structural components, sealing products, filtration products, engine products, industrial products and leasing.

The first strategy is to significantly reduce the effects of the economic cycle by diversifying the Company's products and reducing its dependence on highway vehicle OE production. Dana's long-term goal is to obtain 50% of sales from highway vehicle OEM customers and 50% from distribution, off-highway, service and industrial markets. In 1996, sales from highway vehicle OEM customers were 58% of Dana's total, while distribution, off-highway, service and industrial sales were 42%. The Company continues to seek expansion in its off-highway and distribution businesses by increasing market penetration and broadening its product offerings through internal growth and acquisition.

The second strategy focuses on the Company obtaining a balance between U.S. and international sales. Dana has well-defined regional organizations in North America, South America, Europe and Asia Pacific in support of this initiative to effectively compete in world markets. In 1996, international sales, including exports from the U.S., totaled 37% of consolidated sales. The Company's long-term goal is to derive 50% of its sales (including exports) from customers outside the U.S. Although this strategy is subject to certain risks, the Company believes broadening its sales base will enable it to offset effects of economic downturns in specific countries, source materials from the areas of the world which offer the lowest cost, and provide access to markets which have the greatest growth potential. To accomplish this objective, the Company is focusing on meeting OE customers' needs in each of the local markets in which those customers operate, both through exports and by locating manufacturing or assembly facilities in markets where key OE customers have assembly plants.

PATENTS AND TRADEMARKS
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Dana's proprietary drivetrain, engine parts, chassis, structural components, fluid power systems, and industrial power transmission product lines have strong identities in the Vehicular and Industrial markets which Dana serves. Throughout these product lines, Dana also owns or is licensed to manufacture and sell its products under a number of patents and licenses. These patents and licenses have been obtained over a period of years and expire at various times. Dana considers each of them to be of value and aggressively protects its rights throughout the world against infringement. Because the Company is involved with many product lines, the loss or expiration of any particular patent or license would not materially affect the sales and profits of the company.

Dana owns numerous trademarks which are registered in many countries enabling Dana to market its products worldwide. The "Dana," "Spicer," "Parish," "Perfect Circle," Victor Reinz," "Wix," "Weatherhead," "Warner Electric" and "Gresen" trademarks, among others, are widely recognized in their respective industries.

RESEARCH AND DEVELOPMENT
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Dana's facilities engage in engineering, research and development, and quality control activities to improve the reliability, performance and cost-effectiveness of Dana's existing Vehicular and Industrial products and to design and develop new products for both existing and anticipated applications. The Company employs advanced technology and methods to achieve these improvements. To promote efficiency and reduce development costs, Dana's research and engineering people work closely with OE manufacturing customers on special product and systems designs. Dana's consolidated worldwide expenditures for engineering, research and development, and quality control programs were $138 million in 1994, $149 million in 1995 and $164 million in 1996.

EMPLOYMENT
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Dana's worldwide employment (including consolidated subsidiaries) was approximately 46,100 at December 31, 1996.

ENVIRONMENTAL COMPLIANCE
- ------------------------

The Company makes capital expenditures in the normal course of business, as necessary to ensure that its facilities are in compliance with applicable environmental laws and regulations. Costs of environmental compliance did not have a materially adverse effect on the Company's capital expenditures, earnings or competitive position in 1996, and the Company currently does not anticipate future environmental compliance costs will be material. "Note 1. Summary of Significant Accounting Policies - Environmental Compliance and Remediation" on page 28 of Dana's 1996 Annual Report is incorporated herein by reference.

SUBSEQUENT EVENTS
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On February 27, 1997, the Company signed an agreement to sell its warehouse distribution operations in the United Kingdom, the Netherlands and Portugal to U.K.-based Partco Group plc for pound sterling 103 million (U.S. $168 million). The 1996 sales of these operations were $315 million. The closing, subject to approval of Partco's shareholders, is anticipated by the end of March. The sale will result in an after-tax gain of approximately $47 million to Dana (46 cents per share). The operations included in the sale encompass 135 Brown Brothers distribution facilities in the United Kingdom, Dana Distribution B.V. (Holland), and Europecas S.A. (Portugal).

In February 1997, Dana initiated a rationalization plan at its Perfect Circle Europe operations in France. Under the plan, the Company expects to sell its piston manufacturing facility and its owned warehouse operation, reorganize its piston ring manufacturing operations, and downsize and relocate its division office. When the rationalization plan has been finalized, the Company expects the resulting charges to be approximately $36 million (35 cents per share). It is anticipated that the charges will be recognized during the first and second quarters of 1997.

EXECUTIVE OFFICERS OF THE REGISTRANT

The executive officers of the Company and their ages, present positions and other positions within the past five years are as follows. Unless otherwise indicated, all positions are with Dana. Hayes - Dana Inc., formerly a majority-owned subsidiary of Dana, is now a wholly-owned subsidiary and has been renamed Dana Canada Inc. Albarus S.A. is a majority owned Brazilian subsidiary of Dana. Plumley Companies, Inc., formerly a wholly-owned subsidiary of Dana, is now a Dana division and has been renamed Plumley Division. The first six executive officers listed below are the members of Dana's Policy Committee.

Name and Age	Present Position(s) with the Registrant	Other Positions During the Past Five Years
S.J. Morcott (58)	Chairman of the Board of Directors since 1990; Chief Executive Officer since 1989 and Chief Operating Officer since 1986	President of Dana from 1986-95; Dana Director since 1985; Chairman of the Board of Hayes-Dana Inc., 1987-95
J.M. Magliochetti (54)	Director and President since 1996	President - Dana North American Operations, 1992-95
C.H. Hirsch (62)	President - Dana International since 1996; Executive Vice President since 1991	None
J.S. Simpson (56)	Chief Financial Officer since January, 1997; Vice President of Finance and Treasurer since 1996	President - Dana Asia Pacific Operations, 1992-95
W.J. Carroll (52)	President - Diversified Products and Distribution since 1996; President - Dana Distribution Service Group since 1995; President - DTF Trucking since 1985; President - Dana Canada Inc. since 1993 and Chairman of the Board since 1995	Vice President and General Manager - Aftermarket Product Division, 1987-93
M.A. Franklin, III (49)	President - Dana Europe since 1993	Vice President and General Manager - Spicer Clutch Division, 1991-93
B.N. Cole (54)	President - Spicer Off-Highway Components Group since February 1997	President - Parish Structural Components Group, 1995-96; Vice President - Heavy Vehicle - Dana North American Operations, 1991-95
C.J. Eterovic (62)	President - Dana South America since 1993	Vice President - Dana South American Operations, 1992-93

EXECUTIVE OFFICERS OF THE REGISTRANT (Continued)

Name and Age	Present Position(s) with the Registrant	Other Positions During the Past Five Years
H.E. Ferreira (57)	Group Vice President - Engine Products since 1996	Group Vice President - Perfect Circle Engine Products Group, 1995-96; Vice President, Mercosur - Dana South America, 1994-95; Chairman-Administration Council of Albarus S.A., 1992-94
R.B. Forde (60)	Group Vice President - Wix Filtration Products Group since 1995	Vice President and General Manager - Wix Division, 1987-95
M. F. Greene (48)	Group Vice President-Parish Structural Components Group since March 1997	Vice President and General Manager-Parish Light Vehicle Structures Division, 1993-97; Vice President and General Manager-Parish Division, 1991-93
F. J. Hawes (50)	Controller, North American Operations since 1996	Vice President and Corporate Controller - Dana Canada, Inc., 1995-96; Corporate Controller - Hayes-Dana, Inc., 1992-95
C.F. Heine (44)	President - Dana Asia Pacific since 1996	Vice President of Asia Pacific Operations, 1995; General Manager - Spicer Off-Highway Axle Division, 1993-94; Plant Manager - Spicer Driveshaft Division, 1991-93
C.W. Hinde (58)	Vice President and Chief Accounting Officer since 1992; Assistant Treasurer since 1986	None
J.M. Laisure (45)	Group Vice President - Spicer Modular Systems Group since 1994	Vice President and General Manager - Spicer Transmission Division, 1991-94
C.J. McNamara (58)	President - Victor Reinz Sealing Products Group since 1995	Vice President - Automotive - Dana North American Operations, 1993-95
E. Mendoza (59)	Chairman - Spicer S.A. since 1994	General Director - Spicer S.A., 1981-93
W.L. Myers (56)	President - Spicer Driveshaft Group since 1995	Vice President and General Manager-Spicer Driveshaft Division, 1986-95

EXECUTIVE OFFICERS OF THE REGISTRANT (Continued)

Name and Age	Present Position(s) with the Registrant	Other Positions During the Past Five Years
M.A. Plumley (46)	Group Vice President - Dana Industrial since 1996	General Manager - Plumley Companies, 1995-96; Chairman and Chief Executive Officer - Plumley Companies, 1988-95
J.H. Reed (64)	President - Spicer Axle Group since 1995	President - Light Truck - Dana North American Operations, 1995; Vice President - Light Vehicle - Dana North American Operations, 1992-95; President and General Manager - Spicer Axle Division, 1991-95
A.J. Shelbourn (51)	Group Vice President - Dana Distribution, North American Operations since 1996	Vice President and General Manager- Dana Distribution U.K., 1994-96; General Manager - Dana Distribution U.K., 1991-94
E.J. Shultz (52)	Chairman and President - Dana Credit Corporation since 1995	President - Lease Financing, 1994-95; President - Financial Services, 1990-94
M.J. Strobel (56)	Vice President since 1976; General Counsel since 1970; and Secretary since 1982	None
J.H. Woodward, Jr. (44)	Vice President and Corporate Controller since 1996	Controller - Dana North American Operations, 1994-96; Division Controller - Spicer Heavy Axle and Brake Division, 1992-94

None of the above officers has a family relationship with any other officer or with any director of Dana. There are no arrangements or understandings between any of the above officers and any other person pursuant to which he was elected an officer of Dana. Officers are elected annually at the first meeting of the Board of Directors after the Annual Meeting of Shareholders.

ITEM 2 - PROPERTIES

Dana owns the majority of the manufacturing facilities and the larger distribution facilities for its Vehicular and Industrial products. Several manufacturing facilities and many of the Company's smaller distribution outlets, service branches, and offices are leased. The facilities, in general, are well-maintained and adapted to the operations for which they are being used, and their productive capacity is adjusted and expanded as required by market and customer growth.

On a geographic basis, Dana's facilities (including those of consolidated subsidiaries and affiliates) are located as follows:

Dana Facilities by Geographic Region

Type of Facility	North America	Europe	South America	Asia Pacific	Total
Manufacturing	110	52	18	6	186
Distribution	46	161	14	35	256
Service Branches, Offices	56	8	3	12	79
Total	212	221	35	53	521

ITEM 3 - LEGAL PROCEEDINGS

The Company and its consolidated subsidiaries are parties to various pending judicial and administrative proceedings arising in the ordinary course of business. The Company's management and legal counsel have reviewed the probable outcome of these proceedings, the costs and expenses reasonably expected to be incurred, the availability and limits of the Company's insurance coverage, and the Company's established reserves for uninsured liabilities. While the outcome of the pending proceedings cannot be predicted with certainty, based on its review, management believes that any liabilities that may result are not reasonably likely to have a material effect on the Company's liquidity, financial condition or results of operations.

Under the rules of the Securities and Exchange Commission, certain environmental proceedings are not deemed to be ordinary routine proceedings incidental to the Company's business and are required to be reported in the Company's annual and/or quarterly reports. The Company is not currently a party to any such proceedings.

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

- None -

PART II

ITEM 5 - MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Dana's common stock is listed on the New York, Pacific, and London Stock Exchanges. On February 13, 1997, there were 32,456 shareholders of record.

Dividends have been paid on the common stock every year since 1936. Quarterly dividends have been paid since 1942.

"Additional Information - Shareholders' Investment" at page 50 of Dana's 1996 Annual Report is incorporated herein by reference.

ITEM 6 - SELECTED FINANCIAL DATA

"Eleven Year History - Financial Highlights" at page 51 of Dana's 1996 Annual Report is incorporated herein by reference.

ITEM 7 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

"Management's Discussion and Analysis of Results" at pages 40-44 of Dana's 1996 Annual Report is incorporated herein by reference.

ITEM 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements, together with the report thereon of Price Waterhouse LLP dated January 21, 1997, at pages 22-40 of Dana's 1996 Annual Report and "Unaudited Quarterly Financial Information" at page 50 of Dana's 1996 Annual Report are incorporated herein by reference.

On February 27, 1997, the Company announced that it had agreed to sell its European distribution operations and initiated a rationalization plan at its Perfect Circle Europe operations in France. See page 7 "Subsequent Events" for additional comments.

ITEM 9 - CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

- None -

PART III

ITEM 10 - DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Information regarding Dana's directors and executive officers is set out in Part I, Item 1 of this Form 10-K and in Dana's Proxy Statement dated February 28, 1997, for the Annual Meeting of Shareholders to be held on April 2, 1997 (the "1997 Proxy Statement"). "Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" from the 1997 Proxy Statement are incorporated herein by reference.

ITEM 11 - EXECUTIVE COMPENSATION

"The Board and its Committees - Compensation," "Executive Compensation," "Compensation Committee Report on Executive Compensation," and "Comparison of Five-Year Cumulative Total Return" from Dana's 1997 Proxy Statement are incorporated herein by reference.

ITEM 12 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

"Stock Ownership" from Dana's 1997 Proxy Statement is incorporated herein by reference.

ITEM 13 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

"Other Transactions" and "Transactions With Management" from Dana's 1997 Proxy Statement are incorporated herein by reference.

ITEM 14 - EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(b) Reports on Form 8-K

The Company filed a Current Report on Form 8-K on December 23, 1996, to report that it had signed an agreement to acquire the business of Clark-Hurth Components, a unit of Ingersoll-Rand Company.

Report of Independent Accountants on
Financial Statement Schedule

To the Board of Directors
of Dana Corporation

Our audits of the consolidated financial statements referred to in our report dated January 21, 1997 appearing on page 22 of the 1996 Annual Report to Shareholders of Dana Corporation (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of Financial Statement Schedule II appearing on pages 16 through 19 of this Form 10-K. In our opinion, this Financial Statement Schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PRICE WATERHOUSE LLP

Toledo, Ohio
January 21, 1997

DANA CORPORATION AND CONSOLIDATED SUBSIDIARIES

SCHEDULE II(a) - VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

ALLOWANCE FOR DOUBTFUL ACCOUNTS RECEIVABLE

	Balance at beginning of period	Additions charged to income	Trade accounts receivable "written off" net of recoveries	Adjustment arising from change in currency exchange rates and other items	Balance at end of period
Year ended-					
December 31, 1994	$16,828,000	$4,099,000	$(1,252,000)	$ (29,000)	$19,646,000
December 31, 1995	$19,646,000	$9,281,000	$(5,322,000)	$ (64,000)	$23,541,000
December 31, 1996	$23,541,000	$8,900,000	$(6,315,000)	$(151,000)	$25,975,000

DANA CORPORATION AND CONSOLIDATED SUBSIDIARIES

SCHEDULE II(b) - VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

ALLOWANCE FOR CREDIT LOSSES - LEASE FINANCING

	Balance at beginning of period	Additions charged to income	Amounts "written off" net of recoveries	Adjustment arising from change in currency exchange rates and other items	Balance at end of period
Year ended-					
December 31, 1994	$38,240,000	$13,895,000	$(11,421,000)	$ 75,000	$40,789,000
December 31, 1995	$40,789,000	$15,578,000	$ (9,000,000)	$ 58,000	$47,425,000
December 31, 1996	$47,425,000	$12,349,000	$ (9,299,000)	$350,000	$50,825,000

DANA CORPORATION AND CONSOLIDATED SUBSIDIARIES

SCHEDULE II(c) - VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

ALLOWANCE FOR LOAN LOSSES

	Balance at beginning of period	Additions charged to income	Amounts "written off" net of recoveries	Adjustment arising from change in currency exchange rates and other items	Balance at end of period
Year ended-					
December 31, 1994	$14,522,000	$(2,548,000)(1)	$(6,088,000)	$(247,000)	$5,639,000
December 31, 1995	$ 5,639,000	$ 1,551,000	$(3,265,000)	$(548,000)	$3,377,000
December 31, 1996	$ 3,377,000	$ 994,000	$(3,161,000)	-------	$1,210,000

(1) Includes reversal of reserves provided in prior years.

DANA CORPORATION AND CONSOLIDATED SUBSIDIARIES

SCHEDULE II(d) - VALUATION AND QUALIFYING ACCOUNTS AND RESERVES

VALUATION ALLOWANCE - REAL ESTATE

	Balance at beginning of period	Additions charged to income	Amounts "written off" net of recoveries	Acquisitions and other items	Balance at end of period
Year ended-					
December 31, 1994	$41,054,000	$10,337,000	$(12,669,000)	$ 226,000	$38,918,000
December 31, 1995	$38,918,000	$ 292,000	$ (9,291,000)	$(507,000)	$29,412,000
December 31, 1996	$29,412,000	$ 63,000	$(24,984,000)	$ (71,000)	$ 4,420,000

DANA CORPORATION AND CONSOLIDATED SUBSIDIARIES

SUPPLEMENTARY INFORMATION TO FINANCIAL STATEMENTS

EMPLOYEE STOCK OPTION PLANS

The Company has two stock option plans for employees which were approved by the shareholders in 1977 and 1982. The 1977 Plan was amended in 1981, 1986, 1990, 1994 and 1995. The 1982 Plan was amended with shareholder approval in 1988 and 1993. These plans authorize the grant of options and /or stock appreciation rights ("SARs") to key employees to purchase 6,000,000 and 11,900,000 shares, respectively, of common stock at exercise prices no less than 85% of the market value of such stock at date of grant; the exercise periods may extend for no more than ten years from date of grant. All options and SARs granted to date under these two plans have been granted at 100% of the market value of the Company's common stock at the date of grant.

The number of shares above and all references below to the number of shares and per share prices have been adjusted for all stock dividends and distributions subsequent to the dates the plans were approved by the date of grant.

The number of shares subject to options (by year of grant) at December 31, 1996, and the exercise prices per share were as follows:

	Number of Shares	Average Price Per Share	Total
Year granted-			
1987	34,200	$ 23.44	$ 801,600
1988	115,208	18.75	2,160,200
1989	133,050	21.06	2,801,400
1990	268,963	18.25	4,908,600
1991	231,000	16.38	3,782,600
1992	932,992	20.16	18,805,700
1993	702,750	27.56	19,369,500
1994	1,033,575	29.06	30,038,300
1995	991,000	31.06	30,778,500
	1,394,550	28.13	39,221,700
	5,837,288		$152,668,100

At December 31, 1996, there were 3,179,731 shares available for future grants under the 1982 Plan, as amended. No shares have been available for grants under the 1977 Plan since 1987 and there were no SARs outstanding at December 31, 1996.

Options becoming exercisable and options exercised, their exercise prices and their market prices during three years ended December 31, 1996, under these plans were as follows:

		Exercise Price		Market Price	
	No. Of Shares	Avg. Per Share	Aggregate	Avg. Per Share	Aggregate
Options becoming exercisable (Market prices at dates exercisable):					
Year ended December 31,					
1994	668,968	$ 21.28	$ 14,236,000	$ 28.89	$ 19,329,000
1995	814,971	24.32	19,822,000	29.78	24,266,000
1996	1,070,901	27.09	29,016,000	29.08	31,141,000
Options exercised (Market prices at dates exercised):					
Year ended December 31,					
1994	309,915	$ 17.13	$ 5,309,000	$ 28.74	$ 8,906,000
1995	223,430	17.93	4,005,000	28.74	6,422,000
1996	417,260	19.46	8,119,000	31.53	13,158,000

The amount by which proceeds exceeded the par value of shares issued under options was credited to additional paid-in capital. No amounts were charged against income either at the time of granting options or issuing shares.

The following table sets forth (1) the aggregate number of shares of the Company's common stock subject at December 31, 1996, to outstanding options, (2) the average exercise prices per share of such options, (3) the aggregate exercise prices of such options, (4) the ranges of expiration dates of such options, and (5) the aggregate market values of such shares at February 13, 1997, based on $ 31.625 per share, the closing sales price in the New York Stock Exchange Composite Transactions Index as reported in THE WALL STREET JOURNAL:

	Aggregate No. of Shares Covered By Outstanding Options	Average Exercise Price Per Share	Aggregate Exercise Price	Range of Expiration Dates	Aggregate Market Value at February 13, 1997
1977 Plan	34,200	$23.44	$ 801,600	7/13/97	$ 1,081,575
1982 Plan	5,803,088	$26.17	$151,869,000	7/11/98 to 7/15/06	$183,522,658

At December 31, 1996, 1,004 employees of the Company and its subsidiaries and affiliates held exercisable options under the Company's stock option plans, consisting of 154 employees under the 1977 Plan and 981 employees (some of whom also held options under the 1977 Plan) under the 1982 Plan.

EMPLOYEES' STOCK PURCHASE PLAN

The Company has an employees' Stock Purchase Plan which was approved by the shareholders in 1994. As of December 31, 1996, 37,600 employees of the Company and its subsidiaries were eligible to participate. Of such employees, 12,300 were participating at December 31, 1996.

NON-EMPLOYEE DIRECTORS' STOCK OPTION PLAN

The Company has a stock option plan for non-employee Directors of the Company which was approved by the shareholders in 1993. The plan provides for the granting of options to purchase the Company's common stock at prices equal to the market value of the stock at the date of grant. The options are exercisable after one year for a period not to exceed ten years from the date of grant. In 1994, 1995 and 1996, options were granted for 21,000, 24,000 and 21,000 shares, respectively, at per share exercise prices of $28.88 in 1994, $24.81 in 1995 and $32.25 in 1996. These options expire between 4/19/03 and 4/15/06. At December 31, 1996, 75,000 options were outstanding, 54,000 options were exercisable and there were 46,000 options available for future grant. 24,000 options became exercisable during 1996 having an aggregate exercise price of $595,400 and an aggregate market price at date of exercisability of $787,100. As of February 13, 1996, the aggregate exercise price of the 75,000 options outstanding under the Plan was $2,081,800 and the aggregate market value of those options was $2,371,875.

DANA CORPORATION AND CONSOLIDATED SUBSIDIARIES

SUPPLEMENTARY INFORMATION TO FINANCIAL STATEMENTS

COMMITMENTS AND CONTINGENCIES

As discussed in "Note 20. Commitments and Contingencies" on pages 38 and 39 of the 1996 Annual Report the Company and its consolidated subsidiaries are parties to various legal proceedings (judicial and administrative) arising in the normal course of business, including proceedings which involve environmental and product liability claims.

With respect to environmental claims, the Company is involved in investigative and/or remedial efforts at a number of locations, including "on-site" activities at currently or formerly owned facilities and "off-site" activities at "Superfund" sites where the Company has been named as a potentially responsible party. "Note 1. Summary of Accounting Policies - Environmental Compliance and Remediation" at page 28 of Dana's 1996 Annual Report and "Management's Discussion and Analysis of Results" at page 41 of Dana's 1996 Annual Report are incorporated herein by reference.

With respect to product liability claims, from time to time the Company is named in proceedings involving alleged defects in its products. Currently included in such proceedings are a large number of claims (most of which are relatively small) based on alleged asbestos-related personal injuries. At December 31, 1996, approximately 36,000 such claims were outstanding, of which approximately 5,000 were subject to pending settlement agreements. The Company has agreements with its insurance carriers providing for the payment of substantially all of the indemnity costs and the legal and administrative expenses for these claims. The Company is also a party to a small number of asbestos-related property damage proceedings. The Company's insurance carriers are paying the major portion of the defense costs in connection with such cases, and the Company has incurred no indemnity costs to date.

The Company signed agreements in December 1996 to acquire certain operations of SPX Corporation and the assets of Clark-Hurth Components, a unit of Ingersoll-Rand Company. These acquisitions were completed in February 1997. In the aggregate, these operations do not constitute a significant subsidiary.

EXHIBIT INDEX
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EXHIBIT	
3-A	Restated Articles of Incorporation, amended effective June 1, 1994 (filed by reference to Exhibit 4 to Registrant's Form 8 - A/A, Amendment No. 3, filed on October 4, 1994)
3-B	Restated By-Laws of Registrant, effective December 9, 1996
4-A	Specimen Single Denomination Stock Certificate of Registrant (filed by reference to Exhibit 4-B to Registrant's Form S-3, Registration No. 333-18403, filed on December 20, 1996) No class of long-term debt of Registrant exceeds 10% of Registrant's total assets. Registrant agrees to furnish copies of agreements defining the rights of debt holders to the Securities and Exchange Commission upon request.
4-B	Rights Agreement, dated as of April 25, 1996, between Registrant and ChemicalMellon Shareholder Services, L.L.C., Rights Agent (filed by reference to Exhibit 1 to Registrant's Form 8-A, filed May 1, 1986)
10-A	Additional Compensation Plan, amended effective January 1, 1995 (filed by reference to Exhibit A to Registrant's Proxy Statement for its Annual Meeting of Shareholders held on April 5, 1995)
10-A(1)	First Amendment to the Additional Compensation Plan, dated July 17, 1995 (filed by reference to Exhibit 10-A(1) to Registrant's Quarterly Report for the fiscal quarter ended June 30, 1995)
10-A(2)	Second Amendment to the Additional Compensation Plan, effective January 1, 1996 (filed by reference to Exhibit 10-A(2) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1995)
10-A(3)	Third Amendment to the Additional Compensation Plan, effective October 20, 1996
10-D(1)	1977 Incentive Stock Option Plan, as amended (filed by reference to Exhibit 1-D to Registration Statement No. 2-60466 filed December 13, 1977 and to Registrant's Proxy Statement for its Annual Meeting of Shareholders held on December 3, 1980)
10-D(2)	Amendment to 1977 Incentive Stock Option Plan, dated December 15, 1986 (filed by reference to Exhibit 10-D(2) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1986)
10-D(3)	Amendment to 1977 Incentive Stock Option Plan, dated December 10, 1990 (filed by reference to Exhibit 10-D(3) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1991)

EXHIBIT INDEX (Continued)

EXHIBIT	
10-D(4)	Fourth Amendment to 1977 Incentive Stock Option Plan, dated December 12, 1994 (filed by reference to Exhibit 10-D(4) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1995)
10-D(5)	Fifth Amendment to 1977 Incentive Stock Option Plan, dated December 11, 1995 (filed by reference to Exhibit 10-D(5) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1995)
10-D(6)	Sixth Amendment to 1977 Incentive Stock Option Plan, effective October 20, 1996
10-E	1982 Amended Stock Option Plan (filed by reference to Exhibit A to Registrant's Proxy Statement for its Annual Meeting of Shareholders held on April 7, 1993)
10-E(1)	First Amendment to 1982 Amended Stock Option Plan, effective October 20, 1996
10-F	Excess Benefits Plan, amended February 13, 1995 (filed by reference to Exhibit 10-F to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995)
10-G	Dana Corporation Retirement Plan, amended and restated as of December 13, 1994 (filed by reference to Exhibit 10-G to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1995)
10-G(1)	First Amendment to the Dana Corporation Retirement Plan, adopted on December 19, 1996
10-H	Directors Retirement Plan, amended effective January 26, 1993 (filed by reference to Exhibit 10-H to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1992)
10-I	Dana Corporation Director Deferred Fee Plan effective February 13, 1995 (filed by reference to Exhibit 10-I(1) to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 30, 1995)
10-I(1)	First Amendment to Director Deferred Fee Plan, effective October 20, 1996
10-J(1)	Employment Agreement between Registrant and Southwood J. Morcott, dated December 14, 1992 (filed by reference to Exhibit 10-J(6) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1992)
10-J(2)	Employment Agreement between Registrant and Martin J. Strobel, dated December 14, 1992 (filed by reference to Exhibit 10-J(7) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1992)
10-J(3)	Employment Agreement between Registrant and Carl H. Hirsch, dated December 14, 1992 (filed by reference to Exhibit 10-J(8) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1992.
10-J(4)	Employment Agreement between Registrant and Joseph M. Magliochetti, dated December 14, 1992 (filed by reference to Exhibit 10-J(12) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1992)

EXHIBIT INDEX (Continued)

EXHIBIT	
10-J(5)	Amendment No. 1 dated February 13, 1995, to the Employment Agreement between Registrant and Southwood J. Morcott (filed by reference to Exhibit 10-J(14) to Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended on June 30, 1995). Substantially similar amendments were made to the Employment Agreements of Messrs. Hirsch, Magliochetti and Strobel.
10-J(6)	Collateral Assignment Split-Dollar Insurance Agreement for Universal Life Policies between Registrant and Southwood J. Morcott, dated April 18, 1989 (filed by reference to Exhibit 10-J(13) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1992). Messrs. Hirsch, Magliochetti and Strobel have substantially identical agreements.
10-J(7)	Amendment No. 2 dated February 12, 1996, to the Employment Agreement between Registrant and Southwood J. Morcott. Substantially similar amendments were made to the Employment Agreements of Messrs. Hirsch, Magliochetti and Strobel.
10-K	Supplemental Benefits Plan, as amended and restated effective January 1, 1996
10-L(1)	1989 Restricted Stock Plan (filed by reference to Exhibit A of the Registrant's Proxy Statement for its Annual Meeting of Shareholders held on April 5, 1989)
10-L(2)	First Amendment to 1989 Restricted Stock Plan, adopted December 10, 1990 (filed by reference to Exhibit 10-L(2) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1993)
10-L(3)	Second Amendment to 1989 Restricted Stock Plan, adopted October 18, 1993 (filed by reference to Exhibit 10-3) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1993)
10-L(4)	Third Amendment to 1989 Restricted Stock Plan, effective October 20, 1996
10-M	Directors' Stock Option Plan (filed by reference to Exhibit B to Registrant's Proxy Statement for its Annual meeting of Shareholders held on April 7, 1993)
10-M(1)	First Amendment to Directors' Stock Option Plan, adopted April 18, 1994 (filed by reference to Exhibit 10-M(1) to Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 1995)
10-M(2)	Second Amendment to the Directors Stock Option Plan, effective October 20, 1996
10-N	Supplementary Bonus Plan, effective December 12, 1994 (filed by reference to Exhibit 10-N to Registrant's Quarterly Report for the fiscal quarter ended June 30, 1995)

EXHIBIT INDEX (Continued)

EXHIBIT	
13	The following sections of the 1996 Annual Report to Shareholders:
	Note 16. Business Segments (at pages 34-36 of the Annual Report)
	Statement of Cash Flows (at page 25 of the Annual Report)
	Note 1. Summary of Significant Accounting Policies - Environmental Compliance and Remediation (at page 28 of the Annual Report)
	Additional Information - Shareholders' Investment (at page 50 of the Annual Report)
	Eleven Year History - Financial Highlights (at page 51 of the Annual Report)
	Management's Discussion and Analysis of Results (at pages 40-44 of the Annual Report but excluding charts on these pages)
	Introduction to Financial Section, Financial Statements and Independent Accountants' Report (at pages 22-40 of the Annual Report)
	Unaudited Quarterly Financial Information (at page 50 of the Annual Report)
21	List of Subsidiaries of Registrant
23	Consent of Price Waterhouse LLP
24	Power of Attorney
27	Financial Data Schedule
Note:	Exhibits 10-A through 10-N are management contracts or compensatory plans required to be filed as exhibits to this Form 10-K pursuant to Item 14(c) of this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DANA CORPORATION
(Registrant)

Date: March 5, 1997 By: /s/ Martin J. Strobel
Martin J. Strobel, Vice President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Date: March 5, 1997	/s/ Southwood J. Morcott Southwood J. Morcott, Chairman of the Board of Directors and Chief Executive Officer
Date: March 5, 1997	/s/ John S. Simpson John S. Simpson, Chief Financial Officer
Date: March 5, 1997	/s/ Charles W. Hinde Charles W. Hinde, Chief Accounting Officer
Date: March 5, 1997	* /s/ B.F. Bailar B.F. Bailar, Director
Date: March 5, 1997	* /s/ E.M. Carpenter E.M. Carpenter, Director
Date: March 5, 1997	* /s/ E. Clark E. Clark, Director
Date: March 5, 1997	* /s/ G.H. Hiner G.H. Hiner, Director
Date: March 5, 1997	* /s/ J.M. Magliochetti J.M. Magliochetti, Director

SIGNATURES (Continued)

Date:	March 5, 1997	* /s/ M. R. Marks
		M. R. Marks, Director
Date:	March 5, 1997	* /s/ R. B. Priory
		R. B. Priory, Director
Date:	March 5, 1997	* /s/ J. D. Stevenson
		J. D. Stevenson, Director
Date:	March 5, 1997	* /s/ T.B. Sumner, Jr.
		T.B. Sumner, Jr., Director

*By: /s/ Martin J. Strobel
Martin J. Strobel, Attorney-in-Fact

BY-LAWS OF DANA CORPORATION

ARTICLE I. EFFECTIVE DATE

SECTION 1.1. EFFECTIVE DATE. These By-Laws are adopted by the Board of Directors (the "Board") of Dana Corporation ("Dana") on and effective December 9, 1996

ARTICLE II. OFFICES

SECTION 2.1. REGISTERED OFFICE. Dana's registered office shall be located at Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219.

SECTION 2.2. BUSINESS OFFICE. Dana's principal business office shall be located at 4500 Dorr Street, Toledo, Ohio 43615, with a mailing address of P.O. Box 1000, Toledo, Ohio 43697.

ARTICLE III. SHAREHOLDER MEETINGS

SECTION 3.1. ANNUAL MEETINGS. Unless the Board fixes a different date, the annual meeting of shareholders of Dana to elect directors and to transact other business (if any) shall be held on the first Wednesday of April each year, at the time and place designated by the Board in the notice of meeting. The Board may postpone or cancel any annual meeting at any time prior to the designated meeting date and time by means of (i) a press release reported by the Dow Jones News, Associated Press or a comparable national news service, or (ii) a document filed with the Securities and Exchange Commission ("SEC") (in either case, a "Public Announcement").

SECTION 3.2. SPECIAL MEETINGS. Special meetings of shareholders may be called by the Board, the Chairman of the Board (the "Chairman"), or the President, to elect directors and/or transact such other business as is described in the notice of meeting, at the date, time and place designated therein. Notice of special meetings shall be given to shareholders in accordance with the Virginia Stock Corporation Act ("Virginia Law"). The Board may postpone or cancel any special meeting at any time prior to the designated meeting date and time by means of a Public Announcement.

SECTION 3.3. SHAREHOLDER NOMINATIONS AND PROPOSALS. In submitting nominations for persons to be elected as directors of Dana or proposals for other business to be presented at any shareholder meeting, shareholders shall comply with the following procedures and such other requirements as are imposed by Virginia Law and the Securities Exchange Act of 1934, as amended (the "Exchange Act"):

A. DELIVERY. Shareholder notices shall be addressed and delivered to the Secretary at Dana's principal business office.

B. TIMELINESS.

I. ANNUAL MEETINGS. Shareholder notices of nominations to be voted on at any annual meeting must be delivered not later than the close of business on the 90th day prior to such meeting, and notices of proposals to be voted on must be delivered in compliance with the timeliness provisions of SEC Rule 14a-8(a)(3)(i) or any rule hereafter adopted in its place as though such rules applied to the proposals, whether or not they actually do so.

II. SPECIAL MEETINGS. Shareholder notices of nominations or of proposals to be voted on at any special meeting must be delivered (i) not earlier than the close of business on the 90th day prior to such meeting and (ii) not later than the close of business on the later of the 70th day prior to the date of the special meeting or the 3rd day following the date on which Dana first makes a Public Announcement of the date of the meeting.

III. ADJOURNMENTS AND POSTPONEMENTS. A Public Announcement of an adjournment or postponement of an annual or special meeting shall not commence a new time period for the giving of shareholder notices.

C. CONTENTS. Shareholder notices shall contain the names and addresses (as they appear on the records of Dana's transfer agent) of the shareholder(s) and all beneficial owners on whose behalf the nomination or proposal is made, and the class and number of Dana shares which are owned of record and beneficially by the shareholder(s) and the beneficial owners. The notice shall also contain, as applicable, (i) the information about director-nominees which is required to be disclosed in solicitations of proxies for the election of directors in an election contest or otherwise pursuant to Regulation 14A under the Exchange Act and Rule 14a-11 thereunder, or any rules hereafter adopted in their place (including such person's written consent to being named in the proxy as a nominee and to serving as a director if elected), and (ii) a brief description of any other proposed business, the reason for presenting such business at the meeting, and any material interests which the shareholder(s) and the beneficial owners have in such business.

SECTION 3.4. CONDUCT OF MEETINGS.

SECTION 3.4.1. CHAIRMAN AND PROCEDURES. Shareholder meetings shall be chaired by the Chairman of the Board or by such person as he or she may designate. The chairman of the meeting shall determine and announce the rules of procedure for the meeting and shall rule on all procedural questions during the meeting.

SECTION 3.4.2. PROPER NOMINATIONS AND BUSINESS. Nominations for directors and other proposals shall be deemed properly brought before a shareholder meeting only when brought in accordance with Virginia Law and this Article III. The chairman of the meeting shall determine whether each nomination or proposal has been properly brought and shall declare that any improperly brought nomination or proposal be disregarded.

SECTION 3.4.3. ADJOURNMENTS. The chairman of any shareholder meeting, or the holders of a majority of the shares represented at the meeting (whether or not constituting a quorum), may adjourn the meeting from time to time. No further notice need be given if the adjournment is for a period not exceeding 120 days and the new date, time and place are announced at the adjourned meeting. Otherwise, notice shall be given in accordance with Virginia Law.

ARTICLE IV. BOARD OF DIRECTORS

SECTION 4.1. AUTHORITY. The business and affairs of Dana shall be managed under the direction of the Board, and all of Dana's corporate powers shall be exercised by or pursuant to the Board's authority.

SECTION 4.2. NUMBER AND TERM OF DIRECTORS. The number of directors of Dana shall be ten. Each director shall hold office until the next annual meeting of shareholders and the election and qualification of his or her successor, or until his or her earlier retirement, resignation, or removal.

SECTION 4.3. MEETINGS AND NOTICE.

SECTION 4.3.1. REGULAR MEETINGS. The Board shall hold regular meetings at such dates, times and places as it may determine from time to time, and no notice thereof need be given other than such determination. However, if the date, time or place of any regular meeting is changed, notice of the change shall be given to all directors by means of (i) a written notice mailed at least 5 calendar days before the meeting, (ii) a written notice delivered in person, by recognized national courier service, or by telecopy at least 1 business day before the meeting, or (iii) by telephone notification given at least 12 hours before the meeting.

SECTION 4.3.2. SPECIAL MEETINGS. The Board or the Chairman may call a special meeting of the Board at any date, time and place by causing the Secretary to give notice thereof to each director in the manner provided in Section 4.3.1. Neither the purpose of the meeting nor the business to be transacted need be specified in the notice of meeting, except for proposed amendments to these By-Laws.

SECTION 4.3.3. TELEPHONIC MEETINGS. Members of the Board may participate in any Board meeting by means of conference telephone or similar communications equipment by means of which all meeting participants can hear each other, and such participation shall constitute presence in person at such meeting.

SECTION 4.3.4. WAIVER OF NOTICE. A director may waive any notice of meeting required under Virginia Law, Dana's Articles of Incorporation ("Dana's Articles") or these By-Laws, before or after the date and time set out in the notice, by signed written waiver submitted to the Secretary and filed with the minutes of the meeting. A director's attendance or participation at any meeting shall constitute a waiver of notice unless the director objects, at the beginning of the meeting or promptly upon his or her arrival, to holding the meeting or transacting business at the meeting, and thereafter does not vote on or assent to actions taken at the meeting.

SECTION 4.4. ACTION WITHOUT A MEETING. Any action required or permitted to be taken at a Board meeting may be taken without a meeting if the action is taken by all members of the Board. The action shall be evidenced by one or more written consents, signed by each director either before or after the action is taken. The action shall be effective when the last director signs his or her consent unless the consent specifies a different effective date, in which event the action taken will be effective as of the date specified therein provided that the consent states the date of execution by each director.

SECTION 4.5. QUORUM, BOARD ACTION. A majority of the directors shall constitute a quorum of the Board. If a quorum is present when a vote is taken, the affirmative vote of the majority of directors present shall constitute the act of the Board; provided, that the authorization, approval or ratification of any transaction in which a director has a direct or indirect personal interest shall also be subject to the provisions of Virginia Law.

SECTION 4.6. RESIGNATIONS. A director may resign at any time by giving written notice to the Board, the Chairman, the President or the Secretary. Unless otherwise specified in the notice, the resignation shall take effect upon delivery and without Board action. A director's resignation shall not affect any contractual rights and obligations of Dana or the director, except as specified in any particular contract.

SECTION 4.7. VACANCIES. The Board shall fill all vacancies, including those resulting from an increase in the number of directors, by majority vote of the remaining directors, whether or not such number constitutes a quorum.

ARTICLE V. BOARD COMMITTEES

SECTION 5.1. ESTABLISHMENT OF COMMITTEES. The Board may, by amendment to the By-Laws, establish and dissolve Board Committees and establish and change the authority of such Committees; provided, that each Committee shall consist of two or more directors (who shall serve thereon at the Board's pleasure) and shall have a chairman who is designated by the Board. Each Committee shall exercise such of the Board's powers as are authorized by the Board, subject to any limitations imposed by Virginia Law. The Board may, from time to time and without amendment to the By-Laws, change the membership or chairmanship of any Board Committee and fill any vacancies thereon or designate another director to act in the place of any Committee member who is absent or disqualified from voting at any meeting of the Committee.

SECTION 5.2. STANDING COMMITTEES. The Board shall have the following Standing Committees:

A. ADVISORY COMMITTEE. The Advisory Committee shall make recommendations to the Board on matters relating to the qualifications of directors; the selection of nominees for election as directors at annual shareholder meetings and in filling Board vacancies; the selection and retention of elected officers and management succession; the cash and non-cash compensation of directors; the structure of the

Board's Committees; the schedule and agenda for meetings of the Board and its Committees; the criteria for assessing the performance of the Board, its Committees, and the individual directors; and other Board governance matters. When the Board is not in session and when the Advisory Committee is convened by and meeting with the Chairman of the Board for such purpose, the Advisory Committee shall serve as an "executive committee" of the Board and shall have the full authority of the Board under Virginia Law.

B. AUDIT COMMITTEE. The Audit Committee shall periodically meet with Dana's financial and accounting management and independent auditors and accountants to review Dana's audit plans, financial reporting, internal controls, and significant issues relating to Dana's contingent liabilities, taxes and insurance programs. The Audit Committee shall provide oversight for Dana's audit programs and shall make recommendations to the Board on matters relating to the selection and retention of the independent auditors. The members of the Audit Committee shall not be employees of Dana.

C. COMPENSATION COMMITTEE. The Compensation Committee shall make recommendations to the Board on matters relating to base salaries and other cash and non-cash compensation for senior management under those Dana executive benefit plans in effect from time to time which the Committee interprets and administers. The Compensation Committee shall maintain familiarity with generally accepted national and international compensation practices and may consult with such compensation consultants as it deems appropriate. In making its recommendations, the Compensation Committee shall endeavor to maintain the compensation of Dana's senior management at levels appropriate for Dana's size and business, the responsibilities and performance of the individuals, and Dana's performance. The members of the Compensation Committee shall qualify as "outside directors" under Internal Revenue Service Regulation ss.1.162-27 and shall not be employees of Dana.

D. FINANCE COMMITTEE. The Finance Committee shall review Dana's financial condition, liquidity (including aggregate corporate borrowings) and results of operations, and shall recommend to the Board appropriate courses of action with respect to Dana's financial performance and capital structure. Within parameters established with the Board, the Finance Committee shall review and approve management's recommendations on matters relating to major corporate actions (including fixed capital expenditures; acquisitions, investments, and divestitures; working capital programs; and issuances of equity and debt securities) and shall present such recommendations to the Board.

E. FUNDS COMMITTEE. The Funds Committee shall review the structure and allocation of assets in Dana's pension and other employee benefit funds and the performance of the fund managers, to assure that the funds are managed in compliance with applicable laws and regulations. In performing these advisory functions, the Funds Committee shall refrain from making specific investment recommendations. The Funds Committee shall review and approve management's recommendations on matters relating to the selection and retention of the investment managers.

SECTION 5.3. COMMITTEE MEETINGS AND PROCEDURES. Each Committee shall hold regular meetings at such dates, times and places as it may determine from time to time, and no notice thereof need be given other than such determination. Sections 4.3 through 4.5, which govern meetings, notices and waivers of notice, actions without meeting, and quorum and voting requirements for the Board and the directors, shall also apply to the Committees and their members. Each Committee shall keep written records of its proceedings and shall report such proceedings to the Board from time to time as the Board may require.

SECTION 5.4. RESIGNATIONS. A Committee member may resign at any time by giving written notice to the Chairman of the Board. Unless otherwise specified in the notice, the resignation shall take effect upon delivery and without Board action.

ARTICLE VI. OFFICERS

SECTION 6.1. OFFICES AND ELECTION. The Board shall elect the following officers annually at the first Board meeting following the annual shareholders meeting: the Chairman (who shall be a member of the Board), the Chief Executive Officer, the Chief Operating Officer, the President, the President-Dana International, the President-Dana North America, the Chief Financial Officer, the Treasurer, the Secretary, and such other Regional Presidents, Executive Vice Presidents, Vice Presidents, Assistant Treasurers and Assistant Secretaries as it deems appropriate. Any person may simultaneously hold more than one office. Each officer shall hold office until the election and qualification of his or her successor, or until his or her earlier resignation or removal. Election as an officer shall not, of itself, create any contractual rights in the officer or in Dana, including, without limitation, any rights in the officer for compensation beyond his or her term of office.

SECTION 6.2. REMOVALS AND RESIGNATIONS. Officers shall serve at the pleasure of the Board and may be removed from office by the Board at any time. An officer may resign at any time by giving written notice to the Chairman or the Secretary. Unless otherwise specified in the notice, the resignation shall take effect upon delivery and without Board action. An officer's resignation shall not affect any contractual rights and obligations of Dana or the officer, except as specified in any particular contract.

SECTION 6.3. DUTIES OF OFFICERS. The officers shall perform the following duties and any others which are assigned by the Board from time to time, are required by Virginia Law, or are commonly incident to their offices:

A. CHAIRMAN OF THE BOARD. The Chairman shall provide leadership to the Board in discharging its functions; shall preside at all meetings of the Board; shall act as a liaison between the Board and Dana's management; and, with the Chief Executive Officer, shall represent Dana to the shareholders, investors and other external groups. If the Chairman is absent or incapacitated, the Chairman of the Advisory Committee shall have his or her powers and duties.

B. CHIEF EXECUTIVE OFFICER. The Chief Executive Officer shall be Dana's principal executive officer, with responsibility for the general management of Dana's business affairs. The Chief Executive Officer shall develop and recommend to the Board long-term strategies for Dana, annual business plans and budgets to support those strategies, and plans for management development and succession that will provide Dana with an effective management team. He or she shall serve as Dana's chief spokesperson to internal and external groups. If the Chief Executive Officer is absent or incapacitated, the President shall have his or her powers and duties.

C. CHIEF OPERATING OFFICER. The Chief Operating Office shall oversee the management of Dana's day-to-day business in a manner consistent with Dana's financial and operating goals and objectives, continuous improvement in Dana's products and services, and the achievement and maintenance of satisfactory competitive positions within Dana's industries.

D. PRESIDENT. The President shall have such duties as are assigned by the Chief Executive Officer. If the President is absent or incapacitated, the Chairman shall have his or her powers and duties.

E. PRESIDENT - DANA INTERNATIONAL. The President-Dana International shall have such duties as are assigned by the Chairman.

F. CHIEF FINANCIAL OFFICER. The Chief Financial Officer shall be responsible for the overall management of Dana's financial affairs.

G. EXECUTIVE VICE PRESIDENTS AND VICE PRESIDENTS. The Executive Vice Presidents and the Vice Presidents shall have such duties as are assigned by the Chairman.

H. REGIONAL PRESIDENTS. The President-Dana North America and such other regional presidents as the Board may elect shall manage Dana's operations in the regions assigned to them.

I. TREASURER. The Treasurer shall have charge and custody of Dana's funds and securities and shall receive monies due and payable to Dana from all sources and deposit such monies in banks, trust companies, and depositories as authorized by the Board. If the Treasurer is absent or incapacitated and has not previously designated in writing another person or persons to have his or her powers and duties, any Assistant Treasurer shall have such powers and duties.

J. SECRETARY. The Secretary shall prepare and maintain minutes of all meetings of the Board and of Dana's shareholders; shall assure that notices required by these By-Laws, Dana's Articles, Virginia Law or the Exchange Act are duly given; shall be custodian of Dana's seal (if any) and affix it as required; shall authenticate Dana's records as required; shall keep or cause to be kept a register of the shareholders' names and addresses as furnished by them; and shall have general charge of Dana's stock transfer books. If the Secretary is absent or incapacitated and has not previously designated in writing another person or persons to have his or her powers and duties, any Assistant Secretary shall have such powers and duties.

K. ASSISTANT TREASURERS AND ASSISTANT SECRETARIES. The Assistant Treasurers and Assistant Secretaries shall have such duties as are assigned by the Treasurer and the Secretary, respectively.

SECTION 6.4. CONTRACTS AND INSTRUMENTS. Except as limited in Section 6.5 with respect to Dana's guarantees of the indebtedness of subsidiaries, affiliates and third parties, each of the Chairman, the Chief Executive Officer, the Chief Operating Officer, the President, the President-Dana International, the President-Dana North America, the Chief Financial Officer, any Executive Vice President, any Vice President, any other Regional President, and the Treasurer, shall have the power to enter into, sign (manually or through facsimile), execute, and deliver contracts (including, without limitation, bonds, deeds and mortgages) and other instruments evidencing Dana's rights and obligations on behalf of and in the name of Dana. Except as otherwise provided by law, any of these officers may delegate the foregoing powers to any other officer, employee or attorney-in-fact of Dana by written special power of attorney.

SECTION 6.5. GUARANTEES OF INDEBTEDNESS.

SECTION 6.5.1. DEBT OF WHOLLY OWNED SUBSIDIARIES. Within any limitations set by the Board on total outstanding guarantees for Dana subsidiaries, each of the Chairman, the Chief Executive Officer, the Chief Operating Officer, the President, the Chief Financial Officer, and the Treasurer shall have the power to approve guarantees by Dana of the indebtedness of direct and indirect wholly owned Dana subsidiaries.

SECTION 6.5.2. DEBT OF NON-WHOLLY OWNED SUBSIDIARIES, AFFILIATES, AND OTHER ENTITIES. Each of the Chairman, the Chief Executive Officer, the Chief Operating Officer, the President, the Chief Financial Officer, and the Treasurer shall have the power to approve guarantees by Dana of the indebtedness of non-wholly owned Dana subsidiaries, Dana affiliates and third party entities; provided, that the aggregate amount of such guarantees made by these officers collectively between Board meetings may not exceed $10 million and that all such guarantees in the aggregate may not exceed any limitations set by the Board on total outstanding guarantees for Dana subsidiaries.

SECTION 6.6. STOCK CERTIFICATES. The Chairman, the President, and the Secretary shall each have the power to sign (manually or through facsimile) certificates for shares of Dana stock which the Board has authorized for issuance.

SECTION 6.7. SECURITIES OF OTHER ENTITIES. With respect to securities issued by another entity which are beneficially owned by Dana, each of the Chairman, the Chief Executive Officer, the Chief Operating Officer, the President, the President-Dana International, the President-Dana North America, the Chief Financial Officer, any Executive Vice President, any Vice President, any other Regional President, the Treasurer and the Secretary shall have the power to attend any meeting of security holders of the entity and vote thereat; to execute in the name and on behalf of Dana such written proxies, consents, waivers or other instruments as they deem necessary or proper to exercise Dana's rights as a security holder of the entity; and otherwise to exercise all powers to which Dana is entitled as the beneficial owner of the securities. Except as otherwise provided by law, any of these officers may delegate any of the foregoing powers to any other officer, employee or attorney-in-fact of Dana by written special power of attorney.

ARTICLE VII. INDEMNIFICATION

SECTION 7.1. INDEMNIFICATION. Dana shall indemnify any of the following persons who was, is or may become a party to any "proceeding" (as such term is defined in Section 1 of Article SIXTH of Dana's Articles) to the same extent as if such person were specified as one to whom indemnification is granted in Section 3 of the foregoing Article SIXTH: (i) any Dana director, officer or employee who was, is, or may become a party to the proceeding by reason of the fact that he or she is or was serving at Dana's request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, and (ii) any Dana employee who was, is, or may become a party to the proceeding by reason of the fact that he or she is or was an employee of Dana. In all cases, the provisions of Sections 4 through 7 of the foregoing Article SIXTH shall apply to the indemnification granted hereunder.

ARTICLE VIII. DANA STOCK

SECTION 8.1. LOST CERTIFICATES. A shareholder claiming that any certificate for Dana stock has been lost or destroyed shall furnish the Secretary with an affidavit stating the facts relating to such loss or destruction. The shareholder shall be entitled to have a new certificate issued in the place of the certificate which is claimed to be lost or destroyed if (i) the affidavit is satisfactory to the Secretary, and (ii) if requested by the Secretary, the shareholder gives a bond (in form and amount satisfactory to the Secretary) to protect Dana and other persons from any liability or expense that might be incurred upon the issue of a new certificate by reason of the original certificate remaining outstanding.

SECTION 8.2. RIGHTS AGREEMENT. Any restrictions which are deemed to be imposed on the transfer of Dana securities by the Rights Agreement dated as of July 14, 1986, as amended, between Dana and Chemical Bank (as successor to Manufacturers Hanover Trust Company), or by any successor or replacement rights plan or agreement, are hereby authorized.

SECTION 8.3. CONTROL SHARE ACQUISITIONS. Article 14.1 of the Virginia Stock Corporation Act shall not apply to the acquisition of shares of Dana's common stock.

ARTICLE IX. AMENDMENT

SECTION 9.1. AMENDMENT. The Board, by resolution, or the shareholders may amend or repeal these By-Laws, subject to any limitations imposed by Dana's Articles and Virginia Law.

Exhibit 10-A(3)

THIRD AMENDMENT TO THE DANA CORPORATION ADDITIONAL COMPENSATION PLAN

Pursuant to resolutions of the Board of Directors adopted on October 21, 1996, the Dana Corporation Additional Compensation Plan (the "ACP") is hereby amended, effective as of October 20, 1996 (unless otherwise provided herein), as set forth below.

FIRST

Section 5 of the "ACP" is hereby amended by deleting the first sentence that ends with the word "binding:" and replacing such sentence in its entirety with the following:

> On or before December 31 of the Year on behalf of which awards are to be made, the Committee may determine to defer payment of any or all amounts awarded to a person named on the Corporate Award List. Each such person for whom the Committee determines that all or a portion of his award should be deferred may elect to have such award credited to (i) a Stock Account (as described in Section 5A hereof), (ii) an Interest Equivalent Account (as described in Section 5B hereof) or (iii) some combination thereof, in accordance with procedures established by the Committee.

SECOND

Section 5A of the ACP is hereby amended by deleting the first two sentences thereof and replacing such sentences in their entirety with the following:

> The Corporation shall establish a Stock Account on its books for each person who elects to convert all or a portion of his deferred award into Units equal to shares of the Corporation's common stock, and shall credit to such Account a number of Units equal to the maximum number of whole shares of the Corporation's common stock which could have been purchased with the amount of the award so deferred, assuming a purchase price per share equal to the average of the last reported daily sales prices for shares of such common stock on the New York Stock Exchange-Composite Transactions on each trading day during the preceding month of November.

THIRD

Section 5B of the ACP is hereby amended by deleting the first two sentences (as amended by the First Amendment to the ACP) thereof and replacing such sentences in their entirety with the following:

> The Corporation shall establish an Interest Equivalent Account on its books for each person who elects to convert all or a portion of his deferred award (or his Units pursuant to Section 5A hereof) into Interest Equivalent amounts. Notwithstanding anything else in this Section 5B to the contrary, a participant may elect to credit up to 100% of the amount of any deferred award to his Interest Equivalent Account, provided that the participant has met or exceeded his stock ownership target as established by the Committee on December 12, 1994 (or as such target may be changed from time to time). If the participant has not met his stock ownership target, the participant may only elect to credit up to 50% of the amount of his deferred award to an Interest Equivalent Account.

FOURTH

Section 6 of the ACP is hereby amended by deleting the third and fourth paragraphs thereof and replacing such paragraphs in their entirety with the following, such amendment to be effective upon shareholder approval, at the Corporation's 1997 Annual Meeting of Shareholders, of amendments to the Corporation's 1982 Amended Stock Option Plan which permit shares of the Corporation's common stock reserved for issuance under such plan to be used in satisfaction of obligations under the ACP:

> Each distribution in respect of a participant's Accounts shall be made, in whole or in part, at the election of the participant, in shares of the Corporation's common stock, in cash, or in both common stock and cash. To the extent that payment is to be made in common stock of the Corporation, the number of shares of such stock to be distributed shall equal the maximum number of whole shares of the Corporation's common stock which could have been purchased with the Interest Equivalent Account amount being distributed, assuming a purchase price per share of common stock equal to the average of the last reported daily sales prices for shares of such stock on the New York Stock Exchange-Composite Transactions on each trading day during the calendar month preceding the month of making such payment. Any distribution in respect of Units from a participant's Stock Account shall be made on the basis of one share of the Corporation's common stock for each Unit being distributed. Any dollar balance in a participant's Stock Account at the time of each distribution shall be carried forward until the final distribution.

If any distribution in respect of a participant's Accounts is to be made in cash, the value of each Unit being distributed from his Stock Account shall be assumed, for purposes of such distribution, to be equal to the average of the last reported daily sales prices for shares of the Corporation's Common Stock on the New York Stock Exchange-Composite Transactions on each trading day during the calendar month preceding the month of making such payment. A cash distribution may also be made from a participant's Interest Equivalent Account, in which case a corresponding reduction in the balance of that Account will be made.

If any distribution is made in shares of the Corporation's common stock, the Corporation shall take all necessary action to comply with or secure an exemption from the registration requirements of the Securities Act of 1933, and the listing requirements of the New York Stock Exchange and any other securities exchange on which the Corporation's common stock may then be listed; provided that the Corporation may (i) delay the making of any such distribution in shares of its common stock for such period as it may deem necessary or advisable to effect compliance with the requirements above referred to, and (ii) require, as a condition precedent to the delivery of the certificate(s) representing such shares, that any recipient thereof execute and deliver such representations, agreements and/or covenants in favor of the Corporation with respect to the holding and/or disposition of such shares, and such consent to the mechanics for enforcement of such representations, agreements and/or covenants, as the Committee may deem necessary or advisable in order to comply with or obtain exemption from any of the requirements above referred to.

IN WITNESS WHEREOF, the undersigned has hereby executed this Third Amendment on behalf of the Corporation this 21st day of October 1996.

DANA CORPORATION

/s/ Martin J. Strobel

ATTEST:

/s/ Mark A. Smith, Jr.
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Exhibit 10-D(6)

SIXTH AMENDMENT TO THE DANA CORPORATION 1977 INCENTIVE STOCK OPTION PLAN

Pursuant to resolutions of the Board of Directors adopted on October 21, 1996, the Dana Corporation 1977 Incentive Stock Option Plan (the "1977 Plan") is hereby amended, effective as of October 20, 1996, as set forth below,

FIRST

Section 2 of the 1977 Plan is hereby amended by deleting the second sentence thereof and replacing such sentence in its entirety with the following:

> The Committee shall be composed of at least three (3) members of the Board who shall be (i) "nonemployee directors" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, and (ii) "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended.

SECOND

Section 7 of the 1977 Plan is hereby amended by inserting a period (.) after the word "specify" in the last sentence thereof and deleting the remainder of the sentence.

IN WITNESS WHEREOF, the undersigned has hereby executed this Sixth Amendment on behalf of the Corporation this 21st day of October 1996.

DANA CORPORATION

/s/ Martin J. Strobel

ATTEST:

/s/ Mark A. Smith, Jr.
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Exhibit 10-E(1)

FIRST AMENDMENT
TO
THE DANA CORPORATION
1982 AMENDED STOCK OPTION PLAN

Pursuant to resolutions of the Board of Directors adopted on October 21, 1996, the Dana Corporation 1982 Amended Stock Option Plan (the "1982 Plan") is hereby amended, effective as of October 20, 1996, as set forth below.

FIRST

Section 2 of the 1982 Plan is hereby amended by deleting the definition of "Committee" contained therein and replacing it with the following:

> "Committee" shall mean a committee of the Board consisting of at least three (3) members of the Board who shall be (i) "nonemployee directors" within the meaning of Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, and (ii) "outside directors" within the meaning of Section 162(m) of the Internal Revenue Code of 1986, as amended.

SECOND

Section 8(c) of the 1982 Plan is hereby amended by inserting a period (.) after the word "specify" in the last sentence thereof and deleting the remainder of the sentence.

IN WITNESS WHEREOF, the undersigned has hereby executed this First Amendment on behalf of the Corporation this 21st day of October 1996.

DANA CORPORATION

/s/ Martin J. Strobel

ATTEST:

/s/ Mark A. Smith, Jr.

EXHIBIT 10-G(1)

FIRST AMENDMENT TO THE DANA CORPORATION RETIREMENT PLAN (January 1, 1994, Restatement)

In order to ensure that the Dana Corporation Retirement Plan (the "Plan") reflects the resolution of the Board of Directors adopting a minimum benefit formula; to limit the extent to which bonuses may be taken into account as earnings; to coordinate with pension coverage provided under other retirement plans; and to provide for participation by certain employees of the Wix and Spicer Driveshaft Divisions, it is necessary to amend the Plan as follows, effective as of the dates specified below:

1. Amend Section 1.10 to read as follows, effective January 1, 1994:

1.10 "EARNINGS" means an Employee's basic salary paid by an Employer in any Plan Year (before any reduction as a result of an election to have his pay reduced in accordance with a "cafeteria" plan or a "cash or deferred arrangement" pursuant to Section 125 or Section 401(k) of the Code), plus overtime and incentive payments paid by an Employer in any Plan Year. "Earnings" shall also include an Employee's bonuses paid by an Employer in any Plan Year, except that "Earnings" shall not include the portion of an Employee's bonus for 1994 or subsequent years that exceeds 125 percent of the Employee's annual base salary for the year with respect to which the bonus is earned. "Earnings" shall not include any amount paid to an Employee by reason of his participation in any employee benefit plan of the Company. In no event shall an Employee's "Earnings" exceed the limit in effect for the Plan Year under Section 401(a)(17) of the Code.

2. Amend Section 1.11 B. to read as follows, effective January 1, 1994:

B. an individual (i) who is eligible to receive a nonelective employer contribution (other than a matching contribution) under any tax-qualified defined contribution plan of an Employer, or (ii) who is eligible to accrue a benefit under any other tax-qualified defined benefit plan (or any comparable retirement plan maintained outside the United States) of the Company (provided that an individual shall not be excluded by clause (ii) if the other plan has a service-based benefit formula and the formula does not recognize the individual's current employment as benefit accrual service); or

3. Amend Section 1.11 by adding the following paragraph immediately after subsection H., effective January 1, 1996:

   Effective January 1, 1996, "Employee" also includes (i) any salaried employee and any Part-Time Employee of the Spicer Driveshaft Division who is a plant manager or on the plant manager's staff, and (ii) any salaried employee and any Part-Time Employee of the Wix Division who reports directly to the Wix Division General Manager and who is a member of the Division Operating Committee; provided (in either case) that the employee is not described in subparagraphs A. through H., above.

4. Amend Section 3.01 B. by adding the following paragraph to the end of that subsection, effective September 1, 1995:

   Each Participant who has earned future service credits under Section 3.01 B. or Appendix E (determined without regard to this paragraph), and whose employment with the Company terminates on or after September 1, 1995, shall be entitled to a minimum Future Service Account calculated as described in Section 3.10. If the sum of the Participant's minimum future service credits calculated under Section 3.10 (and the related interest credits) is greater than the sum of his regular future service credits calculated under this subsection B. (and the related interest credits), then the minimum Future Service Account shall replace the Participant's regular Future Service Account for all purposes under the Plan.

5. Amend Article III by adding a new Section 3.10 to read as follows, effective September 1, 1995:

   3.10 MINIMUM FUTURE SERVICE ACCOUNT

   A. The minimum benefit calculation in this Section 3.10 shall apply only to a Participant who has earned future service credits under Section 3.01 B. or Appendix E (determined without regard to this section), and whose employment with the Company terminates on or after September 1, 1995. A Participant who satisfies these requirements shall be entitled to minimum future service credits (determined when his employment terminates) based on his "look-back earnings" calculated under subsection B., below.

   B. A Participant's "look-back earnings" shall be determined as follows:

1. STEP 1: Determine the Participant's average annual Earnings for the five consecutive calendar years in which the Participant's Earnings were the greatest during the last ten calendar years in which the Participant is employed by the Company. (If the Participant has fewer than five consecutive calendar years of Earnings, determine the Participant's average annual Earnings for all such consecutive years.) For this purpose, a Participant's "Earnings" shall be determined as provided in Section 1.10, except that amounts paid by the Company shall be taken into account regardless of whether the business unit making the payment is an Employer that has adopted the Plan. The Earnings taken into account for each year under this paragraph shall not exceed the limit in effect for that year under Section 401(a)(17) of the Code. In computing the Participant's average annual earnings, calendar years in which the Participant did not have a full year of Earnings shall be disregarded; and calendar years separated by one (or more) years in which the Participant did not have a full year of Earnings (including, but not limited to, years that constitute a Break in Service) shall be considered consecutive.

2. STEP 2: Multiply the average annual Earnings amount determined under Step 1 by the appropriate adjustment factor to calculate the Participant's adjusted final earnings. The adjustment factor shall be 1.09988 if the average comprises five years of Earnings; 1.07433 if the average comprises four years of Earnings; 1.04917 if the average comprises three years of Earnings; 1.02439 if the average comprises two years of Earnings; and 1.0000 if only one year of Earnings is taken into account.

3. STEP 3: Treat the adjusted final earnings amount determined under Step 2 as the Participant's look-back earnings for his final full calendar year of employment with the Company (his "final-year look-back earnings"). Calculate the Participant's look-back earnings for each prior year (through the year in which he first earned a future service credit under Section 3.01 B.) by applying a salary scale of five percent per year, projected backwards, to the

Participant's final-year look-back earnings. The amount determined under this Step 3 for each Plan Year shall be the Participant's look-back earnings for that Plan Year.

C. A Participant shall receive a minimum future service credit for each Plan Year in which he received a regular future service credit under Section 3.01 B. or Appendix E (determined without regard to this section). The Participant's minimum future service credit for each Plan Year shall be calculated under the table in Section 3.01 B. (as modified by Appendix E) taking into account the actual Social Security taxable wage base and the Participant's actual Credited Service for that Plan Year, but replacing the Participant's actual Earnings with his look-back earnings for that Plan Year. If the Participant's actual Earnings were pro-rated to determine his initial future service credit under Appendix E, the Participant's look-back earnings shall be pro-rated to the same extent. If the Participant's last year of employment with the Company is not a full calendar year, the individual's minimum future service credit for that Plan Year shall be equal to his regular future service credit under Section 3.01 B. or Appendix E (determined without regard to this section) for the Plan Year.

D. The Participant's minimum future service credits shall be increased as provided in Section 3.01 C. or Appendix E as if they had been credited to the Participant in the Plan Year with respect to which they are determined.

E. The sum of the Participant's minimum future service credits determined under Section 3.01 B. or Appendix E and the Participant's percentage increases determined under Section 3.01 C. or Appendix E shall be the Participant's minimum Future Service Account. If the Participant's minimum Future Service Account is greater than his regular Future Service Account, the minimum Future Service Account shall replace the regular Future Service Account for all purposes under the Plan. However, no Participant shall be entitled to receive the greater of the minimum future service credit or the regular future service credit for each Plan Year, determined on a year-by-year basis: the minimum Future Service Account shall be calculated and compared with the regular Future Service Account only on an aggregate basis.

F. If a Participant's minimum Future Service Account is greater than his regular Future Service Account, the Participant shall also receive minimum benefit accruals under Section 12.01 A. and Appendix E for each year in which he accrued a regular benefit under those provisions. The Participant's minimum benefit accruals shall be calculated under the table in Section 12.01 A. (as modified by Appendix E) by replacing the Participant's actual Earnings with his look-back earnings, and shall be increased by applying the percentage increase in Section 12.01 B. and Appendix E to the resulting accrual, all in accordance with the rules described above in this Section 3.10 for calculating minimum future service credits.

6. Amend Section 12.01 A. by adding the following paragraph to the end of that subsection, effective September 1, 1995:

Each Participant who has accrued benefits after the Adoption Date under Section 12.01 A. or Appendix E (determined without regard to this paragraph), and whose employment with the Company terminates on or after September 1, 1995, shall be entitled to a minimum benefit accrual calculated as described in Section 3.10. If the Participant's minimum benefit accrual calculated under Section 3.10 is greater than his regular benefit accrual calculated under this subsection A., then the minimum benefit accrual shall replace the Participant's regular benefit accrual for all purposes under the Plan. However, no Participant shall be entitled to receive the greater of the minimum benefit accrual or the regular benefit accrual for each Plan Year, determined on a year-by-year basis: the minimum benefit accrual shall be calculated and compared with the regular benefit accrual only on an aggregate basis.

IN WITNESS WHEREOF, Dana Corporation has adopted this amendment on this __ day of December 1996.

For Dana Corporation

____

Witness:

____

Exhibit 10-I(1)

FIRST AMENDMENT
TO
THE DANA CORPORATION
DIRECTOR DEFERRED FEE PLAN

Pursuant to resolutions of the Board of Directors adopted on October 21, 1996, the Dana Corporation Director Deferred Fee Plan (the "Fee Plan") is hereby amended, effective as of October 20, 1996, as set forth below.

FIRST

Section 2(B) of the Fee Plan is hereby amended by deleting the definition of "Committee" contained therein and replacing such definition with the following:

"Committee" shall mean the Compensation Committee of the Board of Directors of the Corporation.

SECOND

Section 3A of the Fee Plan is hereby amended by deleting the first five sentences of the fourth paragraph thereof and replacing such sentences with the following:

> Each Director may convert 25%, 50%, 75% or 100% of the Units credited to his Stock Account into an equivalent dollar balance in the Interest Equivalent Account. These election(s) can be made at any time within five years following the Director's termination of service as a member of the Corporation's Board of Directors, and shall be effective on the day the election is received by the Corporation.

THIRD

Section 4 of the Fee Plan is hereby amended by deleting the third paragraph thereof and replacing such paragraph in its entirety with the following, such amendment to be effective upon shareholder approval, at the Corporation's 1997 Annual Meeting of Shareholders, of amendments to the Corporation's 1982 Amended Stock Option Plan which permit shares of the Corporation's common stock reserved for issuance under such plan to be used in satisfaction of obligations under the Fee Plan:

> Each distribution in respect of a Director's Accounts shall be made, in whole or in part, at the election of the participant, in shares of the Corporation's common stock, in cash, or in both common stock and cash.

To the extent that payment is to be made in common stock of the Corporation, the number of shares of such stock to be distributed shall equal the maximum number of whole shares of the Corporation's common stock which could have been purchased with the Interest Equivalent Account amount being distributed, assuming a purchase price per share of common stock equal to the average of the last reported daily sales prices for shares of such common stock on the New York Stock Exchange-Composite Transactions on each trading day during the calendar month preceding the month of making such payment. Any stock distribution in respect of Units from a Director's Stock Account shall be made on the basis of one share of the Corporation's common stock for each Unit being distributed.

If any distribution in respect of a Director's Accounts is to be made in cash, the value of each Unit being distributed from his Stock Account shall be assumed, for purposes of such distribution, to be equal to the average of the last reported daily sales prices for shares of the Corporation's common stock on the New York Stock Exchange-Composite Transactions on each trading day during the calendar month preceding the month of making such payment. A cash distribution may also be made from a Director's Interest Equivalent Account, in which case a corresponding reduction in the balance of that Account will be made.

If any distribution is made in shares of the Corporation's common stock, the Corporation shall take all necessary action to comply with or secure an exemption from the registration requirements of the Securities Act of 1933, and the listing requirements of the New York Stock Exchange and any other securities exchange on which the Corporation's common stock may then be listed; provided, that the Corporation may (i) delay the making of any such distribution in shares of its common stock for such period as it may deem necessary or advisable to effect compliance with the requirements above referred to, and (ii) require, as a condition precedent to the delivery of the certificate(s) representing such shares, that any recipient thereof execute and deliver such representations, agreements and/or covenants in favor of the Corporation with respect to the holding and/or disposition of such shares, and such consent to the mechanics for enforcement of such representations, agreements and/or covenants, as the Committee may deem necessary or advisable in order to comply with or obtain exemption from any of the requirements above referred to.

FOURTH

Section 4 of the Fee Plan is hereby further amended by deleting from each of the first two sentences of the fifth paragraph thereof the phrase "as of April 30, 1991".

IN WITNESS WHEREOF, the undersigned has hereby executed this First Amendment on behalf of the Corporation this 21st day of October 1996.

DANA CORPORATION

/s/ Martin J. Strobel

ATTEST:

/s/ Mark A. Smith, Jr.

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Exhibit 10-J(7)

2/12/96

Amendment No. 2, Dated February 12, 1996 to
Agreement Dated December 14, 1992 Between
Dana Corporation and Southwood J. Morcott

WHEREAS, the parties have entered into an Agreement dated December 14, 1992 (the "Agreement"); and

WHEREAS, the parties have agreed to make an amendment to the Agreement;

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration from each party to the other, it is hereby mutually agreed by the parties that, effective February 12, 1996:

1. The first two paragraphs of Section 2(a) are amended to read in their entirety, as follows:

"(a) POSITION. It is contemplated that during the Change of Control Period (as defined in Section 12(d), below), the Executive will continue to serve as a principal officer of the Corporation and as a member of its Board of Directors if serving as a member of the Board of Directors immediately prior to the Change of Control Date, with the office(s) and title(s), reporting responsibility, and duties and responsibilities of the Executive immediately prior to the Change of Control Date. The Executive hereby agrees that at any time prior to the Change of Control Date, the Board of Directors of the Corporation (or the individual to whom the Executive reports) may, without the Executive's consent, change the Executive's office(s), title(s), reporting responsibility, and duties or responsibilities.

The office(s), title(s), reporting responsibility, duties and responsibilities of the Executive on the date of this Agreement, as the same may be changed from time to time after the date of this Agreement in accordance with the provisions of the previous paragraph, shall be summarized in Exhibit A to this Agreement, it being understood and agreed that if, as and when the office(s), title(s), reporting responsibility, duties or responsibilities of the Executive shall be so changed after the date of this Agreement, Exhibit A shall be deemed to be, and shall be updated by the parties to reflect such change; PROVIDED, HOWEVER, that Exhibit A is intended only as a memorandum for the convenience of the parties and shall be disregarded if, and to the extent that, Exhibit A shall fail to reflect accurately the office(s), title(s), reporting responsibility, duties or responsibilities of the Executive as so changed after the date of this Agreement because the parties shall have failed to update Exhibit A as aforesaid."

2. Amend Section 3(j)(iii) to read, in its entirety, as follows:

"(iii) The Executive may elect to receive payment of the supplemental retirement annuity provided by this Section 3(j), under a joint and survivor or any other optional method of payment available under the Dana Corporation Retirement Plan, including, without limitation, any deferment in the time of payment thereof. The amount of the benefit payable pursuant to any form of payment under this Section 3(j) shall be determined by applying the mortality assumptions, interest rates, and other factors contained in the Dana Corporation Retirement Plan that would be applicable to the form of payment elected by the Executive (subject, however, to any actuarial factor that may apply as a result of the operation of Section 3(i)); PROVIDED THAT, if a lump sum distribution is made hereunder, the amount of the lump sum distribution shall be actuarially equivalent to the monthly benefit prescribed by Section 3(j)(ii), calculated using the basis described in subparagraph (1) or (2), below, whichever produces the larger lump sum amount:

(1) the lump sum amount calculated on the basis of the "applicable interest rate" (as in effect for the November preceding the calendar year in which the calculation is made) and the "applicable mortality table", both as defined in Section 417(e) of the Internal Revenue Code; or

(2) the lump sum amount calculated on the basis of the actuarial equivalent factor used to convert the Executive's Earned Benefit Account into a life annuity under the Dana Corporation Retirement Plan at the time the calculation is made, subject to any lump sum discount factor that might apply as a result of the operation of Section 3(i) of this Agreement.

If it is determined that the Executive is subject to federal income taxation on an amount in respect of the supplemental retirement annuity prior to the distribution of all of such amount to him, the Corporation shall forthwith pay to the Executive all (or the balance) of such amount as is includable in the Executive's federal gross income and correspondingly reduce future payments, if any, of the supplemental retirement annuity."

Except as hereinabove amended, all provisions of the Agreement shall continue in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 2 as of February 12, 1996.

DANA CORPORATION

By: /s/ Martin J. Strobel

Secretary

By: /s/ Theodore B. Sumner, Jr.

Chairman - Compensation Committee

ATTEST:

/s/ Sue A. Griffin

/s/ Southwood J. Morcott

Asst. Secretary Southwood J. Morcott

Exhibit 10-K

1/1/96

DANA CORPORATION SUPPLEMENTAL BENEFITS PLAN

ARTICLE I

DEFINITIONS

1.1. "Benefit Payment Period" means the one of the following that applies to the particular Employee or Recipient:

(a) For an Employee or Recipient who is receiving payments for the remainder of a term certain period, Benefit Payment Period means the remainder of such term certain period.

(b) For an Employee or Recipient who is receiving payments for his or her remaining lifetime, the Benefit Payment Period is the Life Expectancy of the Employee or Recipient.

(c) For an Employee or Recipient who is receiving payments for his or her remaining lifetime plus payments for the lifetime of a Contingent Annuitant, the Benefit Payment Period is the Life Expectancy of the Employee or Recipient plus an additional period to reflect the Life Expectancy of the Contingent Annuitant after the death of the Employee or Recipient.

1.2. "Board" means the Board of Directors of the Company.

1.3. "Change in Control" means a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934 as in effect from time to time; provided that, without limitation, such a change in control shall be deemed to have occurred if and when (a) any "person" (as such term is used in Sections 13(d) and

14(d)(2) of the Securities Exchange Act of 1934) is or becomes a beneficial owner, directly or indirectly, of securities of the Company representing twenty percent (20%) or more of the combined voting power of the Company's then outstanding securities or (b) during any period of 24 consecutive months, commencing before or after the effective date of this Plan, individuals who at the beginning of such twenty-four month period were directors of the Company cease for any reason to constitute at least a majority of the Board of Directors of the Company. Notwithstanding anything to the contrary in this Plan, the term "person" referred to in clause (a) above of this Section 1.3 shall not include within its meaning, and shall not be deemed to include, for any purpose of this Plan, any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company.

1.4. "Code" means the Internal Revenue Code of 1986, as amended, or as it may be amended from time to time.

1.5. "Company" means Dana Corporation, a corporation organized under the laws of the Commonwealth of Virginia.

1.6. "Contingent Annuitant" means the person designated to receive retirement benefits under this Plan following the death of the Employee or a Recipient.

1.7. "Credited Service" means "Credited Service" as that term is defined in the Retiremen IncomePlan.

1.8. "Effective Date" means September 1, 1988.

1.9. "Employee" means an individual who is a participant (including a retired participant) in a funded, defined benefit pension plan maintained by the Company, or any successor plan that may be adopted or substituted for such plan if, and only if, (a) the individual is actually employed by the Company on September 1, 1988, and (b) the individual is a U.S.-based member of the long-term awards group as of September 1, 1988, under the Dana Corporation Additional Compensation Plan.

1.10. "Excess Plan" means the Dana Corporation Excess Benefits Plan, as amended from time to time.

1.11. "Highest Average Monthly Earnings" means the sum of

(a) the Employee's basic salary (before any reduction as a result of an election to have his pay reduced in accordance with a "cafeteria plan" or a "cash or deferred arrangement" pursuant to Section 125 or Section 401(k) of the Code), and

(b) bonuses and incentive payments paid (or that would have been paid, but for a deferral arrangement) to the Employee (provided, however, that with respect to 1994 and subsequent years' bonus awards under the Company's Additional Compensation Plan, only that portion of the Employee's bonus award as does not exceed 125% of his base salary will be considered)

during any 3 calendar years out of the last 10 calendar years of active employment with the Company prior to retirement in which such sum was the highest, divided by 36.

1.12. "Life Expectancy" means the expected remaining lifetime based on the Mortality Table and the age at the nearest birthday of the Employee or Recipient at the date the Lump Sum Payment is made. If a joint and contingent survivor annuity has been elected, then Life Expectancy shall reflect the joint Life Expectancies of the Employee or Recipient and Contingent Annuitant.

1.13. "Lump Sum Payment" shall be determined as set forth in paragraph (c) of Section 4.7 of the Plan.

1.14. "Mortality Table" shall mean the Unisex Pension 1984 Mortality Table set forward one year in age (or such other pensioner annuity mortality table as the Company with the written consent of the Employee or Recipient shall determine) and the associated Uniform Seniority Table for the determination of joint life expectancies.

1.15. "Net Specified Rate" shall mean the interest rate which will produce income on a tax free basis that equals the income produced by the Specified Rate net of the combined highest rates of Federal, state and local income taxes that are in effect in the jurisdiction of the Employee or Recipient on the date of payment of the Lump Sum Payment.

1.16. "Pension Plan" means the funded, defined benefit pension plan in which an Employee was participating at the time of his termination of employment (or retirement) from the Company.

1.17. "Plan" means the "Dana Corporation Supplemental Benefits Plan", as set forth herein.

1.18. "Plan Administrator" means the Plan Administrator appointed under the Pension Plan.

1.19. "Primary Social Security Benefit" means "Primary Social Security Benefit" as that term is defined by the Retirement Income Plan.

1.20. "Retirement Income Plan" means The Dana Corporation Retirement Income Plan, as in effect on June 30, 1988.

1.21. "Specified Rate" means an interest rate equal to 85% of a composite insurance company annuity rate provided by an actuary designated by the Plan Administrator (and provided by such actuary as of the last month of the calendar year next preceding the calendar year in which the distribution is made), subject to the condition that the interest rate in effect for any such year may not differ from the rate in effect for the prior year by more than one-half of one percent, and also subject to the condition that any such rate shall be rounded to the nearest one-tenth of one percent (and if such rate is equidistant between the next highest and next lowest one-tenth of one percent, rounded to the next lowest one-tenth of one percent).

1.22. "Temporary Retirement Benefit" means the benefit described in Section 4.1(b)(i)(B) hereof.

1.23. "Vesting Service" means "Vesting Service" as that term is defined by the Retirement Income Plan.

ARTICLE II

PURPOSE OF THE PLAN

2.1. PURPOSE. This Plan is adopted effective September 1, 1988, and amended effective January 1, 1996, and is intended to provide supplemental benefits to Employees and their beneficiaries in addition to any benefits to which such Employees and beneficiaries may be entitled under other Company-sponsored, funded, defined benefit pension plans and the Excess Plan.

ARTICLE III

ELIGIBILITY

3.1. ELIGIBILITY. All Employees and beneficiaries of Employees eligible to receive retirement benefits from a Pension Plan shall be eligible to receive benefits under this Plan in accordance with Article IV, regardless of when the Employee may have terminated employment or retired (except as otherwise specified by Article IV).

ARTICLE IV

BENEFITS

4.1. Basic Benefits.

(a) An Employee who, on or after September 1, 1988, retires from active employment with the Company on or after his 65th birthday, shall be entitled to receive a lump sum benefit that is the actuarial equivalent (determined in accordance with Section 4.2 hereof) of a monthly supplemental benefit equal to the excess (if any) of:

(i) (A) 1.6 percent of the Employee's Highest Average Monthly Earnings multiplied by the number of years and fractional parts thereof of his Credited Service at the time of retirement, less

(B) 2 percent of the Employee's Primary Social Security Benefit multiplied by the number of years and fractional parts thereof of his Credited Service but not more than 50 percent of the Employee's Primary Social Security Benefit, over

(ii) the sum of the monthly benefits he is entitled to receive from all Company-sponsored, funded, defined benefit pension plans, and the Excess Plan, determined in each case on the basis of the assumption that the Employee's benefits under such plans are paid in the form of a single life annuity for the life of the Employee, commencing as of the Employee's date of retirement under the Pension Plan.

(b) An Employee who, on or after September 1, 1988, retires from employment with the Company on or after his 50th birthday, after completing 10 years of Vesting Service, after the sum of his age and years of Vesting Service, both calculated to the nearest month, equal 70 or more, and before his 65th birthday, shall be entitled to receive a lump sum benefit that is the actuarial equivalent (determined in accordance with Section 4.2 hereof) of a monthly supplemental benefit equal to the excess (if any) of

(i) (A) the retirement benefit described in Section 4.01(a)(i) hereof, plus

(B) a Temporary Retirement Benefit equal to the Employee's Primary Social Security Benefit, reduced, if applicable, by the actual amount of any unreduced Social Security benefit paid to the Employee, payable through the month in which the Employee attains age 62, provided that if the Employee has less than 25 years of Credited Service, the Temporary Retirement Benefit shall be prorated based on the proportion of 25 years of Credited Service that has been credited to the Employee at the time of his retirement; and provided further that

(C) retirement benefits prescribed by paragraph (A), above, and Temporary Retirement Benefits prescribed by paragraph (B), above, shall not exceed the following limitations:

I. Temporary Retirement Benefits payable to all Employees, and retirement benefits payable to all Employees who participated in the Retirement Income Plan as of December 31, 1983, and who had attained age 45 as of that date, shall not exceed the percentage of such benefits prescribed by the following schedule, based on the Employee's age on the date of retirement:

Age	Percentage
64	100%
63	100%
62	100%
61	95%
60	90%
59	85%
58	80%
57	75%
56	70%
55	65%
54	60%
53	55%
52	50%
51	45%
50	40%

II. Retirement benefits payable to all Employees who did not participate in the Retirement Income Plan on December 31, 1983, or who had not attained age 45 as of that date, shall not exceed the percentage of such benefits prescribed by the following schedule, based on the Employee's age on the date of retirement:

Age	Percentage
65	100%
64	95%
63	90%
62	85%
61	80%
60	75%
59	70%
58	65%
57	60%
56	55%
55	50%
54	45%
53	40%
52	35%
51	30%
50	25%

over

(ii) the sum of the monthly benefits he is entitled to receive from all Company-sponsored, funded, defined benefit pension plans and the Excess Plan, determined in each case on the basis of the assumption that the Employee's benefits under such plans are paid in the form of a single life annuity for the life of the Employee, commencing as of the Employee's date of retirement under the Pension Plan.

(c) Subject to the provisions of Section 4.2 hereof, the benefit payable pursuant to paragraph (a) or (b) of this Section 4.1, shall be paid in the form of a lump sum, payable as of the Employee's date of retirement under the Pension Plan.

(d) If an Employee dies before the date as of which benefits are scheduled to be paid or to commence hereunder, the Employee's surviving spouse (if any) shall be entitled to receive a lump sum benefit equal to 100 percent of the benefit to which the Employee would have been entitled under paragraph (c), above, if the Employee had retired on the date of his death.

(e) No benefits shall be paid hereunder with respect to an active Employee who is not married on the date of his death.

4.2. FORM OF BENEFIT PAYMENTS. An Employee eligible for a benefit under this Plan shall be entitled to receive his benefit in the form of an immediate lump sum payment. However, upon the written request of the Employee, the Treasurer of the Company may, in his sole discretion, permit such benefit to be paid instead, concurrently with any benefit that the Employee is entitled to receive under the Excess Plan, pursuant to an optional form of payment that is used for the payment of the Employee's retirement benefit under the Pension Plan. Any such written request must be filed by the Employee with the Treasurer of the Company on or before the Employee's date of retirement under the Pension Plan. If the Employee is the Treasurer of the Company, the duties of the Treasurer of the Company under this Section 4.2 shall be discharged by the President of the Company. The amount of the benefit payable pursuant to any form of payment under this Plan shall be determined by applying the mortality assumptions, interest rates, and other factors contained in the Retirement

Income Plan that would be applicable to the form of payment payable under this lan; provided that if a lump sum distribution is made hereunder, the amount of the lump sum distribution shall be equal to the excess of the amount determined under paragraph (a), below, over the amount determined under paragraph (b), below.

(a) The total lump sum amount that is actuarially equivalent to the monthly supplemental benefit prescribed by Section 4.1(a)(i) or Section 4.1(b)(i), whichever is applicable, calculated using the basis described in subparagraph (i) or (ii), below, whichever produces the larger lump sum amount:

(i) the lump sum amount calculated on the basis of the "applicable interest rate" (as in effect for the November preceding the calendar year in which the calculation is made) and the "applicable mortality table", both as defined in Section 417(e) of the Code; or

(ii) the lump sum amount calculated on the basis of an interest rate equal to 85% of a composite insurance company annuity rate provided by an actuary designated by the Plan Administrator (and provided by such actuary as of the December next preceding the calendar year in which the distribution is made), subject to the condition that the interest rate in effect for any such year may not differ from the rate in effect for the prior year by more than one-half of one percent, and also subject to the condition that any such rate shall be rounded to the nearest one-tenth of one percent (and if such rate is equidistant between the next highest and next lowest one-tenth of one percent, rounded to the next lowest one-tenth of one percent), and on the basis of the applicable mortality assumption for males under the 1971 Group Annuity Mortality Table.

(b) The total lump sum distribution that he is entitled to receive under all Company-sponsored, funded, defined benefit pension plans and the Excess Plan, determined on the basis of the interesdt rate and mortality assumptions required by the terms of those plans.

Any post-retirement increase in the benefits being paid to an Employee under the Pension Plan shall also be applied on a comparable basis to any monthly supplemental benefits under this Plan.

4.3. TIME AND DURATION OF BENEFIT PAYMENTS. Benefits due under the Plan shall be paid coincident with the payment date of benefits under the Pension Plan, or at such other time or times as the Plan Administrator in his discretion determines. All supplemental benefits payable under this Plan shall cease as of the first day of the month following the Employee's death, except that payments may continue to the Employee's spouse or beneficiary following his death pursuant to an optional form of payment selected under Section 4.2.

4.4 BENEFITS UNFUNDED. The benefits payable under the Plan shall be paid by the Company each year out of its general assets and shall not be funded in any manner. The obligations that the Company incurs under this Plan shall be subject to the claims of the Company's other creditors having priority as to the Company's assets.

4.5 NO RIGHT TO TRANSFER INTEREST. The Plan Administrator may recognize the right of an alternate payee named in a domestic relations order to receive all or a portion of an Employee's benefit under this Plan, provided that (i) the domestic relations order would be a "qualified domestic relations order" within the meaning of Section 414(p) of the Code if Section 414(p) were applicable to the Plan; (ii) the domestic relations order does not purport to give the alternate payee any right to assets of the Company or its affiliates; and (iii) the domestic relations order does not purport to give the alternate payee any right to receive payments under the Plan before the Employee is eligible to receive such payments. If the domestic relations order purports to give the alternate payee a share of a benefit to which the Employee currently has a contingent or nonvested right, the alternate payee shall not be entitled to receive any payment from the Plan with respect to the benefit unless the Employee's right to the benefit becomes nonforfeitable. Except as set forth in the preceding two sentences with respect to domestic relations orders, and except as required under applicable federal, state, or local laws concerning the withholding of tax, rights to benefits payable under the Plan are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, attachment or other legal process, or encumbrance of any kind. Any attempt to alienate, sell, transfer, assign, pledge, or otherwise encumber any such supplemental benefit, whether currently or thereafter payable, shall be void.

4.6 SUCCESSORS TO THE CORPORATION. This Plan shall be binding upon and inure to the benefit of any successor or assign of the Company, including, without limitation, any corporation or corporations acquiring directly or indirectly all or substantially all of the assets of the Company whether by merger, consolidation, sale or otherwise (and such successor or assign shall thereafter be deemed embraced within the term "Company" for the purposes of this Plan).

4.7. CHANGE IN CONTROL. Anything hereinabove in this Article IV or elsewhere in this Plan to the contrary notwithstanding:

(a) LUMP SUM PAYMENT. Upon the occurrence of a Change in Control, each Employee and each Employee's spouse or beneficiary following his death who are receiving benefits under the Plan ("Recipient") shall receive, on account of future payments of any and all benefits due under the Plan, a Lump Sum Payment, so that each such Employee or Recipient will receive substantially the same amount of after-tax income as before the Change in Control, determined as set forth in paragraph (c) of this Section 4.7.

(b) CERTAIN MATTERS FOLLOWING A LUMP SUM PAYMENT. An Employee who has received a Lump Sum Payment pursuant to paragraph (a) of this Section 4.7 shall, thereafter (i) while in the employ of the Company, continue to accrue benefits under the Plan, and (ii) be eligible to be paid further benefits under the Plan, after appropriate reduction in respect of the Lump Sum Payment previously received. For purposes of calculating such reduction, the Lump Sum Payment shall be accumulated with interest at the Specified Rate in effect from time to time for the period of time from initial payment date to the next date on which a computation is to be made (i.e., upon Change in Control, retirement, or other termination of employment). It shall then be converted to a straight-life annuity using the current

current annuity certain factor. The current annuity certain factor will be determined on the Net Specified Rate basis if this benefit payment is being made due to a subsequent Change in Control; otherwise, the Specified Rate shall be used.

(c) DETERMINATION OF LUMP SUM PAYMENT. The Lump Sum Payment referred to in paragraph (a) of this Section 4.7 shall be determined by multiplying the annuity certain factor (for monthly payments at the beginning of each month) based on the Benefit Payment Period and the Net Specified Rate by the monthly benefit (adjusted for assumed future benefit adjustments due to Social Security and Code Section 415 changes in the Pension Plan) to be paid to the Employee or Recipient under the Plan.

4.8. TAXATION. Notwithstanding anything in the Plan to the contrary, if the Internal Revenue Service determines that the Participant is subject to Federal income taxation on an amount in respect of any benefit provided by the Plan before the distribution of such amount to him, the Company shall forthwith pay to the Participant all (or the balance) of such amount as is includible in the Participant's Federal gross income and shall correspondingly reduce future payments, if any, of the benefit.

ARTICLE V

AMENDMENT, TERMINATION AND INTERPRETATION

5.1. AMENDMENT AND TERMINATION. The Company reserves the right, by action of the Board, to amend, modify or terminate, either retroactively or prospectively, any or all of the provisions of this Plan without the consent of any Employee or beneficiary; provided, however, that no such action on its part shall adversely affect the rights of an Employee and his beneficiaries without the consent of such Employee (or his beneficiaries, if the Employee is deceased) with respect to any benefits accrued prior to the date of such amendment, modification, or termination of the Plan if the Employee has at that time a non-forfeitable right to benefits under a funded, defined benefit pension plan sponsored by the Company.

5.2. INTERPRETATION. The Plan Administrator shall have the power to interpret the Plan and to decide any and all matters arising hereunder; including but not limited to the right to remedy possible ambiguities, inconsistencies or omissions by general rule or particular decision; provided, that all such interpretations and decisions shall be applied in a uniform and nondiscriminatory manner to all Employees similarly situated. In addition, any interpretations and decisions made by the Plan Administrator shall be final, conclusive and binding upon the persons who have or who claim to have any interest in or under the Plan.

DANA CORPORATION SUPPLEMENTAL BENEFITS PLAN
APPENDIX A

A.1 PURPOSE. The purpose of this Appendix A is to provide supplemental benefits to certain individuals who are not otherwise eligible for benefits under the Plan. Except to the extent that a contrary rule is expressly set forth below, capitalized terms used in Appendix A shall have the meaning set forth in Article I of the Plan, and the benefits provided under Appendix A shall be subject to the administrative provisions set forth in Sections 4.2 through 4.8 of Article IV and Sections 5.1 and 5.2 of Article V (construed as if the term "Employee" in those sections referred to an individual who is eligible for a benefit under this Appendix A).

A.2 ELIGIBILITY. An individual is eligible for a supplemental retirement benefit under this Appendix A if the individual meets all of the following criteria on the date of his retirement from the Company and its affiliates (or if he meets the criteria in paragraphs (a) through (c) on the date of a Change in Control, if earlier):

(a) The individual is not eligible for a supplemental retirement benefit under any provision of the Plan other than this Appendix A.

(b) The individual has reached his 50th birthday and has completed at least 10 years of Vesting Service; and the sum of the individual's age and years of Vesting Service, both calculated to the nearest month, equals 70 or more.

(c) The individual is a U.S.-based member of the "A" Group or the "B" Group, as defined by the Compensation Committee of the Board, and is a management employee or a highly-compensated employee.

(d) The individual retires on or after January 1, 1996 and before January 1, 2010.

A.3 AMOUNT OF BENEFIT. The amount of an individual's supplemental retirement benefit under Appendix A shall be the initial benefit determined under paragraph (a), multiplied by the percentage specified in paragraph (b), and reduced as provided in paragraph (c).

(a) The individual's initial benefit shall be the normal retirement benefit or early retirement benefit that the individual would have received under the Retirement Income Plan if the provisions of that Plan had remained in effect through the individual's retirement date, with the modification described in the following sentence. For purposes of applying the Retirement Income Plan formula, the individual's "Final Monthly Earnings" shall be the average of his Earnings during the five consecutive calendar years out of the last ten years of his active employment with the Company in which the average was the highest.

(b) The percentage applied to the individual's initial benefit shall be determined according to the calendar year in which the individual retires, as follows:

Year in Which Individual Retires	Applicable Percentage
1996 - 1999	90%
2000 - 2004	80%
2005 - 2009	70%
After 2009	0%

(c) The benefit determined under this Section A.3 shall be calculated as a single-life annuity, and shall be reduced by the sum of the monthly benefits that the individual is entitled to receive from any source listed in subparagraph (i), (ii), or (iii), below, determined in each case on the basis of the assumption that the individual's benefits under such sources are paid in the form of a single-life annuity for the life of the individual, commencing as of the individual's date of retirement under the Pension Plan:

(i) all funded defined benefit pension plans sponsored by the Company and its affiliates; and

(ii) all unfunded, nonqualified deferred compensation plans sponsored by the Company and its affiliates (including, but not limited to, the Excess Plan), with the sole exception of the Dana Corporation Additional Compensation Plan; and

(iii) any supplemental retirement benefit provided under an employment contract, or under any other contract or agreement, between the individual and the Company or any affiliate.

A.4 Form of Payment.

(a) An individual shall be entitled to receive his benefit under this Appendix A in the manner provided in Section 4.2 of the Plan. If the individual elects to receive a lump sum payment, however, the lump sum payment shall be calculated as provided in paragraph (b), below, rather than as provided in Section 4.2 of the Plan.

(b) The single-life annuity determined under paragraphs (a) and (b) of Section A.3 shall be converted to a lump sum present value on the basis of the "applicable interest rate" (as in effect for the November preceding the calendar year in which the calculation is made) and the "applicable mortality table", both as defined in Section 417(e) of the Code. The lump sum determined under the preceding sentence of this Section A.4 shall be reduced by the lump sum present value of all benefits that the individual is entitled to receive from all sources described in paragraph (c) of Section A.3, determined in each case on the basis of the interest rate and mortality assumptions required for lump sum calculations by the terms of those plans or agreements (or, if no such interest rates or mortality assumptions are specified in the plan or agreement, on the basis of the interest rate and mortality assumptions set forth in the first sentence of this paragraph (b)).

A.5 NO PRE-RETIREMENT DEATH BENEFIT. If an individual dies before his benefit under this Appendix A commences or is paid, no benefit shall be paid to the individual's surviving spouse or other beneficiary.

Exhibit 10-L(4)

THIRD AMENDMENT
TO
THE DANA CORPORATION
1989 RESTRICTED STOCK PLAN

Pursuant to resolutions of the Board of Directors of the Corporation adopted on October 21, 1996, the Dana Corporation 1989 Restricted Stock Plan (the "Restricted Stock Plan") is hereby amended, effective as of October 20, 1996, as set forth below.

FIRST

Section 7 of the Restricted Stock Plan is hereby amended by inserting a period (.) after the word "specify" in the last sentence thereof and deleting the remainder of the sentence.

IN WITNESS WHEREOF, the undersigned has hereby executed this Third Amendment on behalf of the Corporation this 21st day of October 1996.

DANA CORPORATION

/s/ Martin J. Strobel

ATTEST:
/s/ Mark A. Smith, Jr.
- -----------------------------------

Exhibit 10-M(2)

SECOND AMENDMENT TO THE DANA CORPORATION DIRECTORS' STOCK OPTION PLAN

Pursuant to resolutions of the Board of Directors adopted on October 21, 1996, the Dana Corporation Directors' Stock Option Plan (the "Directors Plan") is hereby amended, effective as of October 20, 1996, as set forth below.

FIRST

Section 2 of the Directors Plan is hereby amended by deleting the definition of "Committee" contained therein and replacing such definition with the following:

"Committee" shall mean the Compensation Committee of the Board.

SECOND

Section 8(d) of the Directors Plan is hereby amended by inserting a period (.) after the word "specify" in the last sentence thereof and deleting the remainder of the sentence.

THIRD

Section 13 of the Directors Plan is hereby amended by deleting the last sentence thereof.

IN WITNESS WHEREOF, the undersigned has hereby executed this Second Amendment on behalf of the Corporation this 21st day of October 1996.

DANA CORPORATION

/s/ Martin J. Strobel

ATTEST:
/s/ Mark A. Smith, Jr.
- --------------------------------

EXHIBIT 13

GLOBAL GROWTH AND FINANCIAL PERFORMANCE

During 1996 Dana continued to focus on international growth and aggressively expanded operations in several countries. These expansions are the result of global customer demand for some of Dana's leading core products. In addition, pending acquisitions, such as the Clark-Hurth operations, will expand our sales in the global off-highway and industrial markets.

As these investments begin to generate earnings and cash flow in future years, Dana's financial performance should continue to strengthen. These gains do not come easily or quickly but accumulate over the years as these new units develop volume and market positions.

LONG-TERM EARNINGS MOMENTUM

Long-term earnings growth is a continuing challenge for all companies and Dana is no exception. The past several years of solid international growth and increased earnings provide strong evidence that Dana's people do indeed have the skills and desire to thrive in global markets. We are truly proud of their abilities and accomplishments. As we have stated before, the outstanding efforts of so many of our people are truly creating an exciting future for all of Dana.

/S/ Jim Ayers

[PICTURE]

Jim Ayers
Chief Financial Officer*

*Retires in 1997 After 33 Years of Dana Service.

THREE-YEAR MOVING
AVERAGE EPS
Excluding one-time charges
relating to the adoption of
SFAS 106 and SFAS 112

'92	$ .57
'93	$ .73
'94	$1.45
'94	$2.18
'96	$2.72

DURING THE PAST SEVERAL YEARS, DANA'S THREE-YEAR AVERAGE EPS HAS SHOWN SIGNIFICANT GROWTH.

RESPONSIBILITY FOR FINANCIAL STATEMENTS

We have prepared the accompanying consolidated financial statements and related information included herein for the three years ended December 31, 1996.

The management of Dana Corporation is primarily responsible for the accuracy of the financial information that is presented in this annual report. These statements were prepared in accordance with generally accepted accounting principles and, where appropriate, we used our estimates and judgment with consideration to materiality.

To meet management's responsibility for financial reporting, we have established internal control systems which we believe are adequate to provide reasonable assurance that our assets are protected from loss. These systems produce data used for the preparation of financial information.

We believe internal control systems should be designed to provide accurate information at a reasonable cost which is not out of line with the benefits to be received. These systems and controls are reviewed by our internal auditors in order to ensure compliance, and by our independent accountants to support their audit work.

The Audit Committee of the Board of Directors meets regularly with management, internal auditors and our independent accountants to review accounting, auditing and financial matters. Our Audit Committee is composed of only outside directors. This committee and the independent accountants have free access to each other with or without management being present.

We believe people are Dana's most important asset. The proper selection, training and development of our people is a means of ensuring that effective internal controls and fair, uniform reporting are maintained as standard practice throughout the Corporation.

/s/ John S. Simpson
John S. Simpson
Chief Financial Officer,*
Vice President - Finance & Treasurer

/s/ James H. Woodward, Jr.
James H. Woodward, Jr.
Vice President and Corporate Controller**

REPORT OF INDEPENDENT ACCOUNTANTS

[PRICE WATERHOUSE LLP LOGO]

To the Board of Directors and Shareholders
of Dana Corporation

In our opinion, the accompanying consolidated balance sheet and the related consolidated statements of income, of shareholders' equity and of cash flows, including pages 23 through and including note 23 on page 40, present fairly, in all material respects, the financial position of Dana Corporation and its subsidiaries at December 31, 1995 and 1996, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1996, in conformity with generally accepted accounting principles. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

/s/ Price Waterhouse LLP

Toledo, Ohio
January 21, 1997

A copy of the Annual Report as filed with the Securities and Exchange Commission on Form 10-K will be mailed at no charge upon request to the Secretary, Dana Corporation, P.O. Box 1000, Toledo, Ohio 43697.

*Effective January 1, 1997
**Effective October 1, 1996

STATEMENT OF INCOME
in millions except per share amounts DANA CORPORATION

	Year Ended December 31 1994	1995	1996
NET SALES	$ 6,613.8	$ 7,597.7	$ 7,686.3
Revenue from lease financing and other income	148.7	189.0	203.2
Foreign currency adjustments	(22.0)	7.8	1.2
	6,740.5	7,794.5	7,890.7
Costs and expenses			
Cost of sales	5,624.0	6,449.7	6,525.2
Selling, general and administrative expenses	611.5	685.2	714.8
Interest expense	113.4	146.4	159.0
	6,348.9	7,281.3	7,399.0
Income before income taxes	391.6	513.2	491.7
Estimated taxes on income	157.4	181.2	166.3
Income before minority interest and equity in earnings (losses) of affiliates	234.2	332.0	325.4
Minority interest	(30.2)	(40.4)	(32.8)
Equity in earnings (losses) of affiliates	24.2	(3.5)	13.4
NET INCOME	$ 228.2	$ 288.1	$ 306.0
NET INCOME PER COMMON SHARE	$ 2.31	$ 2.84	$ 3.01
Cash dividends declared and paid per common share	$ .83	$ .90	$ .98
Average shares outstanding	98.7	101.3	101.8

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

BALANCE SHEET
in millions except par value DANA CORPORATION

	December 31 1995	December 31 1996
ASSETS		
Cash	$ 30.3	$ 105.3
Marketable securities, at cost which approximates market	36.3	122.5
Accounts receivable, less allowance for doubtful accounts of $23.5 - 1995 and $26.0 - 1996	1,081.6	1,069.1
Inventories	874.8	912.9
Lease financing	1,004.9	1,167.3
Investments and other assets	810.7	810.6
Deferred income tax benefits	225.4	147.5
Property, plant and equipment, net	1,649.5	1,824.8
Total assets	$5,713.5	$6,160.0
LIABILITIES AND SHAREHOLDERS' EQUITY		
Short-term debt	$ 791.4	$ 640.3
Accounts payable	430.6	460.3
Other liabilities	761.8	736.5
Deferred employee benefits	1,096.2	1,025.6
Long-term debt	1,315.1	1,697.7
Total liabilities	4,395.1	4,560.4
Minority interest in consolidated subsidiaries	153.8	170.9
Shareholders' equity		
Common stock, $1 par value, shares authorized, 240.0; shares issued, 101.5 - 1995 and 103.0 - 1996	101.5	103.0
Additional paid-in capital	68.9	106.0
Retained earnings	1,096.3	1,304.9
Deferred translation adjustments	(88.6)	(85.2)
Deferred pension expense	(13.5)	
Total shareholders' equity	1,164.6	1,428.7
Total liabilities and shareholders' equity	$5,713.5	$6,160.0

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

STATEMENT OF CASH FLOWS
in millions   DANA CORPORATION

	Year Ended December 31 1994	1995	1996
Net cash flows from operating activities	$465.8	$377.8	$696.2
Cash flows from investing activities:			
Purchases of property, plant and equipment	(337.2)	(409.7)	(356.5)
Purchases of assets to be leased	(373.4)	(400.3)	(426.3)
Purchase of minority interest of Hayes-Dana, Inc.		(92.4)	
Purchase of European axle group		(93.0)	
Other acquisitions, additions to investments and other assets	(22.6)	(40.4)	(121.5)
Loans made to customers and partnership affiliates	(39.3)	(25.4)	(98.5)
Payments received on leases	195.5	201.0	209.7
Proceeds from sales of certain assets and subsidiaries	55.1	93.4	73.1
Proceeds from sales of leased assets	37.0	58.9	28.5
Payments received on loans	38.7	49.1	39.7
Other	23.3	27.2	10.3
Net cash flows - investing activities	(422.9)	(631.6)	(641.5)
Cash flows from financing activities:			
Net change in short-term debt	84.2	191.0	(163.6)
Issuance of long-term debt	355.4	418.1	734.9
Payments on long-term debt	(373.2)	(314.9)	(372.5)
Dividends paid	(82.0)	(91.2)	(99.7)
Other	7.3	5.2	7.4
Net cash flows - financing activities	(8.3)	208.2	106.5
Net increase (decrease) in cash and cash equivalents	34.6	(45.6)	161.2
Cash and cash equivalents - beginning of year	77.6	112.2	66.6
Cash and cash equivalents - end of year	$112.2	$ 66.6	$227.8
Reconciliation of net income to net cash flows from operating activities:			
Net income	$ 228.2	$ 288.1	$306.0
Noncash items included in income:			
Depreciation and amortization	210.6	245.8	278.4
Unremitted earnings of affiliates	(15.7)	4.3	(13.3)
Deferred income taxes	55.2	5.2	63.9
Minority interest	12.4	7.0	26.5
Change in accounts receivable	(106.1)	(67.5)	34.2
Change in inventories	(82.8)	(81.8)	(16.4)
Change in other operating assets	(.6)	8.1	49.9
Change in operating liabilities	136.4	(27.7)	(30.5)
Additions to lease and loan loss reserves	25.5	17.2	11.0
Other	2.7	(20.9)	(13.5)
Net cash flows from operating activities	$465.8	$377.8	$696.2

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

STATEMENT OF SHAREHOLDERS' EQUITY
in millions except par value

DANA CORPORATION

	$1 PAR VALUE COMMON STOCK ISSUED	$1 PAR VALUE COMMON STOCK TREASURY	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	DEFERRED PENSION AND TRANSLATION ADJUSTMENTS	SHAREHOLDERS' EQUITY
Balance, December 31, 1993	$ 67.7	$ (611.3)	$ 628.3	$ 809.2	$ (92.5)	$ 801.4
Net income for the year ended December 31, 1994				228.2		228.2
Cash dividends declared				(82.0)		(82.0)
Two-for-one common stock split	67.7			(67.7)		
Issuance of shares for director and employee stock plans	.3	1.6	6.2			8.1
Deferred translation adjustments					7.6	7.6
Deferred pension expense adjustments					(22.8)	(22.8)
Cost of shares reacquired		(.7)				(.7)
Retirement of treasury shares	(36.9)	610.4	(573.5)			
Balance, December 31, 1994	98.8	--	61.0	887.7	(107.7)	939.8
Net income for the year ended December 31, 1995				288.1		288.1
Cash dividends declared				(91.2)		(91.2)
Issuance of shares in connection with acquisitions	2.5		2.9	11.7		17.1
Deferred translation adjustments					(3.7)	(3.7)
Deferred pension expense adjustments					9.3	9.3
Cost of shares reacquired			(1.0)			(1.0)
Issuance of shares for employee stock plans	.2		6.0			6.2
Balance, December 31, 1995	101.5	--	68.9	1,096.3	(102.1)	1,164.6
NET INCOME FOR THE YEAR ENDED DECEMBER 31, 1996				306.0		306.0
CASH DIVIDENDS DECLARED				(99.7)		(99.7)
ISSUANCE OF SHARES FOR DEFINED BENEFIT PENSION PLANS	1.0		30.1			31.1
DEFERRED TRANSLATION ADJUSTMENTS					3.4	3.4
DEFERRED PENSION EXPENSE ADJUSTMENTS					13.5	13.5
COST OF SHARES REACQUIRED	(.2)		(5.1)			(5.3)
ISSUANCE OF SHARES FOR DIRECTOR AND EMPLOYEE STOCK PLANS	.5		12.1			12.6
ISSUANCE OF SHARES IN CONNECTION WITH ACQUISITIONS	.2			2.3		2.5
BALANCE, DECEMBER 31, 1996	$ 103.0	$ --	$ 106.0	$1,304.9	$ (85.2)	$1,428.7

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Dana Corporation is a global leader in the engineering, manufacturing and distribution of products and systems for the worldwide vehicular, industrial and mobile off-highway markets. Dana also owns Dana Credit Corporation (DCC), a leading provider of lease financing services in certain markets.

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Some of the more significant estimates include depreciation and amortization of long lived assets, deferred tax and inventory valuations, environmental and warranty reserves, post employment and post retirement benefits, residual values of leased assets and allowances for doubtful accounts. Actual results could differ from those estimates.

The following summary of significant accounting policies of Dana Corporation is presented to assist the reader in evaluating the financial statements. Where appropriate, certain amounts in 1994 and 1995 have been reclassified to conform with the 1996 presentation.

PRINCIPLES OF CONSOLIDATION

Dana's financial statements include all significant United States (U.S.) and international subsidiaries, including its indirect wholly-owned leasing subsidiary, DCC. Affiliated companies (20% to 50% ownership) are generally recorded in the statements using the equity method of accounting. Operations of affiliates outside North America accounted for on the equity method of accounting are generally included for periods ended within two months of Dana's year end to ensure preparation of financial statements on a timely basis. Prior to 1995, subsidiaries outside of North America were generally included for periods ended within one month of Dana's year end, however, in 1995 the period was changed to eliminate the one month delay. The effect of this change was not material to the financial statements. Less than 20% owned companies are included in the financial statements at the cost of Dana's investment. Dividends, royalties and fees from these cost basis affiliates are recorded in Dana's financial statements when received.

FOREIGN CURRENCY TRANSLATION

The financial statements of the Company's subsidiaries and equity affiliates outside the U.S., located in non-highly inflationary economies, are measured using the local currency as the functional currency. Income and expense items are translated at average monthly rates of exchange. Gains and losses from currency transactions of these affiliates are included in net earnings. Assets and liabilities of these affiliates are translated at the rates of exchange at the balance sheet date. The resultant translation adjustments are included as deferred translation adjustments as a component of shareholders' equity. For affiliates operating in highly inflationary economies, such as Brazil and, beginning in 1997, Mexico, non-monetary assets are translated at historical exchange rates and monetary assets are translated at current exchange rates. Translation adjustments are included in the determination of income.

INVENTORIES

Inventories are valued at the lower of cost or market. Cost is determined generally on the last-in, first-out basis for U.S. inventories and on the first-in, first-out or average cost basis for international inventories.

LEASE FINANCING

Lease financing consists of direct financing leases, leveraged leases and equipment on operating leases. Income on direct financing leases is recognized by a method which produces a constant periodic rate of return on the outstanding investment in the lease. Income on leveraged leases is recognized by a method which produces a constant rate of return on the outstanding investment in the lease net of the related deferred tax liability in the years in which the net investment is positive. Initial direct costs are deferred and amortized using the interest method over the lease period. Equipment under operating leases is recorded at cost, net of accumulated depreciation. Income from operating leases is recognized ratably over the term of the leases.

ALLOWANCE FOR LOSSES ON LEASE FINANCING

Provisions for losses on lease financing receivables are determined on the basis of loss experience and assessment of prospective risk. Resulting adjustments to the allowance for losses are made to adjust net investment in lease financing to an estimated collectible amount. Income recognition is generally discontinued on accounts which are contractually past due and where no payment activity has occurred within 120 days. Accounts are charged against the allowance for losses when determined to be uncollectible. Accounts for which equipment repossession has commenced as the primary means of recovery are classified within other assets at their estimated realizable value.

GOODWILL

Cost in excess of net assets of companies acquired is generally amortized over the estimated period of expected benefit, ranging from 10 to 40 years.

LOANS RECEIVABLE

Loans receivable consist primarily of loans to partnership affiliates and loans secured by equipment and first mortgages on real property. The loans to partnership affiliates are secured by the partnerships' assets. Income on all loans is recognized on the interest method. Interest income on impaired loans is recognized either as cash is collected or on a cost recovery basis as conditions warrant.

ALLOWANCE FOR LOSSES ON LOANS RECEIVABLE

Provisions for losses on loans receivable are determined on the basis of loss experience and assessment of prospective risk. Resulting adjustments to the allowance for losses are

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

made to adjust loans receivable to an estimated collectible amount. Income recognition is generally discontinued on accounts which are contractually past due and where no payment activity has occurred within 120 days. Accounts are charged against the allowance for losses when determined to be uncollectible.

INCOME TAXES

Current tax liabilities and assets are recognized for the estimated taxes payable or refundable on the tax returns for the current year. Deferred tax liabilities or assets are recognized for the estimated future tax effects attributable to temporary differences and carryforwards that result from events that have been recognized in either the financial statements or the tax returns, but not both. The measurement of current and deferred tax liabilities and assets is based on provisions of enacted tax laws. Deferred tax assets are reduced, if necessary, by the amount of any tax benefits that are not expected to be realized. Dana uses the "flow-through" method of accounting for investment tax credits, except for investment tax credits arising from leveraged leases and certain direct financing leases for which the deferred method is used for financial statement purposes.

PROPERTIES AND DEPRECIATION

Property, plant and equipment are valued at historical costs. Depreciation is computed over the estimated useful lives of property, plant and equipment using primarily the straight-line method for financial reporting purposes and primarily accelerated depreciation methods for federal income tax purposes.

FINANCIAL INSTRUMENTS

The reported fair values of financial instruments are based on a variety of factors. Where available, fair values represent quoted market prices for identical or comparable instruments. Where quoted market prices are not available, fair values have been estimated based on assumptions concerning the amount and timing of estimated future cash flows and assumed discount rates reflecting varying degrees of credit risk. Accordingly, the fair values may not represent actual values of the financial instruments that could have been realized as of December 31, 1995 and 1996, or that will be realized in the future.

DERIVATIVE FINANCIAL INSTRUMENTS

The Company enters into various types of interest rate and foreign currency agreements but does not trade in derivative financial instruments. Gains and losses relating to qualifying hedges of firm commitments or anticipated transactions are deferred and recognized as adjustments of carrying amounts when the hedged transaction occurs. Interest rate swaps and caps are primarily used to manage exposure to fluctuations in interest rates. Differentials paid or received on interest rate agreements are accrued and recognized as adjustments to interest expense. Premiums paid on interest rate caps are amortized to interest expense over the term of the agreement and unamortized premiums are included in other assets.

DCC has one interest rate-based option which is marked to market and included in other liabilities. Changes in the fair value of this instrument are reported in other income.

ENVIRONMENTAL COMPLIANCE AND REMEDIATION

Environmental expenditures that relate to current operations are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations which do not contribute to current or future revenue generation are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable and the costs can be reasonably estimated. Estimated costs are based upon enacted laws and regulations, existing technology and the most probable method of remediation. The costs determined are not discounted and exclude the effects of inflation and other societal and economic factors. Where the cost estimates result in a range of equally probable amounts, the lower end of the range is accrued.

PENSION PLANS

Annual net periodic pension costs under the Company's defined benefit pension plans are determined on an actuarial basis. Dana's policy is to fund these costs as accrued, including amortization of the initial unrecognized net obligation over 15 years and obligations arising due to plan amendments over the period benefited, through deposits with trustees. Benefits are determined based upon employees' length of service, wages and a combination of length of service and wages.

POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

Annual net postretirement benefits liability and expense under the Company's benefit plans are determined on an actuarial basis. Dana's current policy is to pay these benefits as they become due. Benefits are determined primarily based upon employees' length of service and include applicable employee cost sharing.

POSTEMPLOYMENT BENEFITS

Annual net postemployment benefits liability and expense under the Company's benefit plans are accrued as service is rendered for those obligations that accumulate or vest and can be reasonably estimated. Obligations that do not accumulate or vest are recorded when payment of the benefits is probable and the amounts can be reasonably estimated.

NET INCOME PER COMMON SHARE

Primary earnings per common share is computed on the basis of the weighted average number of common shares outstanding during each year. Shares reserved for issuance under the Company's stock option and deferred compensation plans did not have a material dilutive effect on earnings per share.

in millions except share and per share amounts DANA CORPORATION

STATEMENT OF CASH FLOWS

For purposes of reporting cash flows, the Company considers highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

STOCK-BASED COMPENSATION

Statement of Financial Accounting Standards (SFAS) No. 123, "Accounting for Stock-Based Compensation," encourages, but does not require companies to record compensation for stock-based employee compensation plans at fair value. The Company has chosen to continue to account for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations. Accordingly, compensation cost for stock options is measured as the excess, if any, of the quoted market price of the Company's stock at the date of grant over the amount an employee must pay to acquire the stock.

NOTE 2. COMMON SHARES

In connection with employee stock plans, Dana reacquired 23,570 shares in 1994, 36,372 in 1995 and 169,981 in 1996.

In April 1994, Dana's Board of Directors approved a two-for-one stock split effective for shareholders of record on June 1, 1994. Share and per share amounts have been restated to reflect the stock split.

During 1994, Dana retired all of the common shares held in treasury. The cost of reacquired shares in excess of par value was charged to additional paid-in capital.

In 1996, 1,000,000 shares of Dana's common stock were contributed to the Dana Corporation Pension Plans Trust.

The following summarizes the common stock transactions for 1994, 1995 and 1996:

	1994	1995	1996
Outstanding at January 1, 1994	49,208,825		
Two-for-one stock split	49,208,825		
Outstanding at beginning of year	98,417,650	98,793,591	101,512,681
Issued for:			
Acquisitions		2,456,979	163,370
Employee stock plans	399,511	298,483	519,695
Defined benefit pension plans			1,000,000
Reacquired and retired	(23,570)	(36,372)	(169,981)
Outstanding at end of year	98,793,591	101,512,681	103,025,765
Average outstanding for the year	98,688,775	101,296,858	101,799,543

NOTE 3. PREFERRED SHARE PURCHASE RIGHTS

In 1986, Dana's Board adopted a Preferred Share Purchase Rights Plan (Rights Plan) designed to deter coercive or unfair takeover tactics. The Rights issued under that Plan expired on July 25, 1996.

In April 1996, the Board adopted a new Rights Plan to replace the old one and declared a dividend of one Preferred Share Purchase Right (New Right) on each share of Dana common stock outstanding on and after July 25, 1996. Each New Right entitles the holder to purchase 1/1000th of a share of Dana Series A Junior Participating Preferred Stock, no par value, under certain circumstances. The New Rights have no voting rights. They will expire on July 15, 2006, unless exercised, redeemed or exchanged sooner.

Generally, the New Rights will not be exercisable (or transferable apart from the Dana common shares to which they are attached) unless a person or group (Acquiring Person) becomes the beneficial owner of 15% or more of Dana's outstanding common shares or commences a tender offer that would result in its acquisition of a 15% position. In that event, the New Rights will become exercisable (except those owned by the Acquiring Person, which will become void), entitling the holder of each New Right to purchase, for $110 per share (subject to adjustment, the Purchase Price), a number of Dana common shares having a market value equal to two times the Purchase Price.

In addition, if Dana engages in certain mergers with or sells 50% or more of its assets or earning power to an Acquiring Person (or persons acting for or with an Acquiring Person), or engages in similar transactions, the New Rights will become exercisable (except those owned by the Acquiring Person, which will become void), entitling the holder of each New Right to purchase a number of common shares of the acquiring or surviving company having a market value (as determined under the new Plan) equal to two times the Purchase Price.

Dana's Board may redeem the New Rights at a price of $.01 each at any time before any person or group acquires 15% or more of Dana's common shares. If any person or group becomes an Acquiring Person, but acquires less than 50% of Dana's common shares, the Board may exchange each New Right for one share of Dana common stock.

NOTE 4. PREFERRED SHARES

Dana has authorized 5,000,000 shares of preferred stock, without par value, including 1,000,000 shares which have been reserved for issuance under the Rights Plan. At December 31, 1996, no shares of preferred stock had been issued.

in millions DANA CORPORATION

NOTE 5. INVENTORIES

The components of inventory are as follows:

	December 31 1995	1996
Raw materials	$230.1	$209.9
Work in process and finished goods	644.7	703.0
	$874.8	$912.9

Inventories amounting to $445.1 and $437.2 at December 31, 1995 and 1996 were valued using the LIFO method. If all inventories were valued at replacement cost, inventories would be increased by $117.5 and $121.4 at December 31, 1995 and 1996, respectively.

NOTE 6. INTERNATIONAL OPERATIONS

The following is a summary of the significant financial information of Dana's consolidated international subsidiaries:

	1994	December 31 1995	1996
Assets	$1,531.4	$1,948.3	$2,306.7
Liabilities	827.1	1,133.0	1,340.6
Net sales	1,645.5	2,121.9	2,167.1
Net income	68.1	119.5	108.9
Dana's equity in:			
Net assets	552.5	662.0	796.7
Net income	38.1	81.7	77.7

Cumulative undistributed earnings of international subsidiaries for which U.S. income taxes, exclusive of foreign tax credits, have not been provided approximated $410.2 at December 31, 1996. Management intends to permanently reinvest undistributed earnings of Dana's international subsidiaries, accordingly, no U.S. income taxes have been provided on these undistributed earnings. If the total undistributed earnings of international subsidiaries had been remitted in 1996, a significant amount of the additional tax provision would be offset by foreign tax credits.

Dana's consolidated international subsidiaries are located throughout the world with no individual subsidiary or country accounting for more than 10% of consolidated sales or assets. With the exception of certain affiliates located in South America, the functional currency of the Company's international subsidiaries is the local currency. Certain subsidiaries have transactions in currencies other than their functional currencies and from time to time enter into forward and option contracts to hedge the purchase of inventory and fixed assets or to sell nonfunctional currency receipts. Currency forward and option contracts in the aggregate are not material.

Dana has equity interests in a number of affiliated companies in South America, Asia and other areas of the world. The following is a summary of the significant financial information of affiliated companies accounted for on the equity method:

	1994	December 31 1995	1996
Current assets	$ 409.6	$ 343.3	$ 371.4
Other assets	356.4	244.2	272.6
Current liabilities	424.7	463.4	349.3
Other liabilities	136.1	54.8	180.3
Shareholders' equity	205.2	69.3	114.4
Net sales	846.8	682.5	743.1
Gross profit	162.3	140.8	125.2
Net income (loss)	40.3	(22.1)	21.1
Dana's equity in:			
Net assets	100.5	44.8	61.1
Net income (loss)	18.9	(8.4)	10.7

NOTE 7. INVESTMENTS IN PARTNERSHIPS

Certain DCC subsidiaries have a number of U.S. investments in partnerships which are accounted for on the equity method. Dana's share of earnings of these partnerships is included in income as earned. The partnerships are engaged primarily in the leasing and financing of equipment or real estate to commercial entities.

Summarized financial information of the partnerships on a combined basis is as follows:

	December 31		
	1994	1995	1996
Assets	$ 939.5	$ 932.4	$ 900.3
Liabilities	743.7	757.7	797.1
Partners' capital	195.8	174.7	103.2
Revenue	130.1	116.2	78.0
Net income	9.7	9.0	7.0
Dana's share in:			
Net assets	58.0	44.5	25.8
Net income	5.3	4.9	2.7

NOTE 8. SHORT-TERM DEBT

Short-term funds for certain U.S. and international operations are obtained through the issuance of commercial paper, short-term notes payable to banks and bank overdrafts.

At December 31, 1996, Dana, excluding DCC, had no commercial paper outstanding, $163.2 borrowed against uncommitted bank lines and $20.7 of bank overdrafts at its international subsidiaries. DCC had $249.1 of commercial paper issued and $15.4 and $191.9 borrowed against committed and uncommitted borrowing lines, respectively.

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Dana and DCC have committed borrowing lines of $455.0 and $400.3, respectively, and uncommitted borrowing lines of $1,005.0 and $444.6. The banks providing committed lines are compensated with facility or commitment fees. Amounts paid are not considered to be material and no fees are required for the uncommitted bank lines.

Selected details of short-term borrowings are as follows:

	Amount	Weighted average interest rate
Balance at December 31, 1995	$791.4	6.5%
Average during 1995	641.5	6.6
Maximum during 1995 (month end)	791.4	6.5
BALANCE AT DECEMBER 31, 1996	$640.3	5.9%
AVERAGE DURING 1996	777.0	6.0
MAXIMUM DURING 1996 (MONTH END)	891.2	5.9

NOTE 9. LONG-TERM DEBT

	December 31 1995	1996
Corporate indebtedness --		
Unsecured notes payable, fixed rates, 5.29% - 7.95%, due 1997 to 2001	$ 607.0	$ 875.0
Unsecured notes payable, variable rates, 6.26% - 6.36%, due 1998	70.0	60.0
Various industrial revenue bonds and other	9.2	9.0
DCC indebtedness -		
Various notes payable, unsecured, variable rates, 4.13% - 7.03%, due 1997 to 2001	331.8	381.5
Various notes payable, unsecured, fixed rates, 5.52% - 9.99%, due 1997 to 2001	242.1	303.1
Various notes payable, non-recourse to issuer, 6.82% - 12.05%, due 1997 to 2007	26.8	23.7
Indebtedness of other consolidated subsidiaries	28.2	45.4
	$1,315.1	$1,697.7

Interest paid on short-term and long-term debt was $114.7, $143.0 and $148.8 during 1994, 1995 and 1996, respectively.

The aggregate amounts of maturities of all long-term debt for each of the five years succeeding December 31, 1996, are as follows: 1997, $406.1; 1998, $359.9; 1999, $403.5; 2000, $331.9 and 2001, $165.9.

NOTE 10. INTEREST RATE AGREEMENTS

Dana and DCC enter into interest rate agreements to manage interest rate risk, thereby reducing exposure to future interest rate movements. Under interest rate swap agreements, Dana agrees with other parties to exchange, at specific intervals, the difference between fixed rate and floating rate interest amounts calculated by reference to an agreed notional amount. At December 31, 1996, Dana was committed to pay an average fixed rate of 6.6% and receive a variable rate of 6.3% on notional amounts of $60.0. The notional amounts of interest rate swaps expire in 1998.

At December 31, 1996, DCC was committed to pay an average fixed rate of 6.9% and receive a variable rate of 5.7% on notional amounts of $410.9 and receive an average fixed rate of 5.2% and pay an average variable rate of 5.6% on notional amounts of $40.0. DCC's notional amounts of interest rate swaps expire as follows: 1997, $77.7; 1998, $82.5; 1999, $85.4; 2000, $133.4; 2001, $46.9 and 2002, $25.0.

DCC also utilizes interest rate cap agreements to reduce the impact of changes in interest rates on its floating rate debt. At December 31, 1996, cap agreements covering $7.3 of variable rate Canadian dollar debt entitle DCC to recover from the counterparty the amounts, if any, by which actual three-month Canadian bankers acceptance rates exceed 9.5% - 10% through June 1997.

To reduce its interest rate obligations under an existing swap agreement having a notional amount of $70.0, DCC granted the counterparty an option, expiring in 2000, to extend the original maturity to 2007 at a fixed rate to DCC of 9.0%. This option has been marked to market.

NOTE 11. STOCK OPTION PLANS

The Company's employee stock option plans provide for the granting of options at prices no less than 85% of the market value at the date of grant and the options are exercisable for a period not to exceed ten years from date of grant. The plans provide for the granting of stock appreciation rights separately or in conjunction with all or any part of an option, either at the time of grant or at any subsequent time during the term of the option. While the plans provide for grants of options and stock appreciation rights at 85% of market, to date all grants have been at market value at date of grant.

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NOTE 11. STOCK OPTION PLANS (cont.)

The following summarizes the stock option transactions for the years ended December 31, 1994, 1995 and 1996:

	Number of shares	Weighted-average exercise price
Outstanding at December 31, 1993	3,394,518	$20.77
Granted - 1994	1,045,950	29.06
Exercised - 1994	(309,915)	17.13
Cancelled - 1994	(19,150)	18.30
Outstanding at December 31, 1994	4,111,403	$23.17
Granted - 1995	991,000	31.06
Exercised - 1995	(223,430)	17.93
Cancelled - 1995	(10,600)	24.18
Outstanding at December 31, 1995	4,868,373	$25.01
GRANTED - 1996	1,396,250	28.13
EXERCISED - 1996	(417,260)	19.46
CANCELLED - 1996	(10,075)	24.13
OUTSTANDING AT DECEMBER 31, 1996	5,837,288	$26.15
EXERCISABLE AT DECEMBER 31, 1996	3,119,156	$23.68
SHARES AVAILABLE FOR FUTURE GRANTS AT DECEMBER 31, 1996	3,179,731	

The options outstanding at December 31, 1996 have exercise prices between $16.38 - $31.06 and a weighted-average remaining contractual life of 7.1 years.

No expense has been charged to income relating to stock options. If the fair value method of accounting for stock options prescribed by SFAS No. 123 had been used, the expense relating to the stock options would have been $.6 in 1995 and $1.9 in 1996. Pro forma net income would have been $287.5 in 1995 and $304.1 in 1996. Pro forma earnings per share would have been $2.84 in 1995 and $2.99 in 1996. The pro forma effect on net income is not representative of the pro forma effect on net income that will be disclosed in future years because it does not take into consideration pro forma compensation expense relating to grants made prior to 1995.

The fair value of each option grant was estimated on the date of grant using the Black-Scholes model with the following assumptions:

	1995	1996
Risk-free interest rate	6.0%	6.5%
Dividend yield	3.0%	3.0%
Expected life	5.4 years	5.4 years
Stock price volatility	29.3%	27.3%

In 1993, the shareholders approved a stock option plan for non-employee directors of the Company. The plan provides for the automatic granting of options at prices equal to the market value at the date of grant and the options are exercisable after one year for a period not to exceed ten years from date of grant. In 1994, options were granted under this plan to purchase 21,000 shares at $28.88 per share and options to purchase 3,000 shares were exercised at $24.25 per share. During 1995, options were granted to purchase 24,000 at $24.81 per share. No options were exercised under this plan during 1995. During 1996, options were granted to purchase 21,000 shares at $32.25 per share and options to purchase 6,000 shares were exercised at $26.56 per share. At December 31, 1996, there were 75,000 options outstanding at exercise prices ranging from $24.25 to $32.25 per share, options for 54,000 shares were exercisable and there were 46,000 options available for future grant under this plan.

NOTE 12. STOCK PURCHASE PLAN

All full-time U.S. and certain non-U.S. employees are eligible to participate in Dana's employee stock purchase plan. The plan provides that participants may authorize Dana to withhold up to 15% of earnings and deposit such amounts with an independent custodian. The custodian causes to be purchased, as nominee for the participants, common stock of Dana at prevailing market prices, allocates the shares to the participants' accounts and distributes the shares to the participants upon request.

Under the plan, Dana contributes on behalf of each participant up to 50% of the participant's contributions. The Company's contributions will accumulate over a five-year period, provided that the shares are left in the plan. If any shares are withdrawn by a participant before the end of five years, the amount of the Company match toward those shares will depend on the period of time that the shares have been in the plan. The custodian has caused to be purchased 782,225 shares in 1994, 1,025,354 shares in 1995 and 1,069,720 in 1996 of Dana's common stock on behalf of the employees and the Company's charge to expense amounted to $4.7 in 1994, $5.2 in 1995 and $6.3 in 1996.

NOTE 13. ADDITIONAL COMPENSATION PLANS

Dana has numerous additional compensation plans, including gain sharing and group incentive plans, which provide for payments computed under formulas which recognize increased productivity and improved performance. The total amount earned by Dana employees from all such plans amounted to $106.7, $116.7 and $112.1 in 1994, 1995 and 1996, respectively.

Under one of these plans, in which certain officers and other key employees participate, a percentage of participants' compensation is accrued for additional compensation if certain profit levels are attained. Awards under the plan are paid in cash and may, at the discretion of the Board's Compensation Committee, be paid immediately or deferred. Some awards deferred prior to May 1991 may be paid in shares of the Company's common stock. Dana awarded (based on prior period performance) $4.5 in 1994, $10.6 in 1995 and $14.2 in 1996; 20,404, 16,891 and 16,438 shares of Dana's common stock were issued and amounts equivalent to dividends and interest of $.4, $.6 and $.7 were credited to deferred awards in 1994, 1995 and 1996, respectively. Total charges to expense relating to the plan amounted to $12.1 in 1994, $16.1 in 1995 and $13.2 in 1996.

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The Company has a Restricted Stock Plan whereby certain key employees are granted restricted shares of common stock subject to forfeiture until the restrictions lapse or terminate. With certain exceptions, the employee must remain with the Company for a period of years after the date of grant to receive the full number of shares granted. Shares granted in 1994, 1995 and 1996 were 28,000, 24,000 and 25,000, respectively. Total charges to expense for this plan amounted to $.7, $.6 and $.8, in 1994, 1995 and 1996, respectively. At December 31, 1996, 620,120 shares were authorized for future issuance under this plan.

NOTE 14. PENSIONS

Dana provides retirement benefits for substantially all of its employees under several defined benefit and defined contribution pension plans. Pension expense approximated $65.0 in 1994, $62.4 in 1995 and $74.0 in 1996.

In 1996, in addition to cash contributions, 1,000,000 shares of Dana common stock, with a market value of $31.1, were contributed to the Dana Corporation Pension Plans Trust.

Net periodic pension cost for defined benefit plans is computed as follows:

	Year Ended December 31 1994	1995	1996
Service cost	$ 35.6	$ 36.4	$ 48.3
Interest cost	110.0	123.5	127.0
Actual return on plan assets	45.3	(407.9)	(186.0)
Amortization of unrecognized prior service cost	14.7	9.0	16.1
Amortization of initial unrecognized net obligation	5.7	5.0	4.2
Unrecognized gain (loss)	(147.4)	285.0	53.0
Net periodic pension cost	$ 63.9	$ 51.0	$ 62.6

The funded status of defined benefit plans at December 31, 1995 was as follows:

	ACCUMULATED BENEFITS EXCEED ASSETS	ASSETS EXCEED ACCUMULATED BENEFITS	TOTAL
ACTUARIAL PRESENT VALUE OF:			
VESTED BENEFITS	$ 934.2	$ 653.0	$1,587.2
NON-VESTED BENEFITS	87.1	12.7	99.8
ACCUMULATED BENEFIT OBLIGATION	$1,021.3	$ 665.7	$1,687.0
ACTUARIAL PRESENT VALUE OF PROJECTED BENEFIT OBLIGATION	$(1,038.3)	$ (779.8)	$(1,818.1)
PLAN ASSETS AT FAIR VALUE	900.8	879.4	1,780.2
FUNDED STATUS	$ (137.5)	$ 99.6	$ (37.9)
UNRECOGNIZED PRIOR SERVICE COST	$ (14.7)	$ (32.1)	$ (46.8)
UNRECOGNIZED NET GAIN (LOSS)	(37.7)	120.9	83.2
ACCRUED PENSION COST	(37.3)	(13.2)	(50.5)
UNRECOGNIZED INITIAL OBLIGATION	(47.8)	24.0	(23.8)
	$ (137.5)	$ 99.6	$ (37.9)

The funded status of defined benefit plans at December 31, 1996 was as follows:

	ACCUMULATED BENEFITS EXCEED ASSETS	ASSETS EXCEED ACCUMULATED BENEFITS	TOTAL
ACTUARIAL PRESENT VALUE OF:			
VESTED BENEFITS	$ 486.0	$1,103.3	$1,589.3
NON-VESTED BENEFITS	46.0	90.1	136.1
ACCUMULATED BENEFIT OBLIGATION	$ 532.0	$1,193.4	$1,725.4
ACTUARIAL PRESENT VALUE OF PROJECTED BENEFIT OBLIGATION	$ (548.8)	$(1,286.9)	$(1,835.7)
PLAN ASSETS AT FAIR VALUE	442.5	1,492.8	1,935.3
FUNDED STATUS	$ (106.3)	$ 205.9	$ 99.6
UNRECOGNIZED PRIOR SERVICE COST	$ (15.7)	$ (57.2)	$ (72.9)
UNRECOGNIZED NET GAIN (LOSS)	(6.9)	238.3	231.4
ACCRUED PENSION COST	(68.0)	26.2	(41.8)
UNRECOGNIZED INITIAL OBLIGATION	(15.7)	(1.4)	(17.1)
	$ (106.3)	$ 205.9	$ 99.6

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NOTE 14. PENSIONS (cont.)

The assumptions used to determine pension costs and projected benefit obligations are as follows:

	U.S. Plans 1994	1995	1996
Expected long-term rate of return on plan assets	8.5%	8.5%	8.5%
Discount rate	8%	6.75%	7.5%
Rate of increase in future compensation levels	5%	5%	5%

	International Plans 1994	1995	1996
Expected long-term rate of return on plan assets	8 - 9%	8 - 9%	8 - 9%
Discount rate	7 - 9%	7 - 8%	7 - 8%
Rate of increase in future compensation levels	3 - 7.5%	3 - 7.5%	3 - 7.5%

Plan assets are invested in a diversified portfolio that consists primarily of equity and debt securities.

NOTE 15. MEDICAL CARE AND OTHER BENEFITS

Dana and certain of its subsidiaries provide medical and life insurance benefits for certain active and retired employees. These benefits are provided through various insurance carriers whose charges to Dana are based on the benefits paid during the year. Substantially all of the retiree medical cost relates to North American retirees since most international retirees are covered by government-sponsored programs.

Net annual postretirement benefit cost is computed as follows:

	Year Ended December 31 1994	1995	1996
Service cost	$13.6	$ 9.2	$11.2
Interest cost	60.2	58.4	58.7
Net amortization and deferral	(12.3)	(17.2)	(13.8)
Net annual postretirement benefit cost	$61.5	$50.4	$56.1

Postretirement benefit obligations, none of which are funded, are summarized as follows:

	December 31 1995	1996
Accumulated postretirement benefit obligations:		
Retirees and dependents	$608.8	$590.5
Active participants eligible to retire and receive benefits	107.9	117.5
Active participants not yet fully eligible	143.5	143.5
Total accumulated postretirement benefit obligation	860.2	851.5
Unamortized plan amendments	117.9	59.7
Unamortized net loss	(131.8)	(67.1)
Accrued postretirement benefits other than pensions	$846.3	$844.1

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The discount rate used in determining the accumulated postretirement benefit obligation was 7% in 1995 and 7.75% in 1996. The assumed medical costs trend rates result in per capita net incurred medical claims increasing 7.9% in 1997. The rate decreases to 5.1% over a 13 year period. If the assumed medical costs trend rates were increased by 1%, the accumulated postretirement benefit obligation as of December 31, 1996, would increase by $64.4 and the aggregate of the service and interest cost components of the net annual postretirement benefit cost would be increased by $5.0.

NOTE 16. BUSINESS SEGMENTS

Dana operates principally in three business segments: Vehicular, Industrial and Lease Financing. The Vehicular segment consists primarily of operations which manufacture and market axles, structural components, transmissions, joints and shafts, clutches and engine parts (such as pistons, piston rings, filters and gaskets). The Industrial segment manufactures and markets various products, including those for off-highway motor vehicles. The Lease Financing segment, consists of DCC, whose primary operating subsidiaries are engaged in leasing and finance operations.

Lease financing revenue includes lease financing income, fees and interest. Other income includes dividends and interest. Other expense includes interest and corporate expenses. Corporate assets include cash, marketable securities, accounts receivable and investments (excluding assets which can be identified to lease financing).

The "Other International" geographic area is comprised primarily of Brazil and Canada, neither of which exceeds 10% of the consolidated amounts. Interarea transfers between countries are transferred at the prevailing market price. Export sales from the U.S. to customers outside the U.S. amounted to $430.7 in 1994, $554.6 in 1995 and $675.6 in 1996. Total export sales (including sales to Dana's international subsidiaries which are eliminated for financial statement presentation) were $587.5, $735.1 and $847.3 in 1994, 1995 and 1996, respectively.

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Worldwide sales to Ford Motor Company and subsidiaries amounted to $1,082.9, $1,299.3 and $1,263.5 in 1994, 1995 and 1996, respectively, which represented 16%, 17% and 16% of Dana's consolidated sales. Sales to Chrysler Corporation and subsidiaries in 1994, 1995 and 1996 amounted to $815.7, $968.0 and $1,104.1, respectively, representing 12%, 13% and 14% of Dana's consolidated sales. Sales to Ford and Chrysler were primarily from the Company's Vehicular segment. No other customer accounted for more than 10% of Dana's consolidated sales.

	Vehicular	Industrial	Lease Financing	Consolidated
Year Ended December 31, 1994				
Sales to customers	$5,298.5	$1,308.9	$ 6.4	$6,613.8
Lease financing revenue			139.5	139.5
Total revenue	$5,298.5	$1,308.9	$ 145.9	$6,753.3
Operating income	$ 520.1	$ 56.9	$ 11.6	$ 588.6
Other income				9.1
Other expense				(206.1)
Income before income taxes				$ 391.6
Assets identified to segments	$1,661.4	$ 572.8	$1,387.4	$3,621.6
Corporate assets				1,502.1
Total assets				$5,123.7
Depreciation	$ 135.7	$ 37.0	$ 3.0	
Capital expenditures	$ 276.0	$ 53.3	$ 3.4	
Year Ended December 31, 1995				
Sales to customers	$6,069.8	$1,526.5	$ 1.4	$7,597.7
Lease financing revenue			155.3	155.3
Total revenue	$6,069.8	$1,526.5	$ 156.7	$7,753.0
Operating income	$ 585.9	$ 103.7	$ 22.8	$ 712.4
Other income				33.7
Other expense				(232.9)
Income before income taxes				$ 513.2
Assets identified to segments	$2,077.5	$ 614.8	$1,468.4	$4,160.7
Corporate assets				1,552.8
Total assets				$5,713.5
Depreciation	$ 177.0	$ 44.2	$ 2.0	
Capital expenditures	$ 332.9	$ 61.4	$ 10.7	
YEAR ENDED DECEMBER 31, 1996				
SALES TO CUSTOMERS	$6,130.5	$1,555.8		$7,686.3
LEASE FINANCING REVENUE			$ 176.5	176.5
TOTAL REVENUE	$6,130.5	$1,555.8	$ 176.5	$7,862.8
OPERATING INCOME	$ 574.7	$ 109.9	$ 39.6	$ 724.2
OTHER INCOME				26.7
OTHER EXPENSE				(259.2)
INCOME BEFORE INCOME TAXES				$ 491.7
ASSETS IDENTIFIED TO SEGMENTS	$2,255.9	$ 654.0	$ 1,669.1	$4,579.0

CORPORATE ASSETS				1,581.0
TOTAL ASSETS				$6,160.0
DEPRECIATION	$ 192.0	$ 54.5	$ 5.8	
CAPITAL EXPENDITURES	$ 262.0	$ 65.8	$ 12.7	

NOTES TO FINANCIAL STATEMENTS
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NOTE 16. BUSINESS SEGMENTS (Cont.)

	United States	Europe	Other International	Adjustments and Eliminations	Total
Year Ended December 31, 1994					
Sales to customers	$4,968.3	$ 713.0	$ 932.5		$6,613.8
Lease financing revenue	104.2	26.7	8.6		139.5
Interarea transfers	156.8	7.5	104.6	$ (268.9)	
	$5,229.3	$ 747.2	$1,045.7	$ (268.9)	$6,753.3
Operating income	$ 462.0	$ 14.0	$ 112.6		$ 588.6
Other income	9.1				9.1
Other expense	(170.6)	(13.2)	(22.3)		(206.1)
Income before income taxes	$ 300.5	$ .8	$ 90.3		$ 391.6
Assets identified	$2,520.3	$ 577.5	$ 523.8		$3,621.6
Corporate assets	1,108.4	109.4	284.3		1,502.1
Total assets	$3,628.7	$ 686.9	$ 808.1		$5,123.7
Year Ended December 31, 1995					
Sales to customers	$5,475.9	$ 977.0	$1,144.8		$7,597.7
Lease financing revenue	104.0	37.3	14.0		155.3
Interarea transfers	180.5	12.6	118.7	$ (311.8)	
	$5,760.4	$1,026.9	$1,277.5	$ (311.8)	$7,753.0
Operating income	$ 573.7	$ 36.7	$ 102.0		$ 712.4
Other income	10.3		23.4		33.7
Other expense	(223.8)	(9.1)			(232.9)
Income before income taxes	$ 360.2	$ 27.6	$ 125.4		$ 513.2
Assets identified	$2,631.3	$ 863.8	$ 665.6		$4,160.7
Corporate assets	1,244.7	135.4	172.7		1,552.8
Total assets	$3,876.0	$ 999.2	$ 838.3		$5,713.5
YEAR ENDED DECEMBER 31, 1996					
SALES TO CUSTOMERS	$5,519.2	$1,086.3	$1,080.8		$7,686.3
LEASE FINANCING REVENUE	122.4	45.2	8.9		176.5
INTERAREA TRANSFERS	171.7	19.2	128.6	$ (319.5)	
	$5,813.3	$1,150.7	$1,218.3	$ (319.5)	$7,862.8
OPERATING INCOME	$ 589.4	$ 60.7	$ 74.1		$ 724.2
OTHER INCOME	26.7				26.7
OTHER EXPENSE	(240.8)	(24.2)	5.8		(259.2)
INCOME BEFORE INCOME TAXES	$ 375.3	$ 36.5	$ 79.9		$ 491.7
ASSETS IDENTIFIED	$2,824.0	$1,004.0	$ 751.0		$4,579.0
CORPORATE ASSETS	1,294.4	120.8	165.8		1,581.0
TOTAL ASSETS	$4,118.4	$1,124.8	$ 916.8		$6,160.0

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NOTE 17. ESTIMATED INCOME TAXES

Income tax expense (benefit) consisted of the following components:

	Year Ended December 31 1994	1995	1996
Current			
U.S. Federal	$ 69.0	$ 68.0	$ 53.7
U.S. State and Local	39.2	32.2	22.5
International	36.6	46.0	16.0
	144.8	146.2	92.2
Deferred			
U.S. Federal	26.3	48.6	80.0
International	(13.7)	(13.6)	(5.9)
	12.6	35.0	74.1
Total expense	$157.4	$181.2	$166.3

Deferred tax benefits (liabilities) are comprised of the following:

	Year Ended December 31 1994	1995	1996
Postretirement benefits other than pensions	$360.6	$373.1	$362.4
Postemployment benefits	35.2	44.9	47.3
Expense accruals	120.0	116.2	100.2
Inventory reserves	4.3	4.2	7.0
Pension accruals	19.5	4.9	1.9
Net operating loss carry forwards	12.9	24.3	34.2
Other	6.8	9.6	26.0
Deferred tax benefits	559.3	577.2	579.0
Depreciation - non-leasing	(105.2)	(105.6)	(129.9)
Leasing activities	(211.5)	(243.6)	(299.0)
Other	(3.1)	(2.6)	(2.6)
Deferred tax liabilities	(319.8)	(351.8)	(431.5)
Net deferred tax benefits	$239.5	$225.4	$147.5

The Company has a history of earnings and has traditionally been a taxpayer. Consequently, the Company expects to realize substantially all of the deferred tax assets in the future. Except for the $4.8 valuation reserve relating to capital loss carryforwards, no valuation allowances have been recorded. Income taxes paid during 1994, 1995 and 1996 amounted to $104.3, $119.5 and $107.6, respectively.

The effective tax rates differ from the U.S. Federal income tax rate for the following reasons:

	Year Ended December 31 1994	1995	1996
U.S. Federal income tax rate	35.0%	35.0%	35.0%
Increase (reductions) in taxes resulting from:			
International income	(1.1)	(2.8)	(4.3)
Capital loss utilization		(1.0)	(.3)
Investment tax credits	(.3)	(.3)	(.3)
Amortization of goodwill	.7	.6	.6
State and local income taxes, net of of Federal income tax benefit	6.5	4.0	3.0
Miscellaneous items	(.6)	(.2)	.1

Estimated taxes on income	40.2%	35.3%	33.8%

NOTE 18. COMPOSITION OF CERTAIN BALANCE SHEET AMOUNTS

The following items comprise the net amounts indicated in the respective balance sheet captions:

	December 31	
	1995	1996
INVESTMENTS AND OTHER ASSETS		
Investments at equity	$ 99.1	$ 86.9
Goodwill	269.4	285.3
Intangible pension asset	74.6	35.0
Loans receivable	142.2	208.2
Other	225.4	195.2
	$ 810.7	$ 810.6
PROPERTY, PLANT AND EQUIPMENT, NET		
Land and improvements to land	$ 79.1	$ 90.4
Buildings and building fixtures	626.5	684.6
Machinery and equipment	2,631.7	2,867.0
	3,337.3	3,642.0
Less: Accumulated depreciation	1,687.8	1,817.2
	$1,649.5	$1,824.8
LEASE FINANCING		
Direct financing leases	$ 538.6	$ 583.4
Leveraged leases	480.4	594.6
Property on operating leases, net of accumulated depreciation	33.3	40.1
Allowance for credit losses	(47.4)	(50.8)
	$1,004.9	$1,167.3

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NOTE 18. COMPOSITION OF CERTAIN BALANCE SHEET AMOUNTS (cont.)

	December 31 1995	December 31 1996
DEFERRED EMPLOYEE BENEFITS		
Postretirement other than pension	$ 846.3	$ 844.1
Postemployment	84.6	81.9
Pension	146.4	79.4
Compensation	18.9	20.2
	$1,096.2	$1,025.6

The components of the net investment in direct financing leases are as follows:

	December 31 1995	December 31 1996
Total minimum lease payments	$594.6	$638.1
Residual values	64.6	66.0
Deferred initial direct costs	12.2	14.2
	671.4	718.3
Less: Unearned income	132.8	134.9
	$538.6	$583.4

The components of the net investment in leveraged leases are as follows:

	December 31 1995	December 31 1996
Rentals receivable	$ 4,412.6	$ 4,883.8
Residual values	478.9	698.5
Non recourse debt service	(3,657.6)	(4,197.4)
Unearned income	(740.4)	(777.9)
Deferred investment tax credit	(13.1)	(12.4)
	480.4	594.6
Less: Deferred taxes arising from leveraged leases	193.3	252.1
	$ 287.1	$ 342.5

The following is a schedule, by year, of total minimum lease payments receivable on direct financing leases as of December 31, 1996:

Year Ending December 31:	
1997	$ 279.1
1998	168.2
1999	95.0
2000	49.1
2001	25.2
Later years	21.5
Total minimum lease payments receivable	$ 638.1

NOTE 19. FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair values of Dana's financial instruments are as follows:

	December 31			
	1995		1996	
	Carrying Amount	Fair Value	CARRYING AMOUNT	FAIR VALUE
FINANCIAL ASSETS				
Cash and marketable securities	$ 66.6	$ 66.6	$ 227.8	$ 227.8
Loans receivable (net)	142.2	138.8	208.2	207.2
FINANCIAL LIABILITIES				
Short-term debt	791.4	791.4	640.3	640.3
Long-term debt	1,315.1	1,347.5	1,697.7	1,754.7
Security deposits - leases	15.2	14.1	16.8	14.8
Deferred funding commitments under leveraged leases	13.0	13.9	5.9	5.9
Interest rate-based option	8.2	8.2	6.5	6.5
UNRECOGNIZED FINANCIAL INSTRUMENTS				
Interest rate derivatives:				
Assets		.8		.7
Liabilities		(21.0)		(19.2)

NOTE 20. COMMITMENTS AND CONTINGENCIES

At December 31, 1996, the Company had purchase commitments for property, plant and equipment aggregating approximately $136.5. Future minimum rental commitments under operating leases aggregate $254.8 with rental payments during the five succeeding years of $47.6, $41.6, $31.2, $23.4 and $21.2, respectively. Net rental expense amounted to $65.8, $70.4 and $74.8 for 1994, 1995 and 1996, respectively.

In December of 1996, Dana signed agreements to acquire the cylinder liner and piston ring operations of SPX Corporation and the assets of Clark-Hurth Components, a unit of Ingersoll-Rand Company. The closing of these transactions is subject to regulatory approval and certain other conditions. In the aggregate, these operations do not constitute a significant subsidiary.

The Company and its consolidated subsidiaries are parties to various pending judicial and administrative proceedings arising in the ordinary course of business.

These include, among others, proceedings based on product liability claims and alleged violations of various environmental laws.

Management and its legal counsel periodically review the probable outcome of pending proceedings, the costs and expenses reasonably expected to be incurred, the availability and limits of the Company's insurance coverage, and the Company's established accruals for uninsured liabilities. While the outcome of pending proceedings cannot be predicted with certainty, management believes, based on these reviews and the information currently available, that any liabilities that may result from these proceedings are not reasonably likely to have a material effect on the Company's liquidity, financial condition or results of operations.

NOTE 21. ACQUISITIONS

During 1994, Dana acquired Sige Brevetti Ing., Columbo S.p.A., an Italian manufacturer of axles for agricultural and construction equipment. In addition, Dana acquired Stieber Antriebselemente GmbH, a German manufacturer of clutches for industrial applications and Tece Almere B.V., a Netherlands distributor of automobile parts.

In 1995, Dana acquired the European axle group of GKN plc., a manufacturer of axles for cars, light trucks and heavy-duty trucks, along with axles for agricultural, industrial and construction equipment. Dana also acquired M. Friesen GmbH in Germany, a supplier of remanufactured rotating electrics, a 70% share of Industrias Serva S.A. in Spain, a manufacturer and distributor of vehicular gaskets and Mohawk Plastics, Inc., a manufacturer of custom molded plastics for the OE market in the United States.

During 1996, Dana acquired Thompson Ramco Argentina S.A. (Thompson), J.B. Morgan and Co. Pty., Ltd. (Morgan), James N. Kirby Pty.,Ltd., (Kirby), Thermoplast+Apparatebau GmbH (Thermoplast) and Industrias Orlando Stevaux Ltda. (Stevaux) and a majority interest in Centrust S.A. (Centrust). Centrust is an Argentine company whose subsidiaries manuafacture modular systems, brakes and structural components. Thompson, also an Argentine company, manufactures and distributes chassis parts and piston rings. Morgan and Kirby are both Australian manufactures of filters. Morgan produces oil, air, and fuel filters for automobiles while Kirby produces radial and panel air filters for automobiles and medium-duty trucks. Thermoplast is a German manufacturer of high-precision injection-molded plastic components and systems for automotive applications. Stevaux, a Brazilian company, manufactures gaskets and oil seals. Dana acquired a 70% interest in Centrust while 100% of all other companies was purchased. Also during 1996, Dana completed the acquisition of the light axle manufacturing business of Rockwell do Brasil, an indirect subsidiary of Rockwell International.

These acquisitions were accounted for as purchases and the results of their operations have been included in the consolidated financial statements since the dates of acquisition. The purchase prices and the results of operations of these companies prior to acquisition were not material to the consolidated financial statements.

In addition to the above acquisitions, in 1995 Dana purchased the remaining shares of Hayes-Dana, a Canadian subsidiary that manufactures new and replacement parts for trucks, automobiles, off-highway vehicles and industrial equipment and increased its equity ownership in R.O.C. Spicer from 49% to 51%. R.O.C. Spicer manufactures axles and driveshafts in Taiwan.

In 1995, Dana acquired Plumley Companies, a U.S. manufacturer and distributor of extruded and molded rubber and silicone sealing products, primarily for automotive applications. Dana acquired Flexon, Inc., a U.S. manufacturer of fuel filters in 1996. Both Plumley and Flexon are being accounted for as pooling of interests. Prior years' financial statements have not been restated since the amounts are not material to the consolidated financial statements.

NOTE 22. NONCASH INVESTING AND FINANCING ACTIVITIES

In leveraged leases, the issuance of nonrecourse debt financing, and subsequent repayments thereof, is transacted between the lessees and lending parties to the transactions. During 1994, 1995 and 1996, $498.8, $339.1 and $452.9 of nonrecourse debt was issued to finance leveraged leases and $59.2, $164.3 and $80.9 of nonrecourse debt obligations were repaid, respectively.

In 1996, 1,000,000 shares of Dana common stock, with a market value of $31.1, were contributed to the Dana Corporation Pension Plans Trust.

in millions DANA CORPORATION

NOTE 23. SIGNIFICANT SUBSIDIARY

DCC is an indirect wholly-owned subsidiary of Dana whose primary operating subsidiaries are engaged in leasing and finance operations. The following is a summary of DCC's financial position and results of operations:

	Year Ended December 31		
	1994	1995	1996
Revenue from products and services	$161.7	$180.4	$229.6
Interest expense	51.9	62.8	74.4
General and administrative expenses	89.7	103.1	115.6
	141.6	165.9	190.0
Income before income taxes	20.1	14.5	39.6
Estimated income tax provision (benefit)	5.4	(8.0)	11.8
Income before equity in earnings of affiliates	14.7	22.5	27.8
Equity in earnings of affiliates	5.3	4.9	2.7
Net income	$ 20.0	$ 27.4	$ 30.5

	December 31	
	1995	1996
Assets		
Cash	$ 11.5	$ 3.5
Loans receivable	114.4	208.1
Lease financing	1,153.5	1,327.9
Other assets	107.3	129.7
Total assets	$1,386.7	$1,669.2
LIABILITIES AND SHAREHOLDER'S EQUITY		
Notes payable	$ 972.4	$1,164.7
Other liabilities	309.7	380.6
Shareholder's equity	104.6	123.9
Total liabilities and shareholder's equity	$1,386.7	$1,669.2

LIQUIDITY AND CAPITAL RESOURCES

Historically, Dana's operations have consistently provided strong cash flows and 1996 was especially strong, with a net cash flow increase of $318 over 1995. In addition to higher net income and depreciation, the increase reflects the Company's ongoing emphasis on efficient asset utilization and the effect of improved working capital performance as compared to 1995.

Net cash flows used for investing activities were $642, primarily related to capital additions and the purchase of and payments received from lease financing assets. Spending for property, plant and equipment during 1996 was $53 less than last year. Management anticipates that 1997 capital expenditures will be approximately $380 to support the Company's growth strategy in its core businesses and its ongoing commitment to product improvement through research and technology. DCC's net purchases of leased assets (purchases less principal payments received) were $217 in 1996, $18 higher than in 1995. In addition to investing activities, Dana paid $100 of dividends to shareholders in 1996, a 9% increase over 1995.

The Company's cash and cash equivalents at the end of 1996 increased by $161 over 1995, in part as Dana began to accumulate cash to purchase the assets of Clark-Hurth Components and the piston ring and cylinder liner operations of the SPX Corporation. These transactions are expected to close in the first quarter of 1997. Dana's net debt position (short- and long-term debt less cash and cash equivalents) increased $70 over December 31, 1995's position.

As a result of operating and investing cash flows and the cash accumulated for the above-mentioned acquisitions, Dana's debt increased $231 over 1995. Dana's (excluding DCC's) total debt was up $126, while DCC's total debt increased $105.

NET CASH FLOWS FROM OPERATING ACTIVITIES

'94	$466
'95	$378
'96	$696

CAPITAL SPENDING

'94	$337
'95	$410
'96	$357

in millions DANA CORPORATION

Dana manages its short- and long-term debt position optimally and utilizes short-term committed and uncommitted bank lines for the issuance of commercial paper and bank direct borrowings, as required. Dana (excluding DCC) had committed and uncommitted borrowing lines of credit totaling approximately $1.5 billion at year end 1996 while DCC's lines were $845. Dana's strong cash flows from operations, together with sufficient worldwide credit facilities, is expected to provide adequate liquidity to meet the Company's funding requirements for 1997.

NET DEBT POSITION

'94	$1,657
'95	$2,040
'96	$2,110

YEAR END DEBT ANALYSIS	Short-Term	Long-Term	Total
DCC			
1995	$ 458	$ 601	$ 1,059
1996	456	708	1,164
Change	$ (2)	$ 107	$ 105
DANA (EXCLUDING DCC)			
1995	$ 334	$ 714	$ 1,048
1996	184	990	1,174
Change	$ (150)	$ 276	$ 126
DANA CONSOLIDATED			
1995	$ 792	$ 1,315	$ 2,107
1996	640	1,698	2,338
Change	$ (152)	$ 383	$ 231

Dana's management and legal counsel have reviewed the legal proceedings arising in the ordinary course of business to which the Company and its subsidiaries were parties as of December 31, 1996, including, among others, those involving product liability claims and alleged violations of environmental laws. The Company estimates its environmental and product liabilities based upon the most probable method of remediation or outcome considering currently enacted laws and regulations and existing technology. Measurement of liabilities is made on an undiscounted basis and excludes the effects of inflation and other societal and economic factors. In those cases where there is a range of equally probable remediation methods or outcomes, the Company accrues at the lower end of the range. The accrued liability at the end of 1996 was $65 for product liability claims costs (products) and $47 for environmental liability costs (environmental) compared to $73 for products and $49 for environmental at the end of 1995. The difference between minimum and maximum contingent liabilities, while not considered material, was $17 for products and $1 for environmental at the end of 1996 compared to $4 for products and $3 for environmental at the end of 1995. Probable recoveries of $39 for products and $10 for environmental from insurance or other third parties have been recorded as assets at the end of 1996, compared to $43 for products and $10 for environmental at the end of 1995. The Company has concluded that any additional liabilities that may result from these legal proceedings or the timing of the cash flows for these liabilities will not have a material adverse effect on its liquidity, financial condition or results of operations.

RESULTS OF OPERATIONS 1996 VS. 1995

Dana achieved record sales and profits in 1996 for the third consecutive year. Sales were $7,686, up 1% over 1995, while profits increased to $306 or 6% over last year. The major factors contributing to the Company's sales increase were recent acquisitions and higher unit volumes of components for light truck and sport utility vehicles in North America. These increases were partially offset by a decline in North American medium and heavy truck production and inclusion of an additional month's sales ($105) in 1995 for non-North American operations due to a change in reporting periods. Acquisitions accounted for $322 of the 1996 sales increase, with $317 related to operations outside the U.S.

Sales from U.S. operations increased 1%, while international sales were up 2%, due primarily to acquisitions in South America and Europe. Exports from the U.S. increased 22% over 1995. In 1996, international sales (including U.S. exports) represented 37% of Dana's consolidated sales, compared to 35% in 1995.

Dana's worldwide sales from the Vehicular segment, which includes sales of components and parts used on trucks, sport utility vehicles, trailers, vans and automobiles, increased 1% over 1995.

SEGMENT SALES	1995	1996	% Change
Vehicular	$ 6,070	$ 6,130	+1
Industrial	1,527	1,556	+2
Total	$ 7,597	$ 7,686	+1

The Company's U.S. sales from this segment increased 1%, while international operations increased 2%. Sales to U.S. light truck manufacturers exceeded 1995 by 9% as light trucks and sport utility vehicles continued to be in demand. This increase was partially offset by lower U.S. medium and heavy truck production, compared to 1995's record build levels, resulting in lower Dana sales to those markets of 8% and 17%, respectively. Heavy truck production in 1996, while below 1995's unusually high level, was still above average levels for the last 15 years. International sales from this segment increased, largely due to the contribution of Dana's European and South American acquisitions.

Worldwide sales from Dana's Industrial segment, which includes sales to the mobile off-highway (MOH) equipment market, increased 2% over 1995. Sales of components to MOH manufacturers, primarily agricultural and construction equipment, increased 6% worldwide, 3% in the U.S. and 10% internationally. The international increase was principally the result of the acquisition of GKN's European axle operations in late 1995. MOH and industrial distribution sales increased 1% over 1995. Those increases were partially offset by a 6% sales decline of Dana product sold to the Industrial OE market (Dana's smallest market).

in millions DANA CORPORATION

Dana's distribution sales increased 1% on a worldwide basis, with U.S. sales increasing 3% and international decreasing 1%. Worldwide distribution sales performances in 1996 versus 1995 by market were as follows: truck parts down 2%, automotive up 3% and MOH/Industrial up 1%.

Dana's sales, on a regional basis, increased in Europe and South America and were lower in North America and Asia Pacific.

SALES BY REGION	1995	1996	% Change
North America	$ 5,917	$ 5,875	-1
Europe	977	1,086	+11
South America	497	536	+8
Asia Pacific	207	189	-9

The European and South American sales continued to grow in 1996 as the Company concentrated on international growth of its core businesses, particularly through acquisitions. North American sales were slightly lower, reflecting decreases in medium and heavy truck production, which were partially offset by light truck/sport utility vehicle increases. The lower sales in Asia resulted from the weakness of Dana's markets in Taiwan and Australia.

Revenue from lease financing and other income increased $14 or 8% in 1996. Leasing-related revenue and interest on loans were above 1995 by $25 as DCC's average asset levels and gains on sales of leased assets were higher in 1996. Other income in 1996 included gains of $5 on sales of certain assets and investments, while a $16 gain was recorded in 1995 due to the sale of equity in three South American affiliates.

Adjustments for translation of foreign currency resulted in a gain of $1, compared to a gain of $8 in 1995. The adjustments in both years related almost exclusively to the translation from local currency to U.S. dollars of the Company's Brazilian operations.

Dana's gross margin was 15.1% in both 1996 and 1995. Margins for U.S. operations improved to 14.2% from 13.9% in 1995. Margins of the Company's international operations declined to 17.4% from 18.1% in 1995, in large part due to costs related to the integration of operations acquired in late 1995.

Selling, general and administrative expenses (S,G & A) increased $30 or 4% in 1996. Operations acquired in the latter half of 1995 and in 1996 accounted for $23 of the increase. After adjusting for the effect of those acquisitions, S,G & A increased 1%.

Dana's operating income increased $12 million in 1996. U.S. operations had a $16 increase, while international operations were down $4. The international decrease was comprised of lower operating income at Dana's South American, Asia Pacific and Canadian operations partially offset by an increase in Europe. The European increase was primarily due to acquisitions.

Operating income from the Vehicular segment decreased 2%, while the Industrial segment income increased 6% over 1995. The ratio of operating income to sales for both segments was comparable in 1996 to 1995. Operating income of the Lease Financing segment increased $17 over 1995. In 1996, DCC's operating income increased as a result of higher average lease asset levels outstanding during the year and improved lease and residual experience.

Interest expense in 1996 was $13 higher than in 1995 due to higher average debt levels. This higher average debt position resulted from the funding of acquisitions, capital additions and lease financing assets during 1996.

Equity in earnings of affiliates increased in 1996, primarily due to the devaluation of the Mexican peso in 1995 which resulted in Dana recording a non-operating charge of $18 for its proportionate share of translation losses incurred by the Company's affiliate, Spicer S.A. de C.V.

Minority interest in net income of consolidated subsidiaries decreased $7 in 1996 due to the lower earnings of Albarus (a Brazilian subsidiary) and the mid-1995 purchase of the minority interest in Hayes-Dana. The earnings of Albarus were lower in part due to the December 1995 sale of equity in one of its subsidiaries.

Taxes on income decreased $15 in 1996 due to lower pre-tax profitability of the Company and lower effective rates of Dana's international operations. The Company's overall effective rate was 34% in 1996, compared to 35% in 1995.

Current indications are that 1997 production of light truck and sport utility vehicles in North America (Dana's largest market) will continue with volumes similar to 1996. Based on this projected demand, Dana expects its 1997 sales to this market to match or slightly exceed the results achieved in 1996. Based on market forecasts, Dana's sales to the North American medium and heavy truck markets in 1997 are expected to be similar to the last half of 1996 but the Company anticipates a modest upturn in the latter half of the year. The Company's sales to the U.S. replacement parts and industrial OE markets are expected to be similar to those of 1996. The U.S. construction and agricultural market is anticipated to be slightly below 1996 levels, but Dana's sales are expected to increase due to the effect of acquisitions.

Expectations are that economies outside of North America will have mixed performances in 1997, but growth on an overall basis will be similar to 1996. Given this overall environment, Dana expects to continue to grow its international business by expansion of its core businesses through acquisition and by expanding capacity for new business opportunities in South America, India, Thailand and other countries.

RESULTS OF OPERATIONS 1995 VS. 1994

1995 was a record year for Dana Corporation. All-time highs in sales and profits were achieved. Sales were $7,598, up 15% over the previous record attained in 1994, while profits increased to $288 or 26% over last year's record results. Dana shareholders benefitted from these record results with return on average shareholder equity increasing to nearly 28% from 26% in 1994. The major factors contributing to the Company's sales increase of $984 were higher unit volumes of original equipment (OE) vehicular products in the U.S., strength in the U.S. construction equipment and agricultural markets, effects of recent acquisitions, and overall growth in international sales. Contributing $287 or 30% of the sales increase ($123 in the U.S. and $164 internationally) were acquisitions and the effect of fully consolidating a Taiwanese subsidiary (R.O.C. Spicer) which was previously accounted for on an equity basis.

Dana's worldwide sales from the Vehicular segment, which includes sales of components and parts used on trucks, sport utility vehicles, trailers, vans and automobiles, increased 15% or $771 over 1994. The OE portion of this increase was $673 (18% over 1994) while the aftermarket portion increased $98 (6%). Sales to U.S. light truck manufacturers were up 14% over a strong 1994 due to the ongoing demand for light trucks and sport utility vehicles. U.S. medium and heavy truck OE sales increased 19% and 12%, respectively, above 1994, as truck production levels exceeded already high levels for 1994. Sales to the U.S. OE passenger car market increased, in large part due to the acquisition of Plumley in 1995. Other increases in Dana's worldwide OE Vehicular sales were achieved through the consolidation of R.O.C. Spicer, acquisitions, and higher unit volumes experienced in Europe, South America and Canada.

Worldwide sales from Dana's Industrial segment, which includes sales to the mobile off-highway equipment market, rose 17% or $218 over 1994, reflecting acquisitions as well as strength in the U.S. and European construction and agricultural markets. Sales to the worldwide mobile off-highway OE market increased 26%, while industrial OE sales improved 11% worldwide, comprised of 13% U.S. and 8% international. Mobile off-highway and industrial distribution sales increased 8%, largely due to the acquisition of Sige in the latter half of 1994. After adjusting for Dana's acquisitions, worldwide Industrial segment sales improved 10% over 1994, with the U.S. up 7% and international up 25% (almost exclusively in Europe).

The Company's 1995 distribution sales were up 7% over 1994, due in part to acquisitions and increases in its international aftermarket operations. International aftermarket sales increased 21% over 1994, while U.S. sales were level in a weak market. Worldwide distribution sales performances in 1995 versus 1994 by market were as follows: truck parts up 3%, automotive up 8% and mobile off-highway/industrial up 8%.

Sales from U.S. operations were $5,476 or 10% (8% adjusted for acquisitions) over 1994, while international sales were $2,122, up 29% (19% adjusted for acquisitions). Even with Dana's continued growth and expansion in the U.S., international sales as a percentage to total sales increased to 28% from 25% in 1994. On a regional basis, the Company's 1995 sales increased 10% in North America, 16% in South America, 37% in Europe and 119% in Asia Pacific. After adjusting for the effect on sales of recent acquisitions and the consolidation of R.O.C. Spicer in 1995, North American sales increased 8%, European 27% and Asia Pacific 24%. Export sales of U.S. operations increased $124, up 29% over 1994.

VEHICULAR SALES
(In Billions)

	1993	1994	1995
Distribution	$1.5	$1.6	$1.7
OE	$3.0	$3.7	$4.4
	$4.5	$5.3	$6.1

INDUSTRIAL SALES
(In Billions)

	1993	1994	1995
Distribution	$ .5	$ .7	$ .7
OE	$ .5	$ .6	$ .8
	$1.0	$1.3	$1.5

INTERNATIONAL AND U.S. EXPORT SALES

(In Billions)

	1993	1994	1995
U.S. Exports	$ .4	$ .5	$ .6
International	$1.3	$1.6	$2.1
	----	----	----
	$1.7	$2.1	$2.7

in millions DANA CORPORATION

Revenue from lease financing and other income increased $40 or 27% in 1995. Lease related revenue increased 11% as DCC's average asset levels outstanding increased, lease and residual experience improved and higher average yields were achieved. Included in the increase in other income was $16 due to the sale of equity in certain South American operations.

Adjustments for translation of foreign currency resulted in a gain of $8, compared to a loss of $22 in 1994. The adjustments in both years related almost exclusively to the translation from local currency to U.S. dollars of the Company's Brazilian operations. The new Brazilian currency (real) was introduced at parity with the U.S. dollar in the third quarter of 1994. The translation of the real to U.S. dollars resulted in 1995's gain. 1994's loss includes the effect of translating from the old currency (cruzeiros) to U.S. dollars for the period of January through July, partially offset by gains for the balance of 1994 in the translation from the real to U.S. dollars.

Dana's gross margin improved to 15.1% from 15.0% in 1994. U.S. operations improved to 13.6% from 13.3% in 1994, benefitting from the higher sales volumes experienced in all of the Company's OE markets. Margins of the Company's Canadian and European operations improved in 1995 as well, due to increased sales levels, while margins in Asia Pacific were comparable to 1994. Dana's South American operations' margins were lower in 1995. The comparison was affected by the currency change in 1994, with 1995's calculation being negatively affected. After adjusting for the change, 1995's margins in South America were only slightly lower than 1994's.

Operating income from the Vehicular segment increased $66 or 13%, while the Industrial segment income increased $47 or 82% over 1994. The Vehicular increase resulted from higher sales volumes achieved by Dana's U.S. operations supplying the domestic OE light and heavy-duty truck markets and the effect of the acquisition of Plumley at the beginning of 1995. The Industrial segment's income increased as operations in North America and Europe benefitted from strong demand for the Company's mobile-off highway OE products from its construction equipment and agricultural machinery customers. Strength in U.S. and European industrial OE component sales also contributed to the Industrial segment's income increase.

Operating income of the Lease Financing segment increased $11 over 1994. In 1995, DCC's operating income increased as a result of higher average lease asset levels outstanding during the year, improved lease and residual experience and overall higher average yields. This segment also benefitted from a reduction in costs associated with real estate held for sale and associated loans.

Selling, general and administrative expenses (S,G & A) increased $74 or 12% in 1995. Operations acquired in the latter half of 1994 and in 1995 accounted for $21 of the increase. After adjusting for the effect of those acquisitions, S,G & A increased 9%, primarily to support sales growth and expansion. The ratio of S,G & A expense to sales continued to improve and was 9.0% compared to 9.2% in 1994. The improvements in gross margin and S,G & A as a percent of sales resulted in Dana's operating margin increasing to 6.1% from 5.7% in 1994.

Interest expense increased to $146 from $113 in 1994 due to higher average debt levels and higher interest rates. Higher debt levels resulted from the increase in capital spending, acquisition of the European axle group, purchase of the remaining minority interest of Hayes-Dana, Inc., and the increase in working capital needs of the Company as a result of continued higher business levels. The higher average debt levels also resulted from the funding of DCC's asset growth.

Dana's international operations had operating income of $139, an increase of 10% over 1994. This higher income was largely the result of increased earnings of the Company's European operations supplying products to the industrial OE markets of the region. Operating income increases also were achieved by operations in Canada and Asia Pacific and through European acquisitions made in the latter half of 1994 and in 1995.

Equity in earnings of affiliates decreased $28 in 1995, primarily due to the devaluation of the Mexican peso which resulted in losses incurred by Dana's affiliate, Spicer S.A. de C.V. The decrease was partially offset by the higher earnings experienced by Dana's affiliates in Korea and Venezuela.

Minority interest in net income of consolidated subsidiaries increased to $40 from $30 in 1994 due to higher earnings of Albarus, a South American subsidiary, and the consolidation of R.O.C. Spicer. These increases were partially offset by the purchase of the minority interest in Hayes-Dana.

Taxes on income increased to $181 from $157 in 1994, due to higher pre-tax profitability of the Company. The effective rate decreased to 35% from 40% in 1994 in part due to the utilization of capital loss carrybacks resulting from the sale of an insurance subsidiary in Bermuda. The sale resulted in the recording of a $5 tax benefit in 1995. The remaining differential in rate was due to lower effective combined state tax rates and international effective rates.

OPERATING MARGIN

'93	4.8%

'94	5.7%
'95	6.1%

S,G & A EXPENSE AS A % OF SALES

'93	9.6%
'94	9.2%
'95	9.0%

Beginning in 1988, Dana Credit Corporation, our indirect wholly-owned leasing and finance subsidiary which had previously been accounted for on the equity method, was fully consolidated to reflect adoption of SFAS No. 94, "Consolidation of All Majority-owned Subsidiaries." The additional information on pages 45-47 shows Dana's balance sheet, income statement and cash flows as if DCC were accounted for on the equity method and DCC (on pages 48-49) on a stand-alone basis. The Company believes this separate financial data will help the reader better understand the consolidated statements and related notes on pages 23-40.

ADDITIONAL INFORMATION--STATEMENT OF INCOME DANA CORPORATION
in millions (including Dana Credit Corporation on an equity basis)

	Year Ended December 31 1994	1995	1996
NET SALES	$6,607.4	$7,596.3	$7,686.3
Other income	9.2	33.7	26.8
Foreign currency adjustments	(22.0)	7.8	1.2
	6,594.6	7,637.8	7,714.3
Costs and expenses			
Cost of sales	5,630.5	6,469.0	6,549.8
Selling, general and administrative expenses	529.8	602.9	627.7
Interest expense	54.3	75.5	84.6
	6,214.6	7,147.4	7,262.1
Income before income taxes	380.0	490.4	452.2
Estimated taxes on income	154.9	181.0	154.5
Income before minority interest and equity in earnings of affiliates	225.1	309.4	297.7
Minority interest in net income of consolidated subsidiaries	(30.2)	(40.4)	(32.8)
Equity in earnings of affiliates	33.3	19.1	41.1
Net income	$ 228.2	$ 288.1	$ 306.0

ADDITIONAL INFORMATION--BALANCE SHEET — DANA CORPORATION
in millions (including Dana Credit Corporation on an equity basis)

	December 31 1995	December 31 1996
ASSETS		
Current assets		
Cash	$ 18.6	$ 101.8
Marketable securities, at cost which approximates market	36.3	122.5
Accounts receivable, less allowance for doubtful accounts of $23.5 - 1995 and $26.0 - 1996	1,098.4	1,087.0
Inventories	874.8	912.9
Other current assets	132.5	141.4
Total current assets	2,160.6	2,365.6
Investments and other assets		
Investments at equity	159.9	184.9
Goodwill	269.4	285.3
Intangible pension asset	74.6	35.0
Other	99.6	86.9
Total investments and other assets	603.5	592.1
Deferred income tax benefits	356.9	342.1
Property, plant and equipment, net	1,486.4	1,637.2
Total assets	$4,607.4	$4,937.0
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Notes payable	$ 515.4	$ 362.9
Accounts payable	430.0	459.7
Accrued payroll and employee benefits	222.1	220.1
Other accrued liabilities	277.0	278.5
Taxes other than taxes on income	37.2	39.4
Taxes on income	146.1	116.5
Total current liabilities	1,627.8	1,477.1
Deferred employee benefits and other noncurrent liabilities	1,127.5	1,049.9
Long-term debt	533.7	810.4
Minority interest in consolidated subsidiaries	153.8	170.9
Shareholders' equity	1,164.6	1,428.7
Total liabilities and shareholders' equity	$4,607.4	$4,937.0

ADDITIONAL INFORMATION -- STATEMENT OF CASH FLOWS DANA CORPORATION
in millions (including Dana Credit Corporation on an equity basis)

	Year Ended December 31		
	1994	1995	1996
Net cash flows from operating activities	$435.4	$325.8	$540.4
Cash flows from investing activities:			
Purchases of property, plant and equipment	(278.2)	(338.3)	(284.0)
Purchase of minority interest of Hayes-Dana, Inc.		(92.4)	
Purchase of European axle group		(93.0)	
Other acquisitions and additions to investments	(21.6)	(37.1)	(121.5)
Other	14.8	69.7	32.5
Net cash flows - investing activities	(285.0)	(491.1)	(373.0)
Cash flows from financing activities:			
Net change in short-term debt	80.8	56.4	(163.2)
Issuance of long-term debt	50.0	310.0	444.6
Payments on long-term debt	(166.6)	(167.3)	(187.0)
Dividends paid	(82.0)	(91.2)	(99.7)
Other	7.4	5.3	7.3
Net cash flows - financing activities	(110.4)	113.2	2.0
Net increase (decrease) in cash and cash equivalents	40.0	(52.1)	169.4
Cash and cash equivalents - beginning of year	67.0	107.0	54.9
Cash and cash equivalents - end of year	$107.0	$ 54.9	$224.3
Reconciliation of net income to net cash flows from operating activities:			
Net income	$228.2	$288.1	$306.0
Noncash items included in income:			
Depreciation and amortization	163.6	187.4	216.9
Deferred income taxes	8.8	(29.6)	(2.4)
Minority interest	12.3	7.0	26.8
Net change in receivables, inventory and payables	22.2	(112.0)	19.3
Unremitted earnings of affiliates	(7.0)	(3.4)	(27.6)
Other	7.3	(11.7)	1.4
Net cash flows from operating activities	$435.4	$325.8	$540.4

ADDITIONAL INFORMATION -- STATEMENT OF INCOME DANA CREDIT CORPORATION
in millions (an indirect wholly-owned subsidiary of Dana Corporation)

	Year ended December 31 1994	1995	1996
Revenues			
Lease financing	$ 132.4	$ 152.2	$ 170.5
Interest and fees on loans	7.6	6.2	14.5
Other revenues	21.7	22.0	44.6
	161.7	180.4	229.6
Expenses			
Interest expense	51.9	62.8	74.4
General and administrative expenses	89.7	103.1	115.6
	141.6	165.9	190.0
Income before income taxes	20.1	14.5	39.6
Estimated income tax provision (benefit)	5.4	(8.0)	11.8
Income before equity in earnings of affiliates	14.7	22.5	27.8
Equity in earnings of affiliates	5.3	4.9	2.7
Net Income	$ 20.0	$ 27.4	$ 30.5

ADDITIONAL INFORMATION -- BALANCE SHEET DANA CREDIT CORPORATION
in millions (an indirect wholly-owned subsidiary of Dana Corporation)

	December 31 1995	1996
ASSETS		
Cash	$ 11.5	$ 3.5
Loans receivable	114.4	208.1
Lease financing	1,153.5	1,327.9
Investments in partnerships	29.1	25.8
Other assets	78.2	103.9
Total Assets	$ 1,386.7	$1,669.2
LIABILITIES AND SHAREHOLDER'S EQUITY		
Short-term debt	$ 371.7	$ 456.4
Long-term debt	600.7	708.3
Other liabilities	74.3	86.6
Deferred income taxes	235.4	294.0
Shareholder's equity	104.6	123.9
Total liabilities and shareholder's equity	$ 1,386.7	$1,669.2

ADDITIONAL INFORMATION -- STATEMENT OF CASH FLOWS
in millions

DANA CREDIT CORPORATION
(an indirect wholly-owned subsidiary of Dana Corporation)

	Year Ended December 31		
	1994	1995	1996
Net cash flows from operating activities	$ 93.5	$ 107.1	$ 170.0
Cash flows from investing activities:			
Purchases of assets to be leased	(402.8)	(507.9)	(486.2)
Loans made to customers and affiliates	(30.1)	(24.8)	(98.5)
Payments received on leases	195.5	201.0	209.7
Proceeds from sales of leased assets	39.8	60.8	32.2
Payments received on loans	102.9	16.6	20.8
Purchases of assets from affiliates, less proceeds from subsequent sale			(22.1)
Other	12.3	13.8	(10.5)
Net cash flows - investing activities	(82.4)	(240.5)	(354.6)
Cash flows from financing activities:			
Net change in short-term debt	(106.7)	194.5	84.7
Issuance of long-term debt	305.4	108.1	290.3
Payments on long-term debt	(197.3)	(147.5)	(185.6)
Dividends paid	(17.7)	(12.7)	(12.8)
Net cash flows - financing activities	(16.3)	142.4	176.6
Net increase (decrease) in cash	(5.2)	9.0	(8.0)
Cash and cash equivalents - beginning of year	7.7	2.5	11.5
Cash and cash equivalents - end of year	$ 2.5	$ 11.5	$ 3.5
Reconciliation of net income to net cash flows from operating activities:			
Net income	$ 20.0	$ 27.4	$ 30.5
Noncash items included in income:			
Depreciation	38.5	50.0	55.7
Deferred income taxes	45.1	26.6	66.3
Provision for credit losses	15.9	15.6	13.2
Gains from sales of leased assets	(2.9)	(10.1)	(15.0)
Unremitted earnings of affiliates	(5.3)	(4.9)	(2.7)
Change in other assets, other liabilities and accrued expenses	(17.8)	2.5	22.0
Net cash flows from operating activities	$ 93.5	$ 107.1	$ 170.0

ADDITIONAL INFORMATION
in millions except per share amounts DANA CORPORATION

SHAREHOLDERS' INVESTMENT

The following table shows the range of market prices of Dana Corporation common stock on the New York Stock Exchange and the cash dividends declared and paid for each quarter during 1995 and 1996. At December 31, 1996, the closing price of Dana common stock was $32 5/8.

	STOCK PRICE						CASH DIVIDENDS DECLARED AND PAID	
	1995			1996			1995	1996
QUARTER ENDED	HI	LO	CLOSE	HI	LO	CLOSE		
March 31	$26	$21 3/8	$25 1/2	$34 1/8	$27 3/4	$33 3/8	$.21	$.23
June 30	29 1/2	24	28 5/8	35 1/2	30 1/8	31	.23	.25
September 30	32 5/8	28	28 7/8	31 1/8	27 1/4	30 1/4	.23	.25
December 31	31	25 1/4	29 1/4	33 1/8	29 3/8	32 5/8	.23	.25

UNAUDITED QUARTERLY FINANCIAL INFORMATION

The following information has been reviewed by our independent accountants in accordance with generally accepted auditing standards (GAAS); however, they have not performed an audit in accordance with GAAS on the quarterly information to enable them to opine on each quarter.

QUARTER ENDED	NET SALES	GROSS PROFIT	NET INCOME	NET INCOME PER SHARE
For the year ended December 31, 1994				
March 31	$1,597	$234	$ 47.7	$ .48
June 30	1,712	281	68.0	.69
September 30	1,610	234	52.9	.54
December 31	1,695	241	59.6	.60
For the year ended December 31, 1995				
March 31	$1,924	$290	$59.2	$ .59
June 30	1,969	315	89.1	.88
September 30	1,727	268	60.9	.60
December 31	1,978	275	78.9	.77
FOR THE YEAR ENDED DECEMBER 31, 1996				
MARCH 31	$1,973	$295	$78.7	$ .78
JUNE 30	2,020	321	91.5	.90
SEPTEMBER 30	1,816	280	65.2	.64
DECEMBER 31	1,877	265	70.6	.69

During the first quarter of 1995, Dana recorded a non-operating charge of $18.0 ($.17 per share) for its proportionate share of translation losses incurred by its Mexican affiliate, Spicer S.A. de C.V., due to the devaluation of the Mexican peso.

In the fourth quarter of 1995, Dana recorded a gain of $12.0 ($.11 per share) due to the sale of equity in three South American affiliates, a tax benefit of $5.2 ($.05) due to the sale of an insurance subsidiary in Bermuda and a charge of $5.8 ($.06) relating to a tentative settlement of a lawsuit filed by the Department of Justice, which was settled in 1996.

ELEVEN YEAR HISTORY
in millions except per share amounts

DANA CORPORATION

FINANCIAL HIGHLIGHTS

For the Years	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Net Sales	$3,738	$4,180	$4,936	$4,865	$4,952	$4,398	$4,872	$5,460	$6,614	$7,598	$7,686
Net Income (Loss)	84	142	162	132	76	13	(382)	80	228	288	306
Net Income (Loss) per Common Share	.82	1.62	1.99	1.62	.92	.16	(4.35)	.86	2.31	2.84	3.01
Cash Dividends per Common Share	.64	.70	.77	.80	.80	.80	.80	.80	.83	.90	.98
Total Assets	4,578	4,914	4,786	5,225	4,513	4,179	4,343	4,632	5,124	5,714	6,160
Long-Term Debt	1,027	1,322	1,324	1,522	1,486	1,541	1,467	1,207	1,187	1,315	1,698

DANA CORPORATION
(including Dana Credit Corporation on an equity basis)

For the Years		1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Net Income per Share of Common Stock+		$ .82	$ 1.62	$ 1.99	$ 1.62	$ .92	$ .16	$ .64	$ 1.39	$ 2.31	$ 2.84	$ 3.01
Cash Dividends per Common Share		.64	.70	.77	.80	.80	.80	.80	.80	.83	.90	.98
SUMMARY OF OPERATIONS												
NET SALES		$3,695	$4,142	$4,896	$4,857	$4,948	$4,385	$4,863	$5,457	$6,607	$7,596	$7,686
Cost of Sales		3,075	3,480	4,133	4,104	4,129	3,841	4,282	4,688	5,631	6,469	6,550
Income (Loss) before Income Taxes		201	203	238	217	187	(24)	48	224	380	490	452
Income Taxes*		96	84	109	95	97	3	26	89	155	181	155
NET INCOME+		84	142	162	132	76	13	56	129	228	288	306
Net Income for the Year Retained for Growth		19	81	100	67	10	--	--	6	146	197	206
Interest Expense		63	91	103	118	120	111	99	83	54	76	85
YEAR END FINANCIAL POSITION												
Liquid Assets**		$ 563	$ 733	$ 801	$ 763	$ 764	$ 746	$ 837	$ 990	$1,117	$1,153	$1,311
Working Capital		590	484	509	508	487	423	562	569	533	533	889
Ratio of Current Assets to Current Liabilities		1.8-1	1.5-1	1.5-1	1.5-1	1.5-1	1.4-1	1.6-1	1.5-1	1.4-1	1.3-1	1.6-1
Total Shareholders' Equity		944	865	960	1,020	1,049	989	707	801	940	1,165	1,429
Long-Term Debt		618	690	681	759	766	786	687	496	389	534	810
Net Property, Plant and Equipment		765	820	905	985	1,107	1,077	1,029	1,061	1,210	1,486	1,637
Total Assets		2,514	2,788	2,916	3,102	3,196	2,959	3,349	3,684	4,086	4,607	4,937
Average Number of Shares Outstanding (in thousands)		102,196	87,430	81,353	81,658	81,954	82,171	87,792	92,533	98,689	101,297	101,800
Stock Price	High	18 1/4	27 1/8	20 1/4	21 7/16	19 1/16	18 1/4	24 1/8	30 1/8	30 11/16	32 5/8	35 1/2
	Low	12 3/4	13 3/4	16 1/4	16 1/2	9 15/16	12 5/16	13 3/8	22	19 5/8	21 3/8	27 1/4
	Close	17 7/16	17 1/16	19 7/16	17 5/16	14 15/16	13 7/8	23 1/2	29 15/16	23 1/2	29 1/4	32 5/8

* Net of the cumulative effect of the change in accounting for income taxes in 1987.
** Cash, Marketable Securities and Accounts Receivable
\+ Excludes one-time SFAS No. 106 charge of $438 ($4.99 per share) in 1992 and SFAS No. 112 charge of $49 ($.53 per share) in 1993.

DANA INVESTOR RELATIONS

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Dana's Investor Relations group provides information and assistance to Dana shareholders, including participants in the Employees' Stock Purchase Plan. Available to help with questions or problems are:

Gutte Carr, Manager Shareholder Relations
(34 years service)

Vicki Shamion, Investor Relations Coordinator
(3 years service)

Steve Superits, Director Investor Relations
(9 years service)

Contact them by writing to Dana Investor Relations, P.O. Box 1000, Toledo, Ohio 43697, via Dana's Internet home page, or call Dial-for-Dana.

DANA ON THE WORLD WIDE WEB
http://www.dana.com

If you have access to the World Wide Web, you can find information on Dana Corporation under several different headings:

- - Dana's history, philosophy and policies, Beyond 2000, speeches and presentations by Dana people;

- - Dana's products and services and markets served;

- - A Financial Information Order Form to obtain current financial and shareholder-related information;

- - Real-time stock price quotes;

- - Copies of press releases;

- - Dana's global operations;

- - News of the Dana-sponsored Super Truck;

- - E-mail access to Dana

DIAL-FOR-DANA

1-800-537-8823 anywhere in the U.S. and Canada. In Ohio, call 1-800-472-8810.

Through this 24-hour toll-free voice-interactive phone service callers may:

- - Obtain current news on Dana including market segment information;

- - Request printed materials such as annual and quarterly reports, Forms 10-K and l0-Q;

- - Receive answers to shareholder-related and Dana Employees' Stock Purchase Plan questions;

- - Leave requests for a Dana representative to respond directly to the caller.

COMPANY NEWS ON-CALL (through PR Newswire(R)): 1-800-758-5804.

Faxed news releases issued by Dana are available in the U.S. and Canada by calling the above number and entering Dana's code: 226839 followed by the caller's fax number.

SHAREHOLDER SERVICES

Call 1-800-298-6810 or visit http://www.cmssonline.com for information about:

- - An Automatic Dividend Reinvestment Plan where Dana pays all costs associated with the purchase of shares through the reinvestment of dividends. This Plan also includes a cash investment option of $25-$2,000 per month and a stock certificate safe-keeping feature;

- - A free Direct Deposit of Dividends service whereby funds are sent electronically to the shareholder's checking, savings or credit union account for deposit;

- - Direct access to ChaseMellon, Dana's transfer agent and registrar, for information on the above services and questions regarding certificate transfer, lost certificates and/or dividend checks, address changes and other shareholder-related inquiries.

SHAREHOLDER INFORMATION

- - Dana Common Stock is listed on the New York, Pacific and London Stock Exchanges. Its trading symbol is DCN.

- - World headquarters: 4500 Dorr Street, P.O. Box 1000, Toledo, Ohio 43697. Telephone: (419) 535-4500.

- - Registered office: Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219.

- - Dana's Transfer Agents and Registrars:

ChaseMellon Shareholder Services, L.L.C., Overpeck Centre, 85 Challenger Road, Ridgefield Park, NJ 07660, 1-800-298-6810 or http://www.cmssonline.com, and National City Bank, P.O. Box 92301, Cleveland, Ohio 44101, 1-800-622-6757.

- -   Dividend Reinvestment/Direct Deposit: Chase Manhattan Bank c/o ChaseMellon Shareholder Services, L.L.C., P.O. Box 750, Pittsburgh, PA 15230.

Exhibit 21

DANA CORPORATION
Subsidiaries and Affiliates
as of December 31, 1996

Dana Corporation
4500 Dorr Street
Toledo, Ohio 43615

UNITED STATES
- -------------

DSA of America, Inc.	Delaware
Albarus, Inc.	Delaware
DTF Trucking, Inc.	Delaware
Dana Distribution, Inc.	Delaware
Dana International Finance Inc.	Delaware
Dana International Limited	Delaware
Dana Risk Management Services, Inc.	Delaware
Dana World Trade Corporation	Delaware
Flexon, Inc.	Michigan
Flight Operations, Inc.	Delaware
GemStone Gasket Company	Delaware
Precision Specialties Inc.	Delaware
Swanton Air Three, Inc.	Delaware
Results Unlimited, Inc.	Delaware
Warner Sensors Corporation	Delaware
(formerly Marengo Corporation)	Delaware
UnderCar International, Inc.	Delaware
McQuay-Norris, Inc.	Delaware
Reinz Wisconsin Gasket Co.	Delaware
Perfect Circle Valve Seals, L.L.C.	Delaware
Plumley Companies, Inc.	Tennessee
Mohawk Plastics, Inc.	Michigan
Wix Filtration Media Specialists, Inc.	Delaware
Dana Venture Capital Corporation	Ohio
Diamond Financial Holdings, Inc.	Delaware
Admiral's Harbour, Inc.	Ohio
Summey Building Systems, Inc.	North Carolina
Dana Credit Corporation	Delaware
Dana Commercial Credit Corporation	Delaware
Camotop Two Corporation	Delaware
Comprehensive Asset Services, Inc.	Delaware
Dana Business Credit Corporation	Delaware
Dana Commercial Finance Corporation	Delaware
Dana Commercial Credit, Canada Inc.	Delaware
Dana Fleet Leasing, Inc.	Delaware
Isom & Associates, Inc.	Delaware
Leased Equipment, Inc.	Delaware
Lease Recovery, Inc.	Delaware
Midwest Housing Investments J.V., Inc.	Delaware
Potomac Leasing Company	Delaware
Shannon Energy Services, Inc.	Delaware
Shannon Property Management, Inc.	Delaware
Shannon Supermarket Investors, Inc.	Delaware
CCD Air Ten, Inc.	Delaware
CCD Air Eleven, Inc.	Delaware
CCD Air Twelve, Inc.	Delaware

CCD Air Thirteen, Inc.	Delaware
CCD Air Fourteen, Inc.	Delaware
CCD Air Twenty, Inc.	Delaware
CCD Air Twenty-One, Inc.	Delaware
CCD Air Twenty-Two, Inc.	Delaware
CCD Air Twenty-Three, Inc.	Delaware
CCD Air Thirty, Inc.	Delaware
CCD Air Thirty-Two, Inc.	Delaware
CCD Air Thirty-Three, Inc.	Delaware
CCD Air Thirty-Four, Inc.	Delaware
CCD Air Thirty-Five, Inc.	Delaware
CCD Air Thirty-Six, Inc.	Delaware
CCD Air Thirty-Seven, Inc.	Delaware
CCD Air Thirty-Eight, Inc.	Delaware
CCD Air Thirty-Nine, Inc.	Delaware
CCD Air Forty, Inc.	Delaware
CCD Air Forty-One, Inc.	Delaware
CCD Air Forty-Two, Inc.	Delaware
CCD Air Forty-Four, Inc.	Delaware
CCD Air Forty-Six, Inc.	Delaware
CCD Airway One, Inc.	Delaware
CCD Airway Three, Inc.	Delaware
CCD Airway Five, Inc.	Delaware
CCD Rail Two, Inc.	Delaware
CCD Rail Three, Inc.	Delaware
DCC Franchise Services, Inc.	Delaware
DCC Project Finance One, Inc.	Delaware
DCC Project Finance Two, Inc.	Delaware
DCC Project Finance Three, Inc.	Delaware
DCC Linden, Inc.	Delaware
DCC Project Finance Four, Inc.	Delaware
DCC Project Finance Five, Inc.	Delaware
DCC Project Finance Six, Inc.	Delaware
DCC Project Finance Ten, Inc.	Delaware
DCC Servicing, Inc.	Delaware
REBAC, Inc.	Delaware
REBNEC Three, Inc.	Delaware
REBNEC Five, Inc.	Delaware
REBNEC Seven, Inc.	Delaware
REBNEC Eight, Inc.	Delaware
REBNEC Nine, Inc.	Delaware
REBNEC Eleven, Inc.	Delaware
RECCEG, Inc.	Delaware
REFIRST, Inc.	Delaware
REHAT, Inc.	Delaware
RENOVO One, Inc.	Delaware
Letovon Hammersmith Co.	Delaware
RENOVO Three, Inc.	Delaware
Letovon Heathrow Co.	Delaware
RENOVO Five, Inc.	Delaware
Letovon Waterloo Co.	Delaware
RENOVO Seven, Inc.	Delaware
RENOVO Nine, Inc.	Delaware

RENOVO Eleven, Inc.	Delaware
RENOVO Thirteen, Inc.	Delaware
RETRAM, Inc.	Delaware
Dana Lease Finance Corporation	Delaware
Camotop One Corporation	Delaware
Dana Leasing, Inc.	Delaware
CCD Air Four, Inc.	Delaware
CCD Air Five, Inc.	Delaware
CCD Air Seven, Inc.	Delaware
CCD Air Eight, Inc.	Delaware
CCD Air Nine, Inc.	Delaware
CCD Air Forty-Three, Inc.	Delaware
CCD Air Forty-Seven, Inc.	Delaware
CCD Airway Two, Inc.	Delaware
CCD Airway Four, Inc.	Delaware
CCD Rail One, Inc.	Delaware
CCD Rail Four, Inc.	Delaware
DCC Project Finance Seven, Inc.	Delaware
DCC Project Finance Eight, Inc.	Delaware
DCC Project Finance Eleven, Inc.	Delaware
DCC Spacecom Two, Inc.	Delaware
DCC Vendorcom, Inc.	Delaware
JVQ Capital One, Inc.	Delaware
REBNEC One, Inc.	Delaware
REBNEC Two, Inc.	Delaware
REBNEC Four, Inc.	Delaware
REBNEC Six, Inc.	Delaware
REBNEC Ten, Inc.	Delaware
REBNEC Twelve, Inc.	Delaware
RECONN, Inc.	Delaware
RENOVO Two, Inc.	Delaware
Letovon Hammersmith Co.	Delaware
RENOVO Four, Inc.	Delaware
Letovon Heathrow Co.	Delaware
RENOVO Six, Inc.	Delaware
Letovon Waterloo Co.	Delaware
RENOVO Eight, Inc.	Delaware
RENOVO Ten, Inc.	Delaware
RENOVO Twelve, Inc.	Delaware
RERSEY, Inc.	Delaware
RESAMM, Inc.	Delaware
REVA, Inc.	Delaware
DCC Project Finance Nine, Inc.	Delaware
Farnborough Properties Partners I Limited	Delaware
Farnborough Properties Company	Delaware
Farnborough Properties Partners II Limited	Delaware
Farnborough Properties Partners III Limited	Delaware
Farnborough Airport Properties Company	Delaware
Farnborough Properties Partners IV Limited	Delaware
Findlay Properties, Inc.	Ohio
Ottawa Properties, Inc.	Michigan
Shannon Properties, Inc.	Delaware
First Shannon Realty of North Carolina, Inc.	North Carolina
Lenox I-4 Lakeland Associates	Florida
Region Center Associates	Florida

Dana Austria GmbH	Austria
Dana Canada, Inc. (fka Hayes-Dana Inc.)	Canada
Hayes-Dana (Quebec) Inc.	Canada
Dana Commercial Credit, Canada Inc.	Canada
Dana Japan, Ltd.	Japan
Spicer Philippines Manufacturing Co. (Ceased Operation as of December of 1984 - Inactive)	Philippines
Dantean Co., Ltd. (f.k.a. Spicer Thailand)	Thailand
Dana Industrial Co., Ltd.	Thailand
Dana Asia (Thailand) Ltd.	Thailand
Spicer Asia (Thailand) Ltd.	Thailand
Dana Spicer (Rayong) Ltd.	Thailand
Dana Asia (Singapore) Pte. Ltd. (f.k.a. Dana World Trade Singapore (Pte.) Ltd.) (Includes Warner Electric Division and Aftermarket Distribution Division)	Singapore
R.O.C. Spicer Ltd.	Taiwan
Timing Investments Limited	Taiwan
Taiyin Enterprise Ltd.	Taiwan
Taiyiu Warner Industrial Ltd. (liquidated 05/31/94)	Taiwan
ROC Spicer Investment Co., Ltd.	Taiwan
Shenyang Spicer Limited	Taiwan
Spicer Asia Engineering Ltd.	Taiwan
Dana Asia (Taiwan) Ltd. (Warner Electric Trading Co.)	Taiwan
Dana Asia (Taiwan) APD Co., Ltd.	Taiwan
Dana Australia (Holdings) Pty. Ltd.	Australia
Dana Australia Pty. Ltd.	Australia
Truckline Parts Centres Pty. Ltd.	Australia
Dana Australia Trading Pty. Ltd. (Formerly Spicer Drivetrain Pty. Ltd.)	Australia
J.B. Morgan and Co. Pty., Ltd.	Australia
Dana Asia Pacific Industrial (fka Warner Electric Australia Pty. Ltd.)	Australia
Dana Europe Holdings B.V.	Netherlands
Tece Almere B.V.	Netherlands
Dana Distribution (Holland) BV	Netherlands
Spicer Netherland B.V. (Dormant)	Netherlands
Technisch Bureau Hoevelaken B.V.	Netherlands
Leguana Participations B.V.(Holding Co)	Netherlands
DKW Kunststoffwerke GmbH(Holding Co)	Netherlands
Thermoplast+Apparatebau GmbH(Germany)	Netherlands
Warner Electric BV (f.k.a. Maumee Holdings B.V.) (Sales Office-Amsterdam)	Netherlands
Superior Electric Nederland B.V. (shell)	Netherlands

Europecas S.A.	Portugal
Europecas (Porto) Comercio de Pecas Veiculos Lda.	Portugal
Warner Electric SA (Dormant)	Belgium
Dana Holdings Limited	United Kingdom
Dana Limited	United Kingdom
Brown Brothers Corporation Ltd. (Dormant)	United Kingdom
Brown Brothers Engineering Ltd. (Dormant)	United Kingdom
Posidata Ltd. (Dormant)	United Kingdom
Stieber Formsprag Ltd. (Dormant)	United Kingdom
B. - Equipment Ltd. (Dormant)	United Kingdom
Dana (1982) Ltd. (Dormant)	United Kingdom
Brown Brothers Ltd. (Dormant)	United Kingdom
Needham Collections Ltd. (Dormant)	United Kingdom
Brown Brothers Investments Ltd. (Dormant)	United Kingdom
V.A. Afif Ltd. (Dormant)	United Kingdom
Warner Electric Limited	United Kingdom
Dana Interlock Limited (Dormant 1/1/94)	United Kingdom
(Trade Transferred to Wichita Co. Ltd)	
Taylor Industrial Clutches Ltd.	United Kingdom
Wichita Company Limited	United Kingdom
Thanet Brake Co. Ltd.	United Kingdom
Dana Commercial Credit (UK) Limited	United Kingdom
Dana Commercial Credit Limited	United Kingdom
DCC (March) Limited	United Kingdom
DCC (June) Limited	United Kingdom
DCC (September) Limited	United Kingdom
Dana Lease Finance Corporation	
Letovon Hammersmith Co.	United Kingdom
Letovon Heathrow Co.	United Kingdom
Letovon Waterloo Co.	United kingdom
Farnborough Properties Partners I Limited/	
Farnborough Properties Partners II Limited	
Farnborough Properties Company	United Kingdom
Farnborough Properties Partners III Limited/	
Farnborough Properties Partners IV Limited	
Farnborough Airport Properties Company	United Kingdom
Farnborough Aerospace Centre Management Limited	
Dana Spicer Europe Ltd.	United Kingdom
Superior Electric Engineering Services, Ltd.	United Kingdom
Stieber Ltd.	United Kingdom
Dana S.A.	France
Perfect Circle Europe (fka Floquet Monopole S.A.)	France
Societe Industrielle de Precision Marti, S.A.	France
Societe de Reconditionnement Industriel de Moteurs S.A. (S.R.I.M.)	France

Spicer France S.A.R.L.	France
Warner France, S.A.	France
Collins & Tournadre "TOURCO"	France
G.I.E. Warner & Tourco	France
Superior Electric S.A.R.L. (to be liquidated)	France
Stieber S.A.R.L.	France
Dana Finance S.A.	France
Spicer India Limited	India
Stieber Precision Pvt. Ltd.	India
Dana Italia, SpA (Dana Spicer Europe SpA merged 11/96)	Italy
Spicer Off-Highway Axle SpA (fka Sige Brevetti. Ing., Columbo)	Italy
Metaltechno SpA	Italy
Dana Equipamientos SA (f.k.a. Spicer Espana S.A.)	Spain
Industrias Seloc Reinz S.A. (closed)	Spain
Industrias Serva S.A.	Spain
Glaser Serva S.A.	Spain
Dana AB	Sweden
Warner-Tollo AB	Sweden
Warner Electric (International) S.A. (International Headquarters, f.k.a. Warner Electric S.A., locally known as "Swiss Inc.")	Switzerland
Warner Electric S.A. (Operating and local sales company, f.k.a. Societe de Vente Warner Electric S.A., locally known as "Swiss Trade")	Switzerland
Dana GmbH	Germany
Dana Holdings GmbH (formerly Erwin Hengstler Hydraulic GmbH)	Germany
Reinz Dichtungs GmbH	Germany
Euro Reinz GmbH (dormant)	Germany
Warner Electric GmbH	Germany
Erwin Hengstler Hydraulic GmbH	Germany
The Weatherhead GmbH	Germany
M. Freisen GmbH	Germany
Horst Riedel GmbH	Germany
Spicer GmbH (f.k.a. Superior Electric GmbH)	Germany
Dana Capital GmbH	Germany
Dana Equipamentos Ltda.	Brazil
Albarus, S.A. Industrial E Comercio	Brazil
Pellegrino Autopecas Industrial e Comerico Ltda.	Brazil
CIDAP-Industrial e Distribuidora de Aurtopecas Ltda. (Dormant)	Brazil

Albarus Sistemas Hidraulicos Ltda.	Brazil
Albarus S.A. Comercial e Exportadora	Brazil
Cirane Industria e Comercio Ltda.	Brazil
Previalbarus Societe de Providencia	Brazil
SIMESC	Brazil
Dana do Brasil Ltda.	Brazil
Dana Industrias Ltda.	Brazil
Warner Electric do Brasil Ltda.	Brazil
Dana Foreign Sales Corporation	Virgin Islands
Dana Asia (Hong Kong) Limited	Hong Kong
Kentning Industries Limited (Never Active)	Hong Kong
Shui Hing Manufacturing Company Limited	Hong Kong
Tecnologia de Mocion Controlada S.A. de C.V.	Mexico
UBALI S.A.	Uruguay
Talesol S.A.	Uruguay
E. Daneri, I.C.S.A.	Argentina
AROS Daneri, S.A.	Argentina
Transmissiones Homocineticas Argentina S.A. (THA)	Argentina
Dana Argentina S.A.	Argentina
Thompson Ramco-Argentina S.A.	Argentina
Centrust S.A.	Argentina
Armetal Industria Argentina de Metales	Argentina
Farlock S.A.	Argentina
Cerro de los Medanos S.A.	Argentina
Dana Asia Pacific (Malaysia) Sdn. Bhd.	Malaysia
Dana Asia (Korea) Co. Ltd.	Korea
Industria De Ejes Y Transmissiones S.A. (Transejes)	Colombia
Transejes C.D. Ltda.	Colombia
Transcar Ltda.	Colombia
Transmotor Ltda.	Colombia

Exhibit 23

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 33-64198) of Dana Corporation of our report dated January 21, 1997 appearing on page 22 of the Annual Report to Shareholders which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report on the Financial Statement Schedule, which appears on page 15 of this Form 10-K.

PRICE WATERHOUSE LLP

Toledo, Ohio
March 3, 1997

Exhibit 24

POWER OF ATTORNEY

The undersigned directors and/or officers of Dana Corporation hereby constitute and appoint Southwood J. Morcott, John S. Simpson, Charles W. Hinde, Martin J. Strobel and Sue A. Griffin, and each of them, severally, their true and lawful attorneys-in-fact with full power for and on their behalf to execute the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 1996, including any and all amendments thereto, in their names, places and stead in their capacity as directors and/or officers of the Corporation, and to file the same with the Securities and Exchange Commission on behalf of the Corporation under the Securities and Exchange Act of 1934, as amended.

This Power of Attorney automatically ends as to each appointee upon the termination of his or her service with the Corporation.

In witness whereof, the undersigned have executed this instrument the 9th day of December, 1996.

/s/ B. F. Bailar B. F. Bailar	/s/ R. B. Priory R. B. Priory
/s/ E. M. Carpenter E. M. Carpenter	/s/ J. D. Stevenson J. D. Stevenson
/s/ E. Clark E. Clark	/s/ T. B. Sumner, Jr. T. B. Sumner, Jr.
/s/ G. H. Hiner G. H. Hiner	/s/ J. S. Simpson J. S. Simpson
/s/ J. M. Magliochetti J. M. Magliochetti	/s/ C. W. Hinde C. W. Hinde
/s/ M. R. Marks M. R. Marks	/s/ M. J. Strobel M. J. Strobel
/s/ S. J. Morcott S. J. Morcott	/s/ S. A. Griffin S. A. Griffin

5
1,000

YEAR
DEC-31-1996
JAN-01-1996
DEC-31-1996
105,300
122,500
1,069,100
26,000
912,900
0
3,642,000
1,817,200
6,160,000
0
1,697,700
103,000
0
0
1,325,700
6,160,000
7,686,300
7,890,700
6,525,200
6,525,200
0
0
159,000
491,700
166,300
0
0
0
0
306,000
3.01
0

5

1,000

YEAR
DEC-31-1995
JAN-01-1995
DEC-31-1995
30,300
36,300
1,081,600
23,500
874,800
0
3,337,300
1,687,800
5,713,500
0
1,315,100
101,500
0
0
1,063,100
5,713,500
7,597,700
7,794,500
6,449,700
6,449,700
0
0
146,400
513,200
181,200
0
0
0
0
288,100
2.84
0

5

1,000

YEAR
DEC-31-1994
JAN-01-1994
DEC-31-1994
48,200
64,000
960,400
19,600
740,200
0
2,797,000
1,449,800
5,123,700
0
1,186,500
98,800
0
0
841,000
5,123,700
6,613,800
6,740,500
5,624,000
5,624,000
0
0
113,400
391,600
157,400
0
0
0
0
228,200
2.31
0