
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549**

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): June 29, 2006

Dana Corporation

(Exact name of registrant as specified in its charter)

Virginia

(State or other jurisdiction
of incorporation)

1-1063

(Commission File Number)

34-4361040

(IRS Employer
Identification Number)

4500 Dorr Street, Toledo, Ohio

(Address of principal executive offices)

43615

(Zip Code)

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

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01. Regulation FD Disclosure.

On June 29, 2006, Dana Corporation (Dana) filed its unaudited Condensed Monthly Operating Report for the month ended May 31, 2006 with the United States Bankruptcy Court for the Southern District of New York (the Bankruptcy Court) (*In re Dana Corporation, et al.*, Case No. 06-10354 (BRL)) . A copy of this report is contained in the attached Exhibit 99.1.

The Monthly Operating Report was prepared solely for the purpose of complying with the monthly reporting requirements of, and is in a format acceptable to, the Office of the United States Trustee, Southern District of New York, and it should not be relied upon for investment purposes. The Monthly Operating Report is limited in scope and covers a limited time period. The financial information that it contains is unaudited.

The financial statements in the Monthly Report are not prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Monthly Operating Report presents condensed financial information of Dana and its debtor and nondebtor subsidiaries, with Dana Credit Corporation (DCC) accounted for on an equity basis, rather than on a consolidated basis as required by GAAP.

Readers should not place undue reliance upon the financial information in the Monthly Operating Report, as there can be no assurance that such information is complete. The Monthly Operating Report may be subject to revision. The information in the Monthly Operating Report should not be viewed as indicative of future results.

Additional information about Dana's filing under the Bankruptcy Code, including access to court documents and other general information about the Chapter 11 cases, is available online at <http://www.dana.com/reorganization>.

The Monthly Operating Report is being furnished for informational purposes only and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as otherwise expressly stated in such filing. The filing of this Form 8-K shall not be deemed an admission as to the materiality of any information herein that is required to be disclosed solely by Regulation FD.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

99.1 Dana Corporation's Monthly Operating Report for the Month Ended May 31, 2006 (furnished but not filed)

Signatures

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

Dana Corporation
(Registrant)

Date: June 29, 2006

By: /s/ Kenneth A. Hiltz
Kenneth A. Hiltz
Chief Financial Officer

Exhibit Index

99.1 Dana Corporation's Monthly Operating Report for the Month Ended May 31, 2006

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK
JUDGE: Burton R. Lifland

CASE NO: 06-10354 (BRL
CHAPTER 11

DANA CORPORATION, ET AL. (1)
MONTHLY OPERATING REPORT
PERIOD COVERED: MAY 1, 2006 — MAY 31, 2006

DEBTOR'S ADDRESS:
4500 Dorr Street
Toledo, OH 43615

MONTHLY DISBURSEMENTS:
\$535 million

DEBTOR'S ATTORNEY:
Jones Day
222 East 41st Street
New York, NY 10017

MONTHLY OPERATING LOSS :
\$9 million

REPORT PREPARER:

/s/ Kenneth A. Hiltz

CHIEF FINANCIAL OFFICER

SIGNATURE OF REPORT PREPARER

TITLE

KENNETH A. HILTZ

June 29, 2006

PRINTED NAME OF REPORT PREPARER

DATE

The report preparer, having reviewed the attached report and being familiar with the Debtors' financial affairs, verified under the penalty of perjury that the information contained therein is complete, accurate and truthful to the best of his knowledge. (2)

- (1) See next page for a listing of Debtors by case number.
- (2) All amounts herein are preliminary, unaudited and subject to revision.

In re Dana Corporation, et al.
Case No. 06-10354 (BRL) (Jointly Administered)
Reporting Period: May 1, 2006 — May 31, 2006

<u>Petitioning Entities:</u>	<u>Case Number:</u>
Dana Corporation	06-10354
Dakota New York Corp	06-10351
Brake Systems, Inc.	06-10355
BWDAC, Inc.	06-10357
Coupled Products, Inc.	06-10359
Dana Atlantic, LLC	06-10360
Dana Automotive Aftermarket, Inc.	06-10362
Dana Brazil Holdings I, LLC	06-10363
Dana Brazil Holdings, LLC	06-10364
Dana Information Technology, LLC	06-10365
Dana International Finance, Inc.	06-10366
Dana International Holdings, Inc.	06-10367
Dana Risk Management Services, Inc.	06-10368
Dana Technology, Inc.	06-10369
Dana World Trade Corporation	06-10370
Dandorr L.L.C.	06-10371
Dorr Leasing Corporation	06-10372
DTF Trucking, Inc.	06-10373
Echlin-Ponce, Inc.	06-10374
EFMG, LLC	06-10375
EPE, Inc.	06-10376
ERS, LLC	06-10377
Flight Operations, Inc.	06-10378
Friction, Inc.	06-10379
Friction Materials, Inc.	06-10380
Glacier Vandervell, Inc.	06-10381
Hose & Tubing Products, Inc.	06-10382
Lipe Corporation	06-10383
Long Automotive, LLC	06-10384
Long Cooling, LLC	06-10385
Long USA, LLC	06-10386
Midland Brake, Inc.	06-10387
Prattville Mfg, Inc.	06-10388
Reinz Wisconsin Gasket, LLC	06-10390
Spicer Heavy Axle & Brake, Inc.	06-10391
Spicer Heavy Axle Holdings, Inc.	06-10392
Spicer Outdoor Power Equipment Components	06-10393
Torque-Traction Integration Technologies, LLC	06-10394
Torque-Traction Manufacturing Technologies, LLC	06-10395
Torque-Traction Technologies, LLC	06-10396
United Brake Systems, Inc.	06-10397

DANA CORPORATION, ET AL
MONTHLY OPERATING REPORT
May 2006
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Case Number: 06-10354 (BRL) (Jointly Administered)

DANA CORPORATION
CONDENSED STATEMENT OF INCOME (LOSS)
WITH DCC ON AN EQUITY BASIS (UNAUDITED)

	<u>Month Ended</u> <u>May 31, 2006</u>	<u>March 3, 2006 to</u> <u>May 31, 2006</u>
	(in millions)	
Net sales	\$ 813	\$ 2,332
Costs and expenses		
Cost of sales	758	2,186
Selling, general and administrative expenses	37	93
Other income	<u>8</u>	<u>30</u>
Income from operations	26	83
Interest expense (contractual interest of \$14 in May and \$44 for the period 3/3/06 to 5/31/06)	5	18
Reorganization charges, net	<u>18</u>	<u>81</u>
Income (loss) before income taxes	3	(16)
Income tax expense	(14)	(35)
Minority interest	—	(1)
Equity in earnings of affiliates	<u>3</u>	<u>(5)</u>
Loss from continuing operations	<u>(8)</u>	<u>(57)</u>
Loss from discontinued operations	<u>(1)</u>	<u>(30)</u>
Net loss	<u>\$ (9)</u>	<u>\$ (87)</u>

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

Case Number: 06-10354 (BRL) (Jointly Administered)

**DANA CORPORATION
CONDENSED BALANCE SHEET
WITH DCC ON AN EQUITY BASIS (UNAUDITED)**

	<u>May 31, 2006</u> (in millions)
Assets	
Current assets	
Cash and cash equivalents	\$ 761
Accounts receivable	
Trade	1,380
Other	344
Inventories	703
Assets of discontinued operations	545
Other current assets	160
Total current assets	3,893
Investments and other assets	1,355
Investments in equity affiliates	931
Property, plant and equipment, net	1,674
Total assets	\$ 7,853
Liabilities and Shareholders' Equity	
Current liabilities	
Notes payable, including current portion of long-term debt	\$ 34
Accounts payable	999
Liabilities of discontinued operations	236
Other accrued liabilities	755
Total current liabilities	2,024
Liabilities subject to compromise	4,295
Deferred employee benefits and other noncurrent liabilities	259
Long-term debt	17
Debtor-in-possession financing	700
Minority interest in consolidated subsidiaries	84
Shareholders' equity	474
Total liabilities and shareholders' equity	\$ 7,853

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

Case Number: 06-10354 (BRL) (Jointly Administered)

DANA CORPORATION
CONDENSED STATEMENT OF CASH FLOW
WITH DCC ON AN EQUITY BASIS (UNAUDITED)

	<u>Month Ended</u> <u>May 31, 2006</u>	<u>March 3, 2006</u> <u>to May 31, 2006</u>
	(in millions)	
Operating activities		
Net income (loss)	\$ (9)	\$ (87)
Depreciation and amortization	22	65
Charges related to divestitures and asset sales	4	32
Reorganization items	18	81
Payment of reorganization items	(7)	(35)
(Increase) decrease in working capital	(51)	54
Other	8	104
Net cash flows (used for) provided by operating activities	<u>(15)</u>	<u>214</u>
Investing activities		
Purchases of property, plant and equipment	(33)	(99)
Proceeds from sale of other assets	1	1
Other	(4)	(8)
Net cash flows used for investing activities	<u>(37)</u>	<u>(106)</u>
Financing activities		
Net change in short-term debt	(1)	(605)
Proceeds from DIP Credit Agreement	700	700
Increase (decrease) in long-term debt	2	(2)
Net cash flows provided by financing activities	<u>1</u>	<u>93</u>
Net increase (decrease) in cash and cash equivalents	(51)	301
Cash and cash equivalents — beginning of period	812	560
Cash and cash equivalents — end of period	<u>\$ 761</u>	<u>\$ 761</u>

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

Case Number: 06-10354 (BRL) (Jointly Administered)

DANA CORPORATION, ET AL.
NOTES TO MONTHLY OPERATING REPORT

Note 1. Background and Reorganization

General

Dana Corporation (Dana) is a leading supplier of axle, driveshaft, frame, sealing and thermal products. Dana designs and manufactures products for every major vehicle producer in the world and is focused on being an essential partner to its automotive, commercial truck and off-highway vehicle customers.

Reorganization Under Chapter 11 of the Bankruptcy Code

On March 3, 2006 (the Filing Date), Dana and forty of its wholly-owned domestic subsidiaries (collectively, the Debtors) filed voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code (the Bankruptcy Code) in the United States Bankruptcy Court for the Southern District of New York (the Bankruptcy Court). These Chapter 11 cases are being jointly administered under Case Number 06-10354 (BRL) and are collectively referred to herein as the "Bankruptcy Cases." A listing of the Debtors and their respective case numbers is set forth at the beginning of this Monthly Operating Report. The Debtors are managing their business and properties in the ordinary course as debtors in possession subject to the supervision of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and the orders of the Bankruptcy Court. Neither Dana Credit Corporation (DCC) and its wholly-owned subsidiaries nor any of Dana's non-U.S. subsidiaries have filed bankruptcy petitions and none of these entities is a Debtor in the Bankruptcy Cases. The Office of the United States Trustee for the Southern District of New York (the U.S. Trustee) has appointed a statutory committee of unsecured creditors in the Bankruptcy Case which, in accordance with the provisions of the Bankruptcy Code, will have the right to be heard on matters that come before the Bankruptcy Court and an equity committee which will represent the interests of Dana shareholders.

This Monthly Operating Report has been prepared solely for the purpose of complying with the monthly reporting requirements applicable in the Bankruptcy Cases and is in a format acceptable to the U.S. Trustee and to the lenders under the DIP Credit Agreement (discussed below). The financial information contained herein is limited in scope and covers a limited time period. Moreover, such information is unaudited, and, as discussed below, is not prepared in accordance with accounting principles generally accepted in the United States (GAAP). Accordingly, this Monthly Operating Report should not be used for investment purposes.

While Dana continues its reorganization under Chapter 11, investments in Dana securities will be highly speculative. Although shares of Dana common stock continue to trade on the Over the Counter Bulletin Board under the symbol "DCNAQ," the trading prices of the shares may have little or no relationship to the actual recovery, if any, by the holders under any eventual court-approved reorganization plan. The opportunity for any recovery by holders of Dana common stock under such reorganization plan is uncertain, and Dana's shares may be cancelled without any compensation pursuant to such plan.

Case Number: 06-10354 (BRL) (Jointly Administered)

DANA CORPORATION, ET AL.
NOTES TO MONTHLY OPERATING REPORT

Note 2. Basis of Presentation

Financial Information

The unaudited condensed financial statements and supplemental information contained herein present the condensed financial information of Dana and its debtor and nondebtor subsidiaries, with DCC accounted for on an equity basis. Accordingly, intercompany transactions with DCC have not been eliminated in these financial statements and are reflected as intercompany receivables, loans and payables. This presentation of condensed Dana financial statements with DCC on an equity basis, while consistent in format with the financial information required to be provided to the lenders under the DIP Credit Agreement (discussed below) and acceptable to the U.S. Trustee, does not conform to GAAP, which requires that DCC and its subsidiaries be consolidated along with Dana's other majority-owned subsidiaries.

For consolidated financial statements for Dana prepared in conformity with GAAP and the notes thereto, see the company's Annual Report on Form 10-K for the fiscal year ended December 31, 2005 and Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2006, which have been filed with the U.S. Securities and Exchange Commission and are accessible at <http://www.dana.com> at the "Investors" link.

The condensed statements of income (loss) and cash flows presented herein are for the month of May 2006 and also includes the period from March 3, 2006 to May 31, 2006. The schedule of "Cash Disbursements by Petitioning Entity" contains further information regarding cash disbursements made by each of the Debtors during the post-petition period of May 1, 2006 through and including May 31, 2006.

The financial statements herein with DCC accounted for on an equity basis have been derived from Dana's internal books and records. They include normal recurring adjustments but not all of the adjustments that would typically be made for quarterly and annual financial statements in accordance with GAAP. In addition, certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted. Furthermore, the monthly information presented herein has not been subjected to the same level of accounting review and testing that Dana applies in the preparation of its quarterly and annual financial information in accordance with GAAP. Accordingly, the financial information herein is subject to change and any such change could be material. The results of operations contained herein are not necessarily indicative of results which may be expected for any other period or the full year and may not reflect Dana's consolidated results of operations, financial position and cash flows in the future.

Case Number: 06-10354 (BRL) (Jointly Administered)

DANA CORPORATION, ET AL.
NOTES TO MONTHLY OPERATING REPORT

Accounting Requirements

American Institute of Certified Public Accountants Statement of Position 90-7, "Financial Reporting by Entities in Reorganization under the Bankruptcy Code" (SOP 90-7), which is applicable to companies operating under Chapter 11, generally does not change the manner in which financial statements are prepared. However, SOP 90-7 does require that the financial statements for periods subsequent to the filing of the Chapter 11 petition distinguish transactions and events that are directly associated with the reorganization from the ongoing operations of the business. The condensed financial statements contained herein have been prepared in accordance with the guidance in SOP 90-7.

Taxes

Income taxes are accounted for in accordance with SFAS No. 109, "Accounting for Income Taxes." Current and deferred income tax assets and liabilities are recognized based on events which have occurred and are measured by the enacted tax laws. Based on its recent history of losses in the U.S. and near-term prospects for continued losses, Dana established a 100% valuation allowance against its U.S. deferred tax assets during the third quarter of 2005. Deferred tax assets resulting from subsequent U.S. losses have been offset by increases in the valuation allowances, effectively eliminating the benefit of those losses.

The Debtors have received Bankruptcy Court approval to pay pre-petition sales, use, and certain other taxes in the ordinary course of their businesses. The Debtors believe that they have paid all pre-petition and post-petition taxes when due from and after the Filing Date. See the accompanying schedules of "Payroll Taxes Paid" and "Post-petition Sales, Use and Property Taxes" for information regarding taxes paid. The Debtors believe that all tax returns are being prepared and filed as due, or extended as necessary, and that they are paying all post-petition taxes as they become due or obtaining extensions for the payment thereof.

Contractual Interest Expense

Contractual interest expense represents amounts due under the contractual terms of outstanding debt for the period March 3, 2006 through May 31, 2006, including debt subject to compromise for which interest expense of \$26 (\$9 for the month of May only) is not recognized in the income statement in accordance with SOP 90-7.

Note 3. Debtor-in-Possession Financing (DIP Financing)

DIP Credit Agreement

Dana, as borrower, and the other Debtors, as guarantors, are parties to a Senior Secured Superpriority Debtor-in-Possession Credit Agreement (the DIP Credit Agreement) with Citicorp North America, Inc., Bank of America, N.A. and JPMorgan Chase Bank, N.A. as initial issuing banks. The DIP Credit Agreement, as amended, was approved by the Bankruptcy Court in March 2006. Dana can borrow up to \$750 under the revolving credit facility of the DIP Credit Agreement (of which \$400 is available for the issuance of letters of credit) and \$700 under the term loan facility, for an aggregate amount of up to \$1,450.

Case Number: 06-10354 (BRL) (Jointly Administered)

DANA CORPORATION, ET AL.
NOTES TO MONTHLY OPERATING REPORT

All of the loans and other obligations under the DIP Credit Agreement will be due and payable on the earlier of 24 months after the effective date of the DIP Credit Agreement or the consummation of a plan of reorganization for the Debtors under the Bankruptcy Code.

As of May 31, 2006, Dana had borrowed \$700 under the DIP Credit Agreement and used the proceeds (i) to pay off debt obligations outstanding under Dana's pre-petition five-year bank facility (which had provided Dana with \$400 in borrowing capacity) and its pre-petition accounts receivable securitization program (which had provided Dana with up to \$275 borrowing capacity to meet periodic demand for short-term financing) and certain other pre-petition obligations, (ii) to pay certain other pre-petition obligations pursuant to authority granted by the Bankruptcy Court and (iii) to provide for working capital and general corporate expenses.

Interest under the DIP Credit Agreement will accrue, at Dana's option, either at the London interbank offered rate (LIBOR) plus a per annum margin of 2.25% for both the term loan facility and the revolving credit facility or the prime rate plus a per annum margin of 1.25% for both facilities. Dana will pay a fee for issued and undrawn letters of credit in an amount per annum equal to the LIBOR margin applicable to the revolving credit facility and a per annum fronting fee of 25 basis points. Dana will also pay a commitment fee of 0.375% per annum for unused committed amounts under the revolving credit facility. The DIP Credit Agreement is guaranteed by substantially all of Dana's domestic subsidiaries, excluding DCC. As collateral, Dana and each of its guarantor subsidiaries has granted a security interest in and lien on effectively all of its assets, including a pledge of 66% of the equity interests of each material foreign subsidiary owned directly or indirectly by Dana and each guarantor subsidiary.

Case Number: 06-10354 (BRL) (Jointly Administered)

DANA CORPORATION, ET AL.
NOTES TO MONTHLY OPERATING REPORT

Additionally, the DIP Credit Agreement requires Dana and its direct and indirect subsidiaries to maintain a minimum amount of consolidated earnings before interest, taxes, depreciation, amortization, restructuring and reorganization costs (EBITDAR), as defined, for each period beginning on March 3, 2006 and ending on the last day of each fiscal month from May 2006 through February 2007, and a rolling 12-month cumulative EBITDAR for Dana and its direct and indirect subsidiaries, on a consolidated basis, beginning on March 2007 and ending on February 2008, at levels set forth in the DIP Credit Agreement. The DIP Credit Agreement EBITDAR requirement for the period from March 3, 2006 to May 31, 2006 is \$25 while the actual EBITDAR as calculated below, was \$139.

Net loss	\$ (87)
Plus —	
Interest expense	18
Income tax expense	35
Depreciation and amortization expense	65
Restructuring charges	1
Reorganization charges, net	81
Loss from discontinued operations	30
Minority interest	1
Less —	
Equity in earnings (loss) of affiliates	(5)
Interest income	10
EBITDAR	<u>\$ 139</u>

Certain internal compensation incentives are based on the achievement of EBITDAR targets. For this purpose, EBITDAR as defined in the DIP Credit Agreement, is modified to include discontinued operations, and applies to periods commencing on January 1, 2006. For this purpose, EBITDAR for the five months ended May 31, 2006, was \$147.

Case Number: 06-10354 (BRL) (Jointly Administered)

DANA CORPORATION, ET AL.
NOTES TO MONTHLY OPERATING REPORT

Note 4. Reorganization Items

SOP 90-7 requires that reorganization items such as professional fees directly related to the process of reorganizing under Chapter 11 and provisions and adjustments to reflect the carrying value of certain pre-petition liabilities at their estimated allowable claim amounts should be reported separately. The Debtors' reorganization items for the month of May 2006 consisted of professional fees and charges in connection with recognizing potentially allowable claims resulting from the rejection of operating lease contracts, partially reduced by interest income.

Pursuant to orders of the Bankruptcy Court, professionals retained by the Debtors, the creditors' and equity committees and any other official statutory committees that may be appointed in the Bankruptcy Cases are entitled to receive payment for their fees and expenses on a monthly basis, subject to compliance with certain procedures established by orders of the Bankruptcy Court.

In some cases, the professionals retained by the Debtors in the Bankruptcy Cases are also providing services to the Debtors' nondebtor subsidiaries and will be paid for such services by the nondebtor subsidiaries. With respect to the Debtors' foreign nondebtor subsidiaries, it is anticipated that payments for services to these entities in U.S. dollars will be made in the first instance by the Debtors and reimbursed by the foreign nondebtor subsidiaries through the ordinary course netting process established under the Debtors' consolidated cash management system. In addition, under the terms of the DIP Credit Agreement, the Debtors are obligated to reimburse the lenders thereunder for the fees and expenses of their professionals.

The Debtors are making and will continue to make the required payments to such professionals, as described above, and believe they are current with regard to such payments.

Note 5. Liabilities Subject to Compromise

As a result of the Chapter 11 filings, the payment of Debtors' pre-petition indebtedness is subject to compromise or other treatment under a plan of reorganization. SOP 90-7 requires that pre-petition liabilities subject to compromise be reported at the amounts expected to be allowed, even if they may be settled for lesser amounts. The amounts currently classified as liabilities subject to compromise represent Dana's estimate of known or potential pre-petition claims to be addressed in connection with the Bankruptcy Cases. Such claims remain subject to future adjustments resulting from, among other things, negotiations with creditors, rejection of executory contracts and unexpired leases and orders of the Bankruptcy Court. The terms under which any allowed claims will be satisfied will be established at a later date in the Bankruptcy Cases.

The Debtors have obtained orders from the Bankruptcy Court designed to minimize disruptions of their business operations and to facilitate their reorganization. Such orders authorize the Debtors to pay or otherwise honor certain of their pre-petition obligations, subject to certain restrictions, including employee wages, salaries, certain benefits and other employee obligations; pre-petition claims of non-US vendors and certain suppliers that are critical to the Debtors' continued operation; and certain customer programs and warranty claims. During the period reported herein, the Debtors paid certain of such pre-petition obligations.

Case Number: 06-10354 (BRL) (Jointly Administered)

DANA CORPORATION, ET AL.
NOTES TO MONTHLY OPERATING REPORT

The amount of liabilities subject to compromise reported herein was \$4,295 at May 31, 2006. This amount includes intercompany balances with DCC of \$336 (which includes a \$288 note payable to DCC), which are not eliminated under this basis of presentation, whereas amounts payable to other non debtor subsidiaries are eliminated through the consolidation process.

Under the Bankruptcy Code, the Debtors have the right to assume or reject executory contracts and unexpired leases, subject to Bankruptcy Court approval and certain other conditions and limitations. In this context, "assuming" an executory contract or unexpired lease generally means that the Debtor will agree to perform its obligations and cure certain existing defaults under the contract or lease and "rejecting" it means that the Debtor will be relieved of its obligations to perform further under the contract or lease, which will give rise to an unsecured, pre-petition claim for damages for the breach thereof that will be classified as subject to compromise. In March and May 2006, the Bankruptcy Court authorized the Debtors to reject certain unexpired leases and subleases.

Pursuant to the Bankruptcy Code, schedules will be filed by each of the Debtors setting forth their assets and liabilities as of the Filing Date. Differences between the amounts recorded by the Debtors and the claims filed by their creditors will be investigated and resolved as part of the proceedings in the Bankruptcy Cases. The schedules have not yet been filed, and no bar date has been established for the filing of proofs of claim against the Debtors. Accordingly, the ultimate number and allowed amount of such claims can not presently be determined.

Note 6. Post-petition Accounts Payable

The Debtors believe that all undisputed post-petition accounts payable have been and are being paid under agreed payment terms. Furthermore, the Debtors intend to continue paying all undisputed post-petition obligations as they become due. See the accompanying "Cash Disbursements by Petitioning Entity" for post-petition disbursements in May 2006.

Case Number: 06-10354 (BRL) (Jointly Administered)

In re Dana Corporation, et al.
Case No. 06-10354 (BRL) Jointly Administered
Reporting Period: May 1, 2006 — May 31, 2006
Cash Disbursements by Petitioning Entity

Petitioning Entities:	Case Number:	<i>(in thousands)</i> May 2006 Disbursements
Dana Corporation	06-10354	\$533,299
Dakota New York Corp	06-10351	—
Brake Systems, Inc.	06-10355	—
BWDAC, Inc.	06-10357	—
Coupled Products, Inc.	06-10359	—
Dana Atlantic, LLC	06-10360	778
Dana Automotive Aftermarket, Inc.	06-10362	—
Dana Brazil Holdings I, LLC	06-10363	—
Dana Brazil Holdings, LLC	06-10364	—
Dana Information Technology, LLC	06-10365	—
Dana International Finance, Inc.	06-10366	—
Dana International Holdings, Inc.	06-10367	—
Dana Risk Management Services, Inc.	06-10368	293
Dana Technology, Inc.	06-10369	—
Dana World Trade Corporation	06-10370	—
Dandorr L.L.C.	06-10371	—
Dorr Leasing Corporation	06-10372	—
DTF Trucking, Inc.	06-10373	—
Echlin-Ponce, Inc.	06-10374	—
EFMG, LLC	06-10375	—
EPE, Inc.	06-10376	—
ERS, LLC	06-10377	—
Flight Operations, Inc.	06-10378	—
Friction, Inc.	06-10379	—
Friction Materials, Inc.	06-10380	—
Glacier Vandervell, Inc.	06-10381	462
Hose & Tubing Products, Inc.	06-10382	—
Lipe Corporation	06-10383	—
Long Automotive, LLC	06-10384	—
Long Cooling, LLC	06-10385	—
Long USA, LLC	06-10386	—
Midland Brake, Inc.	06-10387	—
Prattville Mfg, Inc.	06-10388	—
Reinz Wisconsin Gasket, LLC	06-10390	1
Spicer Heavy Axle & Brake, Inc.	06-10391	—
Spicer Heavy Axle Holdings, Inc.	06-10392	—
Spicer Outdoor Power Equipment Components	06-10393	—
Torque-Traction Integration Technologies, LLC	06-10394	—
Torque-Traction Manufacturing Technologies, LLC	06-10395	615
Torque-Traction Technologies, LLC	06-10396	—
United Brake Systems, Inc.	06-10397	—
Total Cash Disbursements		\$535,448(a)

(a) Total disbursements may include certain payments made by the Debtors on behalf of non-debtors pursuant to their cash management order. Excluding such disbursements, the Debtors' disbursements are well in excess of \$300 million. Disbursements are actual cash disbursements incurred for the month.

In re Dana Corporation, et al.
Case No. 06-10354 (BRL) (Jointly Administered)
Reporting Period: May 1, 2006 — May 31, 2006
Schedule of Payroll Taxes Paid

(in thousands)

FEDERAL				TOTALS
	Liabilities	Incurred or Withheld		
FIT	FICA-ER	FICA-EE	FUTA	
\$8,280	\$5,105	\$5,103		\$18,488
FEDERAL				
	Deposits	Paid		
FIT	FICA-ER	FICA-EE	FUTA	
(8,280)	(5,105)	(5,103)		(18,488)
STATE				TOTALS
	Liabilities	Incurred or Withheld		
SIT	SUI-ER	SUI-EE	SDI-EE	
2,381	—	—	9	2,390
STATE				
	Deposits	Paid		
SIT	SUI-ER	SUI-EE	SDI-EE	
(1,770)			(9)	(1,779)
LOCAL				TOTALS
	Liabilities	Incurred or Withheld		
CIT				
508				508
LOCAL				
	Deposits	Paid		
CIT				
(1)				(1)

In re Dana Corporation, et al.
Case No. 06-10354 (BRL) (Jointly Administered)
Reporting Period: May 1, 2006 — May 31, 2006
Post-petition Sales, Use and Property Taxes Paid

(in thousands)

Tax Authority	State	Type of Tax	Taxes Paid
Arizona Corporation Commission	AZ	Annual Report	— (A)
Arkansas Dept of Finance	AR	Property	1
Arkansas Secretary of State	AR	Sales/use	50
City of Stockton	CA	Business License	— (A)
DuPage County Collector	IL	Real Property	35
Florida Dept of Revenue	FL	Sales/use	8
Henderson County	KY	Motor Vehicle	— (A)
Illinois Department of Revenue	IL	Sales/use	2
Indiana Dept of Revenue	IN	Sales/use	14
Iowa Dept of Revenue	IA	Sales/use	7
Kentucky Dept of Revenue	KY	Sales/use	59
Kentucky State Treasurer	KY	Sales/use audit	87
Los Angeles County Treasurer	CA	Property	— (A)
Massachusetts Commonwealth	MA	Annual Report	— (A)
Michigan Dept of Labor	MI	Annual Report	— (A)
Michigan Dept of Treasury	MI	Sales/use	30
Mississippi Secretary of State	MS	Annual Report	— (A)
Missouri Dept of Revenue	MO	Sales/use	15
Muskegon County Treasurer	MI	Miscellaneous	— (A)
New Jersey Division of Revenue	NJ	Annual Report	— (A)
North Carolina Department of Revenue	NC	Miscellaneous	5
Ohio Dept of Job and Family Services	OH	Miscellaneous	— (A)
Ohio State Treasurer	OH	Commercial Activity	91
Ohio State Treasurer	OH	Sales/use	83
Pennsylvania Dept of Revenue	PA	Sales/use	12
South Carolina Department of Revenue	SC	Sales/use	1
State of Michigan	MI	Miscellaneous	15
Tennessee Department of Revenue	TN	Sales/Use	36
Virginia State Treasurer	VA	Annual Report	— (A)
Washington State Dept of Revenue	WA	Excise	8
Wisconsin Dept of Revenue	WI	Sales/use	— (A)
Worker Training Fund	OH	Miscellaneous	19
TOTAL			<u><u>578</u></u>

(A) Payment was less than \$1 thousand

The Debtors believe that a portion of these disbursements included payments for unpaid taxes incurred for pre-petition periods which the Debtors have the authority to pay under their first day orders