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

Form 10-Q

[X] Quarterly Report Pursuant to Section 13 or 15(d) Of the Securities Exchange Act of 1934

For the Quarterly Period Ended June 30, 1999 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 Number)
4500 Dorr Street, Toledo, Ohio	43615
(Address of Principal Executive Offices)	(Zip Code)

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

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 the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at July 31, 1999
Common stock of $1 par value	165,741,410

DANA CORPORATION AND CONSOLIDATED SUBSIDIARIES

INDEX

PART I. FINANCIAL INFORMATION

ITEM 1. DANA CORPORATION

CONDENSED BALANCE SHEET (Unaudited)

(in Millions)

Assets	December 31, 1998	June 30, 1999
Current Assets		
Cash and Marketable Securities	$ 230.2	$ 192.5
Accounts Receivable		
Trade	1,616.9	2,069.3
Other	246.7	391.5
Inventories		
Raw Materials	470.6	505.2
Work in Process and Finished Goods	1,208.1	1,133.7
Other Current Assets	564.5	620.9
Total Current Assets	4,337.0	4,913.1
Property, Plant and Equipment	5,765.3	5,843.3
Less: Accumulated Depreciation	2,461.5	2,544.7
Investments in Leases	851.9	931.5
Investments and Other Assets	1,644.8	1,628.2
Total Assets	$ 10,137.5	$ 10,771.4

Liabilities and Shareholders' Equity	December 31, 1998	June 30, 1999
Current Liabilities		
Notes Payable, Including Current Portion of Long-Term Debt	$ 1,698.1	$ 1,479.7
Accounts Payable	995.6	1,084.0
Accrued Payroll and Employee Benefits	355.5	390.1
Other Accrued Liabilities	782.8	755.8
Taxes on Income	154.6	226.4
Total Current Liabilities	3,986.6	3,936.0
Long-Term Debt	1,717.9	2,420.7
Deferred Employee Benefits and Other Noncurrent Liabilities	1,337.5	1,277.3
Minority Interest	156.3	134.1
Shareholders' Equity	2,939.2	3,003.3
Total Liabilities and Shareholders' Equity	$ 10,137.5	$ 10,771.4

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

ITEM 1. (Continued)

DANA CORPORATION

STATEMENT OF INCOME (Unaudited)

(in Millions Except Per Share Amounts)

	Three Months Ended June 30		Six Months Ended June 30	
	1998	1999	1998	1999
Net Sales	$ 3,236.6	$ 3,407.6	$ 6,469.4	$ 6,788.2
Revenue from Lease Financing and Other Income	53.4	33.4	111.4	72.3
	3,290.0	3,441.0	6,580.8	6,860.5
Costs and Expenses				
Cost of Sales	2,681.3	2,797.3	5,380.5	5,611.9
Selling, General and Administrative Expenses	294.9	289.3	594.0	585.7
Restructuring and Integration Charges	-	7.3	-	13.9
Interest Expense	68.4	67.3	139.1	137.3
	3,044.6	3,161.2	6,113.6	6,348.8
Income Before Income Taxes	245.4	279.8	467.2	511.7
Estimated Taxes on Income	(91.0)	(101.7)	(179.1)	(185.0)
Minority Interest	(5.3)	(4.4)	(8.0)	(6.5)
Equity in Earnings of Affiliates	11.1	16.5	20.7	31.5
Net Income	$ 160.2	$ 190.2	$ 300.8	$ 351.7
Net Income Per Common Share - Basic	$ .97	$ 1.15	$ 1.83	$ 2.12
Diluted	$ .96	$ 1.14	$ 1.80	$ 2.10
Dividends Declared and Paid per Common Share	$.29	$.31	$.56	$.62
Average Number of Shares Outstanding -				
For Basic	164.6	165.9	164.6	165.9
For Diluted	167.0	167.4	167.0	167.4

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

ITEM 1. (Continued)

DANA CORPORATION

CONDENSED STATEMENT OF CASH FLOWS (Unaudited)

(in Millions)

	Six Months Ended June 30	
	1998	1999
Net Income	$ 300.8	$ 351.7
Depreciation and Amortization	236.1	263.1
Working Capital Change and Other	(135.4)	(492.1)
Net Cash Flows from Operating Activities	401.5	122.7
Purchases of Property, Plant and Equipment	(299.9)	(400.9)
Purchases of Assets to be Leased	(317.7)	(121.5)
Payments Received on Leases and Loans	162.8	86.4
Acquisitions	(389.2)	(6.5)
Divestitures	218.7	-
Other	6.8	(84.8)
Net Cash Flows-Investing Activities	(618.5)	(527.3)
Net Change in Short-Term Debt	(33.3)	(345.0)
Proceeds from Long-Term Debt	405.2	1,044.0
Payments on Long-Term Debt	(250.7)	(234.4)
Dividends Paid	(102.1)	(102.9)
Other	35.1	5.2
Net Cash Flows-Financing Activities	54.2	366.9
Net Change in Cash and Cash Equivalents	(162.8)	(37.7)
Cash and Cash Equivalents-beginning of period	422.7	230.2
Cash and Cash Equivalents-end of period	$ 259.9	$ 192.5

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

ITEM 1. (Continued)

NOTES TO CONDENSED FINANCIAL STATEMENTS

(in Millions Except Per Share Amounts)

1. In our opinion, all normal recurring adjustments necessary to a fair presentation of results for the unaudited interim periods have been included. Where appropriate, we have reclassified certain amounts in 1998 to conform with the 1999 presentation.

2. In January 1998, we acquired both the heavy axle and brake business of Eaton Corporation and General Automotive Specialty Company, Inc., a manufacturer of motor vehicle switches and locks. In April 1998, we acquired 98% of the share capital of Nakata S.A. Industria e Comercio. In December 1998, we acquired the Glacier Vandervell Bearings Group and AE Clevite North American aftermarket engine hard parts business. These acquisitions have been accounted for as purchases and their results of operations have been included since the dates of acquisition. Goodwill relating to the acquisitions is included in Investments and Other Assets.

3. In February 1998, we completed the sale of our hydraulic brake hose facilities in Columbia City, Ind., and Garching, Germany, to CF Gomma, S.p.A. In April 1998, we sold our Midland-Grau heavy duty brake operations to the Haldex Group. In June 1998, we completed the sale of our hydraulic cylinder business to Hyco International, Inc. and in December 1998, Dana Credit Corporation (DCC) completed the sale of its Technology Leasing Group portfolio.

4. Following is a reconciliation of average shares outstanding for purposes of calculating basic and diluted net income per share.

	Three and Six Months Ended June 30	
	1998	1999
Weighted average common shares outstanding	164.6	165.9
Plus: Incremental shares from assumed conversion of -		
Deferred compensation units	.5	.5
Stock options	1.9	1.0
Total potentially dilutive securities	2.4	1.5
Adjusted average common shares outstanding	167.0	167.4

ITEM 1. (Continued)

NOTES TO CONDENSED FINANCIAL STATEMENTS

(in Millions Except Per Share Amounts)

5. On an annual basis, disclosure of comprehensive income is incorporated into the Statement of Shareholders' Equity. This statement is not presented on a quarterly basis. Comprehensive income includes net income and components of other comprehensive income, such as foreign currency translation adjustments, unrealized investment gains or losses and minimum pension liability adjustments. The $199 deferred translation loss in the first six months of 1999 is primarily due to the devaluation of the Brazilian real and the strengthening of the U.S. dollar against several European currencies. Our total comprehensive income is as follows:

	Three Months Ended June 30		Six Months Ended June 30	
	1998	1999	1998	1999
Net income	$ 160.2	$ 190.2	$ 300.8	$ 351.7
Other comprehensive loss				
Deferred translation loss	(18.6)	(2.5)	(41.8)	(198.5)
Other	-	-	.2	.1
Total comprehensive income	$ 141.6	$ 187.7	$ 259.2	$ 153.3

ITEM 1. (Continued)

NOTES TO CONDENSED FINANCIAL STATEMENTS

(in Millions Except Per Share Amounts)

6. We are organized into seven Strategic Business Units (SBUs) encompassing our key markets: Automotive Systems Group (ASG), Automotive Aftermarket Group (AAG), Engine Systems Group (ESG), Off-Highway Systems Group (OHSG), Industrial Group (IG), Heavy Truck Group (HTG) and Dana Commercial Credit (DCC). This structure allows our people in each of these areas to focus their resources to the benefit of Dana and our global customers. Management evaluates the operating segments and regions as if DCC were accounted for on the equity method of accounting rather than on the fully consolidated basis used for external reporting. With the exception of DCC, operating profit after tax (PAT) represents earnings before interest and taxes, tax effected at 41% (Dana's long-term effective rate), plus equity in earnings of affiliates. In arriving at net profit from operating PAT, expenses relating to a specific SBU or region are allocated directly. Other allocations are based on sales. Where changes in reporting responsibilities have occurred, the SBU structures and results have been restated to reflect the current organization. Information used to evaluate the SBUs and regions is as follows:

THREE MONTHS ENDED JUNE 30

	SALES		OPERATING PAT		NET PROFIT	
	1998	1999	1998	1999	1998	1999
ASG	$1,084.6	$1,169.7	$85.9	$95.3	$69.2	$71.6
AAG	723.0	744.1	36.3	50.3	26.8	38.2
ESG	524.3	622.5	30.1	42.5	22.7	32.0
OHSG	245.6	216.1	16.6	10.6	12.7	6.6
IG	185.4	180.8	11.2	7.0	8.6	3.9
HTG	422.6	455.2	23.9	29.3	18.2	21.6
DCC			10.0	9.2	10.0	9.2
Other	51.1	19.2	(46.3)	(48.9)	(0.5)	12.2
Total Operations	3,236.6	3,407.6	167.7	195.3	167.7	195.3
Restructuring and Nonrecurring items			(7.5)	(5.1)	(7.5)	(5.1)
Consolidated	$3,236.6	$3,407.6	$160.2	$190.2	$160.2	$190.2
North America	$2,467.9	$2,680.0	$169.6	$215.4	$136.5	$169.3
South America	211.5	145.7	13.6	8.0	10.1	5.1
Europe	481.5	511.0	19.1	17.6	11.6	7.9
Asia Pacific	46.0	63.4	(0.1)	1.6	(2.0)	(0.9)
DCC			10.0	9.2	10.0	9.2
Other	29.7	7.5	(44.5)	(56.5)	1.5	4.7
Total Operations	3,236.6	3,407.6	167.7	195.3	167.7	195.3
Restructuring and nonrecurring items			(7.5)	(5.1)	(7.5)	(5.1)
Consolidated	$3,236.6	$3,407.6	$160.2	$190.2	$160.2	$190.2

ITEM 1. (Continued)

NOTES TO CONDENSED FINANCIAL STATEMENTS

(in Millions Except Per Share Amounts)

	SIX MONTHS ENDED JUNE 30					
	SALES		OPERATING PAT		NET PROFIT	
	1998	1999	1998	1999	1998	1999
ASG	$2,185.4	$2,345.8	$169.9	$188.3	$136.0	$141.3
AAG	1,374.0	1,468.5	60.6	90.8	42.2	66.2
ESG	1,027.0	1,237.1	53.4	78.3	38.8	56.8
OHSG	484.3	433.6	29.9	19.8	22.5	11.8
IG	375.2	361.6	23.2	16.5	17.9	10.4
HTG	837.4	901.2	45.3	55.9	33.9	40.4
DCC			18.0	18.1	18.0	18.1
Other	186.1	40.4	(94.4)	(105.2)	(3.4)	17.5
Total Operations	6,469.4	6,788.2	305.9	362.5	305.9	362.5
Restructuring and Nonrecurring items			(5.1)	(10.8)	(5.1)	(10.8)
Consolidated	$6,469.4	$6,788.2	$300.8	$351.7	$300.8	$351.7
North America	$4,987.6	$5,286.3	$329.4	$407.0	$261.8	$314.6
South America	388.8	277.1	18.3	9.4	11.7	3.8
Europe	943.9	1088.2	33.6	37.7	18.9	17.1
Asia Pacific	93.2	120.8	1.2	1.5	(2.7)	(3.0)
DCC			18.0	18.1	18.0	18.1
Other	55.9	15.8	(94.6)	(111.2)	(1.8)	11.9
Total Operations	6,469.4	6,788.2	305.9	362.5	305.9	362.5
Restructuring and nonrecurring items			(5.1)	(10.8)	(5.1)	(10.8)
Consolidated	$6,469.4	$6,788.2	$300.8	$351.7	$300.8	$351.7

7. In the six-month period ended June 30, 1999, we charged $14 to restructuring and integration expense. At June 30, 1999, $92 of restructuring charges remained in accrued liabilities. This balance was comprised of $83 for the reduction of approximately 1,550 employees to be completed in 1999 and $9 for lease terminations and other exit costs. The estimated cash expenditures will be approximately $68 in 1999, $20 in 2000 and $4 thereafter.

ITEM 1. (Continued)
- -------------------

NOTES TO CONDENSED FINANCIAL STATEMENTS

(in Millions Except Per Share Amounts)

8. In the first quarter of 1999, we sold $1,000 of new unsecured senior notes consisting of $250 of 6.25% notes due March 1, 2004, $350 of 6.5% notes due March 1, 2009 and $400 of 7.0% notes due March 1, 2029. Proceeds from the issues were used to refinance the bridge financing arranged for the Glacier Vandervell bearings and AE Clevite aftermarket engine hard parts acquisitions, as well as to pay down other short-term debt.

9. In March 1999, we terminated our agreement with a financial institution to sell, without recourse, undivided fractional interests in designated pools of trade accounts receivable, up to a maximum of $200. Accounts receivable amounting to $200 had been sold under this agreement at December 31, 1998.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

We have achieved record sales, net income and earnings per share in the second quarter and six-month periods of 1999. These record results are the product of continued focus on realizing acquisition synergies, as well as disciplined pursuit of our Five-Point Plan, which we unveiled in April. The plan, a tactical link to our overall strategic plan, includes the following five elements:

- Grow while focusing on returns and maintaining financial discipline;
- Seek strategic, bolt-on acquisitions at reasonable valuations;
- Divest non-strategic and non-performing operations;
- Repurchase stock as the company generates cash; and
- Complete integration efforts and realize synergy savings.

In the past two months, we have announced plans to sell non-strategic or under-performing operations with sales totaling approximately $715.

We have started to buy back our common shares under an 18-month plan, authorized by the Board in April, to repurchase up to $350 of stock in open market or privately negotiated transactions. The purchases are being funded through available cash flow, which could be supplemented by proceeds from asset sales currently under evaluation.

Our plan for $120 in new automotive aftermarket operational and sourcing synergies this year is on schedule year to date and on target for the full year. We have closed six manufacturing facilities and six distribution operations. By the end of the year, we plan to have closed a total of 15 manufacturing facilities and 30 distribution operations.

Liquidity and Capital Resources

(in Millions)

CASH FLOWS FROM OPERATING ACTIVITIES FOR SIX MONTHS ENDED JUNE 30	
1997	$347
1998	402
1999	123

Increases in net income and depreciation and amortization had a positive impact on cash provided by operating activities in the first six months of 1999. However, termination of a $200 accounts receivable factoring program, along with increased working capital requirements, resulted in an inflow of cash related to operating activities of $279 less than in 1998.

Net cash of $527 used in investing activities was $91 less than the first six months of 1998. In 1999, we acquired the remaining 30% interest in Industrias Serva S.A. in Spain, a manufacturer and distributor of vehicular gaskets. In 1998, we used cash of $389 for the acquisitions of Eaton Corporation's heavy axle and brake business; General Automotive Specialty, Inc.; the remaining 40% interest in Simesc, our Brazilian structural components manufacturing company; and 98% of the share capital of Brazilian suspension components producer Nakata. During the period, we also divested the Midland-Grau heavy duty brake operations, the Weatherhead brake hose operations and our hydraulic cylinder business.

ITEM 2. (Continued)

Liquidity and Capital Resources

(in Millions)

PURCHASES OF PROPERTY, PLANT & EQUIPMENT		
	YEAR ENDED DECEMBER 31	SIX MONTHS ENDED JUNE 30
1997	$579	$248
1998	661	300
1999	720 *	401

* Projected

Purchases of property, plant and equipment were $101 higher than in the first six months of 1998. We currently anticipate capital spending for the full year of 1999 to be $59 above the 1998 level.

Net purchases of leased assets (purchases less principal payments on leases and loans) were $35 in 1999, a decrease of $120 over 1998 primarily due to the sale of DCC's Technology Leasing Group Portfolio at the end of 1998.

Financing activities provided net cash of $367. In the first quarter of 1999, we sold $1,000 of new unsecured senior notes consisting of $250 of 6.25% notes due March 1, 2004, $350 of 6.5% notes due March 1, 2009 and $400 of 7.0% notes due March 1, 2029. Proceeds from the issues were used to refinance the bridge financing arranged for the Glacier Vandervell bearings and AE Clevite aftermarket engine hard parts acquisitions, as well as to pay down other short-term debt.

Committed and uncommitted bank lines enable us to issue commercial paper and make direct bank borrowings. Excluding DCC, we had committed and uncommitted borrowing lines of credit totaling approximately $1,287 at the end of the second quarter of 1999, while DCC's credit lines totaled $1,049. We expect that our strong cash flows from operations and from potential asset sales, together with worldwide credit facilities, will provide adequate liquidity to meet our currently projected debt service obligations, capital expenditures, working capital requirements and potential acquisition and share repurchases.

We have reviewed liabilities that may result from the legal proceedings to which we were a party as of June 30, 1999 (including those involving product liability claims and alleged violations of environmental laws) and we do not believe that these liabilities or the related cash flows are reasonably likely to have a material adverse effect on our liquidity, financial condition or results of operations. We estimated contingent environmental and product liabilities based on the most probable method of remediation or outcome, current laws and regulations and existing technology. Estimates were made on an undiscounted basis and exclude the effects of inflation. When there was a range of equally probable remediation methods or outcomes, we accrued at the lower end of the range. At June 30, 1999:

- $42 was accrued for contingent product liability costs and $52 for contingent environmental liability costs, compared to $38 and $57 at December 31, 1998
- $11 was recorded (as assets) for probable recoveries from insurance or third parties for product liability claims and $1 for environmental liability claims, compared to $17 and $1 at December 31, 1998
- The difference between the minimum and maximum estimates for contingent liabilities, while not considered material, was $16 for the product liability claims and $1 for the environmental liability claims, compared to $15 and $2 at December 31, 1998

ITEM 2. (Continued)

Liquidity and Capital Resources

(in Millions)

Restructuring and Integration Expenses

We anticipated charging $51 to restructuring and integration expense in 1999 for facility closures and rationalization programs as well as for training, relocation and other costs relating to the consolidation of the former Echlin operations into our businesses. In the first six months of 1999, we charged $14 to restructuring and integration expense. We expect the remaining $37 to be expensed evenly over the next two quarters of 1999.

The following summarizes the restructuring activity recorded in the first six months of 1999 and the change in the accrual:

	ACCRUED AT DECEMBER 31, 1998	ACTIVITY CHARGES	ACTIVITY PAYMENTS	ACCRUED AT JUNE 30, 1999
Employee termination benefits	$116	$ -	$(33)	$83
Other	11	14	(16)	9
Total	$127	$14	$(49)	$92

At June 30, 1999, $92 of restructuring charges remained in accrued liabilities. This balance was comprised of $83 for the reduction of approximately 1,550 employees to be completed in 1999 and $9 for lease terminations and other exit costs. The estimated cash expenditures will be approximately $68 in 1999, $20 in 2000 and $4 thereafter. Our liquidity and cash flows will not be materially impacted by these actions.

Impact of the Year 2000

Our Year 2000 readiness program is under the leadership of our Global Year 2000 Readiness Team, which includes Year 2000 Project Managers for each Strategic Business Unit and geographic region. PricewaterhouseCoopers LLP has assisted us with methodology, training and data collection tools. In large part, we have used the assessment tools developed by the Automotive Industry Action Group, an industry trade association.

Our program has focused on an assessment of our products, our critical information technology (IT) and non-IT systems, and our major customers, suppliers and other third parties; remediation of readiness problems that we have identified; and development of contingency plans as appropriate.

Activities under our program are on schedule:

- We completed our global product review earlier this year and have advised our customers of corrective actions for those few products that were not ready.

ITEM 2. (Continued)
- -------------------

Liquidity and Capital Resources

(in Millions)

- We have completed an assessment of our internal IT, business, operating and factory floor systems and remediation of these systems, where appropriate, is substantially complete. This includes upgrades, repairs, replacements and testing of the systems for Year 2000 readiness. The remaining work mainly involves activities by several U.S. divisions to complete the implementation of Enterprise Resource Planning (ERP) systems at their facilities during the third quarter. We expect all of our internal systems to be Year 2000 ready by the end of the next quarter and are therefore focusing our contingency planning on outside suppliers and events which could affect our operations.

- We have been assessing our critical suppliers by means of surveys, visits and audits. This process is substantially complete and we have contingency plans in place for those suppliers whose readiness is uncertain. For production and non-production suppliers about whom we have concerns, we are generally planning to build short-term inventory banks or, to a lesser extent, to find alternate or additional sources. For service suppliers, including utilities and government agencies, whose lack of readiness could affect our operations, we are taking precautionary steps such as developing work-around procedures, creating duplicate back-up files and procuring alternate communications equipment.

- We have also been assessing the Year 2000 readiness of our major customers through surveys, visits and audits. This process is substantially complete and current information indicates that our major customers will be ready.

To date, we have spent approximately $70 on Year 2000 activities, with $48 charged to expense and $22 capitalized. Based on current information and plans, we expect to incur additional costs of $21, with $13 to be charged to expense and $8 to be capitalized. These projected future costs are primarily for completion of the ERP implementation and for monitoring and follow-up activities for crucial dates in 2000, including January 1 and February 29 (leap year).

The most reasonably likely worst case scenario that we anticipate with respect to Year 2000 is the failure of some of our suppliers, including utilities and governmental agencies, to be ready. This could cause a temporary interruption of materials or services that we need to make our products, which could result in delayed shipments to our customers and lost sales and profits to us. As noted, we have contingency plans to address potential readiness problems that we identified in our supplier assessments.

While we believe that we have an effective Year 2000 program, the outcome of our efforts is subject to a number of risks and uncertainties (some of which, such as the Year 2000 readiness of third parties, are beyond our control) and we cannot give any assurances that our business, financial condition or results of operations will not be significantly impacted if Year 2000 problems with our systems, or with the products or systems of other parties with whom we do business, are not resolved in a timely manner.

ITEM 2. (Continued)

Liquidity and Capital Resources

(in Millions)

Impact of Euro Conversion

We have a euro conversion program for our European facilities, under the leadership of our Euro Steering Committee, which has established guidelines and timetables for compliance. The Committee is monitoring progress at all of our locations. While various operations are at different stages of readiness, all our European facilities are offering customers the option of replacing the euro-zone currencies with the euro in their transactions. Most Dana internal transactions within the euro-zone are now exclusively in euros. Indications are that the total cost to convert to the euro will not be material.

Results of Operations (Second Quarter 1999 vs Second Quarter 1998)

(in Millions)

Worldwide sales of $3,408 in the second quarter surpassed the record second quarter of 1998 by $171 or 5%.

- Sales of companies acquired, net of divestitures, amounted to $100 of the increase. Excluding such activities, sales increased $71 or 2% during the quarter with price changes having a minimal effect.

- Our U.S. sales increased $182 or 8% over 1998 ($137 or 6% excluding the effect of acquisitions and divestitures).

- Sales from our non-U.S. operations decreased $11 or 1% as compared to 1998. Excluding the effect of acquisitions and divestitures, non-U.S. sales were down $68 or 7% from 1998. Changes in foreign currency exchange rates since the second quarter of 1998 served to reduce second-quarter 1999 sales by approximately $75 or 2% of total sales.

Sales by segment for the quarter are shown in the following table. The "Other" category represents closed or sold facilities or locations where the operating responsibility has not been assigned to a specific SBU.

	1998	1999	% CHANGE	% CHANGE EXCLUDING ACQUISITIONS & DIVESTITURES
Automotive Systems Group (ASG)	$1,085	$1,170	8	7
Automotive Aftermarket Group (AAG)	723	744	3	(2)
Engine Systems Group (ESG)	524	623	19	4
Off-Highway Systems Group (OHSG)	246	216	(12)	(7)
Industrial Group (IG)	185	181	(2)	(2)
Heavy Truck Group (HTG)	423	455	8	8
Other	51	19	(63)	-

- ASG sells axles, driveshafts, structural components, modules and chassis systems. Its increase in sales over the 1998 second quarter was due to a

ITEM 2. (Continued)

Results of Operations (Second Quarter 1999 vs Second Quarter 1998)

(in Millions)

continuing strong demand in North America for light trucks and sport utility vehicles (SUVs). Total ASG North American sales, which are 80% of this segment's sales, increased 13% over 1998 with no acquisition/divestiture impact. Positive results also were reported from Asia Pacific as sales increased 79% over the same period last year. Worldwide light axle sales increased 15% over 1998 driven by the demand for pickups and SUVs in North America which was partially offset by a decrease in South America due to that region's economic difficulties. The continued strength in driveshaft shipments in North America was not enough to offset the very weak sales in South America.

- AAG sells parts to cover an array of aftermarket needs for brake and chassis products, filtration products and engine systems. North American aftermarket sales, which are 84% of this segment's sales, were up 4% over 1998. Excluding acquisitions, net of divestitures, sales were even with last year. Excluding acquisitions/divestitures, European sales were down 11% from 1998 while South America and Asia Pacific sales declined 12% and 14%, respectively.

- ESG sells engine parts, fluid systems and sealing products. North American sales were up 8% while weakness in the economy in Brazil and Argentina contributed to a 31% decline in sales in South America. Sales of fluid systems products increased 8%, excluding acquisitions/divestitures, due to strong light truck and SUV sales in North America creating increased demand for vacuum and air conditioning components. While sales of engine products were down slightly, sealing products experienced a modest increase compared to the same period last year.

- OHSG sells off-highway axles, powershift transmissions, transaxles, torque converters and electronic controls. The decline in its second-quarter sales was due to weakness in the worldwide agricultural markets and the South American construction market.

- IG sells components and systems for industrial machinery, motor vehicles, business machines and other equipment. The decrease in its second-quarter sales from 1998 levels was due to the soft European market, specifically in the agricultural and textile markets, partially offset by a 10% increase in the vehicular electronic business over last year.

- HTG sells heavy axles and brakes, drivetrain components, power take-offs, trailer products and heavy systems modular assemblies. The increase in its sales for the period were primarily due to strong heavy truck build levels in North America. Weak sales in Europe (down 18%) and South America (down 57%) partially offset the increased North American sales.

- Other sales were down compared to 1998 primarily due to the Midland-Grau divestiture which occurred in the second quarter of 1998.

ITEM 2. (Continued)

Results of Operations (Second Quarter 1999 vs Second Quarter 1998)

(in Millions)

Sales by region for the quarter are shown in the following table:

	1998	1999	% CHANGE	% CHANGE EXCLUDING ACQUISITIONS & DIVESTITURES
North America	$2,468	$2,680	9	7
South America	211	146	(31)	(36)
Europe	482	511	6	(4)
Asia Pacific	46	63	38	38
Other	30	8	(73)	11

- The increase in North American sales resulted from continued demand for light trucks and SUVs as well as strength in the medium and heavy truck markets. This was partially offset by weakness in agricultural and industrial sales.

- The increase in sales in Europe was due to newly acquired businesses in ESG and AAG offset by softness in the OHSG and IG.

- The decline in sales in South America was due to continued economic turmoil in the region. The sales increase in the Asia Pacific region was primarily due to the new modular product sales in Australia.

Revenue from lease financing and other income decreased $20 in the second quarter of 1999. Excluding the impact of the sale of DCC's Technology Leasing Group portfolio at the end of 1998, these revenues have increased $3. Interest income and capital gains were $9 lower in 1999; takeover defense costs of $11 were incurred by the former Echlin in 1998.

Gross margin for the second quarter was 17.9%, compared to 17.2% in 1998. ASG margins were higher due to increased margins on higher North American truck shipments (driveshaft) and production of new business that was in the launch stage in 1998 (structural and brake). Axle margins were down slightly in North America while all other regions reported increases over 1998. Modular margins were down due to South American economic conditions and startup costs in Australia. AAG and, to a lesser extent, HTG reported improvements in gross margin due to the extensive restructuring/synergy programs now underway. The acquisition of Glacier Vandervell in 1998 helped to improve ESG's gross margin in the second quarter of 1999. The IG and OHSG reported depressed margins corresponding with soft sales when compared to last year.

Despite the net impact of acquisitions and divestitures increasing SG&A expenses by $12, SG&A was $6 less than the second quarter of 1998. Savings from our restructuring/synergy programs and ongoing cost control initiatives are continuing to show positive results. The ratio of SG&A expense to sales improved from 9.1% in 1998 to 8.5% in 1999.

Operating margin for the second quarter of 1999 was 9.4% compared to 8.0% in 1998 for the reasons previously discussed.

ITEM 2. (Continued)

Results of Operations (Second Quarter 1999 vs Second Quarter 1998)

(in Millions)

Interest expense was $1 lower than last year due to the impact of the sale of DCC's Technology Leasing Group portfolio, which was offset by higher average debt levels in 1999 at Dana, excluding DCC.

The effective tax rate in the second quarter of 1999 was 36% compared to 37% in 1998. The effective rate was lower primarily due to the favorable settlement of state tax issues and tax credits generated by DCC.

Equity in earnings of affiliates was higher in 1999 by $5, primarily due to increased earnings at our affiliates in Mexico and DCC's leasing affiliates.

Minority interest in net income of consolidated subsidiaries decreased $1, primarily due to the lower earnings of Albarus S.A. and its majority-owned subsidiaries.

We reported record second-quarter earnings in 1999 of $190 compared to $160 in 1998. The comparisons include non-recurring, after-tax charges of $5 in 1999 and $8 in 1998.

Results of Operations (Six Months 1999 vs Six Months 1998)

(in Millions)

Worldwide sales of $6,788 in the first six months were $319 or 5% higher than the same period last year.

- Sales of companies acquired, net of divestitures, amounted to $117 of the increase. On a comparable basis, sales increased $202 or 3% with price changes having a minimal effect.

- Our U.S. sales increased $223 or 5% over 1998 ($212 or 5% excluding the effect of acquisitions and divestitures).

- Sales from our non-U.S. operations increased $96 or 5% over 1998. Excluding the effect of acquisitions and divestitures, non-U.S. sales were down $10 or 1% from 1998. Changes in foreign currency exchange rates decreased 1999 sales by approximately $138 or 2% of total sales.

ITEM 2. (Continued)

Results of Operations (Six Months 1999 vs Six Months 1998)

(in Millions)

Sales by segment for the first six months are shown in the following table. The "Other" category represents closed and sold facilities or locations where the operating responsibility has not been assigned to a specific SBU.

	1998	1999	% CHANGE	% CHANGE EXCLUDING ACQUISITIONS & DIVESTITURES
Automotive Systems Group (ASG)	$2,185	$2,346	7	6
Automotive Aftermarket Group (AAG)	1,374	1,468	7	2
Engine Systems Group (ESG)	1,027	1,237	20	5
Off-Highway Systems Group (OHSG)	484	434	(10)	(4)
Industrial Group (IG)	375	362	(4)	(4)
Heavy Truck Group (HTG)	838	901	8	8
Other	186	40	(79)	7

- ASG sales increased over the 1998 six-month period due to a continuing strong demand in North America for light trucks and SUVs. Total ASG North American sales, which are 80% of this segment's sales, increased 10% over 1998 with no acquisition/divestiture impact. Worldwide light axle sales increased 14% with North America up 18% over 1998 driven by the demand for pickups and SUVs. Positive results also were reported from Europe and Asia Pacific as sales increased 5% and 58%, respectively. Economic difficulties in South America caused a 54% decline in light axle sales. The continued strength in driveshaft shipments in North America was not enough to offset the very weak sales in South America.

- AAG reported sales 7% higher than in 1998. North American aftermarket sales were up 6% over 1998. Excluding acquisitions/divestitures, sales were 2% above last year. Excluding acquisitions/divestitures, European sales were up 6% from 1998 while South America and Asia Pacific sales declined 13% and 14%, respectively.

- ESG's sales were higher than the comparable period in 1998, excluding acquisitions/divestitures, due to a 6% increase in North American sales. Weakness in the economy in Brazil and Argentina contributed to a 26% decline in sales in South America. Sales of fluid systems products increased 11%, excluding acquisitions/divestitures, due to strong passenger car and SUV sales in North America. While sales of engine products were down slightly, sealing products experienced a modest increase compared to this period last year.

- OHSG sales were below last year due to weakness in the worldwide agricultural markets and the South American construction market.

- IG's sales decline was due to soft North American and European markets. Weak sales to the agricultural markets were partially offset by increased sales from the vehicular electronic business.

ITEM 2. (Continued)

Results of Operations (Six Months 1999 vs Six Months 1998)

(in Millions)

- HTG sales for the six-month period increased over 1998 due to strong heavy truck build levels in North America. Weak sales in Europe (down 20%) and South America (down 51%) partially offset the increased North American sales.

- Other sales were down compared to 1998 primarily due to the sale of our brake hose business in the first quarter of 1998 and the Midland-Grau divestiture in the second quarter of 1998.

Sales by region for the first six months are shown in the following table:

	1998	1999	% CHANGE	% CHANGE EXCLUDING ACQUISITIONS & DIVESTITURES
North America	$4,988	$5,286	6	6
South America	389	277	(29)	(35)
Europe	944	1,088	15	7
Asia Pacific	93	121	30	30
Other	56	16	(71)	17

- North American sales were up $298 with acquisitions, net of divestitures, accounting for $11 of the increase. Continued demand for light trucks and SUVs, as well as strength in the medium and heavy truck markets, helped fuel the increase. This was partially offset by weakness in agricultural and industrial sales.

- Sales in Europe were up as sales increases in ASG and AAG complemented sales from newly acquired businesses in ESG and AAG.

- The decline in sales in South America was due to continued economic turmoil in the region. The sales increase in the Asia Pacific region was primarily due to the new modular product sales in Australia.

Revenue from lease financing and other income decreased $39 in 1999. Excluding the impact of the sale of DCC's Technology Leasing Group portfolio at the end of 1998, these revenues increased $7. Interest income and capital gains were $7 lower in 1999; takeover defense costs of $12 were incurred by the former Echlin in 1998.

Gross margin for the first six months was 17.3%, compared to 16.8% in 1998. ASG margins were higher due to increased margins on higher North American truck shipments (driveshaft) and production of new business that was in the launch stage in 1998 (structural and brake). Axle margins were down due to depressed markets in both South America and Europe and continuing startup costs in Thailand. Modular margins were down due to South American economic conditions and startup costs in Australia. AAG and, to a lesser extent HTG, reported improvements in gross margin due to the extensive restructuring/synergy programs now underway. The acquisition of Glacier Vandervell in 1998 helped to improve ESG's gross margin in 1999. The IG and OHSG reported depressed margins corresponding with soft sales when compared to last year.

ITEM 2. (Continued)

Results of Operations (Six Months 1999 vs Six Months 1998)

(in Millions)

Despite the net impact of acquisitions and divestitures increasing SG&A expenses by $8, SG&A was $8 less than the 1998 six-month period. Savings from our restructuring/synergy programs at AAG and ongoing cost control initiatives throughout the company are continuing to show positive results. The ratio of SG&A expense to sales improved from 9.1% in 1998 to 8.5% in 1999.

Operating margin for the six-month period was 8.7% compared to 7.7% in 1998. ASG, AAG, ESG and HTG all reported improved margins compared to 1998 for the reasons previously discussed.

Interest expense was $2 lower than last year due to the impact of the sale of DCC's Technology Leasing Group portfolio, which was offset by higher average debt levels in 1999 at Dana, excluding DCC.

The effective tax rate in the first six months of 1999 was 36% compared to 38% in 1998. The effective rate was lower primarily due to state tax credits related to business development, favorable settlement of state tax issues and tax credits generated by DCC.

Equity in earnings of affiliates was higher in 1999 by $11, primarily due to increased earnings at our affiliates in Mexico and DCC's leasing affiliates.

Minority interest in net income of consolidated subsidiaries decreased $2, primarily due to the lower earnings of Albarus S.A. and its majority-owned subsidiaries.

We reported record six-month profit in 1999 of $352 compared to $301 in 1998. The comparisons include non-recurring, after-tax charges of $11 in 1999 and $5 in 1998.

Market Trends

Component sales to producers of light truck and SUVs continued strong in the first six months of 1999. Our current outlook for 1999 remains positive, with a small increase in North American light truck production projected, mostly in SUVs and standard pickups. We expect sales to the passenger car and medium and heavy truck markets to continue at 1998 levels.

In the past two months, we have announced plans to sell non-strategic or under-performing operations with sales totaling approximately $715. These sales come from IG ($360), HTG ($180), AAG ($40) and OHSG ($135). These proposed divestitures are consistent with our Five-Point Plan for continued growth and increased profitability.

Forward-Looking Information

Forward-looking statements in this report are indicated by words such as "anticipates," "expects," "believes," "intends," "plans," and similar expressions. These statements represent our expectations based on current information and assumptions. Forward-looking statements are inherently subject to risks and uncertainties. Actual results could differ materially from those which are anticipated or projected due to a number of factors. These factors include changes in business

ITEM 2. (Continued)
- ------------------

Results of Operations (Six Months 1999 vs Six Months 1998)
- --

(in Millions)

relationships with our major customers, work stoppages at major customers, competitive pressures on sales and pricing, increases in production or material costs that cannot be recouped in product pricing, our ability and/or that of third parties with whom we do business to resolve Year 2000 problems in a timely manner, and international economic conditions, particularly in South America and Asia Pacific.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK
- ---

There have been no material changes to our exposures to market risk since December 31, 1998.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are a party to various pending judicial and administrative proceedings arising in the ordinary course of business. After reviewing the proceedings that are currently pending (including the probable outcomes, reasonably anticipated costs and expenses, availability and limits of our insurance coverage, and our established reserves for uninsured liabilities), we do not believe that any liabilities that may result from these proceedings are reasonably likely to have a material effect on our liquidity, financial condition or results of operations.

We are not currently a party to any of the environmental proceedings involving governmental agencies which the Securities and Exchange Commission requires companies to report.

ITEM 5. OTHER INFORMATION

At its July meeting, the Board amended Dana's By-Laws with respect to stockholder proposals. We are filing a copy of the amended By-Laws as an exhibit to this report. There is no change in the deadline for stockholders to submit proposals which are to be included in the proxy materials for an annual meeting. However, other proposals (that is, proposals which are to be presented at the meeting but not included in the proxy materials) must now be submitted to us at least 90 days before the anniversary date of the prior year's meeting. This is the same as the deadline for stockholders to submit director nominations. Consequently, a stockholder who plans to present such a proposal at our annual meeting in 2000 must submit it to us by January 8, 2000 (rather than by January 20, as indicated in our 1999 proxy statement). If we do not receive the proposal by this date, the chairman of the meeting may determine that it has not been properly brought before the meeting.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

a) The exhibits listed in the Exhibit Index are filed as a part of this report.

b) Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended June 30, 1999.

SIGNATURE

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

Date: August 9, 1999

/s/ John S. Simpson

John S. Simpson
Chief Financial Officer

EXHIBIT INDEX

No.	Description	Method of Filing
3-B	By-Laws, effective July 19, 1999	Filed with this Report
27	Financial Data Schedules	Filed with this Report

Exhibit 3-B

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") effective July 19, 1999.

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. Only such business as is brought before the special meeting pursuant to Dana's notice of meeting shall be conducted at the meeting.

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, and the rules promulgated thereunder (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 proposals to be included in Dana's proxy materials for any annual meeting shall be submitted in accordance with the timeliness requirements of the Exchange Act. Other shareholder proposals and shareholder nominations for directors to be voted on at any annual meeting shall be delivered before the close of business on the 90th day before the anniversary date of the prior year's annual meeting, or, if the meeting is called for a date not within 30 days before or after such anniversary date, before the close of business on the 10th day following the date on which the notice of the meeting was mailed or the date on which Dana first made a Public Announcement of the meeting date, whichever occurs first.

ii. SPECIAL MEETINGS. Shareholder proposals related to the business to be conducted at any special meeting and shareholder nominations for directors to be voted on at any special meeting at which directors are to be elected shall be delivered before the close of business on the 3rd day following the date on which the notice of the meeting was mailed or the date on which Dana first made a Public Announcement of the meeting date, whichever occurs first.

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 shareholders and all beneficial owners on whose behalf the nomination or proposal is made, the class and number of Dana shares which are owned of record and beneficially by the shareholders and the beneficial owners, and a representation that the shareholders intend to appear in person or by proxy at the meeting to bring the proposal or nomination before the meeting. In addition, (i) shareholder nominations for directors shall contain the information about the director-nominees and about the nominating shareholders which is required to be disclosed in solicitations of proxies for the election of directors in an election contest or otherwise under the Exchange Act, and (ii) shareholder proposals shall contain a brief description of the proposed business to be presented, the reason for presenting such business at the meeting, and any material interests which the shareholders 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, the Exchange Act, 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 nine. 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 Chief Financial Officer, the Treasurer, the Secretary, and such 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 Officer 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. 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.

i. 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.

j. 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 Chief Financial Officer, any Executive Vice President, any Vice 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 Chief Financial Officer, any Executive Vice President, any Vice 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 April 25, 1996, between Dana and Chemical Mellon Shareholder Services, L.L.C., 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.

5
1,000
3-MOS
DEC-31-1999
JAN-01-1999
JUN-30-1999
192,500
0
2,069,300
0
1,638,900
4,913,100
5,843,300
2,544,700
10,771,400
3,936,000
2,420,700
0
0
166,000
2,837,300
10,771,400
6,788,200
6,860,500
5,611,900
5,611,900
0
0
137,300
511,700
185,000
0
0
0
0
351,700
2.12
2.10

5

1,000

3-MOS
DEC-31-1998
JAN-01-1998
JUN-30-1998
259,900
0
1,908,300
0
1,614,300
0
5,351,400
2,397,000
9,997,900
0
2,912,700
0
0
165,500
2,643,200
9,997,900
6,469,400
6,580,800
5,380,500
5,380,500
0
0
139,100
467,200
179,100
0
0
0
0
300,800
1.83
1.80