
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): August 10, 2007

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

Not Applicable

(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 August 10, 2007, Dana Corporation (Dana) filed its unaudited Monthly Operating Report for the month ended June 30, 2007 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 Operating 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 non-debtor 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.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Dana Corporation's Monthly Operating Report for the Month of June 2007 (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: August 10, 2007

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

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Dana Corporation's Monthly Operating Report for the Month of June 2007 (furnished but not filed)

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Attorneys for Debtors and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re	:	Chapter 11
Dana Corporation, <i>et al.</i> ,	:	Case No. 06-10354 (BRL)
Debtors.	:	(Jointly Administered)
	:	
	:	

**MONTHLY OPERATING REPORT FOR DANA CORPORATION
AND ITS AFFILIATED DEBTORS FOR THE MONTH OF JUNE 2007**

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: June 1, 2007 — June 30, 2007

DEBTORS' ADDRESS:

4500 Dorr Street
Toledo, OH 43615

MONTHLY DISBURSEMENTS:

\$490 million

DEBTORS' ATTORNEY:

Jones Day
222 East 41st Street
New York, NY 10017

MONTHLY NET PROFIT:

\$32 million

REPORT PREPARER:

/s/ Kenneth A. Hiltz

SIGNATURE OF REPORT PREPARER

CHIEF FINANCIAL OFFICER

TITLE

KENNETH A. HILTZ

PRINTED NAME OF REPORT PREPARER

August 10, 2007

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 unaudited and subject to revision.

In re Dana Corporation, et al.
Case No. 06-10354 (BRL) (Jointly Administered)
Reporting Period: June 1, 2007 — June 30, 2007

Debtors:	Case Number:
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, LLC.	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
June 2007**

Index

	<u>Page</u>
Financial Statements	
Condensed Statement of Operations with Dana Credit Corporation (DCC) on an Equity Basis (Unaudited) - - Month of June 2007 and for the Six Months Ended June 30, 2007	4
Condensed Balance Sheet with DCC on an Equity Basis (Unaudited) – June 30, 2007	5
Condensed Statement of Cash Flows with DCC on an Equity Basis (Unaudited) – Month of June 2007 and for the Six Months Ended June 30, 2007	6
Notes to Monthly Operating Report	
Note 1. Basis of Presentation	7
Note 2. Reorganization Proceedings	9
Note 3. Financing	11
Note 4. Liabilities Subject to Compromise	13
Note 5. Reorganization Items	14
Note 6. Post-petition Accounts Payable	14
Schedules	
Schedule 1. Cash Disbursements by Debtors	15
Schedule 2. Payroll Taxes Paid	16
Schedule 3. Post-petition Sales, Use and Property Taxes Paid	17

Other Information

While Dana Corporation (Dana) continues its reorganization under Chapter 11 of the United States Bankruptcy Code (the Bankruptcy Code), investments in Dana securities are highly speculative. Although shares of Dana common stock continue to trade on the OTC Bulletin Board under the symbol "DCNAQ," the opportunity for any recovery by holders under a confirmed plan of reorganization 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
DEBTOR IN POSSESSION
CONDENSED STATEMENT OF OPERATIONS
WITH DCC ON AN EQUITY BASIS (UNAUDITED)**

	<u>Month Ended</u> <u>June 30, 2007</u> <u>(in millions)</u>	<u>Year to Date</u> <u>June 30, 2007</u> <u>(in millions)</u>
Net sales	\$ 793	\$ 4,434
Costs and expenses		
Cost of sales	732	4,186
Selling, general and administrative expenses	29	182
Realignment charges	(14)	153
Other income (expense), net	(8)	59
Income (loss) from operations	38	(28)
Interest expense (contractual interest of \$16 in June and \$94 year to date)	7	40
Reorganization items, net	16	75
Income (loss) before income taxes	15	(143)
Income tax expense (benefit)	(26)	17
Minority interest expense	1	6
Equity in earnings of affiliates	6	25
Income (loss) from continuing operations	46	(141)
Loss from discontinued operations	(14)	(84)
Net income (loss)	<u>\$ 32</u>	<u>\$ (225)</u>

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

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

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

June 30, 2007
(in millions)

Assets	
Current assets	
Cash and cash equivalents	\$ 1,001
Accounts receivable	
Trade	1,411
Other	297
Inventories	773
Assets of discontinued operations	194
Other current assets	141
Total current assets	3,817
Investments and other assets	1,006
Investments in equity affiliates	433
Property, plant and equipment, net	1,731
Total assets	\$ 6,987
Liabilities and Shareholders' Deficit	
Current liabilities	
Debtor-in-possession financing	\$ 900
Notes payable, including current portion of long-term debt	36
Accounts payable	1,145
Liabilities of discontinued operations	96
Other accrued liabilities	830
Total current liabilities	3007
Liabilities subject to compromise	3,978
Deferred employee benefits and other noncurrent liabilities	472
Long-term debt	13
Minority interest in consolidated subsidiaries	92
Total liabilities	7,562
Shareholders' deficit	(575)
Total liabilities and shareholders' deficit	\$ 6,987

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

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

**DANA CORPORATION
DEBTOR IN POSSESSION
CONDENSED STATEMENT OF CASH FLOWS
WITH DCC ON AN EQUITY BASIS (UNAUDITED)**

	<u>Month Ended June 30, 2007 (in millions)</u>	<u>Year to Date June 30, 2007 (in millions)</u>
Operating activities		
Net income (loss)	\$ 32	\$ (225)
Depreciation and amortization	22	138
Loss on sale of businesses	10	24
Non-cash portion of U.K. pension charge	(8)	60
Decrease (increase) in working capital	(16)	(58)
Unremitted equity in earnings of affiliates	(7)	(26)
Other	(48)	(31)
Net cash flows provided by (used for) operating activities	<u>(15)</u>	<u>(118)</u>
Investing activities		
Purchases of property, plant and equipment	(26)	(94)
Proceeds from sale of assets	2	308
Other	(9)	(8)
Net cash flows provided by (used for) investing activities	<u>(33)</u>	<u>206</u>
Financing activities		
Net change in short-term debt	(11)	8
Proceeds from DIP Credit Agreement	—	200
Net cash flows provided by (used for) financing activities	<u>(11)</u>	<u>208</u>
Net increase (decrease) in cash and cash equivalents	(59)	296
Cash and cash equivalents — beginning of period	1,060	705
Cash and cash equivalents — end of period	<u>\$ 1,001</u>	<u>\$ 1,001</u>

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

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

DANA CORPORATION, ET AL.
DEBTOR IN POSSESSION
NOTES TO MONTHLY OPERATING REPORT
(Dollars in millions)

Note 1. Basis of Presentation

General

Dana and its consolidated subsidiaries are a leading supplier of axle, driveshaft, engine, structural, 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.

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 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 administered jointly under Case Number 06-10354 (BRL) and are collectively referred to 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. Neither DCC and its subsidiaries nor any of Dana's non-U.S. subsidiaries are Debtors. See Note 2 for more information about the reorganization proceedings.

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 Office of the United States Trustee for the Southern District of New York (the U.S. Trustee) and to the lenders under the DIP Credit Agreement which is discussed in Note 3. 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.

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

Accounting Requirements

The condensed financial statements herein have been prepared in accordance with the guidance in 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. SOP 90-7 generally does not change the manner in which financial statements are prepared. However, it 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.

Financial Statements Presented

The unaudited condensed financial statements and supplemental information contained herein present the condensed financial information of Dana and its Debtor and non-Debtor subsidiaries with DCC accounted for on an equity basis. Accordingly, intercompany transactions with DCC have not been eliminated in these financial statements and are presented as intercompany 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 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 and its consolidated subsidiaries prepared in conformity with GAAP and the notes thereto, see Dana's Annual Report on Form 10-K for the year ended December 31, 2006 (the 2006 Form 10-K) and Quarterly Reports on Form 10-Q for the quarters ended March 31 and June 30, 2007, which have been filed with the U.S. Securities and Exchange Commission.

The condensed statement of operations and cash flows presented herein are for the month and the six months ended June 30, 2007. "Schedule 1. Cash Disbursements by Debtors" contains further information regarding cash disbursements made by each of the Debtors during the post-petition period of June 1, 2007 to June 30, 2007.

The condensed financial statements presented herein with DCC accounted for on an equity basis have been derived from Dana's internal books and records. They include normal recurring adjustments and adjustments that are consistent with those made for financial statements prepared in accordance with GAAP. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted.

Although the financial information used in the preparation of this report was subjected to the procedures customarily applied in the preparation of Dana's quarterly financial information prepared in accordance with GAAP, such procedures were not directed at the specific periods presented in this report. Accordingly, the financial information herein is subject to change and any such change could be material. The results of operations in this report are not necessarily indicative of results which may be expected for any other period or the full year and may not be representative of Dana's consolidated results of operations, financial position and cash flows in the future.

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

Note 2. Reorganization Proceedings

The Debtors are managing their businesses 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.

Official committees of the Debtors' unsecured creditors and retirees not represented by unions have been appointed in the Bankruptcy Cases and, in accordance with the provisions of the Bankruptcy Code, have the right to be heard on all matters that come before the Bankruptcy Court. The Debtors are required to bear certain of the committees' costs and expenses, including those of their counsel and other professional advisors. An official committee of Dana's equity security holders was also appointed and subsequently disbanded.

The Debtors have received approval from the Bankruptcy Court 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; claims of foreign vendors and certain suppliers that are critical to the Debtors' continued operation; and certain customer program and warranty claims.

Under the Bankruptcy Code, the Debtors have the right to assume or reject executory contracts (i.e., contracts that are to be performed by both contract parties after the Filing Date) and unexpired leases, subject to Bankruptcy Court approval and other limitations. In this context, "assuming" executory contracts or unexpired leases generally means that the Debtors will agree to perform their obligations and cure certain existing defaults under the contracts or leases and "rejecting" them means that the Debtors will be relieved of their obligations to perform further under the contracts or leases, which may give rise to unsecured pre-petition claims for damages for the breach thereof. Since the Filing Date, the Bankruptcy Court has authorized the Debtors to assume or reject certain unexpired leases and executory contracts, but a significant number of contracts and leases have not yet been assumed or rejected.

The Debtors have filed schedules of assets and liabilities existing on the Filing Date, including certain amendments to the initial schedules, with the Bankruptcy Court. The Bankruptcy Court set September 21, 2006 as the general bar date (the date by which most entities that wished to assert a pre-petition claim against a Debtor had to file a proof of claim in writing). Asbestos-related personal injury claimants were not required to file proofs of claim by the bar date, and such claims will be addressed as part of the Chapter 11 proceedings. The Debtors are now in the process of evaluating, investigating and reconciling the claims that were submitted. The Debtors have objected to multiple claims and expect to file additional claim objections with the Bankruptcy Court. Pre-petition claims are recorded as liabilities subject to compromise. Amounts and payment terms for these claims, if applicable, will be established in connection with the Bankruptcy Cases. See Note 4 for more information about liabilities subject to compromise.

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

The Bankruptcy Court has entered an order establishing procedures for trading in claims and equity securities which is designed to protect the Debtors' potentially valuable tax attributes (such as net operating loss carryforwards). Under the order, holders or acquirers of 4.75% or more of Dana stock are subject to certain notice and consent procedures prior to acquiring or disposing of Dana common shares. Holders of claims against the Debtors that would entitle them to more than 4.75% of the common shares of reorganized Dana under a confirmed plan of reorganization utilizing the tax benefits provided under Section 382(l)(5) of the Internal Revenue Code may be subject to a requirement to sell down the excess claims if necessary to implement such a plan of reorganization. The plan support agreement discussed below contemplates a plan of reorganization utilizing tax benefits under Section 382(l)(6) of the Internal Revenue Code.

The Bankruptcy Court has also authorized the Debtors to enter into (i) settlement agreements with their two largest U.S. unions providing terms for settling all outstanding issues with these unions related to the Bankruptcy Cases; (ii) a plan support agreement setting out the terms under which these unions, Centerbridge Capital Partners, L.P. (Centerbridge), and certain unsecured creditors will support the Debtors' plan of reorganization; and (iii) an investment agreement providing for Centerbridge to purchase \$250 million in Series A convertible preferred shares of reorganized Dana, with qualified creditors of the Debtors having an opportunity to purchase \$500 million in Series B convertible preferred shares, and Centerbridge to purchase up to \$250 million of the Series B preferred shares that are not purchased by the qualified creditors. Pursuant to these agreements, the Debtors have agreed to file a plan of reorganization with the Bankruptcy Court that incorporates the union settlement agreements and these equity investment commitments (or an alternative proposal acceptable to the unions) by September 3, 2007, the deadline for the Debtors' exclusive period to file a plan of reorganization. If they fail to do so, Centerbridge may terminate the investment agreement and the unions may, under some circumstances, terminate the union settlement agreements or their collective bargaining agreements. In addition, if the Debtors' plan of reorganization does not become effective by February 28, 2008, the individual supporting creditors may withdraw their support and if it does not become effective by May 1, 2008, the plan support agreement will expire.

Taxes

Income taxes are accounted for in accordance with Statement of Financial Accounting Standards 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 a history of losses in the U.S. and near-term prospects for continued losses, Dana established a 100% valuation allowance against its U.S. federal deferred tax assets in 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 before and after the Filing Date. See "Schedule 2. Payroll Taxes Paid" and "Schedule 3. Post-petition Sales, Use and Property Taxes Paid" for information regarding taxes paid. The Debtors believe that all tax returns are being prepared and filed when 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.

Adjustments to income taxes in June 2007 relate to the tax treatment of other comprehensive income. See Note 16 to Dana's financial statements in Item 1, Part I of Dana's Form 10-Q Quarterly Report for the quarterly period ended June 30, 2007.

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

Contractual Interest Expense

Contractual interest expense includes amounts relating to debt subject to compromise which is no longer recognized in the statement of operations in accordance with SOP 90-7. The contractual interest that was not recognized was \$9 for the month of June 2007 and \$54 for the six months ended June 30, 2007.

Note 3. Financing

DIP Credit Agreement

Dana, as borrower, and its Debtor U.S. subsidiaries, as guarantors, are parties to a Senior Secured Superpriority Debtor-in-Possession Credit Agreement (the DIP Credit Agreement) with Citicorp North America, Inc., as agent, initial lender and an issuing bank, and with Bank of America, N.A. and JPMorgan Chase Bank, N.A., as initial lenders and issuing banks. The DIP Credit Agreement, as amended, has been approved by the Bankruptcy Court. The aggregate amount of the facility is presently \$1,550, including a \$650 revolving credit facility (of which \$400 is available for the issuance of letters of credit) and a \$900 term loan facility. For a discussion of the terms of the DIP Credit Agreement, see Note 10 to the consolidated financial statements in Item 8 of the 2006 Form 10-K.

In January 2007, Dana borrowed \$200 under the term loan facility bringing the total borrowed under the facility to \$900. Based on its borrowing base collateral, Dana had availability under the DIP Credit Agreement at June 30, 2007 of \$236 after deducting the \$100 minimum availability requirement and \$237 for outstanding letters of credit.

The DIP Credit Agreement currently requires Dana and its consolidated subsidiaries to maintain a rolling 12-month cumulative EBITDAR (earnings before interest, taxes, depreciation, amortization, restructuring and reorganization charges and other items, as defined in the agreement) at specified levels as of the last day of each calendar month. The EBITDAR requirement for the period ended June 30, 2007 was \$170 and actual EBITDAR for that period was \$322, calculated as follows:

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

EBITDAR Calculation

	July 1, 2006 to June 30, 2007 (in millions)	Year to Date June 30, 2007 (in millions)
Net loss	\$ (810)	\$ (225)
Plus -		
Interest expense	71	40
Income tax expense	91	17
Depreciation and amortization expense	277	138
Asset impairment	58	6
Goodwill impairment	46	
Realignment charges	243	147
Reorganization items, net	110	75
Loss from discontinued operations	186	84
Minority interest	11	6
Less -		
Equity in earnings of affiliates	(87)	25
Non-recurring items	16	14
Interest income	32	16
EBITDAR	<u>\$ 322</u>	<u>\$ 233</u>

In April 2007, certain of Dana's U.K. subsidiaries settled their continuing pension plan obligations through a cash payment of \$93 and the transfer of a 33% equity interest in Dana's remaining U.K. axle and driveshaft operating businesses for the benefit of the plan participants. As a result of this pension settlement, realignment charges in the above table include \$136 for the first six months of 2007 and loss from discontinued operations includes \$17 for the same period.

In June 2007 realignment charges included a credit of \$17 for modifications of Dana's manufacturing footprint optimization plans. See Note 6 to Dana's financial statements in Item 1 of Part I of Dana's Form 10-Q Quarterly Report for the quarterly period ended June 30, 2007.

For Annual Incentive Payment (AIP) purposes, certain items included in the above derivation of EBITDAR are excluded. As such, the year to date EBITDAR for AIP purposes as of June 30, 2007 is \$230.

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

Canadian Credit Agreement

In June 2006, Dana Canada Corporation (Dana Canada), as borrower, and certain of its Canadian affiliates, as guarantors, entered into a Credit Agreement (the Canadian Credit Agreement) with Citibank Canada as agent, initial lender and an issuing bank, and with JPMorgan Chase Bank, N.A., Toronto Branch and Bank of America, N.A., Canada Branch, as initial lenders and issuing banks. The Canadian Credit Agreement provides a \$100 revolving credit facility, of which \$5 is available for the issuance of letters of credit. At June 30, 2007, based on Dana Canada's borrowing base collateral, it had availability of \$58 after deducting the \$20 minimum availability requirement and \$2 for currently outstanding letters of credit. Dana Canada had no borrowings under this agreement at June 30, 2007.

European Receivables Loan Facility

In July 2007, certain of Dana's non-Debtor European subsidiaries entered into a series of agreements to establish a five-year accounts receivable securitization facility under which the euro equivalent of approximately \$225 in financing will be available to them. Under the agreements, these subsidiaries will sell certain receivables to a special purpose limited liability company incorporated in Ireland, which will pay for the receivables with the proceeds of (i) loans from GE Leveraged Loans Limited (GE) and other lenders and (ii) subordinated loans from another Dana subsidiary. The purchased accounts receivable will be included in Dana's consolidated financial statements (because the special purpose company does not meet certain accounting requirements for treatment as a "qualifying special purpose entity" under GAAP and the sellers will retain control of the assets that secure the loans), as will the loans to the special purpose company from GE and the participating lenders. The sales of the accounts receivable and the subordinated loans will be eliminated in consolidation. The proceeds from the sales of the transferred receivables will principally be reinvested in Dana's European businesses, and are also expected to be utilized for the repayment of intercompany debt.

Note 4. Liabilities Subject to Compromise

As a result of the Chapter 11 filings, the 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 as claims, even if they may ultimately be settled for different 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 and include the liabilities subject to compromise of discontinued operations. 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 pre-petition claims will be satisfied will be established by order of the Bankruptcy Court, including any order confirming a plan or plans of reorganization in the Bankruptcy Cases.

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

The amount of liabilities subject to compromise reported herein was \$3,978 at June 30, 2007. This amount includes an intercompany payable to DCC of \$325 which is not eliminated under this basis of presentation. In addition, substantially all of the Debtors' pre-petition debt is in default due to the bankruptcy filing, and Debtors' pre-petition debt of \$1,585 is also included in liabilities subject to compromise. At the Filing Date, in accordance with SOP 90-7, Dana discontinued recording interest expense on debt classified as liabilities subject to compromise. Contractual interest on all debt, including the portion classified as liabilities subject to compromise, amounted to \$16 and \$94 for the one month and six months ended June 30, 2007.

Note 5. 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 adjust the carrying value of certain pre-petition liabilities to their estimated allowable claim amounts, be reported separately. The Debtors' reorganization expense items for the month of June 2007 consisted of professional fees and contract rejection damages, partially offset by interest income.

Pursuant to orders of the Bankruptcy Court, professionals retained by the Debtors and by the official statutory committees 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 the Bankruptcy Code and 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' non-Debtor subsidiaries and are being paid for such services by the non-Debtor subsidiaries. With respect to the Debtors' foreign non-Debtor subsidiaries, payments for services to these entities in U.S. dollars are being made by the Debtors and reimbursed by the foreign non-Debtor 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 for the fees and expenses of their professionals. The Debtors are making the required payments to such professionals, as described above, and believe they are current with regard to such payments.

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 and the Debtors intend to continue paying all undisputed post-petition obligations as they become due. See "Schedule 1. Cash Disbursements by Debtors" for post-petition disbursements in June 2007.

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

In re Dana Corporation, et al.
Case No. 06-10354 (BRL) (Jointly Administered)
Reporting Period: June 1, 2007 — June 30, 2007
Cash Disbursements by Debtors
(Dollars in 000s)

Schedule 1

Petitioning Entities:	Case Number:	June 2007 Disbursements
Dana Corporation	06-10354	\$ 489,999
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	1
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	228
Torque-Traction Technologies, LLC	06-10396	
United Brake Systems, Inc.	06-10397	
Total Cash Disbursements		<u>\$ 490,229</u>

(a) Total disbursements may include certain payments made by the Debtors on behalf of non-Debtors pursuant to their cash management order. Disbursements are actual cash disbursements incurred for the month.

In re Dana Corporation, et al.
Case No. 06-10354 (BRL) (Jointly Administered)
Reporting Period: June 1, 2007 — June 30, 2007
Payroll Taxes Paid
(Dollars in 000s)

Schedule 2

FEDERAL				TOTALS
Liabilities incurred or withheld				
<u>FIT</u>	<u>FICA-ER</u>	<u>FICA-EE</u>	<u>FUTA</u>	
\$7,161	\$4,413	\$4,413	\$60	\$16,047
Deposits released and pending				
<u>FIT</u>	<u>FICA-ER</u>	<u>FICA-EE</u>	<u>FUTA</u>	
\$(7,161)	\$(4,413)	\$(4,413)	\$(60)	\$(16,047)
STATE				TOTALS
Liabilities incurred or withheld				
<u>SIT</u>	<u>SUI-ER</u>	<u>SUI-EE</u>	<u>SDI-EE</u>	
\$1,991	\$521	\$8	\$7	\$2,527
Deposits released and pending				
<u>SIT</u>	<u>SUI-ER</u>	<u>SUI-EE</u>	<u>SDI-EE</u>	
\$(1,991)	\$(521)	\$(8)	\$(7)	\$(2,527)
LOCAL				TOTALS
Liabilities incurred or withheld				
<u>CIT</u>				
\$487	\$	\$	\$	\$487
Deposits released and pending				
<u>CIT</u>				
\$(487)	\$	\$	\$	\$(487)

In re Dana Corporation, et al.
 Reporting Period: June 1, 2007 — June 30, 2007
 Case No. 06-10354 (BRL) (Jointly Administered)
 Post-petition Sales, Use and Property Taxes Paid

Schedule 3

(Dollars in 000s)

Tax Authority	State	Type of Tax	Taxes Paid
Arizona Corporation Commission	AZ	Annual Report	\$(A)
Cass County Treasurer	IA	Property	67
City of Auburn Hills	MI	Property	1
City of Bristol	VA	Property	16
City of Hopkinsville	KY	Business License	(A)
City of Rochester Hills	MI	Property	154
City of Suffolk	VA	Property	1
Florida Dept of Revenue	FL	Property	1
Florida Dept of Revenue	FL	Sales/use	9
Guilford Tax Collector	CT	Property	(A)
Illinois Dept of Revenue	IL	Sales/use	2
Indiana Dept of Revenue	IN	Sales/use	18
Indiana Dept of Workforce Development	IN	Miscellaneous	(A)
Kentucky Dept of Revenue	KY	Sales/use	62
Kentucky State Treasurer	KY	Annual Report	(A)
Michigan Dept of Treasury	MI	Sales/use	13
Missouri Dept of Revenue	MO	Franchise	9
Missouri Dept of Revenue	MO	Sales/use	11
Missouri Secretary of State	MO	Annual Report	(A)
New Jersey Corporation Tax	NJ	Franchise	1
Ohio Public Utilities Commission	OH	Miscellaneous	(A)
Ohio State Treasurer	OH	Miscellaneous	1
Ohio State Treasurer	OH	Sales/use	94
Oklahoma Secretary of State	OK	Annual Report	(A)
Pennsylvania Dept of Revenue	PA	Franchise	4
Pennsylvania Dept of Revenue	PA	Sales/use	1
South Carolina Dept of Revenue	SC	Sales/use	20
State of New Jersey	NJ	Miscellaneous	(A)
State of Tennessee	TN	Miscellaneous	5
Tennessee Dept of Revenue	TN	Property	40
Tennessee Dept of Revenue	TN	Sales/use	30
Texas Comptroller	TX	Sales/use	5
United States Treasury		Miscellaneous	(A)
Virginia Dept of Taxation	VA	Sales/use	7
Virginia State Corporation Commission	VA	Annual Report	(A)
Wisconsin Dept of Revenue	WI	Sales/use	1
			<u>\$573</u>

(A)-amount less than one thousand dollars