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**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): December 28, 2006

**Dana Corporation**

(Exact name of registrant as specified in its charter)

Virginia

(State or other jurisdiction  
of incorporation)

1-1063

(Commission File Number)

34-4361040

(IRS Employer  
Identification Number)

4500 Dorr Street, Toledo, Ohio

(Address of principal executive offices)

43615

(Zip Code)

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

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 December 28, 2006, Dana Corporation (Dana) filed its unaudited Monthly Operating Report for the month ended November 30, 2006 with the United States Bankruptcy Court for the Southern District of New York (the Bankruptcy Court) (*In re Dana Corporation, et al.*, Case No. 06-10354 (BRL)). A copy of this report is contained in the attached Exhibit 99.1.

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

The financial statements in the Monthly 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

99.1 Dana Corporation's Monthly Operating Report for the Month Ended November 30, 2006 (furnished but not filed)

**Signatures**

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

Dana Corporation  
(Registrant)

Date: December 28, 2006

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

**Exhibit Index**

99.1 Dana Corporation's Monthly Operating Report for the Month Ended November 30, 2006 (furnished but not filed)

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: November 1, 2006 — November 30, 2006

DEBTORS' ADDRESS:  
4500 Dorr Street  
Toledo, OH 43615

MONTHLY DISBURSEMENTS:  
\$ 456 million

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

MONTHLY NET LOSS:  
\$ (20) million

REPORT PREPARER:

/s/ Kenneth A. Hiltz  
SIGNATURE OF REPORT PREPARER

CHIEF FINANCIAL OFFICER  
TITLE

KENNETH A. HILTZ  
PRINTED NAME OF REPORT PREPARER

December 28, 2006  
DATE

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

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

**In re Dana Corporation, et al.**  
**Case No. 06-10354 (BRL) (Jointly Administered)**  
**Reporting Period: November 1, 2006 — November 30, 2006**

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, Inc.	06-10367
Dana Risk Management Services, Inc.	06-10368
Dana Technology, Inc.	06-10369
Dana World Trade Corporation	06-10370
Dandorr L.L.C.	06-10371
Dorr Leasing Corporation	06-10372
DTF Trucking, Inc.	06-10373
Echlin-Ponce, Inc.	06-10374
EFMG, LLC	06-10375
EPE, Inc.	06-10376
ERS, LLC	06-10377
Flight Operations, Inc.	06-10378
Friction, Inc.	06-10379
Friction Materials, Inc.	06-10380
Glacier Vandervell, Inc.	06-10381
Hose & Tubing Products, Inc.	06-10382
Lipe Corporation	06-10383
Long Automotive, LLC	06-10384
Long Cooling, LLC	06-10385
Long USA, LLC	06-10386
Midland Brake, Inc.	06-10387
Prattville Mfg, Inc.	06-10388
Reinz Wisconsin Gasket, LLC	06-10390
Spicer Heavy Axle & Brake, Inc.	06-10391
Spicer Heavy Axle Holdings, Inc.	06-10392
Spicer Outdoor Power Equipment Components	06-10393
Torque-Traction Integration Technologies, LLC	06-10394
Torque-Traction Manufacturing Technologies, LLC	06-10395
Torque-Traction Technologies, LLC	06-10396
United Brake Systems, Inc.	06-10397

**DANA CORPORATION, ET AL.  
MONTHLY OPERATING REPORT  
November 2006**

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**Other Information**

While 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 trading prices of the shares may have little or no relationship to the actual recovery, if any, by the holders under any eventual court-approved reorganization plan. The opportunity for any recovery by holders of Dana's common stock under such reorganization plan is uncertain, and Dana's shares may be cancelled without any compensation pursuant to such plan.

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



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

	<u>Month Ended November 30, 2006</u>	<u>March 3, 2006 to November 30, 2006</u>
	(in millions)	
<b>Net sales</b>	\$ 719	\$ 6,583
Costs and expenses		
Cost of sales	695	6,275
Selling, general and administrative expenses	29	281
Impairment of goodwill		46
Other income, net	8	84
Income from operations	3	65
Interest expense (contractual interest of \$14 in November and \$128 for the period 3/3/06 to 11/30/06)	5	48
Reorganization items, net	8	128
Loss before income taxes	(10)	(111)
Income tax expense	(6)	(144)
Minority interest	(1)	(6)
Equity in loss of affiliates		(117)
<b>Loss from continuing operations</b>	(17)	(378)
<b>Income (loss) from discontinued operations</b>	(3)	(109)
<b>Net loss</b>	\$ (20)	\$ (487)

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)**

**November 30, 2006**  
(in millions)

<b>Assets</b>	
Current assets	
Cash and cash equivalents	\$ 723
Accounts receivable	
Trade	1,326
Other	216
Inventories	732
Assets of discontinued operations	499
Other current assets	129
Total current assets	3,625
Investments and other assets	1,328
Investments in equity affiliates	676
Property, plant and equipment, net	1,777
<b>Total assets</b>	<b>\$ 7,406</b>
<b>Liabilities and Shareholders' Equity</b>	
Current liabilities	
Notes payable, including current portion of long-term debt	\$ 27
Accounts payable	939
Liabilities of discontinued operations	222
Other accrued liabilities	726
Total current liabilities	1,914
Liabilities subject to compromise	4,274
Deferred employee benefits and other noncurrent liabilities	273
Long-term debt	15
Debtor-in-possession financing	700
Minority interest in consolidated subsidiaries	85
Shareholders' equity	145
<b>Total liabilities and shareholders' equity</b>	<b>\$ 7,406</b>

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 November 30, 2006</u>	<u>March 3, 2006 to November 30, 2006</u>
	(in millions)	
<b>Operating activities</b>		
Net loss	\$(20)	\$(487)
Depreciation and amortization	24	202
Adjustments related to divestitures and asset sales	1	88
Reorganization items	8	128
Payment of reorganization items	(11)	(81)
Decrease (increase) in working capital, excluding effects from acquisition of business	8	184
Unremitted equity in loss of affiliates		108
Other	<u>20</u>	<u>136</u>
<b>Net cash flows provided by operating activities</b>	<u>30</u>	<u>278</u>
<b>Investing activities</b>		
Purchases of property, plant and equipment	(19)	(215)
Acquisition of business, net of cash acquired		(17)
Proceeds from sale of assets		22
Other	<u>(5)</u>	<u>21</u>
<b>Net cash flows used for investing activities</b>	<u>(24)</u>	<u>(189)</u>
<b>Financing activities</b>		
Net change in short-term debt	4	(620)
Proceeds from DIP Credit Agreement		700
Payments on long-term debt	<u>(3)</u>	<u>(6)</u>
<b>Net cash flows provided by financing activities</b>	<u>1</u>	<u>74</u>
<b>Net increase in cash and cash equivalents</b>	7	163
<b>Cash and cash equivalents — beginning of period</b>	<u>716</u>	<u>560</u>
<b>Cash and cash equivalents — end of period</b>	<u>\$723</u>	<u>\$723</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 Corporation (Dana) is a leading supplier of axle, driveshaft, frame, sealing and thermal products. Dana designs and manufactures products for every major vehicle producer in the world and is focused on being an essential partner to its automotive, commercial truck and off-highway vehicle customers.

On March 3, 2006 (the Filing Date), Dana Corporation and forty of its wholly-owned domestic subsidiaries (collectively, the Debtors) filed voluntary petitions for reorganization under the United States Bankruptcy Code (the Bankruptcy Code) in the United States Bankruptcy Court for the Southern District of New York (the Bankruptcy Court). These Chapter 11 cases are being 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 Dana Credit Corporation (DCC) and its wholly-owned subsidiaries nor any of Dana's non-U.S. subsidiaries have filed bankruptcy petitions and none of these entities is a Debtor in the Bankruptcy Cases. 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, inter-company transactions with DCC have not been eliminated in these financial statements and are presented as intercompany receivables, loans and payables. This presentation of condensed Dana financial statements with DCC on an equity basis, while consistent in format with the financial information required to be provided to the lenders under the DIP Credit Agreement and acceptable to the U.S. Trustee, does not conform to GAAP, which requires that DCC and its subsidiaries be consolidated along with Dana's other majority-owned subsidiaries.

For consolidated financial statements for Dana prepared in conformity with GAAP and the notes thereto, see Dana's Annual Report on Form 10-K for the fiscal year ended December 31, 2005 and Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2006, June 30, 2006 and September 30, 2006, which have been filed with the U.S. Securities and Exchange Commission and are accessible at <http://www.dana.com> at the "Investors" link.

The condensed statements of income (loss) and cash flows presented herein are for the month of November 2006 and also include the period from March 3, 2006 to November 30, 2006. Schedule 1. Cash Disbursements by Debtors contains further information regarding cash disbursements made by each of the Debtors during the post-petition period of November 1, 2006 to November 30, 2006.

The condensed financial statements herein with DCC accounted for on an equity basis have been derived from Dana's internal books and records. They include normal recurring adjustments, but not all of the adjustments that would typically be made for quarterly and annual financial statements prepared in accordance with GAAP. In addition, certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted.

Furthermore, the monthly information presented herein has not been subjected to the same level of accounting review and testing that Dana applies in the preparation of its quarterly and annual financial information in accordance with GAAP. Accordingly, the financial information herein is subject to change and any such change could be material. The results of operations contained herein are not necessarily indicative of results which may be expected for any other period or the full year and may not reflect Dana's consolidated results of operations, financial position and cash flows in the future.

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

**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 and of Dana's equity security holders 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.

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" an executory contract or unexpired lease generally means that a Debtor will agree to perform its obligations and cure certain existing defaults under the contract or lease and "rejecting" it means that a Debtor will be relieved of its obligations to perform further under the contract or lease, which will give rise to an unsecured pre-petition claim for damages for the breach thereof. The Bankruptcy Court has authorized the Debtors to reject certain unexpired leases and executory contracts.

The Debtors filed their initial schedules of assets and liabilities existing on the Filing Date with the Bankruptcy Court in June 2006 and amendments to certain of these schedules in November 2006. In July 2006, 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 and wrongful death 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 the claims that were submitted, are investigating unresolved proofs of claim and are establishing procedures to reconcile and resolve them. Pre-petition claims are Liabilities subject to compromise. See Note 4 for more information about Liabilities subject to compromise.

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

In August 2006, the Bankruptcy Court 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.

On December 19, 2006, the Bankruptcy Court entered an order granting the Debtors' motion to extend the period during which they have the exclusive right to file a plan of reorganization in the Bankruptcy Cases (the exclusivity period) from January 3, 2007 until September 3, 2007.

#### **Taxes**

Income taxes are accounted for in accordance with SFAS No. 109, "Accounting for Income Taxes." Current and deferred income tax assets and liabilities are recognized based on events which have occurred and are measured by the enacted tax laws. Based on 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 during the third quarter of 2005. Deferred tax assets resulting from subsequent U.S. losses have been offset by increases in the valuation allowances, effectively eliminating the benefit of those losses.

The Debtors have received Bankruptcy Court approval to pay pre-petition sales, use and certain other taxes in the ordinary course of their businesses. The Debtors believe that they have paid all pre-petition and post-petition taxes when due from 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.

#### **Contractual Interest Expense**

Contractual interest expense includes amounts relating to debt subject to compromise which is no longer recognized in the statement of income (loss) in accordance with SOP 90-7. The contractual interest that was not recognized was \$9 for the month of November and \$80 for the period March 3, 2006 to November 30, 2006.

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

### **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, was approved by the Bankruptcy Court in March 2006. The aggregate amount of the facility is \$1,450, including a \$750 revolving credit facility (of which \$400 is available for the issuance of letters of credit) and a \$700 term loan facility.

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

Interest for both the term loan facility and the revolving credit facility under the DIP Credit Agreement accrues, at Dana's option, at either the London interbank offered rate (LIBOR) plus a per annum margin of 2.25% or the prime rate plus a per annum margin of 1.25%. Amounts currently borrowed are at a rate of LIBOR plus 2.25% (7.65% at November 30, 2006). Dana is paying a fee for issued and undrawn letters of credit in an amount per annum equal to the LIBOR margin applicable to the revolving credit facility, a per annum fronting fee of 25 basis points and a commitment fee of 0.375% per annum for unused committed amounts under the revolving credit facility.

The DIP Credit Agreement is guaranteed by substantially all of Dana's domestic subsidiaries, excluding DCC. As collateral, Dana and each of its guarantor subsidiaries has granted a security interest in, and lien on, effectively all of its assets, including a pledge of 66% of the equity interests of each material foreign subsidiary directly or indirectly owned by Dana.

Additionally, the DIP Credit Agreement requires Dana to maintain a minimum amount of consolidated earnings before interest, taxes, depreciation, amortization, restructuring and reorganization costs (EBITDAR), (i) for each period beginning on March 1, 2006 and ending on the last day of each month from May 2006 through February 2007, and (ii) a rolling 12-month cumulative EBITDAR for Dana and its direct and indirect subsidiaries, on a consolidated basis, beginning on March 31, 2007 and ending on February 28, 2008, at levels set forth in the DIP Credit Agreement. Dana must also maintain minimum availability of \$100 under the DIP Credit Agreement at all times.

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



The EBITDAR requirement in the DIP Credit Agreement for the period from March 3, 2006 to November 30, 2006 was \$165, and the actual EBITDAR, as calculated below, was \$284.

### EBITDAR Calculation

	<b>March 3, 2006 to November 30, 2006</b> (in millions)
<b>Net loss</b>	<b>\$ (487)</b>
Plus -	
Interest expense	48
Income tax expense	144
Depreciation and amortization expense	202
Impairment of goodwill	46
Restructuring charges	8
Reorganization items, net	128
Loss from discontinued operations	109
Minority interest	6
Less -	
Equity in loss of affiliates	(117)
Non-recurring items	13
Interest income	24
<b>EBITDAR</b>	<b>\$ 284</b>

Certain internal compensation incentives are based on the achievement of EBITDAR targets. For this purpose, EBITDAR, as defined in the DIP Credit Agreement, is modified to include discontinued operations and applied to periods commencing on January 1, 2006. For this purpose, EBITDAR for the eleven months ended November 30, 2006 was \$279.

In March 2006, Dana borrowed \$700 under the \$1,450 DIP Credit Agreement and used the proceeds to pay off debt obligations outstanding under its pre-petition five-year bank facility (which had provided Dana with \$400 in borrowing capacity) and accounts receivable securitization program (which had provided Dana with up to \$275 borrowing capacity to meet periodic demand for short-term financing); to pay certain other pre-petition obligations; and to provide for working capital and general corporate expenses. Based on its borrowing base collateral, Dana had availability under the DIP Credit Agreement at November 30, 2006 of \$575. Dana had utilized \$243 of this availability for letters of credit, leaving unused availability of \$332.

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 for a \$100 revolving credit facility, of which \$5 is available for the issuance of letters of credit. At November 30, 2006, there were no borrowings and no utilization of the net availability under the facility for the issuance of letters of credit. Dana Canada must maintain a minimum availability under the Canadian Credit Agreement of \$20.

## **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 be settled for lesser amounts. The amounts currently classified as liabilities subject to compromise represent Dana's estimate of known or potential pre-petition claims to be addressed in connection with the Bankruptcy Cases and include the Liabilities subject to compromise of the 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 claims will be satisfied will be established at a later date in the Bankruptcy Cases.

The Debtors are now in the process of evaluating the claims that were submitted by the September 2006 bar date. In light of the substantial number and amounts of claims filed, the claims resolution process may take considerable time to complete. At this time, the Debtors cannot reasonably estimate the value of the claims that will ultimately be allowed by the Bankruptcy Court since evaluation of the filed claims has only recently begun.

The amount of liabilities subject to compromise reported herein was \$4,274 at November 30, 2006. This amount includes intercompany balances with DCC of \$337 (of which \$288 is a note payable to DCC) which are 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 within Liabilities subject to compromise. In accordance with SOP 90-7, following the Filing Date 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 \$128 for the period from March 3, 2006 to November 30, 2006.

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

**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 reflect the carrying value of certain pre-petition liabilities at their estimated allowable claim amounts, be reported separately. The Debtors' reorganization expense items for the month of November 2006 consisted of professional fees offset by interest income and gains from settlements with suppliers.

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 orders of the Bankruptcy Court and the Bankruptcy Code. 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 November 2006.

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

**In re Dana Corporation, et al.**  
**Case No. 06-10354 (BRL) (Jointly Administered)**  
**Reporting Period: November 1, 2006 — November 30, 2006**  
**Cash Disbursements by Debtors**

**Schedule 1**

*(Dollars in 000s)*

Petitioning Entities:	Case Number:	November 2006 Disbursements
Dana Corporation	06-10354	\$ 454,480
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	938
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	269
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	464
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	3
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	4
Torque-Traction Manufacturing Technologies, LLC	06-10395	97
Torque-Traction Technologies, LLC	06-10396	
United Brake Systems, Inc.	06-10397	
<b>Total Cash Disbursements</b>		<b>\$ 456,254(a)</b>

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

In re Dana Corporation, et al.  
Case No. 06-10354 (BRL) (Jointly Administered)  
Reporting Period: November 1, 2006 — November 30, 2006  
Payroll Taxes Paid

Schedule 2

(Dollars in 000s)

<u>FEDERAL</u>				<u>TOTALS</u>
<u>Liabilities incurred or withheld</u>				
<u>FIT</u>	<u>FICA-ER</u>	<u>FICA-EE</u>	<u>FUTA</u>	
\$ 7,545	\$ 4,347	\$ 4,349	\$	\$ 16,241
<u>Deposits released and pending</u>				
<u>FIT</u>	<u>FICA-ER</u>	<u>FICA-EE</u>	<u>FUTA</u>	
(7,545)	(4,347)	(4,349)		(16,241)
<u>STATE</u>				<u>TOTALS</u>
<u>Liabilities incurred or withheld</u>				
<u>SIT</u>	<u>SUI-ER</u>	<u>SUI-EE</u>	<u>SDI-EE</u>	
2,099			8	2,107
<u>Deposits released and pending</u>				
<u>SIT</u>	<u>SUI-ER</u>	<u>SUI-EE</u>	<u>SDI-EE</u>	
(2,099)			(8)	(2,107)
<u>LOCAL</u>				<u>TOTALS</u>
<u>Liabilities incurred or withheld</u>				
<u>CIT</u>				
450				450
<u>Deposits released and pending</u>				
<u>CIT</u>				
(450)				(450)

In re Dana Corporation, et al.  
 Reporting Period: November 1, 2006 — November 30, 2006  
 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
Arkansas Secretary of State	AR	Sales/use	\$ 33
City of Glasgow	KY	Property	13
City of St Clair	MI	Property	4
Florida Dept of Revenue	FL	Sales/use	4
Hardin County Sheriff	KY	Property	150
Henderson County Sheriff	KY	Property	38
Illinois Dept of Revenue	IL	Sales/use	3
Indiana Dept of Revenue	IN	Sales/use	17
Iowa Dept of Revenue	IA	Sales/use	8
Kentucky Dept of Revenue	KY	Sales/use	59
Michigan Dept of Treasury	MI	Sales/use	22
Michigan State Treasurer	MI	Sales/use	(A)
Missouri Dept of Revenue	MO	Sales/use	15
Ohio State Treasurer	OH	Commercial Activity	155
Ohio State Treasurer	OH	Sales/use	101
Pennsylvania Dept of Revenue	PA	Sales/use	1
San Joaquin County	CA	Property	66
Smith County Trustee	TN	Property	69
South Carolina Dept of Revenue	SC	Sales/use	(A)
Tennessee Dept of Revenue	TN	Sales/use	37
Texas Comptroller	TX	Sales/use	5
Washington State Dept of Revenue	WA	Excise	12
Wisconsin Dept of Revenue	WI	Sales/use	1
<b>Total</b>			<b>\$813</b>

(A) Payment was less than \$1 thousand