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 30.1996	Commission File Number 1-1063

Dana Corporation
(Exact Name of Registrant as Specified in its Charter)

Virginia	34-4361040
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)
4500 Dorr Street, Toledo, Ohio	43615
(Address of Principal Executive Offices)	(Zip Code)

(419) 535-4500
(Registrants 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 June 30.1996
Common stock, $1 par value	101,719,719

DANA CORPORATION AND CONSOLIDATED SUBSIDIARIES

INDEX

PART I. FINANCIAL INFORMATION

ITEM 1. DANA CORPORATION

CONDENSED BALANCE SHEET (Unaudited)
(in Millions)

Assets	December 31, 1995	June 30, 1996
Cash and Cash Equivalents	$ 66.6	$ 54.7
Accounts Receivable, Net	1,081.6	1,201.2
Inventories		
Raw Materials	230.1	202.0
Work in Process and Finished Goods	644.7	634.8
Lease Financing	1,004.9	1,056.3
Investments and Other Assets	1,016.7	1,000.9
Property, Plant and Equipment	3,337.3	3,448.8
Less: Accumulated Depreciation	1,687.8	1,735.7
Total Assets	$ 5,694.1	$ 5,863.0

Liabilities and Shareholders' Equity	December 31, 1995	June 30, 1996
Accounts Payable and Other Liabilities	$ 1,173.0	$ 1,214.3
Short-Term Debt	791.4	769.1
Long-Term Debt	1,315.1	1,343.7
Deferred Employee Benefits	1,096.2	1,091.6
Minority Interest	153.8	165.0
Shareholders' Equity	1,164.6	1,279.3
Total Liabilities and Shareholders' Equity	$ 5,694.1	$ 5,863.0

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	
	1995	1996	1995	1996
Net Sales	$ 1,968.8	$ 2,020.5	$ 3,893.2	$ 3,993.2
Revenue from Lease Financing and Other Income	47.0	49.0	94.6	112.5
	2,015.8	2,069.5	3,987.8	4,105.7
Cost of Sales	1,654.2	1,700.0	3,288.4	3,377.3
Selling, General and Administrative Expenses	173.1	190.2	336.0	372.0
Interest Expense	36.0	37.0	69.1	75.5
	1,863.3	1,927.2	3,693.5	3,824.8
Income Before Income Taxes	152.5	142.3	294.3	280.9
Estimated Taxes on Income	(58.0)	(49.4)	(116.5)	(103.4)
Minority Interest	(11.0)	(7.0)	(20.4)	(15.0)
Equity in Earnings of Affiliates	5.6	5.6	(9.1)	7.7
Net Income	$ 89.1	$ 91.5	$ 148.3	$ 170.2
Net Income Per Common Share	$ .88	$ .90	$ 1.47	$ 1.68
Dividends Declared and Paid per Common Share	$ .23	$ .25	$ .44	$ .48
Average Number of Shares Outstanding	101.2	101.6	101.2	101.6

ITEM 1. (Continued)

DANA CORPORATION

CONDENSED STATEMENT OF CASH FLOWS (Unaudited)

(in Millions)

	Six Months Ended June 30	
	1995	1996
Net Income	$ 148.3	$ 170.2
Depreciation and Amortization	114.9	131.0
Working Capital Change and Other	(184.4)	(14.1)
Net Cash Flows from Operating Activities	78.8	287.1
Purchases of Property, Plant and Equipment	(168.2)	(160.5)
Purchases of Assets to be Leased	(168.8)	(206.0)
Payments Received on Leases and Loans	124.6	150.2
Purchase of Minority Interest of Hayes-Dana, Inc.	(92.4)	
Other	35.0	(26.3)
Net Cash Flows-Investing Activities	(269.8)	(242.6)
Net Change in Short-Term Debt	104.5	(28.2)
Proceeds from Long-Term Debt	270.3	220.4
Payments on Long-Term Debt	(175.5)	(203.0)
Dividends Paid	(44.5)	(48.8)
Other	1.7	3.2
Net Cash Flows-Financing Activities	156.5	(56.4)
Net Change in Cash and Cash Equivalents	(34.5)	(11.9)
Cash and Cash Equivalents-beginning of year	112.2	66.6
Cash and Cash Equivalents-end of period	$ 77.7	$ 54.7

ITEM 1 (Continued)

NOTES TO CONDENSED FINANCIAL STATEMENTS

(in Millions Except Per Share Amounts)

1. In the opinion of management, all normal recurring adjustments necessary to a fair presentation of results for the unaudited interim periods have been included.

2. In accordance with generally accepted accounting principles, Dana's wholly-owned financial subsidiary, Dana Credit Corporation (DCC), is included in the consolidated financial statements. The following is a recap of the revenue, net income, total assets, total liabilities and shareholders equity of this subsidiary (unaudited):

DANA CREDIT CORPORATION

	Three Months Ended June 30		Six Months Ended June 30	
	1995	1996	1995	1996
Revenue	$ 52.0	$ 58.2	$ 93.6	$118.2
Net Income	6.4	8.4	11.3	15.9

	December 31. 1995	June 30, 1996
Total Assets	$1,386.7	$1,495.6
Total Liabilities	1,282.1	1,380.7
Shareholders Equity	$ 104.6	$ 114.9

3. In the first quarter of 1995, Dana recorded a non-operating charge of approximately $18 (17 cents per share) for its proportionate share of translation losses incurred by its Mexican affiliate, Spicer S.A. de C.V., due to the devaluation of the Mexican peso.

4. In the first quarter of 1995, Dana made a tender offer for all of the outstanding shares of Hayes-Dana, Inc. that it did not own. At June 30,1995, Dana had increased its ownership in Hayes-Dana from 57 percent to 100 percent.

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

Liquidity and Capital Resources

(in Millions)

Capital Expenditures		
	Six Months Ended June 30	Year Ended December31
1994	$128	337
1995	168	410
1996	161	330*

*Projected

Capital Expenditures for Dana Corporation and its consolidated subsidiaries (Dana) year-to-date 1996 were $7 lower than for the same period in 1995 end are projected to be approximately $80 lower for the year than the record $410 spent in 1995. The $330 projected for 1996 is about equal to 1994's expenditures.

Dana supplements internal cash flow with the issuance of short and long-term debt. As a result of strong operating cash flows, Dana's consolidated debt increased only $6 over 1995's year end position. Dana's, excluding Dana Credit Corporation's (DCC's), total debt increased $12 over 1995's year end level while DCC's decreased $6.

Cash Flows From Operations For Six Months Ended June 30	
1994	$144
1995	79
1996	287

Dana's consolidated short-term debt decreased $22 since December 31, 1995, with Dana's, excluding DCC's, increasing $21 and DCC's decreasing $43. Dana's, excluding DCC's, borrowing lines totaled $1.4 billion at June 30, with outstanding short-term borrowings of $355. DCC's lines were in excess of $800, with outstanding short-term borrowings of $414.

Consolidated long-term debt of the Company increased $28 since year end 1995; Dana, excluding DCC, decreased its debt $9: and DCC increased its debt $37.

The Company anticipates that net cash flows from operating activities, along with currently available financing sources, will be sufficient to meet Dana's funding requirements for 1996.

ITEM 2. Liquidity and Capital Resources (continued)
- --

(in Millions)

Dana's management and legal counsel have reviewed the legal proceedings to which the Company and its subsidiaries were parties as of June 30,1996 (including, among others, those involving product liability claims and alleged violations of environmental laws) and concluded that neither the liabilities that may result from these legal proceedings nor the timing of the cash flows for these liabilities is likely to have a material adverse effect on the Company's liquidity, financial condition or results of operations. The Company estimates its contingent environmental and product liabilities based upon the most probable method of remediation or outcome considering currently enacted laws and regulations and existing technology. Measurement of liabilities is made on an undiscounted basis and excludes the effects of inflation and other societal and economic factors. In those cases where there is a range of equally probable remediation methods or outcomes, the Company accrues at the lower end of the range. At June 30,1996, the Company's accruals were $73 for product liability costs (products) and $53 for environmental liability costs (environmental), compared to $73 for products and $49 for environmental at December 31,1995. The difference between the Company's minimum and maximum estimates for contingent liabilities, while not considered material, was $4 for products and $4 for environmental at June 30,1996, compared to $4 for products and $3 for environmental at December 31, 1995. Probable recoveries of $53 for products and $10 for environmental from insurance or third parties have been recorded as assets at June 30,1996, compared to $43 for products and $10 for environmental at December 31,1995.

In May 1996, the Company settled all remaining claims in the 1992 lawsuit, UNITED STATES V. DANA CORPORATION, without any finding of liability or admission of wrongdoing by Dana. In this suit, the Department of Justice, on behalf of the United States, had sued the Company, Warner Electric Brake and Clutch Company, Inc. and Beaver Precision Products, Inc. ("Beaver"), in the U.S. District Court, Eastern District of Michigan under the federal False Claims Act and various common law theories. The complaint alleged overcharging on U.S. government contracts or subcontracts awarded to Beaver in the late 1970s and the 1980s. In 1995, Dana and the Department of Justice settled the claims relating to 16 government contracts included in the complaint without any finding of liability or admission of wrongdoing by Dana, and the Company paid the government $19.5, which included payment for the government's alleged damages, interest, and costs of investigation and litigation with respect to those claims. A tentative settlement relating to the remaining claims was reached in the fourth quarter of 1995 and final settlement was made in May 1996. Under terms of this settlement, the Company paid the government $10.175, which included payment for alleged damages, interest and cost of investigation and litigation with respect to those claims. The company had accrued for this settlement in the fourth quarter of 1995 and the payment did not have a material adverse effect on its liquidity and financial condition.

ITEM 2. (Continued)

Results of Operations (Second Quarter 1996 vs Second Quarter 1995)

(in Millions)

Dana's worldwide quarterly sales topped the two billion dollar plateau for the first time in the second quarter and exceeded 1995's second quarter by 3%. Worldwide unit volume increases of light trucks and sport utility vehicles and sales from recent acquisitions helped offset weakened U.S. demand for heavy trucks.

Second Quarter Sales			
	1995	1996	% Change
U.S.	$1,439	$1,454	1
International	530	566	7
Total	$1,969	$2,020	3

Second Quarter Sales By Region			
Region	1995	1996	% Change
North America	$1,556	$1,554	--
Europe	230	269	17
South America	132	150	14
Asia Pacific	51	47	(8)

Sales from Dana's international operations increased 7% over 1995, primarily due to the contribution of recent acquisitions in Europe and South America. U.S. sales increased 1%, as light truck and sport utility vehicle sales rose 5% over a record 1995 second quarter, while sales to the heavy truck market decreased 15%. The Company's worldwide aftermarket sales increased 4%, 5% internationally and 3% in the U.S.

The Company reported a profit of $91, the highest for any quarter in Dana's history, which represents an increase of 3% over 1995's second quarter results.

Revenue from lease financing and other income increased $2 over second quarter 1995 as higher lease income resulted from higher DCC average asset levels.

Dana's gross margin for the second quarter was 15.9%, comparable to 16.0% for 1995's second quarter. U.S. margins were improved over 1995 while those of international operations were lower, principally due to the Company's operations in South America.

Selling, general and administrative expenses (S,G&A) increased $17 or 10%in 1996, in part due to newly acquired operations.

Dana's second quarter 1996 effective tax rate was 35% compared to 38% for 1995's second quarter. The U.S. state and local rate was lower in 1996, as was the rate of the Company's Brazilian operations. Additionally, the rate was marginally lower due to utilization of some capital loss carry-forwards during the second quarter in 1996.

Minority interest in net income of subsidiaries decreased $4, primarily due to the lower earnings recorded by Dana's majority-owned affiliates in Brazil and Taiwan.

ITEM 2. (Continued)

Results of Operations (Six Months 1996 vs Six Months 1995)

(in Millions)

Sales For Six Months Ended June 30	1995	1996	% Change
U.S.	$2,897	$2,889	--
International	996	1,104	11
Total	$3,893	$3 993	3

Dana's worldwide sales for the first six 1996 totaled $3,993, an increase of 3% over the same period in 1995. This growth was primarily the result of U.S. light truck and sport utility unit volume increases and sales from recent acquisitions, offsetting weakened U.S. demand for heavy trucks.

Sales from Dana's international operations increased 11% over 1995, primarily due to the contribution of recent acquisitions in Europe and South America. U.S. sales were level with 1995, as the light truck and sport utility vehicle increase of 5% was offset by a decrease of 12% in sales to the heavy truck market. Dana's worldwide aftermarket sales increased 3% over 1995, 6% internationally and 1% in the U.S.

The Company reported profits of $170 for the first six months of 1996, a 15% increase over 1995's results for the same period. The earnings for 1995 included an $18 after tax non-operating charge for translation losses incurred as result of the devaluation of the Mexican peso.

Sales By Region For Six Months Ended June 30

Region	1995	1996	% Change
North America	$3,129	$3,083	(1)
Europe	427	555	30
South America	244	263	8
Asia Pacific	93	92	(1)

Revenue from lease financing and other income increased $18 in 1996. DCC'S lease-related revenue increased $11 due to higher average asset levels while sales of fixed assets and investments within Dana's manufacturing operations also contributed to the increase.

Dana's gross margin for the first six months of 1996 was 15.4%, comparable to 15.5% for 1995. U.S. margins were improved over 1995 while those of international operations were lower, principally due to the Company's operations in South America.

S,G&A increased $36 or 11% in 1996. The increase is due in part to the newly acquired operations.

Interest expense increased $5, as the financing of capital expenditures, lease financing assets, acquisitions and working capital needs resulted in higher average debt levels, particularly in the first quarter.

Dana's effective tax rate for the first half of 1996 was 37% compared to 40% for 1995's first six months. The U.S. state and local rate was lower in 1996, as was the rate of the Company's Brazilian operations. Additionally, the rate is marginally lower due to utilization of some capital loss carry-forwards during the second quarter in 1996.

Minority interest in net income of subsidiaries decreased $5, primarily due to the lower earnings recorded by Dana's majority owned affiliates in Brazil and Taiwan.

ITEM 2. (Continued)

Results of Operations (Six Months 1996 vs Six Months 1995)

Equity in earnings of affiliates was higher in 1996 than 1995, due to the devaluation of the Mexican peso, which resulted in a charge against earnings in the first quarter of 1995.

Third quarter 1996 production schedules of U.S. light truck and sport utility vehicles remain strong with the full year expected to approximate 1995's record levels. Based upon assessment of lower demand and more than adequate inventory levels, U.S. heavy truck production is anticipated to remain depressed in the second half of 1996. Dana's U.S. aftermarket sales for the balance of the year are expected to be at, or slightly above, 1995's sales. Based on these trends, total U.S. sales are anticipated to be about equal to 1995's. Global expansion of core products such as axles, driveshafts, gaskets, and filters are expected to produce more rapid sales growth in other regions of the world and this should allow Dana's overall growth to continue during the second half of 1996.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

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

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

1. IN THE MATTER OF DANA CORPORATION, BOSTON WEATHERHEAD DIVISION. In 1994, the United States Environmental Protection Agency, Region 6 ("USEPA 6") issued an administrative Complaint, Compliance Order and Notice of Opportunity for Hearing to the Company in connection with alleged violations of the federal Resource Conservation and Recovery Act ("RCRA") by the Company's plant in Vinita, Oklahoma. The alleged violations included, among others, the plant's failure to manage and maintain hazardous waste containers, tanks and tank systems in accordance with RCRA requirements and record keeping violations in connection with the plants Contingency Plan. In the Compliance Order, USEPA 6 sought civil penalties of $576,640. Following negotiations, the Company and USEPA 6 reached an agreement to settle this case in the first quarter of 1996. In the second quarter, the settlement was finalized and on May 20,1996, the Company paid a civil penalty of $124,550.

In May 1996, the Company settled all remaining claims in the 1992 lawsuit, UNITED STATES V. DANA CORPORATION, without any finding of liability or admission of wrongdoing by Dana. In this suit, the Department of Justice, on behalf of the United States, had sued the Company, Warner Electric Brake and Clutch Company, Inc., and Beaver Precision Products, lnc.("Beaver"), in the U.S. District Court, Eastern District of Michigan under the federal False Claims Act and various common law theories. The complaint alleged overcharging on U.S. government contracts or subcontracts awarded to Beaver in the late 1970s and the 1980s. In 1995, Dana and the Department of Justice settled the claims relating to 16 government contracts included in the complaint without any finding of liability or admission of wrongdoing by Dana, and the Company paid the government $19.5 million, which included payment for the governments alleged damages, interest, and costs of investigation and litigation with respect to those claims. A tentative settlement relating to the remaining claims was reached in the fourth quarter of 1995 and finalized on May 31, 1996. Under terms of this settlement, the Company paid the government $10.175 million which included payment for alleged damages, interest and cost of investigation and litigation with respect to those claims.

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, 1996.

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 8, 1996 /s/ James E. Ayers

James E. Ayers
Chief Financial Officer

Duly Authorized Officer and
Principal Financial Officer.

EXHIBIT INDEX

Exhibit	
10-K	Supplemental Benefits Plan, amended effective January 1,1996
27	Financial Data Schedule

Exhibit 10(k)

DANA CORPORATION SUPPLEMENTAL BENEFITS PLAN

ARTICLE I

DEFINITIONS

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

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

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

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

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

1.3. "Change in Control" means a change in control of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A promulgated under the Securities Exchange Act of 1934 as in effect from time to time; provided that, without limitation, such a change in control shall be deemed to have occurred if and when (a) any "person" (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934) is or becomes a beneficial owner, directly or indirectly, of securities of the Company representing twenty percent (20%) or more of the combined voting power of the Company's then outstanding securities or (b) during any period of 24 consecutive months, commencing before or after the effective date of this Plan, individuals who at the beginning of such twenty-four month period were directors of the Company cease for any reason to constitute at least a majority of the Board of Directors of the Company. Notwithstanding anything to the contrary in this Plan, the term "person" referred to in clause (a) above of this Section 1.3 shall not include within its meaning, and shall not be deemed to include, for any purpose of this Plan, any employee benefit plan (or related trust) sponsored or maintained by the Company or any corporation controlled by the Company.

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

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

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

1.7. "Credited Service" means "Credited Service" as that term is defined in the Retirement Income Plan.

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

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

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

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

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

(b) bonuses and incentive payments paid (or that would have been paid, but for a deferral arrangement) to the Employee (provided, however, that with respect to 1994 and subsequent years' bonus awards under the Company's Additional Compensation Plan, only that portion of the Employee's bonus award as does not exceed 125% of his base salary will be considered) during any 3 calendar years out of the last 10 calendar years of active employment with the Company prior to retirement in which such sum was the highest, divided by 36.

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE II

PURPOSE OF THE PLAN

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

ARTICLE III

ELIGIBILITY

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

ARTICLE IV

BENEFITS

4.1. BASIC BENEFITS.

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

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

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

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

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

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

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

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

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

AGE	PERCENTAGE
64	100%
63	100%
62	100%
61	95%
60	90%
59	85%
58	80%
57	75%
56	70%
55	65%
54	60%
53	55%

52	50%
51	45%
50	40%

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

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

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

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

(d) If an Employee dies before the date as of which benefits are scheduled to be paid

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE V

AMENDMENT, TERMINATION AND INTERPRETATION

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

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

DANA CORPORATION SUPPLEMENTAL BENEFITS PLAN
APPENDIX A

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

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

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

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

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

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

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

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

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

YEAR IN WHICH INDIVIDUAL RETIRES	APPLICABLE PERCENTAGE
1996 - 1999	90%
2000 - 2004	80%
2005 - 2009	70%
After 2009	0%

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

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

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

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

A.4 FORM OF PAYMENT.

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

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

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

5
1,000

6-MOS
DEC-31-1996
JAN-01-1996
JUN-30-1996
54,700
0
1,201,200
0
836,800
0
3,448,800
1,735,700
5,863,000
0
1,343,700
101,700
0
0
1,177,600
5,863,00
3,993,200
4,105,700
3,377,300
3,377,300
0
0
75,500
280,900
103,400
0
0
0
0
170,200
1.68
0