

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

FORM 8-K

CURRENT REPORT
PURSUANT TO SEC. 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): July 17, 2002

Dana Corporation

(Exact name of registrant as specified in its charter)

Virginia

(State or other jurisdiction
of incorporation)

1-063

(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

ITEM 5. OTHER EVENTS AND REGULATION FD DISCLOSURE.

On July 17, 2002, Dana Corporation issued the news release that is attached to this report as Exhibit A to PR Newswire, for immediate release to national newspapers and news wire services.

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 thereunto duly authorized.

Dana Corporation

(Registrant)

Date: July 17, 2002

By: /s/ Michael L. DeBacker

Michael L. DeBacker
Vice President, General Counsel and
Secretary

(Dana Logo)
FOR IMMEDIATE RELEASE

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DANA CORPORATION REPORTS SECOND-QUARTER EARNINGS

Continued Progress Drives Earnings Improvement, Significant Cash Flow

TOLEDO, Ohio, July 17, 2002 - Dana Corporation (NYSE: DCN) announced improved second-quarter earnings today, largely due to the benefits of its restructuring actions.

Second-quarter sales were \$2.8 billion, comparable to sales for the same period last year. Net income totaled \$52 million, or 35 cents per share. This compares with net income of \$14 million, or 10 cents per share, during the second quarter of 2001, which included goodwill amortization of \$8 million after tax.

Net income this quarter included \$42 million of charges related to Dana's restructuring plan announced last October. These charges were partially offset by a \$27 million gain from the sale of selected subsidiaries of its Dana Credit Corporation (DCC) leasing services unit.

Exclusive of the non-recurring items, Dana's net income totaled \$67 million, or 45 cents per share, in line with its previously announced expectations. Net income during the second quarter of 2001, excluding non-recurring items, was \$26 million, or 17 cents per share.

"Operating income for the quarter doubled in comparison to last year on essentially the same level of sales. These improved results are primarily attributable to our restructuring initiatives," said Dana Chairman and CEO Joe Magliochetti. "This is particularly evident in our automotive aftermarket and engine parts operations, which have improved their performance significantly this quarter.

"In addition, light-duty and commercial-vehicle production remained strong during the quarter, exceeding our projections and further supporting our results," he said. "We also benefited from stronger earnings from affiliates and currency effects."

FIRST-HALF RECAP

Dana's six-month consolidated sales were \$5.3 billion, down slightly from \$5.5 billion in the same period last year. Excluding non-recurring items, net income was \$95 million, or 63 cents per share, compared with \$27 million, or 18 cents per share, in 2001.

The company adopted new accounting standard FAS 142, which resulted in an after-tax charge of \$220 million during the first quarter of 2002. Dana also recorded \$79 million in restructuring charges during the first six months of the year and benefited from a \$27 million gain on the sale of certain DCC subsidiaries. As a result, the reported net loss for the first six months of 2002 was \$177 million, or \$1.19 per share. In the same period last year, the reported net loss was \$13 million, or 8 cents per share, including net, non-recurring charges of \$40 million, or 26 cents per share, and goodwill amortization of \$15 million after tax.

RESTRUCTURING UPDATE

During the second quarter, Dana recorded after-tax charges of \$42 million related to its \$445 million restructuring plan announced last October, bringing the total charges recorded to date to \$358 million, or approximately 80 percent of the total anticipated program.

(more)

Among the elements of the restructuring are a workforce reduction of more than 15 percent and the planned closure or consolidation of more than 30 facilities. Through June 30, Dana had reduced its permanent workforce by approximately 8 percent, closed 14 facilities, and announced plans to close 14 others. The company expects to record substantially all of the charges and complete most of the actions related to this restructuring plan by the end of 2002.

STRONG CASH FLOW

During the second quarter, the company reported strong cash flow from operations due to improved working capital efficiencies and tight control of capital expenditures.

"Our operations continue to make outstanding progress on the working-capital front," said Chief Financial Officer Bob Richter, "and we now expect the total reduction in working capital for the year to be at least \$200 million. This, coupled with other cash from operating activities, divestitures, and asset sales, should allow us to reduce debt by more than \$500 million this year. This is even after allowing for up to \$300 million in cash payments for restructuring."

OUTLOOK

Commenting on the company's outlook for the balance of the year, Mr. Magliochetti said, "With regard to our markets, we now believe 2002 North American light-vehicle production will be about 15.8 million units. This reflects the stronger-than-expected first-half production, combined with our cautious forecast for volumes in the second half. Production is typically lower in the third and fourth quarters, and we remain concerned that significant sales may have been pulled forward as a result of light-vehicle incentives.

"On the commercial vehicle side, we now expect North American Class 8 vehicle builds to be 150,000 to 155,000 units for the full year," he added. "We saw about 80,000 units built during the first half of the year, largely due to pre-buying of Class 8 trucks. We expect that this will continue into the third quarter, with fourth-quarter demand being decidedly weaker.

"With all of this said, we expect to continue realizing benefits from our restructuring efforts," Mr. Magliochetti said. "As a result, we look to have a solid second half, with earnings per share in the range of 50 to 55 cents before non-recurring items. And, we expect to be very well positioned for a strong 2003."

QUARTERLY CONFERENCE CALL SCHEDULED TODAY AT 10 A.M. EDT

Dana will discuss its second-quarter results in a conference call at 10 a.m. (EDT) today. The call may be accessed via Dana's web site (www.dana.com), where it will be accompanied by a slide presentation, or by dialing (800) 275-3210. Please dial into the conference 15 minutes prior to the call. An audio recording of this conference call will be available after 4 p.m. (EDT) today. To access this recording, please dial (800) 537-8823. A webcast replay of the call will be available at 6 p.m. today and is also accessible via the Dana web site.

Dana Corporation is a global leader in the design, engineering, and manufacture of value-added products and systems for automotive, commercial, and off-highway vehicle manufacturers and their related aftermarkets. The company employs approximately 70,000 people worldwide. Founded in 1904 and based in Toledo, Ohio, Dana operates hundreds of technology, manufacturing, and customer service facilities in 34 countries. The company reported sales of \$10.3 billion in 2001.

Certain statements contained herein (including our forecasts, beliefs, and expectations) constitute "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve assumptions, uncertainties, and risks, and Dana's actual results, performance, or achievements may differ materially from those expressed or implied in these statements. Among the factors that could affect Dana's actual results are the impact of national and international economic conditions (including additional adverse effects from terrorism or hostilities) on production and sales by the company and its vehicular customers; the company's ability to complete the sale of the Dana Credit Corporation businesses and other divestitures as contemplated; and the success and timing of the company's restructuring, cost reduction and cash management programs. Additional factors are contained in Dana's public filings with the Securities and Exchange Commission. Dana does not undertake to update any forward-looking statements contained herein.

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(IN MILLIONS, EXCEPT
PER SHARE AMOUNTS)

UNAUDITED

| | THREE MONTHS ENDED JUNE 30 | |
|--|----------------------------|----------|
| | 2001 | 2002 |
| Sales | \$ 2,768 | \$ 2,789 |
| Net income, excluding non-recurring items | \$ 26 | \$ 67 |
| Non-recurring items | | |
| Severance costs | (2) | (28) |
| Exit and other costs | (1) | (8) |
| Asset impairment charges | (1) | (6) |
| Gain (loss) on divestitures | (8) | 27 |
| | (12) | (15) |
| Net income, including non-recurring items | 14 | 52 |
| Basic earnings per share | | |
| Income before non-recurring items | \$ 0.17 | \$ 0.45 |
| Non-recurring items | (0.07) | (0.10) |
| Net income | 0.10 | 0.35 |
| Diluted earnings per share | | |
| Income before non-recurring items | \$ 0.17 | \$ 0.45 |
| Non-recurring items | (0.07) | (0.10) |
| Net income | 0.10 | 0.35 |
| Average shares outstanding - | | |
| For Basic EPS | 148 | 149 |
| For Diluted EPS | 149 | 149 |

| | SIX MONTHS ENDED JUNE 30 | |
|--|--------------------------|----------|
| | 2001 | 2002 |
| Sales | \$ 5,499 | \$ 5,310 |
| Net Income, excluding non-recurring items and effect of change in accounting | 27 | 95 |
| Non-recurring items | | |
| Severance costs | (9) | (41) |
| Exit and other costs | (6) | (17) |
| Asset impairment charges | (5) | (21) |
| Gain (loss) on divestitures | (20) | 27 |
| | (40) | (52) |
| Effect of change in accounting | | (220) |
| Net Loss, including non-recurring items and effect of change in accounting | (13) | (177) |
| Basic earnings per share | | |
| Income before non-recurring items and effect of change in accounting | 0.18 | 0.64 |
| Non-recurring items | (0.26) | (0.35) |
| Effect of change in accounting | | (1.48) |
| Net loss | (0.08) | (1.19) |
| Diluted earnings per share | | |
| Income before non-recurring items and effect of change in accounting | 0.18 | 0.63 |
| Non-recurring items | (0.26) | (0.34) |
| Effect of change in accounting | | (1.48) |
| Net loss | (0.08) | (1.19) |
| Average shares outstanding- | | |
| For Basic EPS | 148 | 149 |

DANA CORPORATION
STATEMENT OF INCOME (UNAUDITED)
JUNE 30, 2002
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

| | THREE MONTHS ENDED JUNE 30 | |
|--|----------------------------|----------|
| | 2001 | 2002 |
| | ----- | ----- |
| Net sales | \$ 2,768 | \$ 2,789 |
| Revenue from lease financing and other income | 29 | 77 |
| | ----- | ----- |
| | 2,797 | 2,866 |
| | ----- | ----- |
| Costs and expenses | | |
| Cost of sales | 2,414 | 2,447 |
| Selling, general and administrative expenses | 271 | 245 |
| Restructuring charges | 4 | 56 |
| Interest expense | 79 | 66 |
| | ----- | ----- |
| | 2,768 | 2,814 |
| | ----- | ----- |
| Income before income taxes | 29 | 52 |
| Estimated taxes on income | (16) | (12) |
| Minority interest | (4) | (3) |
| Equity in earnings of affiliates | 5 | 15 |
| | ----- | ----- |
| Net income | \$ 14 | \$ 52 |
| | ===== | ===== |
| Net income per common share - | | |
| Basic | \$ 0.10 | \$ 0.35 |
| Diluted | \$ 0.10 | \$ 0.35 |
| Average shares outstanding - | | |
| For Basic EPS | 148 | 149 |
| For Diluted EPS | 149 | 149 |

DANA CORPORATION
STATEMENT OF INCOME (UNAUDITED)
JUNE 30, 2002
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

| | SIX MONTHS ENDED JUNE 30 | |
|--|--------------------------|-----------|
| | 2001 | 2002 |
| | ----- | ----- |
| Net sales | \$ 5,499 | \$ 5,310 |
| Revenue from lease financing and other income | 51 | 130 |
| | ----- | ----- |
| | 5,550 | 5,440 |
| | ----- | ----- |
| Costs and expenses | | |
| Cost of sales | 4,857 | 4,683 |
| Selling, general and administrative expenses | 533 | 493 |
| Restructuring charges | 26 | 95 |
| Interest expense | 163 | 134 |
| | ----- | ----- |
| | 5,579 | 5,405 |
| | ----- | ----- |
| Income (loss) before income taxes | (29) | 35 |
| Estimated taxes on income | 7 | (16) |
| Minority interest | (5) | (9) |
| Equity in earnings of affiliates | 14 | 33 |
| | ----- | ----- |
| Net income (loss) before effect of change in accounting | (13) | 43 |
| Effect of change in accounting | -- | (220) |
| | ----- | ----- |
| Net loss | \$ (13) | \$ (177) |
| | ===== | ===== |
| Basic earnings (loss) per share | | |
| Income (loss) before effect of change in accounting | \$ (0.08) | \$ 0.29 |
| Effect of change in accounting | -- | (1.48) |
| | ----- | ----- |
| Net loss | \$ (0.08) | \$ (1.19) |
| | ===== | ===== |
| Diluted earnings (loss) per share | | |
| Income (loss) before effect of change in accounting | \$ (0.08) | \$ 0.29 |
| Effect of change in accounting | -- | (1.48) |
| | ----- | ----- |
| Net loss | \$ (0.08) | \$ (1.19) |
| | ===== | ===== |
| Average shares outstanding - | | |
| For Basic EPS | 148 | 149 |
| For Diluted EPS | 149 | 149 |

DANA CORPORATION
CONDENSED BALANCE SHEET
JUNE 30, 2002
(IN MILLIONS)

| ASSETS | DECEMBER 31 2001 | JUNE 30 2002 |
|--|---------------------|-----------------|
| ----- | ----- | ----- |
| Current assets | | |
| Cash and marketable securities | \$ 199 | \$ 318 |
| Accounts receivable | | |
| Trade | 1,371 | 1,702 |
| Other | 371 | 286 |
| Inventories | 1,299 | 1,234 |
| Other current assets | 557 | 576 |
| | ----- | ----- |
| Total current assets | 3,797 | 4,116 |
| | ----- | ----- |
| Property, plant and equipment, net | 3,133 | 3,028 |
| Investment in leases | 1,068 | 941 |
| Investments and other assets | 2,209 | 2,130 |
| | ----- | ----- |
| Total assets | \$10,207 | \$10,215 |
| | ===== | ===== |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| ----- | | |
| Accounts payable and other current liabilities | \$ 2,369 | \$ 2,600 |
| Notes payable | 1,120 | 754 |
| | ----- | ----- |
| Total current liabilities | 3,489 | 3,354 |
| | ----- | ----- |
| Long-term debt | 3,008 | 3,280 |
| Deferred employee benefits and other noncurrent liabilities | 1,640 | 1,727 |
| Minority interest | 112 | 105 |
| Shareholders' equity | 1,958 | 1,749 |
| | ----- | ----- |
| Total liabilities and shareholders' equity | \$10,207 | \$10,215 |
| | ===== | ===== |

DANA CORPORATION
CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
JUNE 30, 2002
(IN MILLIONS)

THREE MONTHS ENDED JUNE 30

| | 2001 | 2002 |
|---|--------|--------|
| | ----- | ----- |
| Net income | \$ 14 | \$ 52 |
| Depreciation and amortization | 135 | 121 |
| Asset impairment | 8 | 9 |
| Loss (gain) on divestitures | 8 | (29) |
| Working capital change | 30 | 53 |
| Other | 46 | (2) |
| | ----- | ----- |
| Net cash from operating activities | 241 | 204 |
| | ----- | ----- |
| Purchases of property, plant and equipment | (114) | (90) |
| Purchases of assets to be leased | (2) | |
| Payments received on leases | 9 | 16 |
| Net loans to customers | 25 | 17 |
| Acquisitions | (21) | |
| Divestitures | 11 | 82 |
| Other | 38 | 11 |
| | ----- | ----- |
| Net cash flows - investing activities | (54) | 36 |
| | ----- | ----- |
| Net change in short-term debt | (58) | (199) |
| Proceeds from long-term debt | 1 | 35 |
| Payments on long-term debt | (81) | (33) |
| Dividends paid | (46) | (2) |
| Other | | 2 |
| | ----- | ----- |
| Net cash flows - financing activities | (184) | (197) |
| | ----- | ----- |
| Net change in cash and cash equivalents | 3 | 43 |
| Cash and cash equivalents - beginning of period | 150 | 275 |
| | ----- | ----- |
| Cash and cash equivalents - end of period | \$ 153 | \$ 318 |
| | ===== | ===== |

DANA CORPORATION
CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
JUNE 30, 2002
(IN MILLIONS)

| | SIX MONTHS ENDED JUNE 30 | |
|---|--------------------------|---------|
| | 2001 | 2002 |
| | ----- | ----- |
| Net loss | \$ (13) | \$(177) |
| Depreciation and amortization | 271 | 242 |
| Change in accounting for goodwill | | 220 |
| Asset impairment | 8 | 30 |
| Loss (gain) on divestitures | 20 | (34) |
| Working capital change | 9 | 24 |
| Other | 58 | (30) |
| | ----- | ----- |
| Net cash from operating activities | 353 | 275 |
| | ----- | ----- |
| Purchases of property, plant and equipment | (238) | (165) |
| Purchases of assets to be leased | (32) | (26) |
| Payments received on leases | 19 | 25 |
| Net loans to customers | 85 | 14 |
| Acquisitions | (21) | |
| Divestitures | 26 | 92 |
| Other | 58 | 54 |
| | ----- | ----- |
| Net cash flows - investing activities | (103) | (6) |
| | ----- | ----- |
| Net change in short-term debt | 38 | (211) |
| Proceeds from long-term debt | 44 | 285 |
| Payments on long-term debt | (267) | (224) |
| Dividends paid | (92) | (3) |
| Other | 1 | 3 |
| | ----- | ----- |
| Net cash flows - financing activities | (276) | (150) |
| | ----- | ----- |
| Net change in cash and cash equivalents | (26) | 119 |
| Cash and cash equivalents - beginning of period | 179 | 199 |
| | ----- | ----- |
| Cash and cash equivalents - end of period | \$ 153 | \$ 318 |
| | ===== | ===== |

DANA CORPORATION
(INCLUDING DANA CREDIT CORPORATION ON THE EQUITY BASIS)
STATEMENT OF INCOME (UNAUDITED)
JUNE 30, 2002
(IN MILLIONS)

| | THREE MONTHS ENDED JUNE 30 | |
|---|----------------------------|----------|
| | 2001 | 2002 |
| | ----- | ----- |
| Net sales | \$ 2,768 | \$ 2,789 |
| Other income (expense) | (12) | 14 |
| | ----- | ----- |
| | 2,756 | 2,803 |
| | ----- | ----- |
| Costs and expenses | | |
| Cost of sales | 2,429 | 2,461 |
| Selling, general and administrative expenses | 245 | 215 |
| Restructuring charges | 4 | 56 |
| Interest expense | 49 | 45 |
| | ----- | ----- |
| | 2,727 | 2,777 |
| | ----- | ----- |
| Income before income taxes | 29 | 26 |
| Estimated taxes on income | (17) | (15) |
| Minority interest | (3) | (3) |
| Equity in earnings of affiliates | 5 | 44 |
| | ----- | ----- |
| Net income | \$ 14 | \$ 52 |
| | ===== | ===== |

DANA CORPORATION
(INCLUDING DANA CREDIT CORPORATION ON THE EQUITY BASIS)
STATEMENT OF INCOME (UNAUDITED)
JUNE 30, 2002
(IN MILLIONS)

| | SIX MONTHS ENDED JUNE 30 | |
|--|--------------------------|----------|
| | 2001 | 2002 |
| | ----- | ----- |
| Net sales | \$ 5,499 | \$ 5,310 |
| Other income (expense) | (25) | 28 |
| | ----- | ----- |
| | 5,474 | 5,338 |
| | ----- | ----- |
| Costs and expenses | | |
| Cost of sales | 4,890 | 4,712 |
| Selling, general and administrative expenses | 482 | 437 |
| Restructuring charges | 26 | 95 |
| Interest expense | 104 | 91 |
| | ----- | ----- |
| | 5,502 | 5,335 |
| | ----- | ----- |
| Income (loss) before income taxes | (28) | 3 |
| Estimated taxes on income | 6 | (15) |
| Minority interest | (5) | (9) |
| Equity in earnings of affiliates | 14 | 64 |
| | ----- | ----- |
| Income (loss) before effect of change in accounting | (13) | 43 |
| Effect of change in accounting | ----- | (220) |
| | ----- | ----- |
| Net loss | \$ (13) | \$ (177) |
| | ===== | ===== |

DANA CORPORATION
(INCLUDING DANA CREDIT CORPORATION ON THE EQUITY BASIS)
CONDENSED BALANCE SHEET (UNAUDITED)
JUNE 30, 2002
(IN MILLIONS)

| ASSETS | DECEMBER 31 | JUNE 30 |
|--|-------------|---------|
| ----- | 2001 | 2002 |
| ----- | ----- | ----- |
| Current assets | | |
| Cash and marketable securities | \$ 182 | \$ 301 |
| Accounts receivable | | |
| Trade | 1,371 | 1,702 |
| Other | 253 | 288 |
| Inventories | 1,299 | 1,234 |
| Other current assets | 518 | 517 |
| | ----- | ----- |
| Total current assets | 3,623 | 4,042 |
| | ----- | ----- |
| Property, plant and equipment, net | 2,778 | 2,680 |
| Investments and other assets | 2,164 | 2,074 |
| | ----- | ----- |
| Total assets | \$8,565 | \$8,796 |
| | ===== | ===== |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| ----- | | |
| Accounts payable and other | | |
| current liabilities | \$2,325 | \$2,650 |
| Notes payable | 617 | 370 |
| | ----- | ----- |
| Total current liabilities | 2,942 | 3,020 |
| | ----- | ----- |
| Long-term debt | 2,155 | 2,432 |
| Deferred employee benefits | | |
| and other noncurrent liabilities | 1,400 | 1,492 |
| Minority interest | 110 | 103 |
| Shareholders' equity | 1,958 | 1,749 |
| | ----- | ----- |
| Total liabilities and | | |
| shareholders' equity | \$8,565 | \$8,796 |
| | ===== | ===== |

DANA CORPORATION
(INCLUDING DANA CREDIT CORPORATION ON AN EQUITY BASIS)
CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
JUNE 30, 2002
(IN MILLIONS)

| | THREE MONTHS ENDED JUNE 30 | |
|---|----------------------------|--------|
| | 2001 | 2002 |
| | ----- | ----- |
| Net income | \$ 14 | \$ 52 |
| Depreciation and amortization | 108 | 97 |
| Asset impairment | 8 | 9 |
| Loss on divestitures | 8 | 2 |
| Working capital change | 25 | 58 |
| Other | 7 | (20) |
| | ----- | ----- |
| Net cash from operating activities | 170 | 198 |
| | ----- | ----- |
| Purchases of property, plant and equipment | (90) | (70) |
| Acquisitions | (21) | |
| Divestitures | 11 | 19 |
| Other | 14 | 1 |
| | ----- | ----- |
| Net cash flows - investing activities | (86) | (50) |
| | ----- | ----- |
| Net change in short-term debt | (7) | (91) |
| Payments on long-term debt | (20) | (11) |
| Dividends paid | (46) | (2) |
| Other | (1) | 2 |
| | ----- | ----- |
| Net cash flows - financing activities | (74) | (102) |
| | ----- | ----- |
| Net change in cash and cash equivalents | 10 | 46 |
| Cash and cash equivalents - beginning of period | 136 | 255 |
| | ----- | ----- |
| Cash and cash equivalents - end of period | \$ 146 | \$ 301 |
| | ===== | ===== |

DANA CORPORATION
(INCLUDING DANA CREDIT CORPORATION ON AN EQUITY BASIS)
CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
JUNE 30, 2002
(IN MILLIONS)

| | SIX MONTHS ENDED JUNE 30 | |
|---|--------------------------|---------|
| | 2001 | 2002 |
| | ----- | ----- |
| Net loss | \$ (13) | \$(177) |
| Depreciation and amortization | 219 | 195 |
| Change in accounting for goodwill | | 220 |
| Asset impairment | 8 | 30 |
| Loss (gain) on divestitures | 20 | (3) |
| Working capital change | (43) | 25 |
| Other | 31 | (39) |
| | ----- | ----- |
| Net cash from operating activities | 222 | 251 |
| | ----- | ----- |
| Purchases of property, plant and equipment | (164) | (134) |
| Acquisitions | (21) | |
| Divestitures | 26 | 29 |
| Other | 21 | (6) |
| | ----- | ----- |
| Net cash flows - investing activities | (138) | (111) |
| | ----- | ----- |
| Net change in short-term debt | 176 | (125) |
| Proceeds from long-term debt | 10 | 250 |
| Payments on long-term debt | (182) | (146) |
| Dividends paid | (92) | (3) |
| Other | 1 | 3 |
| | ----- | ----- |
| Net cash flows - financing activities | (87) | (21) |
| | ----- | ----- |
| Net change in cash and cash equivalents | (3) | 119 |
| Cash and cash equivalents - beginning of period | 149 | 182 |
| | ----- | ----- |
| Cash and cash equivalents - end of period | \$ 146 | \$ 301 |
| | ===== | ===== |

INVESTOR RELATIONS
Dana Corporation
Quarterly Financial Information (Unaudited)
For Six Months Ended June 30, 2002
(in millions)

| | EXTERNAL SALES | | INTER-SEGMENT SALES | | EBIT | |
|--------------------------------------|----------------|----------|---------------------|----------|------------|----------|
| | 01 | 02 | 01 | 02 | 01 | 02 |
| | -- | -- | -- | -- | -- | -- |
| Automotive Systems Group | \$ 1,993 | \$ 1,950 | \$ 66 | \$ 48 | \$ 139 | \$ 122 |
| Automotive Aftermarket Group | 1,310 | 1,310 | 7 | 7 | 6 | 64 |
| Engine and Fluid Management Group | 1,156 | 1,099 | 72 | 70 | 74 | 74 |
| Commercial Vehicle Systems | 623 | 570 | 48 | 57 | 22 | 30 |
| Off-Highway Systems Group | 343 | 335 | 15 | 9 | 23 | 24 |
| Dana Commercial Credit | | | | | | |
| Other | 74 | 46 | 14 | 8 | (109) | (117) |
| Goodwill Amortization | | | | | (18) | |
| Total Operations | 5,499 | 5,310 | 222 | 199 | 137 | 197 |
| Restructuring and nonrecurring items | | | | | (63) | (109) |
| Effect of Change in Accounting | | | | | | (289) |
| Consolidated | \$ 5,499 | \$ 5,310 | \$ 222 | \$ 199 | \$ 74 | \$ (201) |
| North America | \$ 4,148 | \$ 4,019 | \$ 49 | \$ 49 | \$ 214 | \$ 242 |
| Europe | 928 | 871 | 45 | 42 | 41 | 38 |
| South America | 260 | 251 | 41 | 89 | 9 | 31 |
| Asia Pacific | 163 | 169 | 1 | 1 | 1 | 6 |
| Dana Commercial Credit | | | | | | |
| Other | | | | | (110) | (120) |
| Goodwill Amortization | | | | | (18) | |
| Total Operations | 5,499 | 5,310 | 136 | 181 | 137 | 197 |
| Restructuring and nonrecurring items | | | | | (63) | (109) |
| Effect of Change in Accounting | | | | | | (289) |
| Consolidated | \$ 5,499 | \$ 5,310 | \$ 136 | \$ 181 | \$ 74 | \$ (201) |
| | OPERATING PAT | | NET PROFIT | | NET ASSETS | |
| | 01 | 02 | 01 | 02 | 01 | 02 |
| | -- | -- | -- | -- | -- | -- |
| Automotive Systems Group | \$ 92 | \$ 95 | \$ 47 | \$ 51 | \$ 1,830 | \$ 1,923 |
| Automotive Aftermarket Group | 4 | 39 | (31) | 5 | 1,594 | 1,234 |
| Engine and Fluid Management Group | 48 | 48 | 23 | 25 | 1,490 | 1,029 |
| Commercial Vehicle Systems | 13 | 18 | (4) | 2 | 367 | 290 |
| Off-Highway Systems Group | 14 | 15 | 7 | 8 | 424 | 380 |
| Dana Commercial Credit | 12 | 17 | 12 | 17 | 180 | 250 |
| Other | (141) | (137) | (12) | (13) | 214 | 65 |
| Goodwill Amortization | (15) | | (15) | | | |
| Total Operations | 27 | 95 | 27 | 95 | 6,099 | 5,171 |
| Restructuring and nonrecurring items | (40) | (52) | (40) | (52) | | |
| Effect of Change in Accounting | | (220) | | (220) | | |
| Consolidated | \$ (13) | \$ (177) | \$ (13) | \$ (177) | \$ 6,099 | \$ 5,171 |
| North America | \$ 127 | \$ 147 | \$ 39 | \$ 59 | \$ 4,079 | \$ 3,337 |
| Europe | 30 | 36 | 9 | 16 | 1,272 | 1,218 |
| South America | (4) | 19 | (11) | 14 | 538 | 355 |
| Asia Pacific | | 4 | (5) | (1) | 136 | 172 |
| Dana Commercial Credit | 12 | 17 | 12 | 17 | 180 | 250 |
| Other | (123) | (128) | (2) | (10) | (106) | (161) |
| Goodwill Amortization | (15) | | (15) | | | |
| Total Operations | 27 | 95 | 27 | 95 | 6,099 | 5,171 |
| Restructuring and nonrecurring items | (40) | (52) | (40) | (52) | | |
| Effect of Change in Accounting | | (220) | | (220) | | |

Consolidated

| | | | | | |
|---------------------------|----------------------------|---------------------------|----------------------------|----------------------------|----------------------------|
| ----- \$ (13) ----- | ----- \$ (177) ----- | ----- \$ (13) ----- | ----- \$ (177) ----- | ----- \$ 6,099 ----- | ----- \$ 5,171 ----- |
|---------------------------|----------------------------|---------------------------|----------------------------|----------------------------|----------------------------|

See Note 13 to Dana's 2001 Annual Report for further information (www.Dana.Com)

FOR MORE INFORMATION

(www.Dana.Com) - Dial-For-Dana U.S. or Canada 800-537-8823; OH 800-472-8810

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Dana Investor Relations 419-535-4635

INVESTOR RELATIONS
Dana Corporation
Quarterly Financial Information (Unaudited)
Q2 - 2002
(in millions)

| | EXTERNAL SALES | | INTER-SEGMENT SALES | | EBIT | |
|--------------------------------------|----------------|----------|---------------------|--------|--------|--------|
| | 01 | 02 | 01 | 02 | 01 | 02 |
| Automotive Systems Group | \$ 1,022 | \$ 1,014 | \$ 32 | \$ 26 | \$ 82 | \$ 71 |
| Automotive Aftermarket Group | 673 | 684 | 4 | 4 | 18 | 41 |
| Engine and Fluid Management Group | 570 | 570 | 36 | 36 | 36 | 45 |
| Commercial Vehicle Systems | 302 | 320 | 25 | 31 | 13 | 23 |
| Off-Highway Systems Group | 165 | 177 | 7 | 2 | 10 | 14 |
| Dana Commercial Credit | | | | | | |
| Other | 36 | 24 | 7 | 3 | (57) | (62) |
| Goodwill Amortization | | | | | (9) | |
| Total Operations | 2,768 | 2,789 | 111 | 102 | 93 | 132 |
| Restructuring and nonrecurring items | | | | | (17) | (63) |
| Effect of Change in Accounting | | | | | | |
| Consolidated | \$ 2,768 | \$ 2,789 | \$ 111 | \$ 102 | \$ 76 | \$ 69 |
| North America | \$ 2,114 | \$ 2,119 | \$ 22 | \$ 23 | \$ 133 | \$ 150 |
| Europe | 439 | 448 | 22 | 21 | 18 | 16 |
| South America | 133 | 130 | 22 | 47 | 7 | 23 |
| Asia Pacific | 82 | 92 | 1 | | | 4 |
| Dana Commercial Credit | | | | | | |
| Other | | | | | (56) | (61) |
| Goodwill Amortization | | | | | (9) | |
| Total Operations | 2,768 | 2,789 | 67 | 91 | 93 | 132 |
| Restructuring and nonrecurring items | | | | | (17) | (63) |
| Effect of Change in Accounting | | | | | | |
| Consolidated | \$ 2,768 | \$ 2,789 | \$ 67 | \$ 91 | \$ 76 | \$ 69 |

| | OPERATING PAT | | NET PROFIT | | NET ASSETS | |
|--------------------------------------|---------------|-------|------------|-------|------------|----------|
| | 01 | 02 | 01 | 02 | 01 | 02 |
| Automotive Systems Group | \$ 52 | \$ 54 | \$ 30 | \$ 32 | \$ 1,830 | \$ 1,923 |
| Automotive Aftermarket Group | 11 | 25 | (6) | 8 | 1,594 | 1,234 |
| Engine and Fluid Management Group | 23 | 29 | 11 | 17 | 1,490 | 1,029 |
| Commercial Vehicle Systems | 7 | 14 | (1) | 5 | 367 | 290 |
| Off-Highway Systems Group | 6 | 9 | 3 | 5 | 424 | 380 |
| Dana Commercial Credit | 6 | 7 | 6 | 7 | 180 | 250 |
| Other | (71) | (71) | (9) | (7) | 214 | 65 |
| Goodwill Amortization | (8) | | (8) | | | |
| Total Operations | 26 | 67 | 26 | 67 | 6,099 | 5,171 |
| Restructuring and nonrecurring items | (12) | (15) | (12) | (15) | | |
| Effect of Change in Accounting | | | | | | |
| Consolidated | \$ 14 | \$ 52 | \$ 14 | \$ 52 | \$ 6,099 | \$ 5,171 |
| North America | \$ 81 | \$ 91 | \$ 38 | \$ 47 | \$ 4,079 | \$ 3,337 |
| Europe | 10 | 16 | 1 | 7 | 1,272 | 1,218 |
| South America | | 14 | (4) | 11 | 538 | 355 |
| Asia Pacific | (1) | 3 | (3) | | 136 | 172 |
| Dana Commercial Credit | 6 | 7 | 6 | 7 | 180 | 250 |
| Other | (62) | (64) | (4) | (5) | (106) | (161) |
| Goodwill Amortization | (8) | | (8) | | | |
| Total Operations | 26 | 67 | 26 | 67 | 6,099 | 5,171 |
| Restructuring and nonrecurring items | (12) | (15) | (12) | (15) | | |
| Effect of Change in Accounting | | | | | | |
| Consolidated | \$ 14 | \$ 52 | \$ 14 | \$ 52 | \$ 6,099 | \$ 5,171 |

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