
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): April 20, 2005

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

(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 2.02. Results of Operations and Financial Condition.

On April 20, 2005, Dana Corporation (Dana) issued a news release regarding its earnings for the fiscal quarter ended March 31, 2005. A copy of that release is furnished as Exhibit 99.1 to this Current Report.

The earnings release includes tables showing (i) Dana Corporation (Including Dana Credit Corporation on an Equity Basis), Condensed Statements of Income (Unaudited) for the Three Months Ended March 31, 2005 and 2004; (ii) Dana Corporation (Including Dana Credit Corporation on an Equity Basis), Condensed Balance Sheets (Unaudited) as of March 31, 2005 and December 31, 2004; and (iii) Dana Corporation (Including Dana Credit Corporation on an Equity Basis), Cash Flow Impacts on Net Debt (Unaudited) for the Three Months Ended March 31, 2005 and 2004. As accounting principles generally accepted in the United States (GAAP) require that Dana Credit Corporation (DCC) be included in Dana's results on a consolidated basis, these tables contain non-GAAP financial measures. For each of these tables, the earnings release also includes (i) a presentation of the most directly comparable financial measures calculated and presented in accordance with GAAP and (ii) a quantitative reconciliation of the differences between the non-GAAP financial measures disclosed and the most directly comparable GAAP financial measures. Management believes that the presentation of the non-GAAP financial measures provides useful information to investors regarding Dana's financial condition and results of operations because management evaluates Dana's operating segments and regions as if DCC were accounted for on the equity method of accounting. This is done because DCC is not homogenous with Dana's manufacturing operations, its financing activities do not support the sales of the other operating segments and its financial and performance measures are inconsistent with those of the other operating segments. Moreover, the financial covenants contained in Dana's long-term bank facility are measured with DCC accounted for on an equity basis.

Item 7.01. Regulation FD Disclosure.

During a conference call scheduled to be held at 10:00 a.m. EDT on April 20, 2005, Dana's Chairman and Chief Executive Officer, Michael J. Burns, and Chief Financial Officer, Robert C. Richter, will discuss Dana's first quarter 2005 results. Copies of the slides for this presentation are furnished as Exhibit 99.2 to this Current Report.

Certain of the slides in Exhibit 99.2 include financial measures which are not presented in accordance with GAAP. These include (i) slide 3 (which presents net income excluding unusual items and earnings per share excluding unusual items); and (ii) slides 13, 14, 15 and 16 (which include DCC on an equity basis). Slides 28 and 29 of the presentation; Item 2.02, above; and Dana's earnings release in the attached Exhibit 99.1 also contain information about the reconciliation of some of these non-GAAP financial measures to comparable GAAP financial measures and an explanation of why management believes the non-GAAP financial measures provide useful information to investors.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

99.1 Press release dated April 20, 2005 (furnished but not filed)

99.2 Slides for April 20, 2005 conference call (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: April 20, 2005

By: /s/ Robert C. Richter
Name: Robert C. Richter
Title: Chief Financial Officer

Exhibit Index

99.1 Press release dated April 20, 2005

99.2 Slide presentation for April 20, 2005 conference call

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DANA CORPORATION REPORTS FIRST-QUARTER RESULTS

TOLEDO, Ohio – April 20, 2005 – Dana Corporation (NYSE: DCN) today announced that its 2005 first-quarter sales were \$2.5 billion, compared to \$2.3 billion during the same period last year. Net income for the quarter totaled \$18 million, or 12 cents per share, versus \$65 million, or 43 cents per share, for the period in 2004.

First-quarter 2004 net income included \$13 million from the discontinued automotive aftermarket businesses that were sold in November, 2004. Additionally, first-quarter 2004 net income included \$2 million of unusual net gains from the sale of Dana Credit Corporation assets, while unusual transactions in the first quarter of 2005 did not have a significant impact on net income.

Dana Chairman and CEO Mike Burns said 2005 first-quarter earnings were impacted by several external factors. “The single greatest factor impacting our earnings was roughly \$32 million in additional steel costs that we incurred compared to the first quarter of 2004,” he said. “This is an after-tax number and is net of what we’ve recovered from our customers.

“In addition, this year’s results were affected by a component shortage from a principal supplier, which resulted in reduced shipments of heavy-duty axles in March,” Mr. Burns said. “The component shortage also affected the operating efficiency in our Heavy Vehicle group and led to significantly higher levels of inventory on other related components.

“Finally, the performance of our Automotive Systems Group was impacted by lower production on many of our key light vehicle platforms in North America.

“Against this challenging backdrop, we are stepping up our focus on those items within our control,” Mr. Burns said. “This means accelerating our cost-reduction actions to deliver savings to the bottom line, despite external challenges. We are also working hard to grow our top line. During the quarter, we were awarded net new business that will add approximately \$60 million to full-year 2005 sales.”

(more)

Recent Actions Position Dana for Long-Term Success

Mr. Burns said Dana has also taken several recent actions that position the company to further leverage its capabilities and achieve success over the longer term:

- In February, Dana's principal Brazilian subsidiary, Dana-Albarus, initiated a tender offer in Brazil for the 15.8 percent of its outstanding shares not held by Dana. Completion of this offer will enable Dana to consolidate all profits from this business, while at the same time saving the administrative costs associated with operating a separate public company.
- In March, Dana announced an agreement to form a 50/50 joint venture in China – Dongfeng Dana Axle Co. Ltd. The joint venture is expected to be established in the third quarter of this year, following government approvals. Dana will initially have a \$60 million net investment in the joint venture, which will provide axles – and potentially other driveline products – for the growing Chinese commercial vehicle market.
- Earlier this month, Dana and IBM announced an agreement for IBM Business Consulting Services to provide Dana with administrative services in the human resources area, such as payroll and benefits, compensation, and recruitment and training. This move is designed to improve Dana's flexibility in managing its human resource processes, as well as to deliver cost savings over the 10-year life of the contract.

Outlook

Commenting on the company's near-term outlook, Mr. Burns said, "Our full-year guidance remains \$1.30 to \$1.45 per share."

He continued, "As we put the recent component shortage behind us, and address other operational issues that have held back margin expansion in the Heavy Vehicle group over the past two quarters, we expect to more fully benefit over the remainder of the year from the strong demand anticipated in the North American commercial vehicle market.

"In the case of the Automotive Systems Group, the dominant issue has been the effect of higher steel prices," Mr. Burns added. "The good news is that the market price for raw steel has decreased in recent months and demand appears to be moderating. Although the price we pay for forgings and other parts with high steel content has been slow to follow the decrease for a variety of reasons, we remain hopeful that we'll see less pressure on steel and other material price increases during the balance of the year. Therefore, if light-duty production schedules for the balance of the year do not change significantly, we expect that our accelerated cost reduction efforts will lead to improved performance in this group as well."

(more)

Quarterly Conference Call Scheduled Today at 10 a.m.

Dana will discuss its first-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 brief slide presentation, or by dialing (800) 275-3210. Please dial into the conference five minutes prior to the call. An audio recording of this conference call will be available after 2 p.m. today. To access this recording, please dial (800) 537-8823. A webcast replay of the call will be available after 4 p.m. today and will be accessible via the Dana web site.

Dana people design and manufacture products for every major vehicle producer in the world. Dana is focused on being an essential partner to automotive, commercial, and off-highway vehicle customers, which collectively produce more than 60 million vehicles annually. A leading supplier of axle, driveshaft, engine, frame, chassis, and transmission technologies, Dana employs 46,000 people in 28 countries. Based in Toledo, Ohio, the company reported sales of \$9.1 billion in 2004. Dana's Internet address is: www.dana.com.

Forward-Looking Statements

Certain statements contained in this release constitute "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements represent Dana's expectations based on our current information and assumptions. Forward-looking statements are inherently subject to risks and uncertainties. Dana's actual results could differ materially from those that are anticipated or projected due to a number of factors. These factors include: national and international economic conditions; adverse effects from terrorism or hostilities; the strength of other currencies relative to the U.S. dollar; increases in commodity costs, including steel, that cannot be recouped in product pricing; our ability and that of our customers to achieve projected sales and production levels; the continued availability of necessary goods and services from our suppliers; competitive pressures on our sales and pricing; the success of our cost reduction and cash management programs, long-term transformation, and U.S. tax loss carryforward utilization strategies; our ability to finalize the Brazilian tender offer and Dongfeng joint venture as contemplated; our ability to realize expected cost savings under the IBM agreement; and other factors set out in our public filings with the Securities and Exchange Commission. Dana does not undertake to update any forward-looking statements in this release.

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Dana Corporation
Financial Summary (Unaudited)
(in millions, except per share amounts)

	Three Months Ended March 31	
	2005	2004
Sales	\$ 2,488	\$ 2,311
Income from continuing operations	\$ 18	\$ 52
Income from discontinued operations	—	13
Net income	\$ 18	\$ 65
Income from continuing operations	\$ 18	\$ 52
Less — Net gains from sales of DCC assets		(2)
Income from continuing operations, excluding unusual items	\$ 18	\$ 50
Income from discontinued operations	\$ —	\$ 13
Diluted earnings per share:		
Income from continuing operations	\$ 0.12	\$ 0.34
Income from discontinued operations		0.09
Net income	\$ 0.12	\$ 0.43
Income from continuing operations, excluding unusual items	\$ 0.12	\$ 0.33
Income from discontinued operations, excluding unusual items		0.09
Net income, excluding unusual items	0.12	0.42
Unusual items		0.01
Net income	\$ 0.12	\$ 0.43

Dana Corporation
Condensed Statement of Income (Unaudited)
(in millions, except per share amounts)

	Three Months Ended March 31	
	2005	2004
Net sales	\$ 2,488	\$ 2,311
Revenue from lease financing and other income (expense)	32	14
	<u>2,520</u>	<u>2,325</u>
Costs and expenses		
Cost of sales	2,327	2,105
Selling, general and administrative expenses	136	134
Interest expense	43	51
	<u>2,506</u>	<u>2,290</u>
Income before income taxes	14	35
Income tax benefit		3
Minority interest	(3)	(3)
Equity in earnings of affiliates	7	17
Income from continuing operations	18	52
Income from discontinued operations		13
Net income	\$ 18	\$ 65
Basic earnings per share		
Income from continuing operations	\$ 0.12	\$ 0.35
Income from discontinued operations		0.09
Net income	\$ 0.12	\$ 0.44
Diluted earnings per share		
Income from continuing operations	\$ 0.12	\$ 0.34
Income from discontinued operations		0.09
Net income	\$ 0.12	\$ 0.43
Average shares outstanding -		
For Basic EPS	149	148
For Diluted EPS	151	150

Dana Corporation
Condensed Balance Sheet (Unaudited)
(in millions)

Assets	March 31 2005	December 31 2004
Current assets		
Cash and cash equivalents	\$ 590	\$ 634
Accounts receivable		
Trade	1,479	1,266
Other	379	444
Inventories	977	907
Other current assets	256	217
Total current assets	3,681	3,468
Investment in leases	277	281
Investments and other assets	3,025	3,145
Property, plant and equipment, net	2,106	2,153
Total assets	\$ 9,089	\$ 9,047
Liabilities and Shareholders' Equity		
Current liabilities		
Notes payable	\$ 305	\$ 155
Accounts payable	1,407	1,317
Other current liabilities	1,138	1,217
Total current liabilities	2,850	2,689
Long-term debt	2,045	2,054
Deferred employee benefits and other noncurrent liabilities	1,689	1,746
Minority interest	126	123
Shareholders' equity	2,379	2,435
Total liabilities and shareholders' equity	\$ 9,089	\$ 9,047

Dana Corporation
Condensed Statement of Cash Flows (Unaudited)
(in millions)

	Three Months Ended March 31	
	2005	2004
Net income	\$ 18	\$ 65
Depreciation and amortization	83	93
Gain on divestitures and asset sales	(1)	(4)
Working capital increase	(266)	(222)
Other	(37)	6
Net cash flows — operating activities	<u>(203)</u>	<u>(62)</u>
Purchases of property, plant and equipment	(70)	(79)
Payments received on leases and loans	4	4
Asset sales	35	103
Proceeds from partnership distributions	64	6
Other	1	(5)
Net cash flows — investing activities	<u>34</u>	<u>29</u>
Net change in short-term debt	164	115
Proceeds from long-term debt		5
Payments on long-term debt	(20)	(259)
Dividends paid	(18)	(18)
Other	(1)	5
Net cash flows — financing activities	<u>125</u>	<u>(152)</u>
Net change in cash and cash equivalents	(44)	(185)
Cash and cash equivalents — beginning of period	634	731
Cash and cash equivalents — end of period	<u>\$ 590</u>	<u>\$ 546</u>

Dana Corporation
(Including Dana Credit Corporation on an Equity Basis)
Condensed Statement of Income (Unaudited)
(in millions)

	Three Months Ended March 31	
	<u>2005</u>	<u>2004</u>
Net sales	\$ 2,488	\$ 2,311
Other income (expense)	18	7
	<u>2,506</u>	<u>2,318</u>
Costs and expenses		
Cost of sales	2,331	2,114
Selling, general and administrative expenses	129	120
Interest expense	35	38
	<u>2,495</u>	<u>2,272</u>
Income before income taxes	11	46
Income tax expense		(11)
Minority interest	(3)	(3)
Equity in earnings of affiliates	<u>10</u>	<u>20</u>
Income from continuing operations	18	52
Income from discontinued operations		<u>13</u>
Net income	<u>\$ 18</u>	<u>\$ 65</u>

Dana Corporation
(Including Dana Credit Corporation on an Equity Basis)
Condensed Balance Sheet (Unaudited)
(in millions)

Assets	March 31 2005	December 31 2004
Current assets		
Cash and cash equivalents	\$ 564	\$ 619
Accounts receivable		
Trade	1,479	1,266
Other	380	445
Inventories	977	907
Other current assets	234	192
Total current assets	3,634	3,429
Investments and other assets	3,310	3,337
Property, plant and equipment, net	1,969	2,015
Total assets	\$ 8,913	\$ 8,781
Liabilities and Shareholders' Equity		
Current liabilities		
Notes payable	\$ 504	\$ 289
Accounts payable	1,407	1,317
Other current liabilities	1,212	1,269
Total current liabilities	3,123	2,875
Long-term debt	1,604	1,611
Deferred employee benefits and other noncurrent liabilities	1,683	1,739
Minority interest	124	121
Shareholders' equity	2,379	2,435
Total liabilities and shareholders' equity	\$ 8,913	\$ 8,781

Dana Corporation
(Including Dana Credit Corporation on an Equity Basis)
Cash Flow Impact on Net Debt (Unaudited)
(in millions)

	Three Months Ended March 31	
	2005	2004
Sources		
Net income	\$ 18	\$ 65
Depreciation	78	83
Asset sales	19	14
Working capital increase	(250)	(180)
	<u>(135)</u>	<u>(18)</u>
Uses		
Capital spend	(70)	(76)
Dividends	(18)	(18)
Restructuring cash payments	(8)	(23)
Net changes in other accounts	(36)	14
	<u>(132)</u>	<u>(103)</u>
Cash change in net debt	<u>\$ (267)</u>	<u>\$ (121)</u>

Dana Corporation
Condensed Consolidating Statement of Income (Unaudited)
(in millions)

	Three Months Ended March 31, 2005			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Net sales	\$ 2,488	\$	\$	\$ 2,488
Other income (expense)	18	23	(9)	32
	<u>2,506</u>	<u>23</u>	<u>(9)</u>	<u>2,520</u>
Costs and expenses				
Cost of sales	2,331		(4)	2,327
Selling, general and administrative expenses	129	10	(3)	136
Interest expense	35	10	(2)	43
	<u>2,495</u>	<u>20</u>	<u>(9)</u>	<u>2,506</u>
Income before income taxes	11	3	—	14
Income tax expense				—
Minority interest	(3)			(3)
Equity in earnings of affiliates	10	5	(8)	7
Net income	<u>\$ 18</u>	<u>\$ 8</u>	<u>\$ (8)</u>	<u>\$ 18</u>

This consolidating statement provides a reconciliation of the amounts presented for Dana with Dana Credit Corporation (DCC) on an equity basis to amounts reported for Dana Corporation on a fully consolidated basis.

Dana Corporation
Condensed Consolidating Statement of Income (Unaudited)
(in millions)

	Three Months Ended March 31, 2004			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Net sales	\$ 2,311	\$	\$	\$ 2,311
Other income (expense)	7	22	(15)	14
	<u>2,318</u>	<u>22</u>	<u>(15)</u>	<u>2,325</u>
Costs and expenses				
Cost of sales	2,114		(9)	2,105
Selling, general and administrative expenses	120	20	(6)	134
Interest expense	38	13		51
	<u>2,272</u>	<u>33</u>	<u>(15)</u>	<u>2,290</u>
Income (loss) before income taxes	46	(11)	—	35
Income tax benefit (expense)	(11)	14		3
Minority interest	(3)			(3)
Equity in earnings of affiliates	20	6	(9)	17
Income from continuing operations	52	9	(9)	52
Income from discontinued operations	13			13
Net income	<u>\$ 65</u>	<u>\$ 9</u>	<u>\$ (9)</u>	<u>\$ 65</u>

This consolidating statement provides a reconciliation of the amounts presented for Dana with Dana Credit Corporation (DCC) on an equity basis to amounts reported for Dana Corporation on a fully consolidated basis.

Dana Corporation
Condensed Consolidating Balance Sheet (Unaudited)
(in millions)

	March 31, 2005			
Assets	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Current assets				
Cash and cash equivalents	\$ 564	\$ 26	\$	\$ 590
Accounts receivable				
Trade	1,479			1,479
Other	380	262	(263)	379
Inventories	977			977
Other current assets	234	151	(129)	256
Total current assets	3,634	439	(392)	3,681
Investment in leases		406	(129)	277
Investments and other assets	3,310	402	(687)	3,025
Property, plant and equipment, net	1,969	8	129	2,106
Total assets	\$ 8,913	\$ 1,255	\$ (1,079)	\$ 9,089
Liabilities and Shareholders' Equity				
Current liabilities				
Notes payable	\$ 504	\$ 57	\$ (256)	\$ 305
Accounts payable	1,407			1,407
Other current liabilities	1,212	63	(137)	1,138
Total current liabilities	3,123	120	(393)	2,850
Long-term debt	1,604	441		2,045
Deferred employee benefits and other noncurrent liabilities	1,683	334	(328)	1,689
Minority interest	124	2		126
Shareholders' equity	2,379	358	(358)	2,379
Total liabilities and shareholders' equity	\$ 8,913	\$ 1,255	\$ (1,079)	\$ 9,089

This consolidating statement provides a reconciliation of the amounts presented for Dana with Dana Credit Corporation (DCC) on an equity basis to amounts reported for Dana Corporation on a fully consolidated basis.

Dana Corporation
Condensed Consolidating Balance Sheet (Unaudited)
(in millions)

Assets	December 31, 2004			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Current assets				
Cash and cash equivalents	\$ 619	\$ 15	\$	\$ 634
Accounts receivable				
Trade	1,266			1,266
Other	445	208	(209)	444
Inventories	907			907
Other current assets	192	137	(112)	217
Total current assets	3,429	360	(321)	3,468
Investment in leases		411	(130)	281
Investments and other assets	3,337	467	(659)	3,145
Property, plant and equipment, net	2,015	8	130	2,153
Total assets	\$ 8,781	\$ 1,246	\$ (980)	\$ 9,047
Liabilities and Shareholders' Equity				
Current liabilities				
Notes payable	\$ 289	\$ 68	\$ (202)	\$ 155
Accounts payable	1,317			1,317
Other current liabilities	1,269	67	(119)	1,217
Total current liabilities	2,875	135	(321)	2,689
Long-term debt	1,611	443		2,054
Deferred employee benefits and other noncurrent liabilities	1,739	316	(309)	1,746
Minority interest	121	2		123
Shareholders' equity	2,435	350	(350)	2,435
Total liabilities and shareholders' equity	\$ 8,781	\$ 1,246	\$ (980)	\$ 9,047

This consolidating statement provides a reconciliation of the amounts presented for Dana with Dana Credit Corporation (DCC) on an equity basis to amounts reported for Dana Corporation on a fully consolidated basis.

Dana Corporation
Consolidating Cash Flow Impact on Net Debt (Unaudited)
(in millions)

	Three Months Ended March 31, 2005			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Sources				
Net income	\$ 18	\$ 8	\$ (8)	\$ 18
Depreciation	78	5		83
Asset sales	19	16		35
Working capital increase	(250)	(7)	(1)	(258)
	<u>(135)</u>	<u>22</u>	<u>(9)</u>	<u>(122)</u>
Uses				
Capital spend	(70)			(70)
Dividends	(18)			(18)
Restructuring cash payments	(8)			(8)
Net changes in other accounts	(36)	3	63	30
	<u>(132)</u>	<u>3</u>	<u>63</u>	<u>(66)</u>
Cash change in net debt	<u>\$ (267)</u>	<u>\$ 25</u>	<u>\$ 54</u>	<u>\$ (188)</u>
Analysis of components of increase (decrease) in net debt:				
Net change in short-term debt	\$ 218	\$	\$ (54)	\$ 164
Net payments on long-term debt	(6)	(14)		(20)
Change in cash	55	(11)		44
Cash change in net debt	267	(25)	(54)	188
Non-cash changes in net debt	(4)	1		(3)
Total change in net debt	<u>\$ 263</u>	<u>\$ (24)</u>	<u>\$ (54)</u>	<u>\$ 185</u>

This consolidating statement provides a reconciliation of the amounts presented for Dana with Dana Credit Corporation (DCC) on an equity basis to amounts presented for Dana Corporation on a fully consolidated basis.

Dana Corporation
Consolidating Cash Flow Impact on Net Debt (Unaudited)
(in millions)

	Three Months Ended March 31, 2004			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Sources				
Net income	\$ 65	\$ 9	\$ (9)	\$ 65
Depreciation	83	10		93
Asset sales	14	89		103
Working capital increase	(180)	(8)	(11)	(199)
	<u>(18)</u>	<u>100</u>	<u>(20)</u>	<u>62</u>
Uses				
Capital spend	(76)	(3)		(79)
Dividends	(18)			(18)
Restructuring cash payments	(23)			(23)
Net changes in other accounts	14	(22)	20	12
	<u>(103)</u>	<u>(25)</u>	<u>20</u>	<u>(108)</u>
Cash change in net debt	\$ (121)	\$ 75	\$ —	\$ (46)
Analysis of components of increase (decrease) in net debt:				
Net change in short-term debt	\$ 145	\$ (30)	\$ —	\$ 115
Net payments on long-term debt	(237)	(17)		(254)
Change in cash — continuing operations	213	(28)		185
Cash change in net debt	121	(75)	—	46
Non-cash changes in net debt	16	(27)		(11)
Total change in net debt	\$ 137	\$ (102)	\$ —	\$ 35

This consolidating statement provides a reconciliation of the amounts presented for Dana with Dana Credit Corporation (DCC) on an equity basis to amounts presented for Dana Corporation on a fully consolidated basis.

Investor Relations
Dana Corporation
Quarterly Financial Information (Unaudited)
For the Quarter Ended March 31, 2005
(in millions)

	External Sales		Inter-Segment Sales		EBIT		Operating PAT		Net Profit		Net Assets	
	05	04	05	04	05	04	05	04	05	04	05	04
Automotive Systems Group	\$ 1,810	\$ 1,712	\$ 37	\$ 45	\$ 59	\$ 103	\$ 40	\$ 71	\$ 5	\$ 40	\$ 3,169	\$ 3,031
Heavy Vehicle Technologies and Systems Group	674	578	8	9	40	39	25	24	8	10	746	637
Dana Commercial Credit							6	7	6	7	358	301
Other	4	21	1	2	(59)	(59)	(53)	(52)	(1)	(7)	9	(29)
Continuing Operations	2,488	2,311	46	56	40	83	18	50	18	50	4,282	3,940
Discontinued Operations						25		13		13		
Unusual Items Excluded from Performance Measurement					(2)	(1)		2		2		
Consolidated	<u>\$ 2,488</u>	<u>\$ 2,311</u>	<u>\$ 46</u>	<u>\$ 56</u>	<u>\$ 38</u>	<u>\$ 107</u>	<u>\$ 18</u>	<u>\$ 65</u>	<u>\$ 18</u>	<u>\$ 65</u>	<u>\$ 4,282</u>	<u>\$ 3,940</u>
North America	\$ 1,586	\$ 1,594	\$ 27	\$ 27	\$ 24	\$ 83	\$ 12	\$ 54	\$ (16)	\$ 25	\$ 2,308	\$ 2,165
Europe	532	438	42	30	38	30	26	22	16	14	1,223	1,136
South America	209	130	59	44	22	18	14	11	10	9	411	312
Asia Pacific	161	149	5	1	10	8	7	5	3	2	206	183
Dana Commercial Credit							6	7	6	7	358	301
Other					(54)	(56)	(47)	(49)	(1)	(7)	(224)	(157)
Continuing Operations	2,488	2,311	133	102	40	83	18	50	18	50	4,282	3,940
Discontinued Operations						25		13		13		
Unusual Items Excluded from Performance Measurement					(2)	(1)		2		2		
Consolidated	<u>\$ 2,488</u>	<u>\$ 2,311</u>	<u>\$ 133</u>	<u>\$ 102</u>	<u>\$ 38</u>	<u>\$ 107</u>	<u>\$ 18</u>	<u>\$ 65</u>	<u>\$ 18</u>	<u>\$ 65</u>	<u>\$ 4,282</u>	<u>\$ 3,940</u>
Information for Discontinued Operations		510		4								945

FOR MORE INFORMATION

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Dana Corporation

First-Quarter 2005 Results

April 20, 2005

Certain statements contained in this presentation constitute "forward-looking" statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements represent Dana's expectations based on our current information and assumptions. Forward-looking statements are inherently subject to risks and uncertainties. Dana's actual results could differ materially from those that are anticipated or projected due to a number of factors. These factors include: national and international economic conditions; adverse effects from terrorism or hostilities; the strength of other currencies relative to the U.S. dollar; increases in commodity costs, including steel, that cannot be recouped in product pricing; our ability and that of our customers to achieve projected sales and production levels; the continued availability of necessary goods and services from our suppliers; competitive pressures on our sales and pricing; the success of our cost reduction and cash management programs, long-term transformation, and U.S. tax loss carryforward utilization strategies; our ability to finalize the Brazilian tender offer and Dongfeng joint venture as contemplated; our ability to realize expected cost savings under the IBM agreement; and other factors set out in our public filings with the Securities and Exchange Commission. Dana does not undertake to update any forward-looking statements in this presentation.

Agenda

- ▶ **First-Quarter Overview** **Mike Burns**
 - Financial summary
 - Operational review
- ▶ **Detailed Financial Review** **Bob Richter**
 - First-quarter results
 - 2005 guidance
- ▶ **Wrap-Up** **Mike Burns**

Financial Overview

(\$ Millions, except per share data)

	<u>Q1 - 2005</u>	<u>Q1 -2004</u>
Sales	\$ 2,488	\$ 2,311
Net Income	\$ 18	\$ 65
Earnings per share	\$ 0.12	\$ 0.43
Net income, excluding unusual items*	\$ 18	\$ 63
Earnings per share, excluding unusual items*	\$ 0.12	\$ 0.42

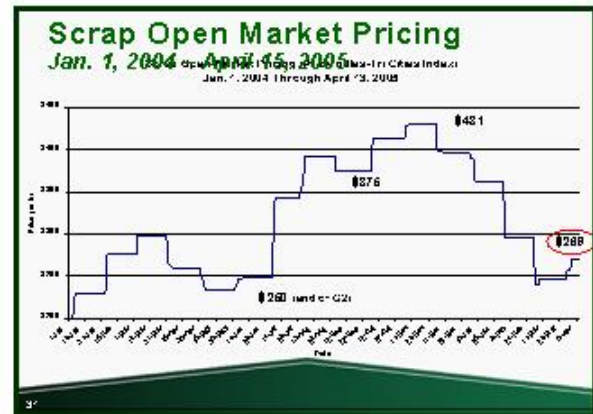
* Non-GAAP Measure

First-Quarter Challenges

- ▶ **Impact of Steel Remained Significant**
- ▶ **Heavy-Vehicle Component Shortage**
- ▶ **Lower Light-Vehicle Production Levels**

2005 Steel Outlook

- ▶ Estimated adverse impact of \$110 million after tax, net of customer recoveries, vs. previous outlook of \$100 million
- ▶ Scrap prices are down and demand is moderating, but prices are not following
- ▶ Uncertainty persists



Component Shortage

- ▶ **Heavy-duty axle shipments affected in March**
- ▶ **Corrective actions taken by supplier**
- ▶ **Product available to make April shipments**
- ▶ **Situation now essentially behind us**

2005 Light-Vehicle Demand

- ▶ Our guidance is now 15.7 million units
- ▶ 60% light truck; 40% passenger car*
- ▶ Production outlook*
 - Q1 '05 vs Q1 '04 (4.5)%
 - Q2 '05 vs Q2 '04 (0.9)%
- ▶ Our key platforms
 - Ford: F-Series, Explorer, Econoline, Expedition
 - GM: Express/Savana van, Colorado/Canyon
 - Chrysler: Jeep Wrangler
 - Nissan: Titan/Armada
 - Toyota: Tundra/Sequoia

* Source: Global Insight

2005 Business Unit Performance

(\$ Millions)

	<u>ASG</u>	<u>HVTSG</u>
<u>Sales</u>		
Q1-2005	\$ 1,847	\$ 682
Q1-2004	\$ 1,757	\$ 587
% Change	5%	16%

<u>OPAT</u>		
Q1-2005	\$ 40	\$ 25
Q1-2004	\$ 71	\$ 24
% Change	-44%	4%

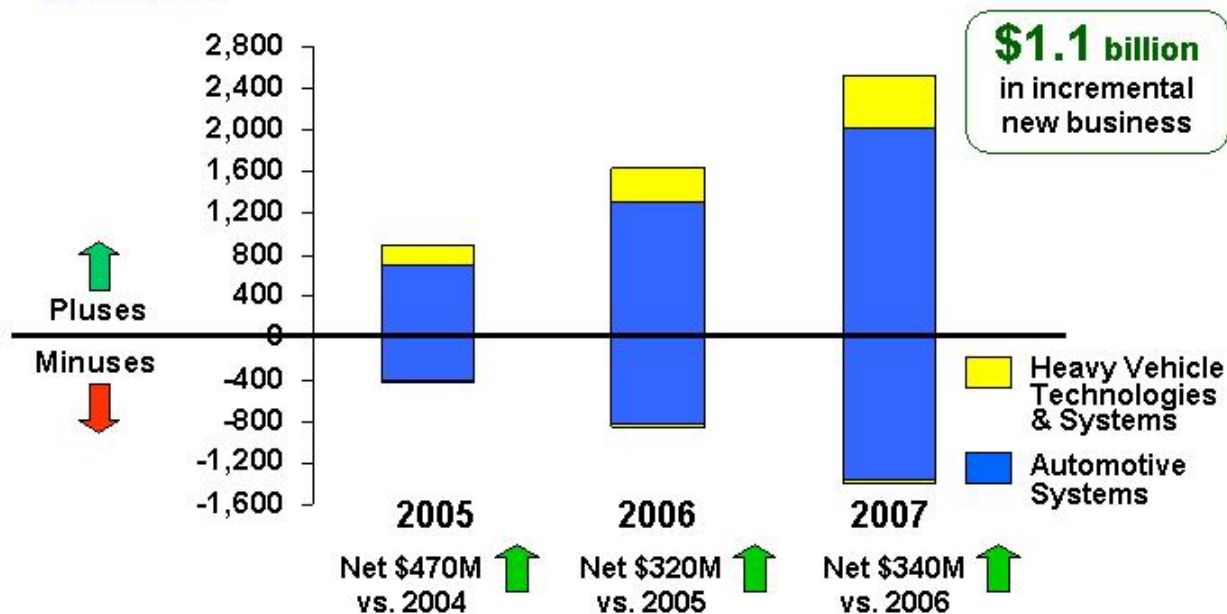
After-Tax Steel Impact*

Q1-2005	\$ 24	\$ 10
Q1-2004	\$ 1	\$ 1
\$ Change	\$ 23	\$ 9

* Net of Customer Recoveries

Cumulative Net New Business

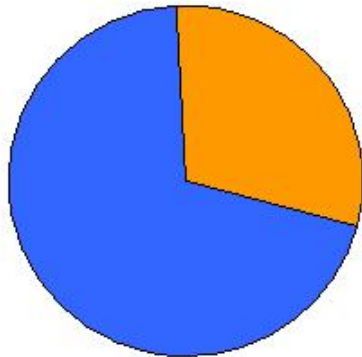
(\$ Millions)



Estimates based on Dana's review of the projected production schedules of our customers

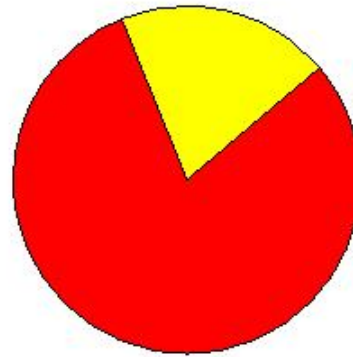
Net New Business Highlights

Geographic Diversity



■ Non-North America ■ North America

Customer Diversity



■ Others ■ Traditional Big 3

Long-Term Success

- ▶ **Three actions we are undertaking to better position Dana for long-term success:**
 - Buyout of minority interest in Dana's principal Brazilian subsidiary, Dana-Albarus
 - Agreement to form a 50/50 joint venture – Dongfeng Axle Co., Ltd. -- in China
 - Agreement with IBM to provide administrative services in Human Resource areas for Dana

1st Quarter Segment Comparison

(Millions)

	Sales			OPAT		
	<u>2005</u>	<u>2004</u>	<u>Chg.</u>	<u>2005</u>	<u>2004</u>	<u>Chg.</u>
Automotive	\$ 1,847	\$ 1,757	5 %	\$ 40	\$ 71	(44) %
Heavy Vehicle	682	587	16	25	24	4
DCC				6	7	(14)
Other	(41)	(33)	(24)	(53)	(52)	(2)
Results from						
Cont. Operations	\$ 2,488	\$ 2,311	8 %	\$ 18	\$ 50	(64) %
Discontinued Ops.*					13	N/M
Unusual Items					2	N/M
Consolidated	\$ 2,488	\$ 2,311	8 %	\$ 18	\$ 65	(72) %

* Q1 sales from discontinued operations were \$510 in 2004.

Q1 2005 Income Statement

With DCC on an Equity Basis*

(Millions)

	<u>Excluding Unusual Items</u>	<u>DCC Asset Sales**</u>	<u>As Reported</u>
Net sales	\$ 2,488	-	\$ 2,488
Other income (expense)	<u>20</u>	<u>(2)</u>	<u>18</u>
	<u>2,508</u>	<u>(2)</u>	<u>2,506</u>
Cost of sales	2,331	-	2,331
Realignment charges	-	-	-
SG&A expense	129	-	129
Interest expense	<u>35</u>	<u>-</u>	<u>35</u>
	<u>2,495</u>	<u>-</u>	<u>2,495</u>
Income (loss) before taxes	13	(2)	11
Tax benefit (expense)	(1)	1	-
Minority interest	(3)	-	(3)
Equity in affiliate earnings	<u>9</u>	<u>1</u>	<u>10</u>
	<u>18</u>	<u>-</u>	<u>18</u>
Discontinued operations	-	-	-
Net income	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ 18</u>

**Unusual Items

Income Statement

With DCC on an Equity Basis*

(Millions)	<u>Q1 - 2005</u>	<u>Q1 - 2004</u>
Net sales	\$ 2,488	\$ 2,311
Other income (expense)	18	7
	<u>2,506</u>	<u>2,318</u>
Cost of sales	2,331	2,114
Realignment charges	-	-
SG&A expense	129	120
Interest expense	35	38
	<u>2,495</u>	<u>2,272</u>
Income before taxes	11	46
Tax benefit (expense)	-	(11)
Minority interest	(3)	(3)
Equity in affiliate earnings	10	20
	<u>18</u>	<u>52</u>
Discontinued operations	-	13
Net income	<u>\$ 18</u>	<u>\$ 65</u>

Cash Flow Statement

With DCC on an Equity Basis *

(Millions)

	<u>Q1 - 2005</u>	<u>Q1 - 2004</u>
Sources		
Net income	\$ 18	\$ 65
Depreciation	78	83
Asset sales & divestitures	19	14
Working capital decrease (increase)	<u>(250)</u>	<u>(180)</u>
	<u>(135)</u>	<u>(18)</u>
Uses		
Capital spend	(70)	(76)
Dividends	(18)	(18)
Restructuring payments	(8)	(23)
Net changes in other accounts	<u>(36)</u>	<u>14</u>
	<u>(132)</u>	<u>(103)</u>
Cash change in net debt	<u>\$ (267)</u>	<u>\$ (121)</u>

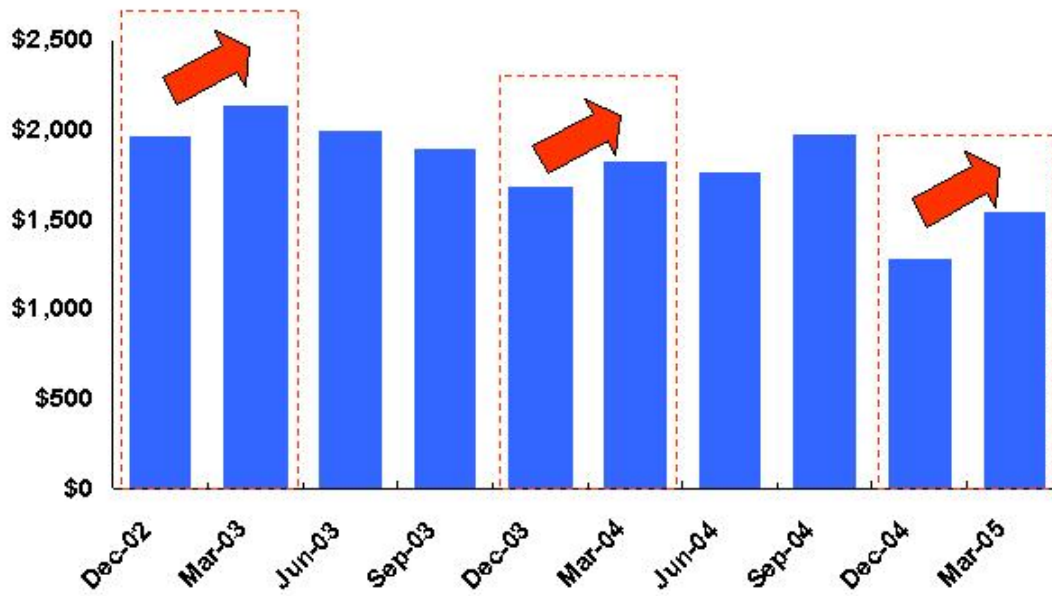
Capital Structure

With DCC on an Equity Basis*

(Millions)	<u>Dec-04</u>	<u>Operations</u>	<u>Other</u>	<u>Mar-05</u>
Short-term debt	\$ 289	\$ 212	\$ 3	\$ 504
Long-term debt	<u>1,611</u>	<u>-</u>	<u>(7)</u>	<u>1,604</u>
Borrowings	1,900	212	(4)	2,108
Cash	<u>619</u>	<u>(55)</u>	<u>-</u>	<u>564</u>
Net debt	\$ 1,281	\$ 267	\$ (4)	\$ 1,544
Equity	\$ 2,435	\$ -	\$ (56)	\$ 2,379
Net Debt / Capital	34.5%			39.4%

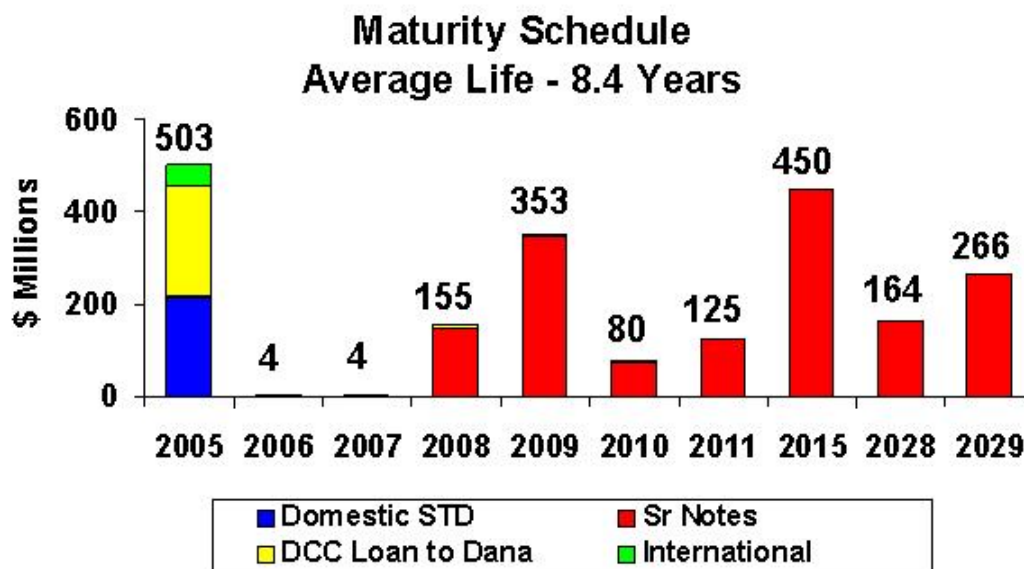
Net Debt (Millions)

 Denotes Seasonal Working Capital Increase



March 31, 2005 Debt Portfolio

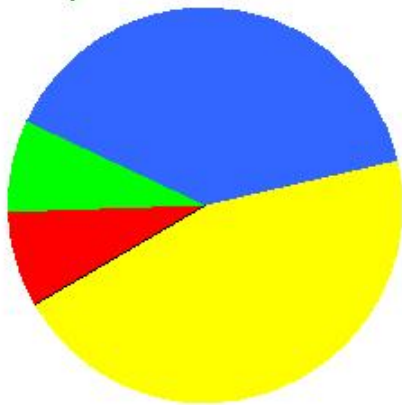
Excluding Debt Maturities of DCC



Maturities do not reflect swap valuation adjustments

Dana Credit Corporation Portfolio Analysis

(\$ Millions)



12/01 Total Portfolio Assets - \$2,200

Value-Added Services

Real Estate



3/05 Total Portfolio Assets - \$755

Capital Markets

Retained

2005 Guidance

Full-Year Guidance	EPS	\$1.30 - \$1.45
Midpoint of Guidance	EPS	\$ 1.38
Diluted Shares	MM	<u>x 151</u>
Midpoint of Guidance	\$MM	\$ 208
First Quarter Net Income	\$MM	<u>\$ 18</u>
Income Needed in next Nine Months	\$MM	\$ 190
		<u>+3</u>
Average per Quarter	\$MM	\$ 63

How do we get from \$18 MM in Q1 to \$63 MM/Qtr?

Walk Forward

(\$ Millions)

First Quarter Net Income	\$	18
“One Time” Items, incl. effect of component shortage		6
Steel Surcharges, net of recoveries		9
DCC Earnings		(4)
Other Affiliate Earnings		4
Net New Business		12
Cost Reduction Initiatives		18
	\$	63

2005 Revised Free Cash Flow Outlook

With DCC on an Equity Basis

(Millions)

Sources:

Net income	\$196 - \$219
Depreciation	300
Working Capital	100
	<u>\$596 - \$619</u>

Less:

Capital spend	(325)
Restructuring payments	(45)
Other	(80)
	<u>\$ (450)</u>

Free Cash Flow

\$146 - \$169

2005 Strategic Goals

- ▶ **Profitable sales growth at twice the rate of the global vehicle market**
- ▶ **Increase earnings through accelerated cost and productivity initiatives**
- ▶ **Maintain a strong balance sheet**

Wrap-Up

- ▶ **Component shortage is behind us**
 - Focusing on other operational issues holding back margins
- ▶ **Accelerating cost saving initiatives**
- ▶ **Net new business growth**
- ▶ **Unknowns**
 - Can light-duty vehicle production remain relatively stable?
 - Will there be less pressure on steel and other material price increases?



Questions



Supplemental Slides

Dana's Net New Business

(\$ Millions)

<u>Q1-2005</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
ASG	\$295	\$205	\$160
HVTSG	175	115	180
TOTAL	\$470	\$320	\$340

<u>Q4-2004</u>			
ASG	\$280	\$150	\$155
HVTSG	125	100	145
TOTAL	\$410	\$250	\$300

**Incremental Wins
Since Last Conf. Call**

\$ 60	\$ 70	\$ 40 = \$170M
-------	-------	-----------------------



Capital Structure

Reconciliation as of December 31, 2004

(Millions)	Dana with DCC <u>On Equity Basis</u>	<u>DCC</u>	<u>Eliminations</u>	Dana with DCC <u>Consolidated</u>
Short-term debt	\$ 289	\$ 68	\$ (202)	\$ 155
Long-term debt	<u>1,611</u>	<u>443</u>	<u>-</u>	<u>2,054</u>
Borrowings	1,900	511	(202)	2,209
Cash	<u>619</u>	<u>15</u>	<u>-</u>	<u>634</u>
Net debt	\$ 1,281	\$ 496	\$ (202)	\$ 1,575
Equity	\$ 2,435			\$ 2,435
Net debt / capital	34.5%			39.3%

Capital Structure

Reconciliation as of March 31, 2005

(Millions)	Dana with DCC <u>On Equity Basis</u>	<u>DCC</u>	<u>Eliminations</u>	Dana with DCC <u>Consolidated</u>
Short-term debt	\$ 504	\$ 57	\$ (256)	\$ 305
Long-term debt	<u>1,604</u>	<u>441</u>	<u>-</u>	<u>2,045</u>
Borrowings	2,108	498	(256)	2,350
Cash	<u>564</u>	<u>26</u>	<u>-</u>	<u>590</u>
Net debt	\$ 1,544	\$ 472	\$ (256)	\$ 1,760
Equity	\$ 2,379			\$ 2,379
Net debt / capital	39.4%			42.5%



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