

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): July 21, 2004

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

This Current Report on Form 8-K and the attached exhibits are being furnished by Dana Corporation (Dana) pursuant to (i) Item 9 of Form 8-K in satisfaction of the public disclosure requirements of Regulation FD and (ii) Item 12 of Form 8-K, insofar as they disclose historical information regarding Dana's results of operations and financial condition for the fiscal quarter and six-month period ended June 30, 2004.

Item 7. Exhibits.

(c) Exhibits

- 99.1 Slide Presentation for July 21, 2004 Conference Call (furnished but not filed pursuant to Item 9)
- 99.2 Press Release of Dana Corporation (furnished but not filed pursuant to Item 12)

Item 9. Regulation FD Disclosure.

During a conference call scheduled to be held at 11:00 a.m. EDT on July 21, 2004, Dana's Chairman and Chief Executive Officer Michael J. Burns and Chief Financial Officer Robert C. Richter intend to present the slide presentation that is furnished as Exhibit 99.1 to this Current Report.

Certain slides in this presentation include financial measures which are not presented in accordance with U.S. Generally Accepted Accounting Principles (GAAP). These include slide 4, which presents earnings per share excluding unusual items, and slides 14, 15, 16 and 17, which include Dana Credit Corporation (DCC) on an equity basis, rather than on the consolidated basis required by GAAP. The presentation also includes, in Slides 25 and 26, a quantitative reconciliation of certain of the differences between the non-GAAP financial measures disclosed and the most directly comparable financial measures calculated and presented in accordance with GAAP. Item 12 below and Dana's earnings release in the attached Exhibit 99.2 also contain information about the reconciliation 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 12. Results of Operations and Financial Condition.

On July 21, 2004, Dana issued a news release regarding its earnings for the fiscal quarter and six months ended June 30, 2004. A copy of that release is being furnished as Exhibit 99.2 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 and Six Months Ended June 30, 2004 and 2003; (ii) Dana Corporation (Including Dana Credit Corporation on an Equity Basis), Condensed Balance Sheets (Unaudited) — as of June 30, 2004 and December 31, 2003; and (iii) Dana Corporation (Including Dana Credit Corporation on an Equity Basis), Cash Flow Impacts on Net Debt — for the Three Months and Six Months Ended June 30, 2004 and 2003. As GAAP requires DCC to be included 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.

In accordance with General Instructions B.2 and B.6 of Form 8-K, the information in this Current Report, including the attached exhibits, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as expressly set forth by specific reference in such a filing.

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: July 21, 2004

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

Exhibit Index

99.1 Slide Presentation for July 21, 2004 Conference Call

99.2 Press Release of Dana Corporation



**Dana Corporation
Second-Quarter
Conference Call**

July 21, 2004

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Forward-Looking Statements

Statements herein about our forecasts, beliefs, and expectations constitute “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are 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 we anticipate or project due to a number of factors. These factors include the impact of national and international economic conditions; adverse effects from terrorism or hostilities; the strength of other currencies relative to the U.S. dollar; the cyclical nature of the global vehicular industry; the performance of the global aftermarket sector; changes in business relationships with our major customers and in the timing, size and continuation of their and our programs; the ability of our customers and suppliers to achieve their projected sales and production levels; competitive pressures on our sales and pricing; increases in production or material costs that cannot be recouped in product pricing; the impact of our collective bargaining negotiations; the continued success of our cost reduction and cash management programs and our long-term transformation strategy, and the success and timing of the divestiture of the automotive aftermarket business. Additional factors are contained in our public filings with the SEC. We do not undertake to update any forward-looking statements contained herein.

Key Topics

- ▶ Solid Second-Quarter Performance
- ▶ Aftermarket Sale & Potential Use of Anticipated Proceeds
- ▶ New Business Growth
- ▶ New Global Purchasing Initiative
- ▶ Financial Review

3

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Financial Summary

	Q2 - 2004	Q2 - 2003
Sales	\$2.3 billion	\$2.0 billion
Net Income	\$108 million	\$52 million
Earnings per Share	\$0.72	\$0.35
Net Income, excluding unusual items	\$75 million	\$47 million
Earnings Per Share, excluding unusual items	\$0.50	\$0.31

4

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DANA

2nd Quarter Segment Comparison

(Millions)	Sales			OPAT		
	2004	2003	Chg.	2004	2003	Chg.
Automotive	\$ 1,767	\$ 1,532	15%	\$ 72	\$ 66	9%
Heavy Vehicle	601	519	16	31	19	63
DCC				5	6	(16)
Other	(37)	(39)	5	(51)	(52)	2
Results from						
Cont. Operations	\$ 2,331	\$ 2,012	16%	\$ 57	\$ 39	46%
Discontinued Ops.*				18	8	
Unusual Items				33	5	
Consolidated	\$ 2,331	\$ 2,012	16%	\$108	\$ 52	108%

* Q2 Sales from Discontinued Operations were \$557 in 2004 vs. \$603 in 2003



2004 Consecutive Quarter Segment Comparison

(Millions)	Sales			OPAT		
	2nd Qtr	1st Qtr	Chg.	2nd Qtr	1st Qtr	Chg.
Automotive	\$ 1,767	\$ 1,757	1%	\$ 72	\$ 71	1%
Heavy Vehicle	601	587	2	31	24	29
DCC				5	7	(29)
Other	(37)	(33)	(12)	(51)	(54)	6
Results from Cont. Operations	\$ 2,331	\$ 2,311	1%	\$ 57	\$ 48	19%
Discontinued Ops.* Unusual Items				18	13	
				33	2	
Consolidated	\$ 2,331	\$ 2,311	1%	\$108	\$ 63	71%

* 2004 Sales from Discontinued Operations were \$557 in Q2 vs. \$510 in Q1.

6



Aftermarket Business Divestiture

- ▶ Signed definitive agreement to sell aftermarket business to The Cypress Group for \$1.1 billion in cash
- ▶ Transaction expected to close in third quarter
- ▶ Will provide strategic and financial flexibility
- ▶ Potential uses of proceeds:
 - Contribute to pension plans
 - Reduce leverage
 - Reinvest in our core businesses

DANA CORPORATION ANNOUNCES AGREEMENT TO SELL AUTOMOTIVE AFTERMARKET BUSINESS TO CYPRESS GROUP Transaction to Enhance Dana's Strategic & Financial Flexibility



Dana Corporation

Where We've Been

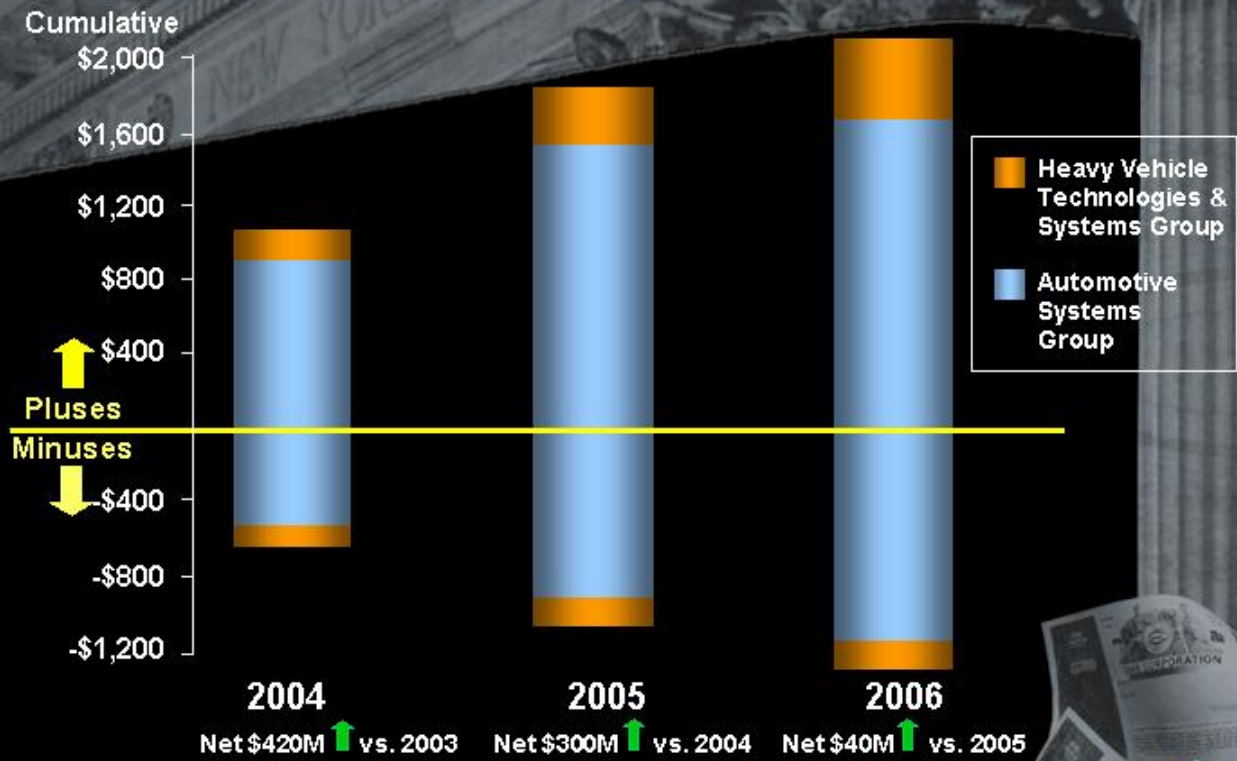
Where We're Going

What We've Done

Decentralized Company	➔	Integrated Company	Combined ASG/EFMG; Integrating Operations
SBU Organization	➔	Market-Focused Organization	Renewed Focus on Key Customers & Markets
Disconnected Functions	➔	Fully Leveraged Functions	Established Global Purchasing Organization
OE/Aftermarket	➔	Strategic Focus – Vehicular OEM	Agreed to Sell Automotive Aftermarket Business
Global Footprint w/NA Bias	➔	Truly Global Footprint w/Balance	Negotiations with Dong Feng (China)
2001 Restructuring Program	➔	Top-Line Growth & Continually Improving Cost Structure	Closed Remaining Plants; Focused on Improving Gross Margins



Net New Business (\$ Millions)



9

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

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DANA

Exciting New Programs

F-150



Navistar



Titan



Tacoma



Model 357



Gator



X3iX5



GM



Colorado

Blue Diamond



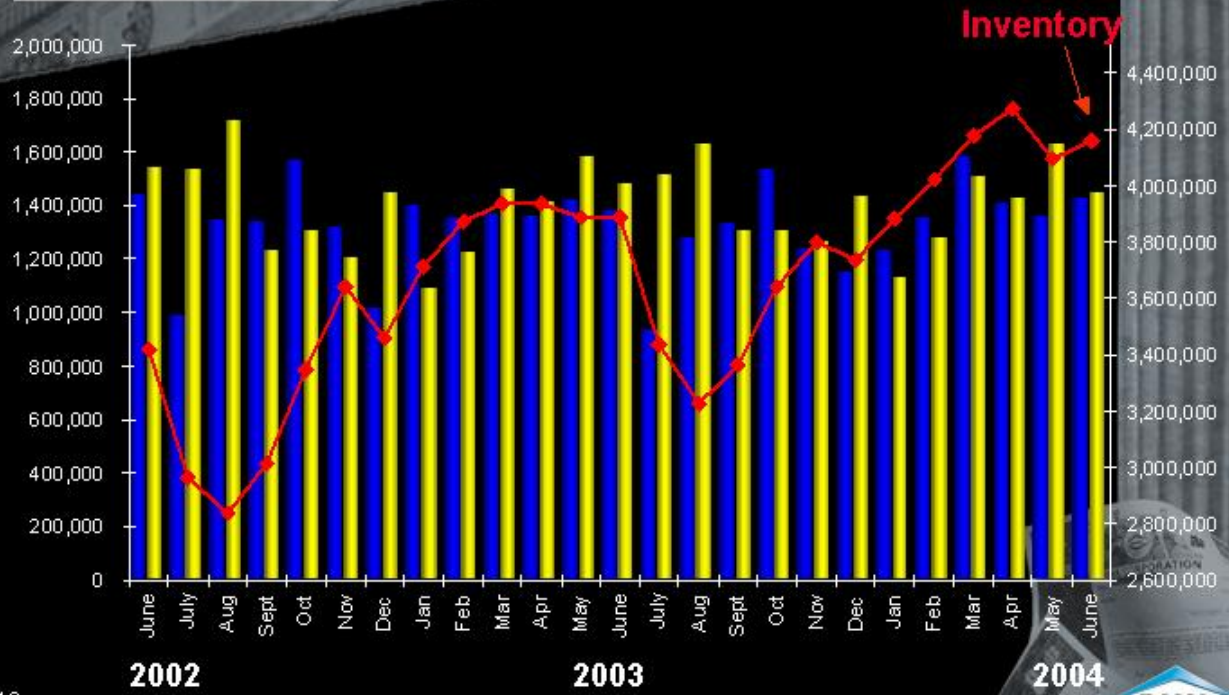
NAFTA Heavy-Truck Overview



N.A. Light-Vehicle Overview

Production, U.S. Sales & U.S. Inventory (Units by Month)

Production/Sales



12



Global Purchasing Initiative

▶ Goals:

- Transform decentralized structure
- Harmonize processes
- Drive "commonization"
- Achieve economies of scale
- *Deliver savings*

▶ Actions to Date:

- Appointed Paul Miller Global V.P. of Purchasing
- Established matrix organizational structure
- Two Supplier Week events – have met with 175 suppliers to date with very positive results

13

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Q2 Income Statement

With DCC on an Equity Basis*

(Millions)	Unusual Items				As Reported
	Excluding Unusual Items	Tax Adjustment Aftermarket	DCC	Transaction Costs	
Net sales	\$ 2,331				\$ 2,331
Other income	17	-	-	(4)	13
	<u>2,348</u>	<u>-</u>	<u>-</u>	<u>(4)</u>	<u>2,344</u>
Cost of sales	2,108				2,108
SG&A expense	125				125
Interest expense	39	-	-	-	39
	<u>2,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,272</u>
Income before taxes	76			(4)	72
Income taxes	(27)		(2)	2	(27)
Minority interest	(3)				(3)
Equity in affiliate earnings	11	-	20	-	31
	57		18	(2)	73
Discontinued operations	18	20	-	(3)	35
Net income	<u>\$ 75</u>	<u>\$ 20</u>	<u>\$ 18</u>	<u>\$ (5)</u>	<u>\$ 108</u>

14

*NOTE: Comparable GAAP measures available at www.dana.com

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Income Statement

With DCC on an Equity Basis*

(Millions)	Second Quarter		Year-to-Date	
	2004	2003	2004	2003
Net sales	\$ 2,331	\$ 2,012	\$ 4,642	\$ 3,988
Other income	13	27	20	40
	<u>2,344</u>	<u>2,039</u>	<u>4,662</u>	<u>4,028</u>
Cost of sales	2,108	1,849	4,222	3,663
SG&A expense	125	125	247	241
Interest expense	39	39	77	81
	<u>2,272</u>	<u>2,013</u>	<u>4,546</u>	<u>3,985</u>
Income before taxes	72	26	116	43
Income taxes	(27)	(6)	(38)	(12)
Minority interest	(3)	(1)	(6)	(3)
Equity in affiliate earnings	31	27	51	54
	<u>73</u>	<u>46</u>	<u>123</u>	<u>82</u>
Discontinued operations	35	6	48	11
Net income	<u>\$ 108</u>	<u>\$ 52</u>	<u>\$ 171</u>	<u>\$ 93</u>

15

*NOTE: Comparable GAAP measures available at www.dana.com

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Cash Flow Statement

With DCC on an Equity Basis *

(Millions)	Second Quarter		Year-to-Date	
	2004	2003	2004	2003
Sources				
Net income	\$ 108	\$ 52	\$ 171	\$ 93
Depreciation	82	85	165	171
Asset Sales & Divestitures	19	164	33	188
Working capital decrease (increase)	65	(30)	(115)	(222)
	<u>274</u>	<u>271</u>	<u>254</u>	<u>230</u>
Uses				
Capital spend	(63)	(61)	(139)	(133)
Dividends	(18)	(2)	(36)	(3)
Restructuring payments	(26)	(20)	(49)	(64)
Net changes in other accounts	(161)	(22)	(145)	(30)
	<u>(268)</u>	<u>(105)</u>	<u>(369)</u>	<u>(230)</u>
Cash change in net debt	<u>\$ 6</u>	<u>\$ 166</u>	<u>\$ (115)</u>	<u>\$ -</u>



Capital Structure

With DCC on an Equity Basis*

(Millions)	Dec-03	Operations	Other	Jun-04
Short-term debt	\$ 260	\$ (51)	\$ 4	\$ 213
Long-term debt	2,087	-	(37)	2,050
Borrowings	2,347	(51)	(33)	2,263
Cash	664	(166)	-	498
Net debt	\$ 1,683	\$ 115	\$ (33)	\$ 1,765
Equity	\$ 2,050	\$ 136	\$ (44)	\$ 2,142
Net Debt / Capital	45.1%			45.2%

17

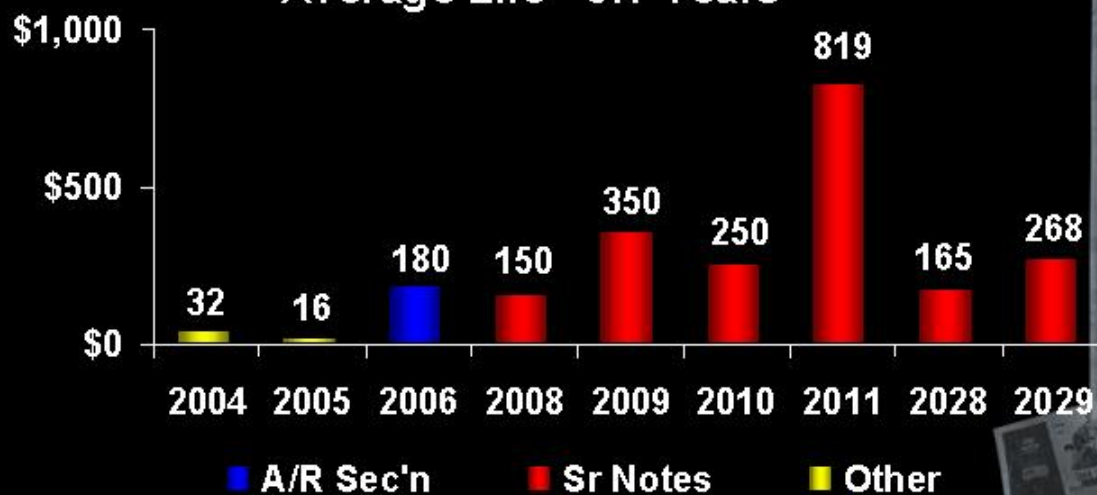
*NOTE: Comparable GAAP measures available at www.dana.com

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June 30, 2004 Debt Portfolio (\$ Millions)

Maturity Schedule
Average Life - 9.1 Years



Maturities do not reflect swap valuation adjustments

18

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June 30, 2004 Liquidity

Excluding DCC

(Millions)

	Committed	Drawn	Available
5-year bank facility	\$ 400	\$ -	\$ 400
Accts receivable program*	300	180	120
Bridge facility*	100	-	100
Total short-term committed facilities	\$ 800	\$ 180	\$ 620
	Plus: Cash		498
	Total		\$1,118

* Maximum size of Bridge facility is \$200. In combination, draws against facilities cannot exceed \$400.

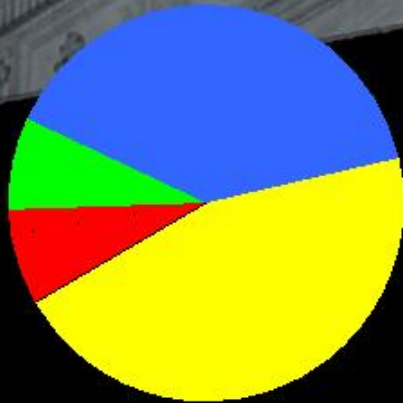
19

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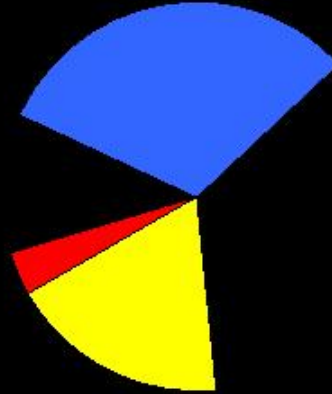
DANA

DCC Portfolio Analysis

(\$ Millions)



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



6/04 Total Portfolio Assets - \$1,210

 Value-Added Services
 Real Estate

 Capital Markets
 Retained



2004 Guidance

(\$ Millions, except per share data)

Sales	≥	\$8,500
Net Income*	≥	285
EPS*	≥	1.90

* Excludes unusual items

21

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DANA

2004 Free Cash Flow Projection

Excluding DCC

(Millions)

Sources:

Net income, excluding unusual items	\$	285
Depreciation		325
Working capital reduction		100
		<u>100</u>
	\$	710

Less:

Capital spend		(315)
Restructuring payments		(85)
Dividends at current rate		(70)
		<u>(70)</u>
	\$	(470)

Free Cash Flow from operations*	\$	240
		<u>240</u>

* Excludes proceeds from aftermarket divestiture

Summary

- ▶ Q2 performance: **▲ 16% Sales, ▲ 60% Profit***
- ▶ Pleased, but not satisfied
- ▶ We are taking action ...
 - ASG Consolidation
 - Better focus on markets we serve
 - Improvement in Structures
 - Purchasing Initiatives
 - Help offset raw material costs
 - Close AAG transaction
 - Redeployment of proceeds
 - Enhanced Customer Approach
 - Improved revenue growth

23

* Excludes Unusual items

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Questions

24

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Capital Structure

Reconciliation as of December 31, 2003

(Millions)	Dana with DCC <u>On Equity</u>	<u>DCC</u>	Dana with DCC <u>Consolidated</u>
Short-term debt	\$ 260	\$ 233	\$ 493
Long-term debt	<u>2,087</u>	<u>518</u>	<u>2,605</u>
Borrowings	2,347	751	3,098
Cash	<u>664</u>	<u>67</u>	<u>731</u>
Net debt	\$ 1,683	\$ 684	\$ 2,367
Equity	\$ 2,050		\$ 2,050
Net Debt / Capital	45.1%		53.6%

Capital Structure

Reconciliation as of June 30, 2004

(Millions)	Dana with DCC <u>On Equity</u>	<u>DCC</u>	Dana with DCC <u>Consolidated</u>
Short-term debt	\$ 213	\$ 171	\$ 384
Long-term debt	<u>2,050</u>	<u>458</u>	<u>2,508</u>
Borrowings	2,263	629	2,892
Cash	<u>498</u>	<u>99</u>	<u>597</u>
Net debt	\$ 1,765	\$ 530	\$ 2,295
Equity	\$ 2,142		\$ 2,142
Net Debt / Capital	45.2%		51.7%



Contact: Michelle L. Hards
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michelle.hards@dana.com

DANA CORPORATION REPORTS SIGNIFICANTLY IMPROVED OPERATIONAL RESULTS

Net Income Also Includes Net Gains Triggered by Transactions

TOLEDO, Ohio, July 21, 2004 – Dana Corporation (NYSE: DCN) today announced that its 2004 second-quarter sales were \$2.3 billion, compared to \$2.0 billion during the same period last year. Net income for the quarter (including \$33 million of unusual net gains) totaled \$108 million, or 72 cents per share. This compares to net income (including \$5 million of unusual net gains) of \$52 million, or 35 cents per share, for the period in 2003.

“We are pleased to have delivered another solid quarter of operational performance with net income, exclusive of unusual items, up 60 percent,” said Dana Chairman and CEO Mike Burns. “At the same time, we’re far from satisfied and continue to pursue greater focus, integration, and productivity in line with our commitment to meeting the needs of our global customers.”

Second-quarter sales were up 16 percent over the same period last year with the majority of the increase being driven by our new business programs and higher production volumes in the principal markets served by Dana, particularly the North American heavy-truck sector.

“Our solid sales growth contributed to stronger bottom-line results,” Mr. Burns said. “In addition, we continued to see growth in our gross margin – both year-over-year and sequentially by quarter – as we achieved further cost efficiencies and made progress in addressing the launch costs associated with our structures programs. It’s important to note that these improvements were achieved in spite of the higher cost of steel and certain other raw materials that we experienced during the quarter.

“We are also enthused by the positive strategic and financial flexibility that we will have when we complete the sale of our automotive aftermarket business,” Mr. Burns said. On July 9, Dana announced that it had reached a definitive agreement to sell its automotive aftermarket business to The Cypress Group for approximately \$1.1 billion in cash.

(more)

Transactions Trigger Recognition of \$33 Million of Unusual Net Gains

The \$33 million of unusual net gains included in the second quarter of 2004 included the recognition of \$38 million in anticipated tax benefits triggered by the sale of the automotive aftermarket business and transactions that are part of the continuing program to divest assets of Dana Credit Corporation (DCC), which are expected to close during the third quarter. This was partially offset by \$5 million of transaction-related expenses.

Dana Vice President and Chief Financial Officer Bob Richter explained, "These transactions are expected to generate capital gains. We had capital loss carryforwards from prior periods that were fully reserved. Since we now expect to be able to use the carryforwards to offset the gains, accounting rules require us to recognize the anticipated tax benefit by releasing a portion of the reserve at this time.

"While we're happy to benefit from the additional income, we're pleased that even without these unusual items, we still achieved second-quarter net profit of \$75 million, or 50 cents per share, which is up substantially over the prior year."

First-Half Results Significantly Improved

Dana's six-month consolidated sales were \$4.6 billion, up from \$4.0 billion during the same period last year. Net income during the first half of 2004 was \$171 million, or \$1.14 per share, including \$35 million in unusual net gains. This compares to net income of \$93 million, or 63 cents per share, including \$15 million in unusual net gains during the initial six months of 2003.

"Excluding our unusual items and the results of businesses held for sale, our net income from continuing operations improved by more than 60 percent during the first half of 2004, compared to the same period last year," Mr. Burns said. "Again, this improvement was largely the result of new business and strong production volumes in our principal markets."

Full-Year EPS Guidance "While we are optimistic about production levels in the North American heavy-truck sector, the second half of the year will not be without its challenges," Mr. Burns said. "We will continue to be impacted by many of the challenges that we experienced during the first six months of the year, particularly higher raw material costs. In addition, rising North American light-vehicle inventory levels also point to the potential for reductions in production schedules in that sector during the second half of the year.

"So even though we will continue to consolidate the results of the automotive aftermarket business until the sale closes, we are not changing our earnings guidance of at least \$1.90 per share, excluding unusual items, in 2004."

(more)

Quarterly Conference Call Scheduled Today at 11 a.m.

Dana will discuss its second-quarter results in a conference call at 11 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 Corporation is a global leader in the design, engineering, and manufacture of value-added products and systems for automotive, commercial, and off-highway vehicles. Delivering on a century of innovation, the company's continuing operations employ approximately 45,000 people worldwide dedicated to advancing the science of mobility. Founded in 1904 and based in Toledo, Ohio, Dana operates technology, manufacturing, and customer-service facilities in 30 countries. Sales from continuing operations totaled \$7.9 billion in 2003. 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; the cyclical nature of the global vehicular industry; changes in business relationships with our major customers and in the timing, size and continuation of their and our programs; the ability of our customers and suppliers to achieve their projected sales and production levels; competitive pressures on our sales and pricing; increases in production or material costs that cannot be recouped in product pricing; the continued success of our cost reduction and cash management programs and of our long-term transformation strategy for the company; the success and timing of the divestiture of the automotive aftermarket business; 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 June 30		Percent Change
	2004	2003	
Sales	<u>\$2,331</u>	<u>\$2,012</u>	16%
Income from continuing operations	\$ 73	\$ 46	59%
Income from discontinued operations	35	6	483%
Net income	<u>\$ 108</u>	<u>\$ 52</u>	108%
Income from continuing operations	\$ 73	\$ 46	59%
Reduction in deferred tax allowance related to			
DCC asset sales	(18)	(9)	100%
Expenses relating to DCC sale activity	2	2	
Income from continuing operations, excluding unusual items	<u>\$ 57</u>	<u>\$ 39</u>	46%
Income from automotive aftermarket business	\$ 35	\$ 9	289%
Loss from engine management business	—	(3)	
Income from discontinued operations	35	6	483%
Loss on engine management sale	—	2	
Reduction in deferred tax allowance related to aftermarket sale	(20)	—	
Expenses relating to sale of aftermarket	3	—	
Income from discontinued operations, excluding unusual items	<u>\$ 18</u>	<u>\$ 8</u>	125%
Diluted earnings per share:			
Income from continuing operations	\$ 0.49	\$ 0.30	63%
Income from discontinued operations	0.23	0.05	360%
Net income	<u>\$ 0.72</u>	<u>\$ 0.35</u>	106%
Income from continuing operations, excluding unusual items	\$ 0.38	\$ 0.26	46%
Income from discontinued operations, excluding unusual items	0.12	0.05	140%
Net income, excluding unusual items	0.50	0.31	61%
Unusual items	0.22	0.04	450%
Net income	<u>\$ 0.72</u>	<u>\$ 0.35</u>	106%

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

	Six Months Ended June 30		Percent Change
	2004	2003	
Sales	<u>\$4,642</u>	<u>\$3,988</u>	16%
Income from continuing operations	\$ 123	\$ 82	50%
Income from discontinued operations	48	11	336%
Net income	<u>\$ 171</u>	<u>\$ 93</u>	84%
Income from continuing operations	\$ 123	\$ 82	50%
Gains associated with DCC asset sales	(20)	(19)	5%
Expenses relating to DCC sale activity	2	2	
Income from continuing operations, excluding unusual items	<u>\$ 105</u>	<u>\$ 65</u>	62%
Income from automotive aftermarket business	\$ 48	\$ 19	153%
Loss from engine management business	—	(8)	
Income from discontinued operations	48	11	336%
Loss on engine management sale	—	2	
Reduction in deferred tax allowance related to aftermarket sale	(20)	—	
Expenses relating to sale of aftermarket	3	—	
Income from discontinued operations, excluding unusual items	<u>\$ 31</u>	<u>\$ 13</u>	138%
Diluted earnings per share:			
Income from continuing operations	\$ 0.82	\$ 0.55	49%
Income from discontinued operations	0.32	0.08	300%
Net income	<u>\$ 1.14</u>	<u>\$ 0.63</u>	81%
Income from continuing operations, excluding unusual items	\$ 0.70	\$ 0.44	59%
Income from discontinued operations, excluding unusual items	0.21	0.09	133%
Net income, excluding unusual items	0.91	0.53	72%
Unusual items	0.23	0.10	130%
Net income	<u>\$ 1.14</u>	<u>\$ 0.63</u>	81%

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

	Three Months Ended June 30	
	2004	2003
Net sales	\$2,331	\$2,012
Revenue from lease financing and other income	25	43
	<u>2,356</u>	<u>2,055</u>
Costs and expenses		
Cost of sales	2,101	1,838
Selling, general and administrative expenses	126	141
Interest expense	51	55
	<u>2,278</u>	<u>2,034</u>
Income before income taxes	78	21
Income tax benefit (expense)	(6)	9
Minority interest	(3)	(1)
Equity in earnings of affiliates	4	17
Income from continuing operations	73	46
Income from discontinued operations	35	6
Net income	<u>\$ 108</u>	<u>\$ 52</u>
Basic earnings per share		
Income from continuing operations	\$ 0.49	\$ 0.30
Income from discontinued operations	0.23	0.05
Net income	<u>\$ 0.72</u>	<u>\$ 0.35</u>
Diluted earnings per share		
Income from continuing operations	\$ 0.49	\$ 0.30
Income from discontinued operations	0.23	0.05
Net income	<u>\$ 0.72</u>	<u>\$ 0.35</u>
Average shares outstanding -		
For Basic EPS	149	148
For Diluted EPS	151	149

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

	Six Months Ended June 30	
	2004	2003
Net sales	\$4,642	\$3,988
Revenue from lease financing and other income	39	72
	<u>4,681</u>	<u>4,060</u>
Costs and expenses		
Cost of sales	4,206	3,639
Selling, general and administrative expenses	262	277
Interest expense	102	114
	<u>4,570</u>	<u>4,030</u>
Income before income taxes	111	30
Income tax benefit (expense)	(3)	21
Minority interest	(6)	(3)
Equity in earnings of affiliates	21	34
Income from continuing operations	123	82
Income from discontinued operations	48	11
Net income	<u>\$ 171</u>	<u>\$ 93</u>
Basic earnings per share		
Income from continuing operations	\$ 0.83	\$ 0.55
Income from discontinued operations	0.32	0.08
Net income	<u>\$ 1.15</u>	<u>\$ 0.63</u>
Diluted earnings per share		
Income from continuing operations	\$ 0.82	\$ 0.55
Income from discontinued operations	0.32	0.08
Net income	<u>\$ 1.14</u>	<u>\$ 0.63</u>
Average shares outstanding -		
For Basic EPS	148	148
For Diluted EPS	150	149

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

	June 30 2004	December 31 2003
<u>Assets</u>		
Current assets		
Cash and cash equivalents	\$ 597	\$ 731
Accounts receivable		
Trade	1,310	1,048
Other	317	326
Inventories	747	743
Assets of discontinued operations	1,324	1,254
Other current assets	459	431
Total current assets	4,754	4,533
Investment in leases	540	622
Investments and other assets	2,286	2,252
Property, plant and equipment, net	2,086	2,210
Total assets	\$9,666	\$9,617
<u>Liabilities and Shareholders' Equity</u>		
Current liabilities		
Notes payable	\$ 384	\$ 493
Accounts payable	1,241	1,076
Liabilities of discontinued operations	348	307
Other current liabilities	1,135	1,089
Total current liabilities	3,108	2,965
Long-term debt	2,508	2,605
Deferred employee benefits and other noncurrent liabilities	1,807	1,901
Minority interest	101	96
Shareholders' equity	2,142	2,050
Total liabilities and shareholders' equity	\$9,666	\$9,617

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

	<u>Three Months Ended June 30</u>	
	<u>2004</u>	<u>2003</u>
Net income	\$108	\$ 52
Depreciation and amortization	90	99
Asset impairment	1	3
Gain on divestitures and asset sales	(21)	(11)
Working capital decrease (increase)	58	(47)
Deferred taxes	(46)	(6)
Other	(73)	(11)
Net cash flows — operating activities	<u>117</u>	<u>79</u>
Purchases of property, plant and equipment	(63)	(66)
Payments received on leases	3	7
Net loan repayments from customers	1	9
Divestitures		145
Asset sales	52	75
Other	(41)	3
Net cash flows — investing activities	<u>(48)</u>	<u>173</u>
Net change in short-term debt	38	(184)
Payments on long-term debt	(45)	(37)
Dividends paid	(18)	(2)
Other	5	18
Net cash flows — financing activities	<u>(20)</u>	<u>(205)</u>
Net change in cash and cash equivalents	49	47
Net change in cash — discontinued operations	2	1
Cash and cash equivalents — beginning of period	546	584
Cash and cash equivalents — end of period	<u>\$597</u>	<u>\$ 632</u>

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

	<u>Six Months Ended June 30</u>	
	<u>2004</u>	<u>2003</u>
Net income	\$ 171	\$ 93
Depreciation and amortization	183	202
Asset impairment	2	9
Gain on divestitures and asset sales	(25)	(22)
Working capital increase	(164)	(284)
Deferred taxes	(41)	(13)
Other	(71)	(17)
Net cash flows — operating activities	<u>55</u>	<u>(32)</u>
Purchases of property, plant and equipment	(142)	(142)
Payments received on leases	6	16
Net loan repayments from customers	2	11
Divestitures		145
Asset sales	155	179
Other	(40)	9
Net cash flows — investing activities	<u>(19)</u>	<u>218</u>
Net change in short-term debt	153	(97)
Proceeds from long-term debt	5	
Payments on long-term debt	(304)	(43)
Dividends paid	(36)	(3)
Other	10	17
Net cash flows — financing activities	<u>(172)</u>	<u>(126)</u>
Net change in cash and cash equivalents	(136)	60
Net change in cash — discontinued operations	2	1
Cash and cash equivalents — beginning of period	<u>731</u>	<u>571</u>
Cash and cash equivalents — end of period	<u>\$ 597</u>	<u>\$ 632</u>

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

	<u>Three Months Ended June 30</u>	
	<u>2004</u>	<u>2003</u>
Net sales	\$2,331	\$2,012
Other income	13	27
	<u>2,344</u>	<u>2,039</u>
Costs and expenses		
Cost of sales	2,108	1,849
Selling, general and administrative expenses	125	125
Interest expense	39	39
	<u>2,272</u>	<u>2,013</u>
Income before income taxes	72	26
Income tax expense	(27)	(6)
Minority interest	(3)	(1)
Equity in earnings of affiliates	31	27
Income from continuing operations	<u>73</u>	<u>46</u>
Income from discontinued operations	35	6
Net income	<u><u>\$ 108</u></u>	<u><u>\$ 52</u></u>

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

	<u>Six Months Ended June 30</u>	
	<u>2004</u>	<u>2003</u>
Net sales	\$4,642	\$3,988
Other income	20	40
	<u>4,662</u>	<u>4,028</u>
Costs and expenses		
Cost of sales	4,222	3,663
Selling, general and administrative expenses	247	241
Interest expense	77	81
	<u>4,546</u>	<u>3,985</u>
Income before income taxes	116	43
Income tax expense	(38)	(12)
Minority interest	(6)	(3)
Equity in earnings of affiliates	51	54
Income from continuing operations	123	82
Income from discontinued operations	48	11
Net income	<u><u>\$ 171</u></u>	<u><u>\$ 93</u></u>

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

	June 30 2004	December 31 2003
Assets		
Current assets		
Cash and cash equivalents	\$ 498	\$ 664
Accounts receivable		
Trade	1,310	1,048
Other	300	300
Inventories	747	743
Assets of discontinued operations	1,324	1,254
Other current assets	430	399
Total current assets	4,609	4,408
Investments and other assets	2,657	2,580
Property, plant and equipment, net	1,927	2,014
Total assets	\$9,193	\$9,002
Liabilities and Shareholders' Equity		
Current liabilities		
Notes payable	\$ 213	\$ 260
Accounts payable	1,241	1,076
Liabilities of discontinued operations	348	307
Other current liabilities	1,302	1,235
Total current liabilities	3,104	2,878
Long-term debt	2,050	2,087
Deferred employee benefits and other noncurrent liabilities	1,798	1,893
Minority interest	99	94
Shareholders' equity	2,142	2,050
Total liabilities and shareholders' equity	\$9,193	\$9,002

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

	Three Months Ended June 30	
	2004	2003
Sources		
Net income	\$ 108	\$ 52
Depreciation	82	85
Asset sales	19	19
Divestitures		145
Working capital decrease (increase)	65	(30)
	<u>274</u>	<u>271</u>
Uses		
Capital spend	(63)	(61)
Dividends	(18)	(2)
Restructuring cash payments	(26)	(20)
Deferred taxes	(54)	(2)
Investment in and undistributed earnings of equity affiliates	(43)	(32)
Net changes in other accounts	(64)	12
	<u>(268)</u>	<u>(105)</u>
Cash change in net debt	\$ <u>6</u>	\$ <u>166</u>

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

	<u>Six Months Ended June 30</u>	
	<u>2004</u>	<u>2003</u>
Sources		
Net income	\$ 171	\$ 93
Depreciation	165	171
Asset sales	33	43
Divestitures		145
Working capital increase	(115)	(222)
	<u>254</u>	<u>230</u>
Uses		
Capital spend	(139)	(133)
Dividends	(36)	(3)
Restructuring cash payments	(49)	(64)
Deferred taxes	(50)	(6)
Investment in and undistributed earnings of equity affiliates	(64)	(59)
Net changes in other accounts	(31)	35
	<u>(369)</u>	<u>(230)</u>
Cash change in net debt	<u>\$ (115)</u>	<u>\$ -</u>

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

	Three Months Ended June 30, 2004			
	<u>Dana with DCC on Equity Basis</u>	<u>DCC</u>	<u>Elimination Entries</u>	<u>Dana Consolidated</u>
Net sales	\$2,331	\$	\$	\$2,331
Other income	<u>13</u>	<u>24</u>	<u>(12)</u>	<u>25</u>
	<u>2,344</u>	<u>24</u>	<u>(12)</u>	<u>2,356</u>
Costs and expenses				
Cost of sales	2,108		(7)	2,101
Selling, general and administrative expenses	125	6	(5)	126
Interest expense	39	12		51
	<u>2,272</u>	<u>18</u>	<u>(12)</u>	<u>2,278</u>
Income before income taxes	<u>72</u>	<u>6</u>	<u>—</u>	<u>78</u>
Income tax benefit (expense)	<u>(27)</u>	<u>21</u>		<u>(6)</u>
Minority interest	<u>(3)</u>			<u>(3)</u>
Equity in earnings of affiliates	<u>31</u>	<u>(2)</u>	<u>(25)</u>	<u>4</u>
Income from continuing operations	<u>73</u>	<u>25</u>	<u>(25)</u>	<u>73</u>
Income from discontinued operations	<u>35</u>			<u>35</u>
Net income	<u>\$ 108</u>	<u>\$25</u>	<u>\$(25)</u>	<u>\$ 108</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)

	Six Months Ended June 30, 2004			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Net sales	\$4,642	\$	\$	\$4,642
Other income	20	46	(27)	39
	<u>4,662</u>	<u>46</u>	<u>(27)</u>	<u>4,681</u>
Costs and expenses				
Cost of sales	4,222		(16)	4,206
Selling, general and administrative expenses	247	26	(11)	262
Interest expense	77	25		102
	<u>4,546</u>	<u>51</u>	<u>(27)</u>	<u>4,570</u>
Income (loss) before income taxes	116	(5)	—	111
Income tax benefit (expense)	(38)	35		(3)
Minority interest	(6)			(6)
Equity in earnings of affiliates	51	4	(34)	21
Income from continuing operations	123	34	(34)	123
Income from discontinued operations	48			48
Net income	<u>\$ 171</u>	<u>\$34</u>	<u>\$(34)</u>	<u>\$ 171</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 June 30, 2003			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Net sales	\$2,012	\$	\$	\$2,012
Other income	27	36	(20)	43
	<u>2,039</u>	<u>36</u>	<u>(20)</u>	<u>2,055</u>
Costs and expenses				
Cost of sales	1,849		(11)	1,838
Selling, general and administrative expenses	125	25	(9)	141
Interest expense	39	16		55
	<u>2,013</u>	<u>41</u>	<u>(20)</u>	<u>2,034</u>
Income (loss) before income taxes	26	(5)	—	21
Income tax benefit (expense)	(6)	15		9
Minority interest	(1)			(1)
Equity in earnings of affiliates	27	5	(15)	17
Income from continuing operations	46	15	(15)	46
Income from discontinued operations	6			6
Net income	<u>\$ 52</u>	<u>\$15</u>	<u>\$(15)</u>	<u>\$ 52</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)

	Six Months Ended June 30, 2003			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Net sales	\$3,988	\$	\$	\$3,988
Other income	40	74	(42)	72
	<u>4,028</u>	<u>74</u>	<u>(42)</u>	<u>4,060</u>
Costs and expenses				
Cost of sales	3,663		(24)	3,639
Selling, general and administrative expenses	241	54	(18)	277
Interest expense	81	33		114
	<u>3,985</u>	<u>87</u>	<u>(42)</u>	<u>4,030</u>
Income (loss) before income taxes	43	(13)	—	30
Income tax benefit (expense)	(12)	33		21
Minority interest	(3)			(3)
Equity in earnings of affiliates	54	11	(31)	34
Income from continuing operations	82	31	(31)	82
Income from discontinued operations	11			11
Net income	<u>\$ 93</u>	<u>\$ 31</u>	<u>\$(31)</u>	<u>\$ 93</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)

	June 30, 2004			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Assets				
Current assets				
Cash and cash equivalents	\$ 498	\$ 99	\$	\$ 597
Accounts receivable				
Trade	1,310			1,310
Other	300	26	(9)	317
Inventories	747			747
Assets of discontinued operations				
Other current assets	430	238	(209)	459
Total current assets	4,609	363	(218)	4,754
Investment in leases		682	(142)	540
Investments and other assets	2,657	536	(907)	2,286
Property, plant and equipment, net	1,927	16	143	2,086
Total assets	\$9,193	\$1,597	\$(1,124)	\$9,666
Liabilities and Shareholders' Equity				
Current liabilities				
Notes payable	\$ 213	\$ 171	\$	\$ 384
Accounts payable	1,241			1,241
Liabilities of discontinued operations	348			348
Other current liabilities	1,302	50	(217)	1,135
Total current liabilities	3,104	221	(217)	3,108
Long-term debt	2,050	458		2,508
Deferred employee benefits and other noncurrent liabilities	1,798	591	(582)	1,807
Minority interest	99	2		101
Shareholders' equity	2,142	325	(325)	2,142
Total liabilities and shareholders' equity	\$9,193	\$1,597	\$(1,124)	\$9,666

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)

	December 31, 2003			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Assets				
Current assets				
Cash and cash equivalents	\$ 664	\$ 67	\$	\$ 731
Accounts receivable				
Trade	1,048			1,048
Other	300	26		326
Inventories	743			743
Assets of discontinued operations				
Other current assets	399	212	(180)	431
Total current assets	4,408	305	(180)	4,533
Investment in leases		802	(180)	622
Investments and other assets	2,580	559	(887)	2,252
Property, plant and equipment, net	2,014	16	180	2,210
Total assets	\$9,002	\$1,682	\$(1,067)	\$9,617
Liabilities and Shareholders' Equity				
Current liabilities				
Notes payable	\$ 260	\$ 233	\$	\$ 493
Accounts payable	1,076			1,076
Liabilities of discontinued operations				
Other current liabilities	1,235	34	(180)	1,089
Total current liabilities	2,878	267	(180)	2,965
Long-term debt	2,087	518		2,605
Deferred employee benefits and other noncurrent liabilities				
	1,893	604	(596)	1,901
Minority interest	94	2		96
Shareholders' equity	2,050	291	(291)	2,050
Total liabilities and shareholders' equity	\$9,002	\$1,682	\$(1,067)	\$9,617

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 June 30, 2004			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Sources				
Net income	\$ 108	\$ 25	\$(25)	\$ 108
Depreciation	82	8		90
Asset sales	19	36	(3)	52
Working capital decrease	65	7	12	84
	<u>274</u>	<u>76</u>	<u>(16)</u>	<u>334</u>
Uses				
Capital spend	(63)	(3)	3	(63)
Dividends	(18)			(18)
Restructuring cash payments	(26)			(26)
Deferred taxes	(54)	8		(46)
Investment in and undistributed earnings of equity affiliates	(43)	27	25	9
Net changes in other accounts	(64)	(56)	(12)	(132)
	<u>(268)</u>	<u>(24)</u>	<u>16</u>	<u>(276)</u>
Cash change in net debt	<u>\$ 6</u>	<u>\$ 52</u>	<u>\$ —</u>	<u>\$ 58</u>
Analysis of components of decrease in net debt:				
Net change in short-term debt	\$ 38	\$	\$	\$ 38
Net payments on long-term debt	3	(48)		(45)
Change in cash — continuing operations	(47)	(4)		(51)
Cash change in net debt	(6)	(52)	—	(58)
Non-cash changes in net debt	(49)			(49)
Total change in net debt	<u>\$ (55)</u>	<u>\$(52)</u>	<u>\$ —</u>	<u>\$(107)</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)

	Six Months Ended June 30, 2004			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Sources				
Net income	\$ 171	\$ 34	\$(34)	\$ 171
Depreciation	165	18		183
Asset sales	33	125	(3)	155
Working capital increase	<u>(115)</u>	<u>(1)</u>	<u>1</u>	<u>(115)</u>
	<u>254</u>	<u>176</u>	<u>(36)</u>	<u>394</u>
Uses				
Capital spend	(139)	(6)	3	(142)
Dividends	(36)			(36)
Restructuring cash payments	(49)			(49)
Deferred taxes	(50)	9		(41)
Investment in and undistributed earnings of equity affiliates	(64)	30	34	—
Net changes in other accounts	<u>(31)</u>	<u>(82)</u>	<u>(1)</u>	<u>(114)</u>
	<u>(369)</u>	<u>(49)</u>	<u>36</u>	<u>(382)</u>
Cash change in net debt	<u>\$ (115)</u>	<u>\$ 127</u>	<u>\$ —</u>	<u>\$ 12</u>
Analysis of components of increase (decrease) in net debt:				
Net change in short-term debt	\$ 183	\$ (30)	\$ —	\$ 153
Net payments on long-term debt	(234)	(65)		(299)
Change in cash — continuing operations	<u>166</u>	<u>(32)</u>	<u>—</u>	<u>134</u>
Cash change in net debt	115	(127)	—	(12)
Non-cash changes in net debt	<u>(33)</u>	<u>(27)</u>	<u>—</u>	<u>(60)</u>
Total change in net debt	<u>\$ 82</u>	<u>\$(154)</u>	<u>\$ —</u>	<u>\$ (72)</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 June 30, 2003			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Sources				
Net income	\$ 52	\$ 15	\$(15)	\$ 52
Depreciation	85	14		99
Asset sales	19	57	(1)	75
Divestitures	145			145
Working capital decrease (increase)	(30)	4	(1)	(27)
	<u>271</u>	<u>90</u>	<u>(17)</u>	<u>344</u>
Uses				
Capital spend	(61)	(3)	(2)	(66)
Dividends	(2)			(2)
Restructuring cash payments	(20)			(20)
Deferred taxes	(2)	(4)		(6)
Investment in and undistributed earnings of equity affiliates	(32)	11	16	(5)
Net changes in other accounts	12	20	3	35
	<u>(105)</u>	<u>24</u>	<u>17</u>	<u>(64)</u>
Cash change in net debt	<u>\$ 166</u>	<u>\$ 114</u>	<u>\$ —</u>	<u>\$ 280</u>
Analysis of components of decrease in net debt:				
Net change in short-term debt	\$(162)	\$ (26)	\$	\$(188)
Proceeds from long-term debt	18			18
Debt assumed by buyer		(32)		(32)
Payments on long-term debt	(18)	(12)		(30)
Change in cash — continuing operations	(4)	(44)		(48)
Cash change in net debt	<u>(166)</u>	<u>(114)</u>	<u>—</u>	<u>(280)</u>
Non-cash changes in net debt	28			28
Total change in net debt	<u>\$(138)</u>	<u>\$(114)</u>	<u>\$ —</u>	<u>\$(252)</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)

	Six Months Ended June 30, 2003			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Sources				
Net income	\$ 93	\$ 31	\$(31)	\$ 93
Depreciation	171	31		202
Asset sales	43	137	(1)	179
Divestitures	145			145
Working capital increase	(222)	(4)	6	(220)
	<u>230</u>	<u>195</u>	<u>(26)</u>	<u>399</u>
Uses				
Capital spend	(133)	(8)	(1)	(142)
Dividends	(3)			(3)
Restructuring cash payments	(64)			(64)
Deferred taxes	(6)	(7)		(13)
Investment in and undistributed earnings of equity affiliates	(59)	21	32	(6)
Net changes in other accounts	35	11	(5)	41
	<u>(230)</u>	<u>17</u>	<u>26</u>	<u>(187)</u>
Cash change in net debt	<u>\$ —</u>	<u>\$ 212</u>	<u>\$ —</u>	<u>\$ 212</u>
Analysis of components of increase (decrease) in net debt:				
Net change in short-term debt	\$ (5)	\$ (96)	\$ —	\$(101)
Proceeds from long-term debt	18			18
Debt assumed by buyer		(32)		(32)
Payments on long-term debt	(18)	(18)		(36)
Change in cash — continuing operations	5	(66)		(61)
Cash change in net debt	<u>—</u>	<u>(212)</u>	<u>—</u>	<u>(212)</u>
Non-cash changes in net debt	36			36
Total change in net debt	<u>\$ 36</u>	<u>\$(212)</u>	<u>\$ —</u>	<u>\$(176)</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.

Investor Relations
Dana Corporation
Quarterly Financial Information (Unaudited)
For the three months
Ended June 30, 2004
(in millions)

	External Sales		Inter-Segment Sales		EBIT		Operating PAT		Net Profit		Net Assets	
	04	03	04	03	04	03	04	03	04	03	04	03
Automotive Systems Group	\$1,719	\$1,497	\$ 48	\$35	\$109	\$ 88	\$ 72	\$ 66	\$ 43	\$35	\$2,986	\$2,980
Heavy Vehicle Technologies and Systems Group	592	499	9	20	51	30	31	19	18	5	621	643
Dana Commercial Credit							5	6	5	6	325	306
Other	20	16	1	2	(48)	(53)	(51)	(52)	(9)	(7)	(50)	
Continuing Operations	2,331	2,012	58	57	112	65	57	39	57	39	3,882	3,929
Discontinued Operations					30	19	18	8	18	8		
Unusual Items Excluded from Performance Measurement					(8)	(8)	33	5	33	5		
Consolidated	\$2,331	\$2,012	\$ 58	\$57	\$134	\$ 76	\$108	\$ 52	\$108	\$52	\$3,882	\$3,929
North America	\$1,577	\$1,387	\$ 25	\$23	\$ 80	\$ 59	\$ 48	\$ 40	\$ 23	\$11	\$2,162	\$2,242
Europe	442	377	31	21	37	27	26	23	18	15	1,096	1,051
South America	153	107	50	42	27	18	17	11	14	9	327	293
Asia Pacific	159	141	13		10	13	7	8	3	5	159	167
Dana Commercial Credit							5	6	5	6	325	306
Other					(42)	(52)	(46)	(49)	(6)	(7)	(187)	(130)
Continuing Operations	2,331	2,012	119	86	112	65	57	39	57	39	3,882	3,929
Discontinued Operations					30	19	18	8	18	8		
Unusual Items Excluded from Performance Measurement					(8)	(8)	33	5	33	5		
Consolidated	\$2,331	\$2,012	\$119	\$86	\$134	\$ 76	\$108	\$ 52	\$108	\$52	\$3,882	\$3,929
Information for Discontinued Operations	557	603	5	4							970	962

The performance and net assets of Clevite are now included in ASG.

See Notes 20 and 21 in Dana's 2003 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)
For the Six Months Ended June 30, 2004
(in millions)

	External Sales		Inter-Segment Sales		EBIT		Operating PAT		Net Profit		Net Assets	
	04	03	04	03	04	03	04	03	04	03	04	03
Automotive Systems Group	\$3,431	\$3,004	\$ 93	\$ 71	\$ 212	\$164	\$ 143	\$ 123	\$ 82	\$ 62	\$2,986	\$2,980
Heavy Vehicle Technologies and Systems Group	1,170	954	18	41	90	55	55	34	28	9	621	643
Dana Commercial Credit							12	12	12	12	325	306
Other	41	30	3	3	(109)	(98)	(105)	(104)	(17)	(18)	(50)	
Continuing Operations	4,642	3,988	114	115	193	121	105	65	105	65	3,882	3,929
Discontinued Operations					55	31	31	13	31	13		
Unusual Items Excluded from Performance Measurement					(9)	(8)	35	15	35	15		
Consolidated	\$4,642	\$3,988	\$114	\$115	\$ 239	\$144	\$ 171	\$ 93	\$171	\$ 93	\$3,882	\$3,929
North America	\$3,171	\$2,796	\$ 52	\$ 47	\$ 163	\$113	\$ 102	\$ 72	\$ 47	\$ 16	\$2,162	\$2,242
Europe	880	738	61	40	67	56	48	48	32	33	1,096	1,051
South America	283	193	94	80	45	26	28	16	23	12	327	293
Asia Pacific	308	261	14	1	18	24	12	15	5	9	159	167
Dana Commercial Credit							12	12	12	12	325	306
Other					(100)	(98)	(97)	(98)	(14)	(17)	(187)	(130)
Continuing Operations	4,642	3,988	221	168	193	121	105	65	105	65	3,882	3,929
Discontinued Operations					55	31	31	13	31	13		
Unusual Items Excluded from Performance Measurement					(9)	(8)	35	15	35	15		
Consolidated	\$4,642	\$3,988	\$221	\$168	\$ 239	\$144	\$ 171	\$ 93	\$171	\$ 93	\$3,882	\$3,929
Information for Discontinued Operations	1,067	1,150	9	8							970	962

The performance and net assets of Clevite are now included in ASG.

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