

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): October 20, 2004

Dana Corporation

(Exact name of registrant as specified in its charter)

Virginia	1-1063	34-4361040
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification Number)
4500 Dorr Street, Toledo, Ohio		43615
(Address of principal executive offices)		(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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[PRESS RELEASE DATED OCTOBER 20, 2004](#)

[EX-99.2 SLIDE PRESENTATION FOR OCTOBER 20, 2004](#)

Item 2.02. Results of Operations and Financial Condition.

On October 20, 2004, Dana issued a news release regarding its earnings for the three months and nine months ended September 30, 2004. A copy of that release is furnished as Exhibit 99.1 to this Current Report.

The earnings release includes an expectation for 2004 earnings per share (EPS), excluding unusual items, in the range of \$1.60 to \$1.65 per share. As a result of excluding unusual items, this EPS range was not determined in accordance with accounting principles generally accepted in the United States (GAAP). Management uses this measure because the full-year effect of unusual items, such as gains or losses on the sale of Dana Credit Corporation (DCC) assets and the divestiture of Dana's automotive aftermarket business, cannot reasonably be quantified at this time.

The earnings release also includes tables showing (i) Dana Corporation (Including Dana Credit Corporation on an Equity Basis), Condensed Statements of Income (Unaudited) for the Three Months and Nine Months Ended September 30, 2004 and 2003; (ii) Dana Corporation (Including Dana Credit Corporation on an Equity Basis), Condensed Balance Sheets (Unaudited) as of September 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 Nine Months Ended September 30, 2004 and 2003. As GAAP requires that DCC 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.

Item 7.01. Regulation FD Disclosure.

During a conference call scheduled to be held at 10:00 a.m. EDT on October 20, 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 99.2 to this Current Report.

Certain slides in this presentation include financial measures which are not presented in accordance with GAAP. These include slides 4 and 25 (which present EPS excluding unusual items); slides 5 through 9, 11 and 26 (which include DCC on an equity basis); and slides 4 and 13 (which present net income excluding unusual items). Some of these slides contain on their face a quantitative reconciliation of the differences between the non-GAAP financial measures disclosed and the most directly comparable financial measures calculated and presented in accordance with GAAP. Slides 29 and 30 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

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explanation of why management believes the non-GAAP financial measures provide useful information to investors.

In addition, slide 24 of the presentation and Dana's earnings release in the attached Exhibit 99.1 indicate that management now expects the sale of the company's automotive aftermarket businesses to The Cypress Group to be completed in November 2004. This updates information contained in Dana's Current Report on Form 8-K filed on September 28, 2004, that the transaction was expected to close in October.

Item 9.01. Financial Statements and Exhibits.

- (c) Exhibits
 - 99.1 Press release of Dana Corporation dated October 20, 2004 (furnished but not filed pursuant to Item 2.02)
 - 99.2 Slide presentation for October 20, 2004 conference call (furnished but not filed pursuant to Item 7.01)

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: October 20, 2004

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

Exhibit Index

- 99.1 Press release of Dana Corporation dated October 20, 2004
- 99.2 Slide presentation for October 20, 2004 conference call

NEWS RELEASE

[DANA CORPORATION LOGO]

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DANA CORPORATION REPORTS THIRD-QUARTER EARNINGS

TOLEDO, Ohio, October 20, 2004 - Dana Corporation (NYSE: DCN) today announced third-quarter sales of \$2.1 billion, compared to \$1.9 billion during the same period last year. Net income for the quarter totaled \$40 million, or 27 cents per share, compared to \$61 million, or 41 cents per share, for the period in 2003.

Net unusual charges for the quarter totaled \$20 million. This amount includes net gains resulting from the sale of Dana's interest in certain assets and technology to a joint venture with the Knorr-Bremse Group and the company's continued program of divesting assets of its Dana Credit Corporation (DCC) operation. These gains were more than offset by charges primarily associated with the sale of Dana's automotive aftermarket businesses, including the reversal of an anticipated tax benefit of \$20 million which was recognized in the second quarter of 2004. Based on our current expectations of the effect of the transaction, which is now anticipated to close in November, recognition of this tax benefit is no longer warranted.

Excluding unusual items, third-quarter 2004 net income was \$60 million, or 40 cents per share, compared to \$43 million, or 29 cents per share for the period last year. Third-quarter 2004 results, however, included the impact from several positive tax developments, including the adjustment of the company's effective tax rate for the year to 31 percent. The reduction in the effective rate reflects, among other items, credits for research and development costs. In addition, a tax benefit of \$24 million was recorded to recognize the utilization of capital loss carryforwards related to the settlement of certain issues with tax authorities, as well as adjustments associated with the finalization of the prior-year's tax returns.

"Setting aside taxes, it was an otherwise disappointing quarter, largely because of the increasing cost of raw materials," said Dana Chairman and CEO Mike Burns. "The increase in steel costs alone totaled \$22 million after tax, net of recoveries from our customers.

"We had expected that the bottom-line impact of the commodity price increases would be offset by the stronger performance in our heavy-vehicle business and continuing cost-reduction efforts," he added. "But, the magnitude of the raw material increases, coupled with a decrease in light-vehicle production volumes, hit us harder than expected."

(more)

Nine-Month Results

Dana's nine-month consolidated sales were \$6.8 billion, up from \$5.9 billion during the same period last year. Net income during the first three quarters of 2004 was \$215 million, or \$1.43 per share, including \$15 million in unusual net gains. This compares to net income of \$154 million, or \$1.04 per share, including \$33 million in unusual net gains during the initial nine months of 2003.

"Looking at the year-to-date results, we were reasonably satisfied with the performance from our Heavy Vehicle Technologies and Systems Group, which benefited from a solid commercial vehicle market in North America, and strong global off-highway vehicle production," Mr. Burns said. "It was a different story in our Automotive Systems Group. Although their sales were up, about 30 percent of the sales increase resulted from currency translation and new programs in our structures group, which are only beginning to contribute to the bottom line. Additionally, the automotive group bore the brunt of the increased steel costs."

Looking Ahead

On Oct. 12, Dana revised its expectation for 2004 earnings per share, excluding unusual items, from \$1.90 per share to a range of \$1.60 to \$1.65 per share. The full-year effect of unusual items, such as the sale of DCC assets and the divestiture of the company's automotive aftermarket businesses, cannot reasonably be quantified at this time and was excluded from this guidance.

"We believe that raw material costs will continue to adversely affect us, at least in the near term," Mr. Burns said. "As we move into 2005, however, we can expect more of an offsetting benefit from our cost reduction programs. These include the consolidation of our purchasing function, the accelerated deployment of lean manufacturing techniques, and the standardization of administrative processes throughout the company.

"At the same time, we are not solely focused on cutting costs," he said. "We are equally committed to growing our top line faster - we've added significantly to our book of new business over the last three months, the heavy-truck and off-highway markets continue to grow, and we are focused on expanding our global footprint."

Quarterly Conference Call Scheduled Today at 10 a.m.

Dana will discuss its third-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 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; increases in commodity costs, including steel, that cannot be recouped in product pricing; the ability of our customers and suppliers to achieve their projected sales and production levels; competitive pressures on our sales and 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.

#

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

	Three Months Ended September 30		Percent Change
	2004	2003	
Sales	\$ 2,114	\$ 1,880	12%
Income from continuing operations	\$ 51	\$ 37	38%
Income (loss) from discontinued operations	(11)	24	-146%
Net income	\$ 40	\$ 61	-34%
Income from continuing operations	\$ 51	\$ 37	38%
Gain associated with the sale of assets to a newly formed joint venture	(13)		
Net gains associated with DCC asset sales	(2)	(9)	-78%
Gain on repurchase of notes		(9)	
Restructuring charges	5		
Income from continuing operations, excluding unusual items	\$ 41	\$ 19	116%
Income (loss) from discontinued automotive aftermarket business	\$ (11)	\$ 24	-146%
Adjustment of deferred tax allowance related to aftermarket sale	20		
Costs relating to sale of aftermarket businesses	10		
Income from discontinued operations, excluding unusual items	\$ 19	\$ 24	-21%
Diluted earnings per share:			
Income from continuing operations	\$ 0.34	\$ 0.25	36%
Income (loss) from discontinued operations	(0.07)	0.16	-144%
Net income	\$ 0.27	\$ 0.41	-34%
Income from continuing operations, excluding unusual items	\$ 0.27	\$ 0.13	108%
Income from discontinued operations, excluding unusual items	0.13	0.16	-19%
Net income, excluding unusual items	0.40	0.29	38%
Unusual items	(0.13)	0.12	-208%
Net income	\$ 0.27	\$ 0.41	-34%

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

	Nine Months Ended September 30		Percent Change
	2004	2003	
Sales	\$ 6,756 =====	\$ 5,868 =====	15%
Income from continuing operations	\$ 178	\$ 119	50%
Income from discontinued operations	37	35	6%
Net income	\$ 215 =====	\$ 154 =====	40%
Income from continuing operations	\$ 178	\$ 119	50%
Gain associated with the sale of assets to a newly formed joint venture	(13)		
Net gains associated with DCC asset sales	(20)	(26)	-23%
Gain on repurchase of notes		(9)	
Restructuring charges	5		
Income from continuing operations, excluding unusual items	\$ 150 =====	\$ 84 =====	79%
Income from discontinued automotive aftermarket business	\$ 37	\$ 43	-14%
Loss from engine management business		(8)	
Income from discontinued operations	37	35	6%
Loss on engine management sale		2	
Costs relating to sale of aftermarket businesses	13		
Income from discontinued operations, excluding unusual items	\$ 50 =====	\$ 37 =====	35%
Diluted earnings per share:			
Income from continuing operations	\$ 1.18	\$ 0.80	48%
Income from discontinued operations	0.25	0.24	4%
Net income	\$ 1.43 =====	\$ 1.04 =====	38%
Income from continuing operations, excluding unusual items	\$ 0.99	\$ 0.56	77%
Income from discontinued operations, excluding unusual items	0.33	0.25	32%
Net income, excluding unusual items	1.32	0.81	63%
Unusual items	0.11	0.23	-52%
Net income	\$ 1.43 =====	\$ 1.04 =====	38%

The results of operations for the six months ended June 30, 2004 have been restated to reflect the adoption of FSP FAS 106-2.

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

	Three Months Ended September 30	
	2004	2003
	-----	-----
Net sales	\$ 2,114	\$ 1,880
Revenue from lease financing and other income (expense)	(7)	41
	-----	-----
	2,107	1,921
	-----	-----
Costs and expenses		
Cost of sales	1,955	1,731
Selling, general and administrative expenses	123	115
Interest expense	62	55
	-----	-----
	2,140	1,901
	-----	-----
Income (loss) before income taxes	(33)	20
Income tax benefit	81	13
Minority interest	(3)	(1)
Equity in earnings of affiliates	6	5
	-----	-----
Income from continuing operations	51	37
Income (loss) from discontinued operations	(11)	24
	-----	-----
Net income	\$ 40	\$ 61
	=====	=====
Basic earnings per share		
Income from continuing operations	\$ 0.34	\$ 0.25
Income (loss) from discontinued operations	(0.07)	0.16
	-----	-----
Net income	\$ 0.27	\$ 0.41
	=====	=====
Diluted earnings per share		
Income from continuing operations	\$ 0.34	\$ 0.25
Income (loss) from discontinued operations	(0.07)	0.16
	-----	-----
Net income	\$ 0.27	\$ 0.41
	=====	=====
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)

	Nine Months Ended September 30	
	2004	2003
Net sales	\$ 6,756	\$ 5,868
Revenue from lease financing and other income	32	113
	6,788	5,981
Costs and expenses		
Cost of sales	6,161	5,370
Selling, general and administrative expenses	381	392
Interest expense	164	169
	6,706	5,931
Income before income taxes	82	50
Income tax benefit	78	34
Minority interest	(9)	(4)
Equity in earnings of affiliates	27	39
Income from continuing operations	178	119
Income from discontinued operations	37	35
Net income	\$ 215	\$ 154
Basic earnings per share		
Income from continuing operations	\$ 1.20	\$ 0.80
Income from discontinued operations	0.25	0.24
Net income	\$ 1.45	\$ 1.04
Diluted earnings per share		
Income from continuing operations	\$ 1.18	\$ 0.80
Income from discontinued operations	0.25	0.24
Net income	\$ 1.43	\$ 1.04
Average shares outstanding -		
For Basic EPS	149	148
For Diluted EPS	151	149

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

Assets	September 30 2004	December 31 2003
	-----	-----
Current assets		
Cash and cash equivalents	\$ 512	\$ 731
Accounts receivable		
Trade	1,351	1,048
Other	287	326
Inventories	846	743
Assets of discontinued operations	1,332	1,254
Other current assets	555	431
	-----	-----
Total current assets	4,883	4,533
Investment in leases	419	622
Investments and other assets	2,473	2,252
Property, plant and equipment, net	1,933	2,210
	-----	-----
Total assets	\$ 9,708	\$ 9,617
	=====	=====
Liabilities and Shareholders' Equity		
Current liabilities		
Notes payable	\$ 313	\$ 493
Accounts payable	1,266	1,076
Liabilities of discontinued operations	336	307
Other current liabilities	1,073	1,089
	-----	-----
Total current liabilities	2,988	2,965
Long-term debt	2,542	2,605
Deferred employee benefits and other noncurrent liabilities	1,832	1,901
Minority interest	107	96
Shareholders' equity	2,239	2,050
	-----	-----
Total liabilities and shareholders' equity	\$ 9,708	\$ 9,617
	=====	=====

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

	Three Months Ended September 30	
	2004	2003
Net Income	\$ 40	\$ 61
Depreciation and amortization	90	92
Asset impairment	22	9
Gain on divestitures, asset sales and note repurchases	(40)	(7)
Working capital increase	(249)	(33)
Deferred taxes	(23)	(15)
Other	41	10
	-----	-----
Net cash flows - operating activities	(119)	117
	-----	-----
Purchases of property, plant and equipment	(66)	(73)
Payments received on leases	2	5
Net loan repayments from customers		1
Asset sales	169	27
Other	19	24
	-----	-----
Net cash flows - investing activities	124	(16)
	-----	-----
Net change in short-term debt	28	88
Payments on and repurchases of long-term debt	(101)	(182)
Dividends paid	(17)	(2)
Other		(1)
	-----	-----
Net cash flows - financing activities	(90)	(97)
	-----	-----
Net change in cash and cash equivalents	(85)	4
Net change in cash - discontinued operations		
Cash and cash equivalents - beginning of period	597	632
	-----	-----
Cash and cash equivalents - end of period	\$ 512	\$ 636
	=====	=====

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

	Nine Months Ended September 30	
	2004	2003
Net Income	\$ 215	\$ 154
Depreciation and amortization	273	294
Asset impairment	24	18
Gain on divestitures, asset sales and note repurchases	(65)	(29)
Working capital increase	(413)	(317)
Deferred taxes	(64)	(28)
Other	(34)	(7)
	-----	-----
Net cash flows - operating activities	(64)	85
	-----	-----
Purchases of property, plant and equipment	(208)	(215)
Payments received on leases	8	21
Net loan repayments from customers	2	12
Divestitures		145
Asset sales	324	206
Other	(21)	33
	-----	-----
Net cash flows - investing activities	105	202
	-----	-----
Net change in short-term debt	181	(9)
Proceeds from long-term debt	5	
Payments on and repurchases of long-term debt	(405)	(225)
Dividends paid	(53)	(5)
Other	10	16
	-----	-----
Net cash flows - financing activities	(262)	(223)
	-----	-----
Net change in cash and cash equivalents	(221)	64
Net change in cash - discontinued operations	2	1
Cash and cash equivalents - beginning of period	731	571
	-----	-----
Cash and cash equivalents - end of period	\$ 512	\$ 636
	=====	=====

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

	Three Months Ended September 30	
	2004	2003
Net sales	\$ 2,114	\$ 1,880
Other income	23	32
	-----	-----
	2,137	1,912
	-----	-----
Costs and expenses		
Cost of sales	1,961	1,741
Selling, general and administrative expenses	114	101
Interest expense	51	40
	-----	-----
	2,126	1,882
	-----	-----
Income before income taxes	11	30
Income tax benefit (expense)	30	(9)
Minority interest	(3)	(1)
Equity in earnings of affiliates	13	17
	-----	-----
Income from continuing operations	51	37
Income (loss) from discontinued operations	(11)	24
	-----	-----
Net income	\$ 40	\$ 61
	=====	=====

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

	Nine Months Ended September 30	
	2004	2003
Net sales	\$ 6,756	\$ 5,868
Other income	43	72
	-----	-----
	6,799	5,940
	-----	-----
Costs and expenses		
Cost of sales	6,183	5,404
Selling, general and administrative expenses	357	341
Interest expense	128	122
	-----	-----
	6,668	5,867
	-----	-----
Income before income taxes	131	73
Income tax expense	(8)	(21)
Minority interest	(9)	(4)
Equity in earnings of affiliates	64	71
	-----	-----
Income from continuing operations	178	119
Income from discontinued operations	37	35
	-----	-----
Net income	\$ 215	\$ 154
	=====	=====

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

Assets	September 30 2004	December 31 2003
	-----	-----
Current assets		
Cash and cash equivalents	\$ 487	\$ 664
Accounts receivable		
Trade	1,351	1,048
Other	270	300
Inventories	846	743
Assets of discontinued operations	1,332	1,254
Other current assets	533	399
	-----	-----
Total current assets	4,819	4,408
Investments and other assets	2,661	2,580
Property, plant and equipment, net	1,916	2,014
	-----	-----
Total assets	\$ 9,396	\$ 9,002
	=====	=====
Liabilities and Shareholders' Equity		
Current liabilities		
Notes payable	\$ 382	\$ 260
Accounts payable	1,266	1,076
Liabilities of discontinued operations	336	307
Other current liabilities	1,160	1,235
	-----	-----
Total current liabilities	3,144	2,878
Long-term debt	2,084	2,087
Deferred employee benefits and other noncurrent liabilities	1,824	1,893
Minority interest	105	94
Shareholders' equity	2,239	2,050
	-----	-----
Total liabilities and shareholders' equity	\$ 9,396	\$ 9,002
	=====	=====

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

	Three Months Ended September 30	
	2004	2003
Sources		
Net income	\$ 40	\$ 61
Depreciation	85	78
Asset sales	7	1
Working capital decrease (increase)	(236)	3
	-----	-----
	(104)	143
	-----	-----
Uses		
Capital spend	(65)	(76)
Dividends	(17)	(2)
Restructuring cash payments	(16)	(28)
Deferred taxes	21	5
Investment in and undistributed earnings of equity affiliates	(16)	(18)
Net changes in other accounts	18	24
	-----	-----
	(75)	(95)
	-----	-----
Cash change in net debt	\$ (179)	\$ 48
	=====	=====

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

	Nine Months Ended September 30	
	2004	2003
	-----	-----
Sources		
Net income	\$ 215	\$ 154
Depreciation	250	249
Asset sales	40	44
Divestitures	--	145
Working capital increase	(351)	(219)
	-----	-----
	154	373
	-----	-----
Uses		
Capital spend	(204)	(209)
Dividends	(53)	(5)
Restructuring cash payments	(65)	(92)
Deferred taxes	(29)	(1)
Investment in and undistributed earnings of equity affiliates	(80)	(77)
Net changes in other accounts	(17)	59
	-----	-----
	(448)	(325)
	-----	-----
Cash change in net debt	\$ (294)	\$ 48
	=====	=====

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

Three Months Ended September 30, 2004

	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Net sales	\$ 2,114			\$ 2,114
Other income (expense)	23	(20)	(10)	(7)
	2,137	(20)	(10)	2,107
Costs and expenses				
Cost of sales	1,961		(6)	1,955
Selling, general and administrative expenses	114	12	(3)	123
Interest expense	51	12	(1)	62
	2,126	24	(10)	2,140
Income (loss) before income taxes	11	(44)	--	(33)
Income tax benefit	30	51		81
Minority interest	(3)			(3)
Equity in earnings of affiliates	13		(7)	6
Income from continuing operations	51	7	(7)	51
Income from discontinued operations	(11)			(11)
Net income	\$ 40	\$ 7	\$ (7)	\$ 40

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)

Nine Months Ended September 30, 2004

	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Net sales	\$ 6,756	\$	\$	\$ 6,756
Other income	43	26	(37)	32
	6,799	26	(37)	6,788
Costs and expenses				
Cost of sales	6,183		(22)	6,161
Selling, general and administrative expenses	357	38	(14)	381
Interest expense	128	37	(1)	164
	6,668	75	(37)	6,706
Income (loss) before income taxes	131	(49)	--	82
Income tax benefit (expense)	(8)	86		78
Minority interest	(9)			(9)
Equity in earnings of affiliates	64	4	(41)	27
Income from continuing operations	178	41	(41)	178
Income from discontinued operations	37			37
Net income	\$ 215	\$ 41	\$ (41)	\$ 215

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.

The results of operations for the six months ended June 30, 2004 have been restated to reflect the adoption of FSP FAS 106-2.

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

Three Months Ended September 30, 2003

	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Net sales	\$ 1,880	\$	\$	\$ 1,880
Other income	32	27	(18)	41
	1,912	27	(18)	1,921
Costs and expenses				
Cost of sales	1,741		(10)	1,731
Selling, general and administrative expenses	101	22	(8)	115
Interest expense	40	15		55
	1,882	37	(18)	1,901
Income (loss) before income taxes	30	(10)	--	20
Income tax benefit (expense)	(9)	22		13
Minority interest	(1)			(1)
Equity in earnings of affiliates	17	5	(17)	5
Income from continuing operations	37	17	(17)	37
Income from discontinued operations	24			24
Net income	\$ 61	\$ 17	\$ (17)	\$ 61

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)

Nine Months Ended September 30, 2003

	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Net sales	\$ 5,868	\$	\$	\$ 5,868
Other income	72	101	(60)	113
	5,940	101	(60)	5,981
Costs and expenses				
Cost of sales	5,404		(34)	5,370
Selling, general and administrative expenses	341	77	(26)	392
Interest expense	122	47		169
	5,867	124	(60)	5,931
Income (loss) before income taxes	73	(23)	--	50
Income tax benefit (expense)	(21)	55		34
Minority interest	(4)			(4)
Equity in earnings of affiliates	71	16	(48)	39
Income from continuing operations	119	48	(48)	119
Income from discontinued operations	35			35
Net income	\$ 154	\$ 48	\$ (48)	\$ 154

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)

September 30, 2004				
ASSETS	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Current assets				
Cash and cash equivalents	\$ 487	\$ 25	\$	\$ 512
Accounts receivable				
Trade	1,351			1,351
Other	270	169	(152)	287
Inventories	846			846
Assets of discontinued operations	1,332			1,332
Other current assets	533	156	(134)	555
	-----	-----	-----	-----
Total current assets	4,819	350	(286)	4,883
	-----	-----	-----	-----
Investment in leases		419		419
Investments and other assets	2,661	467	(655)	2,473
Property, plant and equipment, net	1,916	17	--	1,933
	-----	-----	-----	-----
Total assets	\$ 9,396	\$ 1,253	\$ (941)	\$ 9,708
	=====	=====	=====	=====
Liabilities and Shareholders' Equity				
Current liabilities				
Notes payable	\$ 382	\$ 76	\$ (145)	\$ 313
Accounts payable	1,266			1,266
Liabilities of discontinued operations	336			336
Other current liabilities	1,160	55	(142)	1,073
	-----	-----	-----	-----
Total current liabilities	3,144	131	(287)	2,988
	-----	-----	-----	-----
Long-term debt	2,084	458		2,542
Deferred employee benefits and other noncurrent liabilities	1,824	330	(322)	1,832
Minority interest	105	2		107
Shareholders' equity	2,239	332	(332)	2,239
	-----	-----	-----	-----
Total liabilities and shareholders' equity	\$ 9,396	\$ 1,253	\$ (941)	\$ 9,708
	=====	=====	=====	=====

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			
ASSETS	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
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	1,254			1,254
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	307			307
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 September 30, 2004

	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Sources				
Net income	\$ 40	\$ 7	\$ (7)	\$ 40
Depreciation	85	5		90
Asset sales	7	162		169
Working capital decrease (increase)	(236)	1	2	(233)
	-----	-----	-----	-----
	(104)	175	(5)	66
	-----	-----	-----	-----
Uses				
Capital spend	(65)	(1)		(66)
Dividends	(17)			(17)
Restructuring cash payments	(16)			(16)
Deferred taxes	21	(44)		(23)
Investment in and undistributed earnings of equity affiliates	(16)	(34)	7	(43)
Net changes in other accounts	18	(74)	143	87
	-----	-----	-----	-----
	(75)	(153)	150	(78)
	-----	-----	-----	-----
Cash change in net debt	\$ (179)	\$ 22	\$ 145	\$ (12)
	=====	=====	=====	=====
Analysis of components of decrease in net debt:				
Net change in short-term debt	\$ 173	\$	\$ (145)	\$ 28
Net payments on long-term debt	(5)	(96)		(101)
Change in cash - continuing operations	11	74		85
	-----	-----	-----	-----
Cash change in net debt	179	(22)	(145)	12
Non-cash changes in net debt	35	1		36
	-----	-----	-----	-----
Total change in net debt	\$ 214	\$ (21)	\$ (145)	\$ 48
	=====	=====	=====	=====

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)

Nine Months Ended September 30, 2004

	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Sources				
Net income	\$ 215	\$ 41	\$ (41)	\$ 215
Depreciation	250	23		273
Asset sales	40	287	(3)	324
Working capital increase	(351)		3	(348)
	-----	-----	-----	-----
	154	351	(41)	464
	-----	-----	-----	-----
Uses				
Capital spend	(204)	(7)	3	(208)
Dividends	(53)			(53)
Restructuring cash payments	(65)			(65)
Deferred taxes	(29)	(35)		(64)
Investment in and undistributed earnings of equity affiliates	(80)	(4)	41	(43)
Net changes in other accounts	(17)	(156)	142	(31)
	-----	-----	-----	-----
	(448)	(202)	186	(464)
	-----	-----	-----	-----
Cash change in net debt	\$ (294)	\$ 149	\$ 145	\$ --
	=====	=====	=====	=====
Analysis of components of increase (decrease) in net debt:				
Net change in short-term debt	\$ 356	\$ (30)	\$ (145)	\$ 181
Net payments on long-term debt	(239)	(161)		(400)
Change in cash - continuing operations	177	42		219
	-----	-----	-----	-----
Cash change in net debt	294	(149)	(145)	--
Non-cash changes in net debt	2	(26)		(24)
	-----	-----	-----	-----
Total change in net debt	\$ 296	\$ (175)	\$ (145)	\$ (24)
	=====	=====	=====	=====

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 September 30, 2003

	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Sources				
Net Income	\$ 61	\$ 17	\$ (17)	\$ 61
Depreciation	78	14		92
Asset sales	1	30	(4)	27
Working capital decrease (increase)	3	(4)	(4)	(5)
	-----	-----	-----	-----
	143	57	(25)	175
	-----	-----	-----	-----
Uses				
Capital spend	(76)	(1)	4	(73)
Dividends	(2)			(2)
Restructuring cash payments	(28)			(28)
Deferred taxes	5	(20)		(15)
Investment in and undistributed earnings of equity affiliates	(18)	(5)	17	(6)
Net changes in other accounts	24	21	4	49
	-----	-----	-----	-----
	(95)	(5)	25	(75)
	-----	-----	-----	-----
Cash change in net debt	\$ 48	\$ 52	\$ --	\$ 100
	=====	=====	=====	=====
Analysis of components of decrease in net debt:				
Net change in short-term debt	\$ 92	\$	\$	\$ 92
Repurchases of long-term debt	(140)			(140)
Proceeds from swap settlement	18			18
Net payments on long-term debt	(15)	(52)		(67)
Change in cash - continuing operations	(3)			(3)
	-----	-----	-----	-----
Cash change in net debt	(48)	(52)	--	(100)
Non-cash changes in net debt	(53)	(1)		(54)
	-----	-----	-----	-----
Total change in net debt	\$ (101)	\$ (53)	\$ --	\$ (154)
	=====	=====	=====	=====

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)

Nine Months Ended September 30, 2003

	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Sources				
Net income	\$ 154	\$ 48	\$ (48)	\$ 154
Depreciation	249	45		294
Asset sales	44	167	(5)	206
Divestitures	145			145
Working capital increase	(219)	(8)	2	(225)
	-----	-----	-----	-----
	373	252	(51)	574
	-----	-----	-----	-----
Uses				
Capital spend	(209)	(9)	3	(215)
Dividends	(5)			(5)
Restructuring cash payments	(92)			(92)
Deferred taxes	(1)	(27)		(28)
Investment in and undistributed earnings of equity affiliates	(77)	(16)	48	(45)
Net changes in other accounts	59	32		91
	-----	-----	-----	-----
	(325)	(20)	51	(294)
	-----	-----	-----	-----
Cash change in net debt	\$ 48	\$ 232	\$ --	\$ 280
	=====	=====	=====	=====
Analysis of components of increase (decrease) in net debt:				
Net change in short-term debt	\$ 87	\$ (96)	\$	\$ (9)
Repurchases of long-term debt	(140)			(140)
Proceeds from swap settlement	18			18
Net payments on long-term debt	(15)	(70)		(85)
Change in cash - continuing operations	2	(66)		(64)
	-----	-----	-----	-----
Cash change in net debt	(48)	(232)	--	(280)
Non-cash changes in net debt	(17)	(33)		(50)
	-----	-----	-----	-----
Total change in net debt	\$ (65)	\$ (265)	\$ --	\$ (330)
	=====	=====	=====	=====

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.

(www.dana.com).

FOR MORE INFORMATION

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[DANA LOGO]

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	
	04	03	04	03	04	03	04	03
Automotive Systems Group	\$ 1,719	\$ 1,497	\$ 48	\$ 35	\$ 109	\$ 88	\$ 72	\$ 66
Heavy Vehicle Technologies and Systems Group	592	499	9	20	51	30	31	19
Dana Commercial Credit							5	6
Other	20	16	1	2	(46)	(53)	(49)	(52)
Continuing Operations	2,331	2,012	58	57	114	65	59	39
Discontinued Operations					30	19	18	8
Unusual Items Excluded from Performance Measurement					(8)	(8)	33	5
Consolidated	\$ 2,331	\$ 2,012	\$ 58	\$ 57	\$ 136	\$ 76	\$ 110	\$ 52
North America	\$ 1,577	\$ 1,387	\$ 25	\$ 23	\$ 80	\$ 59	\$ 48	\$ 40
Europe	442	377	31	21	37	27	26	23
South America	153	107	50	42	27	18	17	11
Asia Pacific	159	141	13		10	13	7	8
Dana Commercial Credit							5	6
Other					(40)	(52)	(44)	(49)
Continuing Operations	2,331	2,012	119	86	114	65	59	39
Discontinued Operations					30	19	18	8
Unusual Items Excluded from Performance Measurement					(8)	(8)	33	5
Consolidated	\$ 2,331	\$ 2,012	\$ 119	\$ 86	\$ 136	\$ 76	\$ 110	\$ 52
Information for Discontinued Operations	557	603	5	4				

	Net Profit		Net Assets	
	04	03	04	03
Automotive Systems Group	\$ 44	\$ 35	\$ 2,986	\$ 2,980
Heavy Vehicle Technologies and Systems Group	18	5	621	643
Dana Commercial Credit	5	6	325	306
Other	(8)	(7)	(50)	
Continuing Operations	59	39	3,882	3,929
Discontinued Operations	18	8		
Unusual Items Excluded from Performance Measurement	33	5		
Consolidated	\$ 110	\$ 52	\$ 3,882	\$ 3,929
North America	\$ 24	\$ 11	\$ 2,162	\$ 2,242
Europe	19	15	1,096	1,051
South America	14	9	327	293
Asia Pacific	3	5	159	167
Dana Commercial Credit	5	6	325	306
Other	(6)	(7)	(187)	(130)
Continuing Operations	59	39	3,882	3,929
Discontinued Operations	18	8		
Unusual Items Excluded from Performance Measurement	33	5		
Consolidated	\$ 110	\$ 52	\$ 3,882	\$ 3,929
Information for Discontinued Operations			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
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FOR MORE INFORMATION

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Dana Investor Relations 419-535-4635

Investor Relations
Dana Corporation
Quarterly Financial Information (Unaudited)
For the Quarter Ended March 31, 2004
(in millions)

	External Sales		Inter-Segment Sales		EBIT	
	04	03	04	03	04	03
Automotive Systems Group	\$ 1,712	\$ 1,507	\$ 45	\$ 36	\$ 103	\$ 76
Heavy Vehicle Technologies and Systems Group	578	455	9	21	39	25
Dana Commercial Credit						
Other	21	14	2	1	(59)	(45)
Continuing Operations	2,311	1,976	56	58	83	56
Discontinued Operations					25	12
Unusual Items Excluded from Performance Measurement					(1)	
Consolidated	\$ 2,311	\$ 1,976	\$ 56	\$ 58	\$ 107	\$ 68
North America	\$ 1,594	\$ 1,409	\$ 27	\$ 24	\$ 83	\$ 54
Europe	438	361	30	19	30	29
South America	130	86	44	38	18	8
Asia Pacific	149	120	1	1	8	11
Dana Commercial Credit						
Other					(56)	(46)
Continuing Operations	2,311	1,976	102	82	83	56
Discontinued Operations					25	12
Unusual Items Excluded from Performance Measurement					(1)	
Consolidated	\$ 2,311	\$ 1,976	\$ 102	\$ 82	\$ 107	\$ 68
Information for Discontinued Operations	510	547	4	4		

	Operating PAT		Net Profit		Net Assets	
	04	03	04	03	04	03
Automotive Systems Group	\$ 71	\$ 57	\$ 40	\$ 27	\$ 3,031	\$ 2,888
Heavy Vehicle Technologies and Systems Group	24	15	10	4	637	631
Dana Commercial Credit	7	6	7	6	301	287
Other	(52)	(52)	(7)	(11)	(29)	18
Continuing Operations	50	26	50	26	3,940	3,824
Discontinued Operations	13	5	13	5		
Unusual Items Excluded from Performance Measurement	2	10	2	10		
Consolidated	\$ 65	\$ 41	\$ 65	\$ 41	\$ 3,940	\$ 3,824
North America	\$ 54	\$ 32	\$ 25	\$ 5	\$ 2,165	\$ 2,209
Europe	22	25	14	18	1,136	993
South America	11	5	9	3	312	269
Asia Pacific	5	7	2	4	183	164
Dana Commercial Credit	7	6	7	6	301	287
Other	(49)	(49)	(7)	(10)	(157)	(98)
Continuing Operations	50	26	50	26	3,940	3,824
Discontinued Operations	13	5	13	5		
Unusual Items Excluded from Performance Measurement	2	10	2	10		
Consolidated	\$ 65	\$ 41	\$ 65	\$ 41	\$ 3,940	\$ 3,824
Information for Discontinued Operations					945	1,056

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

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FOR MORE INFORMATION

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Dana Investor Relations 419-535-4635



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; the ability of our customers and suppliers to achieve their projected sales and production levels; competitive pressures on our sales and 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 our automotive aftermarket businesses; 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.

Key Topics

- ▶ Financial Review
- ▶ Operational Review
 - Steel
 - New Business Growth
 - Market Update
- ▶ Future Outlook

Financial Overview

	Q3 - 2004	Q3 - 2003
Sales	\$2.1 billion	\$1.9 billion
Net Income	\$40 million	\$61 million
Earnings per Share	\$0.27	\$0.41
Net Income, excluding unusual items*	\$60 million	\$43 million
Earnings Per Share, excluding unusual items*	\$0.40	\$0.29



Q3 Income Statement

With DCC on an Equity Basis*

(Millions)

	Excluding Unusual Items	Unusual Items			As Reported
		Tax	AAG	DCC	
Net sales	\$ 2,114				\$ 2,114
Other income	10	-	-	(4)	17
	2,124	-	-	(4)	17
Cost of sales	1,958				3
SG&A expense	114				
Interest expense	51	-	-	-	-
	2,123	-	-	-	3
Income before taxes	1	-	-	(4)	14
Tax benefit (expense)	32			4	(6)
Minority interest	(3)				
Equity in affiliate earnings	11	-	-	2	-
	41	-	-	2	8
Discontinued operations	19	(20)	(10)	-	-
Net income	\$ 60	\$ (20)	\$ (10)	\$ 2	\$ 8
					\$ 40

Year to Date Income Statement

With DCC on an Equity Basis*

(Millions)

	Excluding Unusual Items	Unusual Items				As Reported
		Tax	AAG	DCC	Other	
Net sales	\$ 6,756					\$ 6,756
Other income	34	-	-	(8)	17	43
	6,790	-	-	(8)	17	6,799
Cost of sales	6,180				3	6,183
SG&A expense	357					357
Interest expense	128	-	-	-	-	128
	6,665	-	-	-	3	6,668
Income before taxes	125	-	-	(8)	14	131
Tax benefit (expense)	(6)			4	(6)	(8)
Minority interest	(9)					(9)
Equity in affiliate earnings	40	-	-	24	-	64
	150	-	-	20	8	178
Discontinued operations	50	-	(13)	-	-	37
Net income	\$ 200	\$ -	\$ (13)	\$ 20	\$ 8	\$ 215

Income Statement

With DCC on an Equity Basis*

(Millions)	Third Quarter		Year-to-Date	
	2004	2003	2004**	2003
Net sales	\$ 2,114	\$ 1,880	\$ 6,756	\$ 5,868
Other income	23	32	43	72
	<u>2,137</u>	<u>1,912</u>	<u>6,799</u>	<u>5,940</u>
Cost of sales	1,961	1,741	6,183	5,404
SG&A expense	114	101	357	341
Interest expense	51	40	128	122
	<u>2,126</u>	<u>1,882</u>	<u>6,668</u>	<u>5,867</u>
Income before taxes	11	30	131	73
Tax benefit (expense)	30	(9)	(8)	(21)
Minority interest	(3)	(1)	(9)	(4)
Equity in affiliate earnings	13	17	64	71
	51	37	178	119
Discontinued operations	(11)	24	37	35
Net income	<u>\$ 40</u>	<u>\$ 61</u>	<u>\$ 215</u>	<u>\$ 154</u>

Cash Flow Statement

With DCC on an Equity Basis *

(Millions)	Third Quarter		Year-to-Date	
	2004	2003	2004**	2003
Sources				
Net income	\$ 40	\$ 61	\$ 215	\$ 154
Depreciation	85	78	250	249
Asset Sales & Divestitures	7	1	40	189
Working capital decrease (increase)	(236)	3	(351)	(219)
	<u>(104)</u>	<u>143</u>	<u>154</u>	<u>373</u>
Uses				
Capital spend	(65)	(76)	(204)	(209)
Dividends	(17)	(2)	(53)	(5)
Restructuring payments	(16)	(28)	(65)	(92)
Net changes in other accounts	23	11	(126)	(19)
	<u>(75)</u>	<u>(95)</u>	<u>(448)</u>	<u>(325)</u>
Cash change in net debt	\$ (179)	\$ 48	\$ (294)	\$ 48



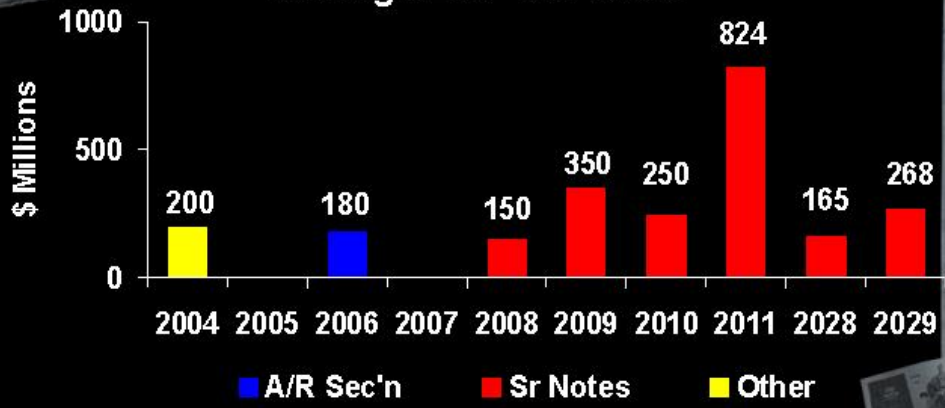
Capital Structure

With DCC on an Equity Basis*

(Millions)	Dec-03	Operations	Other	Sep-04
Short-term debt	\$ 260	\$ 118	\$ 4	\$ 382
Long-term debt	2,087	(1)	(2)	2,084
Borrowings	2,347	117	2	2,466
Cash	664	(177)	-	487
Net debt	\$ 1,683	\$ 294	\$ 2	\$ 1,979
Equity	\$ 2,050	\$ 162	\$ 27	\$ 2,239
Net Debt / Capital	45.1%			46.9%

September 30, 2004 Debt Portfolio

Maturity Schedule
Average Life - 8.2 Years



Maturities do not reflect swap valuation adjustments



September 30, 2004 Liquidity

Excluding DCC

(Millions)	Lines	Drawn	Available
5-year bank facility	\$400	\$ -	\$400
Accts receivable program*	180	180	0
Bridge facility*	200	25	175
Committed facilities	<u>\$780</u>	<u>\$205</u>	<u>\$575</u>
DCC loan		145	(145)
Total short-term facilities		<u>\$350</u>	<u>\$430</u>
	Plus: Cash		487
	Total		\$917

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



Dana Credit Corporation (DCC) Portfolio Analysis (\$ Millions)



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



9/04 Total Portfolio Assets - \$865

■ Value-Added Services
■ Real Estate

■ Capital Markets
■ Retained



Financial Summary

(Millions)	Q3 - 2004	YTD - 2004
Net Income, <i>excluding unusual items</i>	\$60	\$200
DCC	2	20
Aftermarket	(30)	(13)
Knorr-Bremse/Others	8	8
Net Income, <i>including unusual items</i>	<u>\$40</u>	<u>\$215</u>
Tax Benefit	\$24	\$ 24
Steel Cost	\$22	\$ 38



Steel

▶ Increased steel costs have had a profoundly negative impact on auto industry this year

▶ Lack of global capacity has driven steep price increases

▶ Like it or not, these are the conditions of the market – and we must act aggressively

- Negotiating leveraged purchases
- Participating in OEM re-sale programs
- Pursuing additional solutions to reduce costs

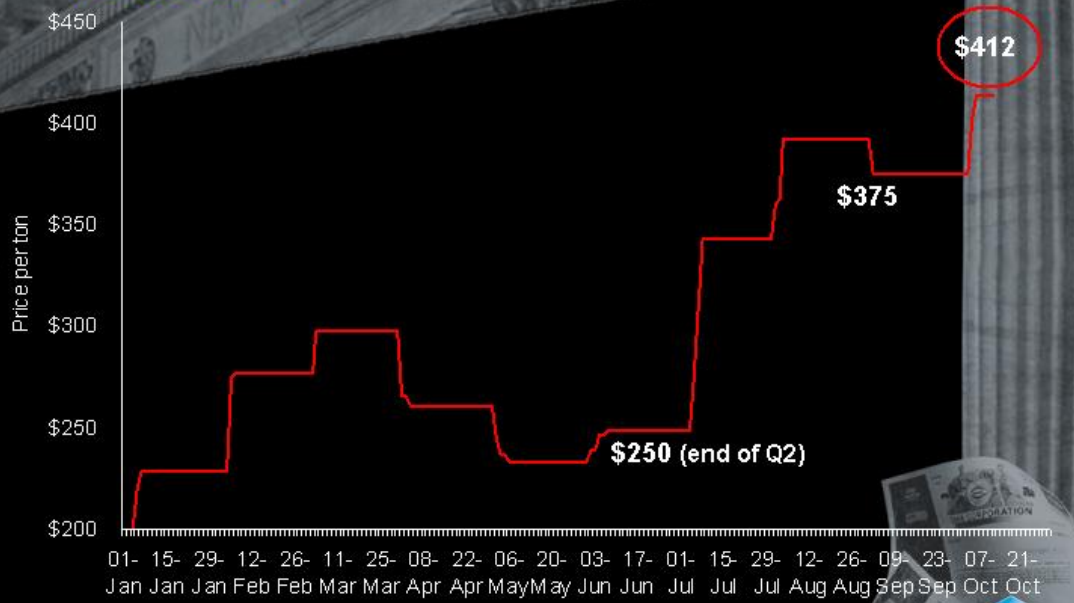
Automotive News
OCTOBER 11, 2004
\$2.99/ISSUE (\$3.99/ANNUAL)
100 YEARS OF SERVICE

late news
New Mitsubishi costs \$35,594
The 2005 Mitsubishi Lancer Evolution SE is priced at \$35,594, including \$500 destination. It's the only new compact Mitsubishi available for the 2005 model year.

Short supplies, rising demand lift steel prices 15% to 20%
Steel prices are climbing by as much as 20% in some markets, according to a report from the U.S. Steel Institute.

Steel hikes
Steel prices are climbing by as much as 20% in some markets, according to a report from the U.S. Steel Institute.

Scrap Open Market Pricing (#1 Bundled)



Heavy Vehicle Performance

	Sales			OPAT			Steel
	2004	2003	Chg.	2004	2003	Chg.	2004
(Millions)							
Q1	\$587	\$476	23%	\$24	\$15	60%	\$1
Q2	601	519	16	31	19	63	3
Q3	570	488	17	26	23	13	3
Results	\$1,758	\$1,483	19%	\$81	\$57	42%	\$7



Automotive Systems Performance

	Sales			OPAT			Steel
	2004	2003	Chg.	2004	2003	Chg.	2004
(Millions)							
Q1	\$1,757	\$1,543	14%	\$71	\$57	25%	\$1
Q2	1,767	1,532	15	72	66	9	7
Q3	1,583	1,432	11	46	52	(12)	13
Results	\$5,107	\$4,507	13%	\$189	\$175	8%	\$21



3rd Quarter Segment Comparison

(Millions)	Sales			OPAT		
	2004	2003	Chg.	2004	2003	Chg.
Automotive	\$ 1,583	\$ 1,432	11%	\$ 46	\$ 52	(12)%
Heavy Vehicle	570	488	17	26	23	13
DCC				4	6	(33)
Other	(39)	(40)	3	(35)	(62)	44
Results from						
Cont. Operations	\$ 2,114	\$ 1,880	12%	\$ 41	\$ 19	116%
Discontinued Ops.*				19	24	
Unusual Items				(20)	18	
Consolidated	\$ 2,114	\$ 1,880	12%	\$ 40	\$ 61	(34)%

* Q3 Sales from Discontinued Operations were \$540 in 2004 vs. \$530 in 2003



Cost Cutting

Working Aggressively to Reduce Cost Structure

- ▶ Consolidation of global purchasing efforts
- ▶ Accelerated deployment of lean manufacturing techniques
- ▶ Standardization of administrative processes
- ▶ Pursuing value engineering to offset cost increases and meet customer pricing expectations



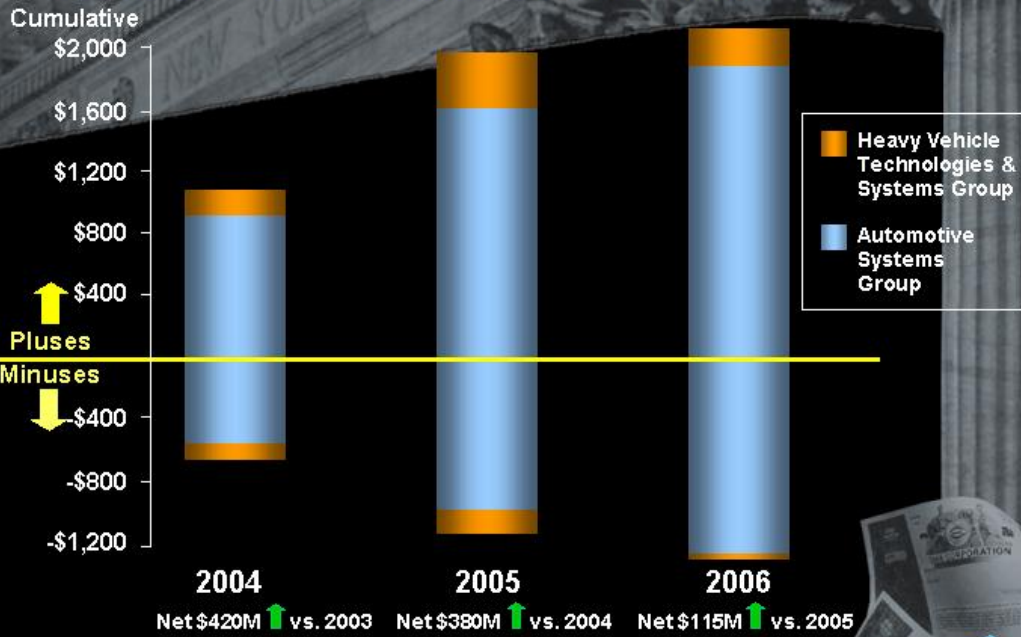
Business Growth

Committed to Growing Top-Line Faster

- ▶ Added significantly to book of new business in Q3
- ▶ Heavy-truck and off-highway markets experiencing healthy growth
- ▶ Focused on expanding global footprint



Net New Business (\$ Millions)



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

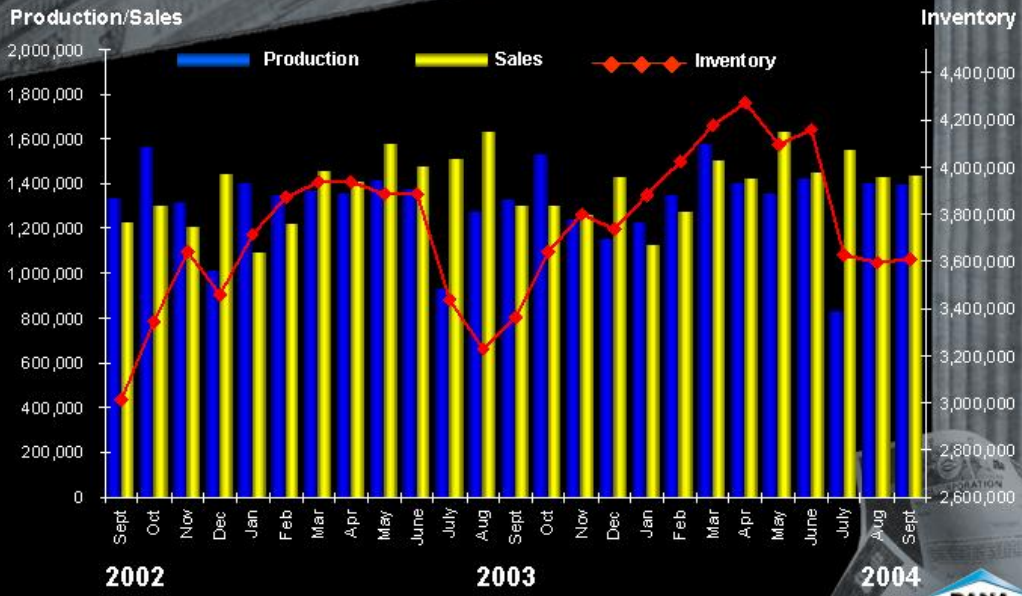


NAFTA Heavy-Truck Overview



N.A. Light-Vehicle Overview

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



Aftermarket Business Divestiture



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

Transaction expected to close in November

2004 Revised Guidance

(\$ Millions, except per share data)

Sales	≥ \$8,700
EPS*	\$1.60 - \$1.65

* Excludes unusual items, non-GAAP measure



2004 Free Cash Flow Projection

Excluding DCC

(Millions)

Sources:

Net income, excluding unusual items	\$	240
Depreciation		325
		<hr/>
	\$	565

Less:

Capital spend		(310)
Restructuring payments		(85)
Dividends at current rate		(70)
		<hr/>
	\$	(465)

Free Cash Flow from operations*	\$	100
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* Excludes proceeds from aftermarket divestiture



Summary

- ▶ **3rd Quarter Disappointing**
- ▶ **Commodities**
- ▶ **Focus On....**
 - **Cost Structure**
 - **Top-line Growth**





Questions

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	2,087	518	2,605
Borrowings	2,347	751	3,098
Cash	664	67	731
Net debt	\$ 1,683	\$ 684	\$ 2,367
Equity	\$ 2,050		\$ 2,050
Net Debt / Capital	45.1%		53.6%



Capital Structure

Reconciliation as of September 30, 2004

(Millions)	Dana with DCC <u>On Equity</u>	<u>DCC</u>	<u>Eliminations</u>	Dana with DCC <u>Consolidated</u>
Short-term debt	\$ 382	\$ 76	\$ (145)	\$ 313
Long-term debt	2,084	458	-	2,542
Borrowings	2,466	534	(145)	2,855
Cash	487	25	-	512
Net debt	\$ 1,979	\$ 509	\$ (145)	\$ 2,343
Equity	\$ 2,239			\$ 2,239
Net Debt / Capital	46.9%			51.1%



Net New Business Detail

(Millions)

	<u>2004</u>	<u>2005</u>	<u>2006</u>
Q3-2004			
ASG	\$360	\$250	\$ 0
HVTSG	60	130	115
TOTAL	<u>\$420</u>	<u>\$380</u>	<u>\$115</u>
Q2-2004			
ASG	\$360	\$200	\$(80)
HVTSG	60	100	120
TOTAL	<u>\$420</u>	<u>\$300</u>	<u>\$ 40</u>

