
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): November 8, 2007

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

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 7.01. Regulation FD Disclosure.

On November 8, 2007, Dana Corporation (Dana) filed its unaudited Monthly Operating Report for the month ended September 30, 2007 with the United States Bankruptcy Court for the Southern District of New York (the Bankruptcy Court) (*In re Dana Corporation, et al.*, Case No. 06-10354 (BRL)). A copy of this report is contained in the attached Exhibit 99.1.

The Monthly Operating Report was prepared solely for the purpose of complying with the monthly reporting requirements of, and is in a format acceptable to, the Office of the United States Trustee, Southern District of New York, and it should not be relied upon for investment purposes. The Monthly Operating Report is limited in scope and covers a limited time period. The financial information that it contains is unaudited.

The financial statements in the Monthly Operating Report are not prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Monthly Operating Report presents condensed financial information of Dana and its debtor and non-debtor subsidiaries, with Dana Credit Corporation (DCC) accounted for on an equity basis, rather than on a consolidated basis as required by GAAP.

Readers should not place undue reliance upon the financial information in the Monthly Operating Report, as there can be no assurance that such information is complete. The Monthly Operating Report may be subject to revision. The information in the Monthly Operating Report should not be viewed as indicative of future results.

Additional information about Dana's filing under the Bankruptcy Code, including access to court documents and other general information about the Chapter 11 cases, is available online at <http://www.dana.com/reorganization>.

The Monthly Operating Report is being furnished for informational purposes only and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as otherwise expressly stated in such filing. The filing of this Form 8-K shall not be deemed an admission as to the materiality of any information herein that is required to be disclosed solely by Regulation FD.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Dana Corporation's Monthly Operating Report for the Month of September 2007 (furnished but not filed)

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dana Corporation

(Registrant)

Date: November 8, 2007

By: /s/ Kenneth A. Hiltz
Kenneth A. Hiltz
Chief Financial Officer

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<u>Exhibit No.</u>	<u>Description</u>
99.1	Dana Corporation's Monthly Operating Report for the Month of September 2007 (furnished but not filed)

JONES DAY
222 East 41st Street
New York, New York 10017
Telephone: (212) 326-3939
Facsimile: (212) 755-7306
Corinne Ball (CB 8203)
Richard H. Engman (RE 7861)

JONES DAY
North Point
901 Lakeside Avenue
Cleveland, Ohio 44114
Telephone: (216) 586-3939
Facsimile: (216) 579-0212
Heather Lennox (HL 3046)
Carl E. Black (CB 4803)
Ryan T. Routh (RR 1994)

JONES DAY
1420 Peachtree Street, N.E.
Suite 800
Atlanta, Georgia 30309-3053
Telephone: (404) 521-3939
Facsimile: (404) 581-8330
Jeffrey B. Ellman (JE 5638)

Attorneys for Debtors
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re	:	Chapter 11
	:	
Dana Corporation, <i>et al.</i> ,	:	Case No. 06-10354 (BRL)
	:	
Debtors.	:	(Jointly Administered)
	:	

**MONTHLY OPERATING REPORT FOR DANA CORPORATION
AND ITS AFFILIATED DEBTORS FOR THE MONTH OF SEPTEMBER 2007**



UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK
JUDGE: Burton R. Lifland

CASE NO: 06-10354 (BRL)
CHAPTER 11

DANA CORPORATION, ET AL. (1)
MONTHLY OPERATING REPORT
PERIOD COVERED: September 1, 2007 — September 30, 2007

DEBTORS' ADDRESS:

4500 Dorr Street
Toledo, OH 43615

MONTHLY DISBURSEMENTS:

\$ 384 million

DEBTORS' ATTORNEY:

Jones Day
222 East 41st Street
New York, NY 10017

MONTHLY NET PROFIT:

\$ 23 million

REPORT PREPARER:

/s/ Kenneth A. Hiltz
SIGNATURE OF REPORT PREPARER

CHIEF FINANCIAL OFFICER
TITLE

KENNETH A. HILTZ
PRINTED NAME OF REPORT PREPARER

November 8, 2007
DATE

The report preparer, having reviewed the attached report and being familiar with the Debtors' financial affairs, verified under the penalty of perjury that the information contained therein is complete, accurate and truthful to the best of his knowledge. (2)

- (1) See next page for a listing of Debtors by case number.
(2) All amounts herein are unaudited and subject to revision.

In re Dana Corporation, et al.
Reporting Period: September 1, 2007 - September 30, 2007

Debtors:	Case Number:
Dana Corporation	06-10354
Dakota New York Corp	06-10351
Brake Systems, Inc.	06-10355
BWDAC, Inc.	06-10357
CP Products, Inc. (f/k/a Coupled Products, Inc.)	06-10359
Dana Atlantic, LLC	06-10360
Dana Automotive Aftermarket, Inc.	06-10362
Dana Brazil Holdings I, LLC	06-10363
Dana Brazil Holdings, LLC	06-10364
Dana Information Technology, LLC	06-10365
Dana International Finance, Inc.	06-10366
Dana International Holdings, LLC.	06-10367
Dana Risk Management Services, Inc.	06-10368
Dana Technology, Inc.	06-10369
Dana World Trade Corporation	06-10370
Dandorr L.L.C.	06-10371
Dorr Leasing Corporation	06-10372
DTF Trucking, Inc.	06-10373
Echlin-Ponce, Inc.	06-10374
EFMG, LLC	06-10375
EPE, Inc.	06-10376
ERS, LLC	06-10377
Flight Operations, Inc.	06-10378
Friction, Inc.	06-10379
Friction Materials, Inc.	06-10380
Glacier Vandervell, Inc.	06-10381
Hose & Tubing Products, Inc.	06-10382
Lipe Corporation	06-10383
Long Automotive, LLC	06-10384
Long Cooling, LLC	06-10385
Long USA, LLC	06-10386
Midland Brake, Inc.	06-10387
Prattville Mfg, Inc.	06-10388
Reinz Wisconsin Gasket, LLC	06-10390
Spicer Heavy Axle & Brake, Inc.	06-10391
Spicer Heavy Axle Holdings, Inc.	06-10392
Spicer Outdoor Power Equipment Components	06-10393
Torque-Traction Integration Technologies, LLC	06-10394
Torque-Traction Manufacturing Technologies, LLC	06-10395
Torque-Traction Technologies, LLC	06-10396
United Brake Systems, Inc.	06-10397

Case Number: 06-10354 (BRL) (Jointly Administered)

DANA CORPORATION, ET AL.
MONTHLY OPERATING REPORT
September 2007

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Other Information

While Dana Corporation (Dana) continues its reorganization under Chapter 11 of the United States Bankruptcy Code (the Bankruptcy Code), investments in Dana securities are highly speculative. Although shares of Dana common stock continue to trade on the OTC Bulletin Board under the symbol "DCNAQ," the opportunity for any recovery by shareholders under a confirmed plan of reorganization is uncertain. If the Third Amended Joint Plan of Reorganization of Debtors and Debtors in Possession (the Plan) filed with the United States Bankruptcy Court for the Southern District of New York (the Bankruptcy Court) on October 23, 2007, is ultimately confirmed, Dana common shares will be cancelled and shareholders with allowed interests will be entitled to a pro rata share of the assets, if any, that remain in a reserve established for disputed unsecured claims after the holders of allowed unsecured claims have been paid in full, with interest. There is no assurance that the Plan will be confirmed or, if it is, that there will be any residual assets left for the benefit of current holders of Dana common shares. In fact, the Debtors do not currently anticipate that the holders of Dana common shares will receive any distribution under the Plan.

Case Number: 06-10354 (BRL) (Jointly Administered)

**DANA CORPORATION
DEBTOR IN POSSESSION
CONDENSED STATEMENT OF OPERATIONS
WITH DCC ON AN EQUITY BASIS (UNAUDITED)**

	<u>Month Ended</u> <u>September 30, 2007</u> <u>(in millions)</u>	<u>Year to Date</u> <u>September 30, 2007</u> <u>(in millions)</u>
Net sales	\$ 732	\$ 6,564
Costs and expenses		
Cost of sales	690	6,203
Selling, general and administrative expenses	23	260
Realignment charges, net	(4)	159
Other income, net	12	93
Income from operations	35	35
Interest expense (contractual interest of \$14 in August and \$146 year to date)	5	65
Reorganization items, net	(24)	173
Income (loss) before income taxes	54	(203)
Income tax expense (benefit)	(15)	14
Minority interest expense	1	10
Equity in earnings of (loss) affiliates	(5)	22
Income (loss) from continuing operations	63	(205)
Loss from discontinued operations	(40)	(89)
Net income (loss)	<u>\$ 23</u>	<u>\$ (294)</u>

The accompanying notes are an integral part of the financial statements.

Case Number: 06-10354 (BRL) (Jointly Administered)

**DANA CORPORATION
DEBTOR IN POSSESSION
CONDENSED BALANCE SHEET
WITH DCC ON AN EQUITY BASIS (UNAUDITED)**

September 30, 2007
(in millions)

Assets	
Current assets	
Cash and cash equivalents	\$ 1,035
Accounts receivable	
Trade	1,410
Other	290
Inventories	843
Assets of discontinued operations	52
Other current assets	155
Total current assets	3,785
Investments in equity affiliates	430
Property, plant and equipment, net	1,740
Other noncurrent assets	1,063
Total assets	<u>\$ 7,018</u>
Liabilities and shareholders' deficit	
Current liabilities	
Debtor-in-possession financing	\$ 900
Notes payable, including current portion of long-term debt	52
Accounts payable	1,136
Liabilities of discontinued operations	21
Other accrued liabilities	833
Total current liabilities	2,942
Liabilities subject to compromise	4,011
Other non-current liabilities	493
Long-term debt	13
Minority interest in consolidated subsidiaries	95
Total liabilities	7,554
Shareholders' deficit	(536)
Total liabilities and shareholders' deficit	<u>\$ 7,018</u>

The accompanying notes are an integral part of the financial statements.

Case Number: 06-10354 (BRL) (Jointly Administered)

**DANA CORPORATION
DEBTOR IN POSSESSION
CONDENSED STATEMENT OF CASH FLOWS
WITH DCC ON AN EQUITY BASIS (UNAUDITED)**

	<u>Month Ended September 30, 2007</u> (in millions)	<u>Year to Date September 30, 2007</u> (in millions)
Operating activities		
Net income (loss)	\$ 23	\$ (294)
Depreciation and amortization	24	208
Loss on sale of businesses	23	4
Non-cash portion of U.K. pension charge		60
Increase in working capital	(86)	(189)
Unremitted equity in loss (earnings) of affiliates	5	(22)
Reorganization items, net of payments	(30)	59
Other	20	33
Net cash flows used for operating activities	<u>(21)</u>	<u>(141)</u>
Investing activities		
Purchases of property, plant and equipment	(13)	(148)
Proceeds from sale of assets		400
Other	5	(1)
Net cash flows provided by (used for) investing activities	<u>(8)</u>	<u>251</u>
Financing activities		
Net change in short-term debt	(14)	20
Proceeds from DIP Credit Agreement		200
Net cash flows provided by (used for) financing activities	<u>(14)</u>	<u>220</u>
Net increase (decrease) in cash and cash equivalents	(43)	330
Cash and cash equivalents — beginning of period	1,078	705
Cash and cash equivalents — end of period	<u>\$ 1,035</u>	<u>\$ 1,035</u>

The accompanying notes are an integral part of the financial statements.

Case Number: 06-10354 (BRL) (Jointly Administered)

DANA CORPORATION, ET AL.
DEBTOR IN POSSESSION
NOTES TO MONTHLY OPERATING REPORT
(Dollars in millions)

Note 1. Basis of Presentation

General

Dana and its consolidated subsidiaries are a leading supplier of axle, driveshaft, engine, structural, sealing and thermal products. Dana designs and manufactures products for every major vehicle producer in the world and is focused on being an essential partner to its automotive, commercial truck and off-highway vehicle customers.

On March 3, 2006 (the Filing Date), Dana and forty of its wholly-owned domestic subsidiaries (collectively, the Debtors) filed voluntary petitions for reorganization under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court. These Chapter 11 cases are being administered jointly under Case Number 06-10354 (BRL) and are collectively referred to as the "Bankruptcy Cases." A listing of the Debtors and their respective case numbers is set forth at the beginning of this Monthly Operating Report. Neither DCC and its subsidiaries nor any of Dana's non-U.S. subsidiaries are Debtors. See Note 2 for more information about the reorganization proceedings.

This Monthly Operating Report has been prepared solely for the purpose of complying with the monthly reporting requirements applicable in the Bankruptcy Cases and is in a format acceptable to the Office of the United States Trustee for the Southern District of New York (the U.S. Trustee) and to the lenders under the DIP Credit Agreement which is discussed in Note 3. The financial information contained herein is limited in scope and covers a limited time period. Moreover, such information is unaudited and, as discussed below, is not prepared in accordance with accounting principles generally accepted in the United States (GAAP). Accordingly, this Monthly Operating Report should not be used for investment purposes.

Accounting Requirements

The condensed financial statements herein have been prepared in accordance with the guidance in American Institute of Certified Public Accountants Statement of Position 90-7, "Financial Reporting by Entities in Reorganization under the Bankruptcy Code" (SOP 90-7), which is applicable to companies operating under Chapter 11. SOP 90-7 generally does not change the manner in which financial statements are prepared. However, it does require that the financial statements for periods subsequent to the filing of the Chapter 11 petition distinguish transactions and events that are directly associated with the reorganization from the ongoing operations of the business.

Case Number: 06-10354 (BRL) (Jointly Administered)

Financial Statements Presented

The unaudited condensed financial statements and supplemental information contained herein present the condensed financial information of Dana and its Debtor and non-Debtor subsidiaries with DCC accounted for on an equity basis. Accordingly, intercompany transactions with DCC have not been eliminated in these financial statements and amounts owed are presented as intercompany loans and payables. This presentation of condensed Dana financial statements with DCC on an equity basis, while consistent in format with the financial information required to be provided to the lenders under the DIP Credit Agreement and acceptable to the U.S. Trustee, does not conform to GAAP, which requires that DCC and its subsidiaries be consolidated along with Dana's other majority-owned subsidiaries.

For consolidated financial statements for Dana and its consolidated subsidiaries prepared in conformity with GAAP and the notes thereto, see Dana's Annual Report on Form 10-K for the year ended December 31, 2006 (the 2006 Form 10-K) and Quarterly Reports on Form 10-Q for the quarters ended March 31, June 30, and September 30, 2007, which have been filed with the U.S. Securities and Exchange Commission (the SEC).

The condensed statement of operations and cash flows presented herein are for the month and the nine months ended September 30, 2007. "Schedule 1. Cash Disbursements by Debtors" contains further information regarding cash disbursements made by each of the Debtors during the post-petition period of September 1, 2007 to September 30, 2007.

The condensed financial statements presented herein with DCC accounted for on an equity basis have been derived from Dana's internal books and records. They include normal recurring adjustments and adjustments that are consistent with those made for financial statements prepared in accordance with GAAP. Certain information and footnote disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted.

The monthly financial information used in the preparation of this report was not subjected to the procedures customarily applied in the preparation of Dana's quarterly financial information prepared in accordance with GAAP. Accordingly, the financial information herein is subject to change and any such change could be material. The results of operations in this report are not necessarily indicative of results which may be expected for any other period or the full year and may not be representative of Dana's consolidated results of operations, financial position and cash flows in the future.

Note 2. Reorganization Proceedings

The Debtors are managing their businesses in the ordinary course as debtors in possession, subject to the supervision of the Bankruptcy Court and in accordance with the applicable provisions of the Bankruptcy Code and the orders of the Bankruptcy Court.

Official committees of the Debtors' unsecured creditors and retirees not represented by unions have been appointed in the Bankruptcy Cases and, in accordance with the provisions of the Bankruptcy Code, have the right to be heard on all matters that come before the Bankruptcy Court. The Debtors are required to bear certain of the committees' costs and expenses, including those of their counsel and other professional advisors. An official committee of Dana's equity security holders was also appointed and subsequently disbanded.

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Under the Bankruptcy Code, the Debtors have the right to assume or reject executory contracts (*i.e.*, contracts that are to be performed by both contract parties after the Filing Date) and unexpired leases, subject to Bankruptcy Court approval and other limitations. In this context, "assuming" executory contracts or unexpired leases generally means that the Debtors will agree to perform their obligations and cure certain existing defaults under the contracts or leases and "rejecting" them means that the Debtors will be relieved of their obligations to perform further under the contracts or leases, which may give rise to unsecured pre-petition claims for damages for the breach thereof. Since the Filing Date, the Bankruptcy Court has authorized the Debtors to assume or reject certain unexpired leases and executory contracts. The Plan and certain procedures approved by the Bankruptcy Court address the proposed treatment of outstanding unexpired leases and executory contracts upon the Debtors' emergence from bankruptcy.

The Debtors have filed schedules of assets and liabilities existing on the Filing Date, including certain amendments to the initial schedules, with the Bankruptcy Court. The Bankruptcy Court established September 21, 2006 as the general bar date (the date by which most entities that wished to assert a pre-petition claim against a Debtor had to file a proof of claim in writing). Asbestos-related personal injury claimants, as well as certain other categories of claimants, were not required to file proofs of claim by the general bar date. The Debtors continue to process, evaluate, investigate and reconcile the claims that were submitted. The Debtors have objected to thousands of claims to date and expect to file additional claim objections with the Bankruptcy Court. Pre-petition claims are recorded as liabilities subject to compromise. See Note 4 for more information about liabilities subject to compromise. The Plan addresses the proposed treatment of allowed claims and provides for the resolution of remaining claims after emergence from Chapter 11. Under the Plan, the Debtors propose that asbestos-related personal injury claims be reinstated upon emergence and that the reorganized Debtors will defend, settle and resolve such pending and future claims in the ordinary course of business.

The Bankruptcy Court has entered an order establishing procedures for trading in claims and equity securities which is designed to protect the Debtors' potentially valuable tax attributes (such as net operating loss carryforwards). Under the order, holders or acquirers of 4.75% or more of Dana stock are subject to certain notice and consent procedures prior to acquiring or disposing of Dana common shares. Holders of claims against the Debtors that would entitle them to more than 4.75% of the common shares of reorganized Dana under a confirmed plan of reorganization utilizing the tax benefits provided under Section 382(l)(5) of the Internal Revenue Code may be subject to a requirement to sell down the excess claims if necessary to implement such a plan of reorganization. The Plan contemplates utilizing tax benefits under Section 382(l)(6) of the Internal Revenue Code. Accordingly, no sell-down of claims will be required.

Case Number: 06-10354 (BRL) (Jointly Administered)

With Bankruptcy Court approval, the Debtors have entered into (i) settlement agreements with their two largest U.S. unions providing terms for settling all outstanding issues with these unions related to the Bankruptcy Cases (the Union Settlement Agreements); (ii) a plan support agreement setting out the terms under which these unions, Centerbridge Capital Partners, L.P. (Centerbridge), and certain unsecured creditors will support the Debtors' plan of reorganization; (iii) an investment agreement providing for Centerbridge to purchase \$250 in Series A convertible preferred shares of reorganized Dana, with qualified creditors of the Debtors having an opportunity to purchase up to \$540 in Series B convertible preferred shares and Centerbridge agreeing to purchase up to \$250 of the Series B convertible preferred shares that are not purchased by the qualified creditors (Investment Agreement); and (iv) a letter agreement dated October 18, 2007 with Dana, members of the ad hoc steering committee of Dana's bondholders and certain of their affiliates (the Backstop Commitment Letter) who severally agreed to purchase up to \$290 million in Series B convertible preferred shares of reorganized Dana that are not subscribed for by qualified supporting creditors in the offering or purchased by Centerbridge in accordance with its obligations under the Investment Agreement. Through these arrangements, reorganized Dana has obtained contractual assurance that it will raise \$790 million through the offering to qualified investors and the commitments of Centerbridge and the Backstop Investors. Under these agreements, if a plan of reorganization for the Debtors does not become effective by February 28, 2008, individual supporting creditors may withdraw their support and if it does not become effective by May 1, 2008, the plan support agreement will expire.

The Debtors filed the Plan and the Third Amended Disclosure Statement with respect to such plan (the Disclosure Statement) with the Bankruptcy Court on October 23, 2007. On October 23, 2007, the Bankruptcy Court approved the Disclosure Statement authorizing the Debtors to begin soliciting votes from their creditors to accept or reject the Plan. By that order, the Bankruptcy Court determined that the Disclosure Statement contains adequate information for creditors who are entitled to vote on the Plan. The hearing at which the Bankruptcy Court will consider confirmation of the Plan is scheduled to commence on December 10, 2007. Copies of these documents are contained in a Current Report on Form 8-K that Dana filed with the SEC on November 2, 2007.

The Plan and the Disclosure Statement describe the anticipated organization, operations and financing of reorganized Dana if the Plan is approved by the Bankruptcy Court and becomes effective. Among other things, the Plan incorporates the Debtors' commitments under the Union Settlement Agreements, the Investment Agreement and the Backstop Commitment Letter discussed above. The Disclosure Statement contains certain information about the Debtors' pre-petition operating and financial history, the events leading up to the commencement of the Bankruptcy Cases, and significant events that have occurred during the Bankruptcy Cases. The Disclosure Statement also describes the terms and provisions of the Plan, including certain effects of confirmation of the Plan; certain risk factors associated with securities to be issued under the Plan; certain alternatives to the Plan; and the manner in which distributions will be made under the Plan.

For additional information see Note 2 to our condensed consolidated financial statements in Item 1 of Part I of our third-quarter 2007 Form 10-Q as well as the Current Report on Form 8-K that Dana filed with the SEC on November 2, 2007

Case Number: 06-10354 (BRL) (Jointly Administered)

Taxes

Income taxes are accounted for in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes." Current and deferred income tax assets and liabilities are recognized based on events which have occurred and are measured by the enacted tax laws. Based on a history of losses in the U.S. and near-term prospects for continued losses, Dana established a 100% valuation allowance against its U.S. federal deferred tax assets in 2005. Deferred tax assets resulting from subsequent U.S. losses have been offset by increases in the valuation allowances, effectively eliminating the benefit of those losses. Similar valuation allowances are recorded in other countries, most notably the U.K., where, based on the profit outlook, realization of the deferred taxes does not satisfy the more likely than not recognition criterion.

The Debtors have received Bankruptcy Court approval to pay pre-petition sales, use and certain other taxes in the ordinary course of their businesses. The Debtors believe that they have paid all taxes when due from and after the Filing Date, other than those taxes that they have been unable to pay due to the commencement of the Bankruptcy Cases. See "Schedule 2. Payroll Taxes Paid" and "Schedule 3. Post-petition Sales, Use and Property Taxes Paid" for information regarding taxes paid. The Debtors believe that all tax returns are being prepared and filed when due, or extended as necessary, and that they are paying all post-petition taxes as they become due or obtaining extensions for the payment thereof.

Note 3. Financing

DIP Credit Agreement

Dana, as borrower, and its Debtor U.S. subsidiaries, as guarantors, are parties to a Senior Secured Superpriority Debtor-in-Possession Credit Agreement (the DIP Credit Agreement) with Citicorp North America, Inc., as agent, initial lender and an issuing bank, and with Bank of America, N.A. and JPMorgan Chase Bank, N.A., as initial lenders and issuing banks. The DIP Credit Agreement, as amended, has been approved by the Bankruptcy Court. The aggregate amount of the facility is presently \$1,550, including a \$650 revolving credit facility (of which \$400 is available for the issuance of letters of credit) and a \$900 term loan facility. For a discussion of the terms of the DIP Credit Agreement, see Note 10 to the consolidated financial statements in Item 8 of the 2006 Form 10-K.

In January 2007, Dana borrowed \$200 under the term loan facility bringing the total borrowed under the facility to \$900. Based on its borrowing base collateral, Dana had availability under the DIP Credit Agreement at September 30, 2007 of \$249 after deducting the \$100 minimum availability requirement and \$230 for outstanding letters of credit.

The DIP Credit Agreement currently requires Dana and its consolidated subsidiaries to maintain a rolling 12-month cumulative EBITDAR (earnings before interest, taxes, depreciation, amortization, restructuring and reorganization charges and other items, as defined in the DIP

Case Number: 06-10354 (BRL) (Jointly Administered)

Credit Agreement) at specified levels as of the last day of each calendar month. The EBITDAR requirement for the period ended September 30, 2007 was \$200 and actual EBITDAR for that period was \$374, calculated as follows:

EBITDAR Calculation

	<u>October 1, 2006 to September 30, 2007</u> (in millions)	<u>Year to Date September 30, 2007</u> (in millions)
Net loss	\$ (522)	\$ (294)
Plus -		
Interest expense	81	65
Income tax expense	3	14
Depreciation and amortization expense	278	208
Asset impairment	70	
Realignment charges	239	159
Reorganization items, net	185	173
Loss from discontinued operations	107	89
Minority interest	13	10
Less -		
Equity in earnings of affiliates	18	22
Non-recurring items	25	29
Interest income	37	28
EBITDAR	<u>\$ 374</u>	<u>\$ 345</u>

In April 2007, certain of Dana's U.K. subsidiaries settled their continuing pension plan obligations through a cash payment of \$93 and the transfer of a 33% equity interest in Dana's remaining U.K. axle and driveshaft operating businesses for the benefit of the plan participants. As a result of this pension settlement, realignment charges in the above table include \$136 for the first nine months of 2007 and loss from discontinued operations includes \$17 for the same period.

For Annual Incentive Plan (AIP) purposes, a definition of EBITDAR is used that excludes certain items included in the above definition. The year-to-date EBITDAR for AIP purposes as of September 30, 2007 was \$333.

Case Number: 06-10354 (BRL) (Jointly Administered)

Canadian Credit Agreement

In June 2006, Dana Canada Corporation (Dana Canada), as borrower, and certain of its Canadian affiliates, as guarantors, entered into a Credit Agreement (the Canadian Credit Agreement) with Citibank Canada as agent, initial lender and an issuing bank, and with JPMorgan Chase Bank, N.A., Toronto Branch and Bank of America, N.A., Canada Branch, as initial lenders and issuing banks. The Canadian Credit Agreement provides a \$100 revolving credit facility, of which \$5 is available for the issuance of letters of credit. At September 30, 2007, based on Dana Canada's borrowing base collateral, it had availability of \$65 after deducting the \$20 minimum availability requirement and \$2 for currently outstanding letters of credit. Dana Canada had no borrowings under this agreement at September 30, 2007.

European Receivables Loan Facility

In July 2007, certain of Dana's non-Debtor European subsidiaries entered into definitive agreements to establish a five-year accounts receivable securitization facility under which the euro equivalent of approximately \$225 in financing is available to them. Under the agreements, these subsidiaries may, directly or indirectly, sell certain receivables to a special purpose limited liability company incorporated in Ireland, which will pay for the receivables with the proceeds of (i) loans from GE Leveraged Loans Limited (GE) and other lenders and (ii) subordinated loans from another Dana subsidiary. The purchased accounts receivable are included in Dana's consolidated financial statements (because the special purpose company does not meet certain accounting requirements for treatment as a "qualifying special purpose entity" under GAAP and the sellers retain control of the assets that secure the loans), as are the loans to the special purpose company from GE and the participating lenders. The sales of the accounts receivable and the subordinated loans are eliminated in consolidation. The proceeds from the sales of the transferred receivables will principally be reinvested in Dana's European businesses, including the repayment of intercompany debt. Borrowings under this facility totaled \$30 at September 30, 2007.

Note 4. Liabilities Subject to Compromise

As a result of the Chapter 11 filings, the Debtors' pre-petition indebtedness is subject to compromise or other treatment under a plan of reorganization. SOP 90-7 requires that pre-petition liabilities subject to compromise be reported at the amounts expected to be allowed as claims, even if they may ultimately be settled for different amounts. The amounts currently classified as liabilities subject to compromise represent Dana's estimate of known or potential pre-petition claims to be addressed in connection with the Bankruptcy Cases and include the liabilities subject to compromise of discontinued operations. Such claims remain subject to future adjustments resulting from, among other things, negotiations with creditors, rejection of executory contracts and unexpired leases and orders of the Bankruptcy Court.

The amount of liabilities subject to compromise reported herein was \$4,011 at September 30, 2007. This amount includes an intercompany payable to DCC of \$325 (the DCC Claim) which is not eliminated under this basis of presentation. In addition, substantially all of the Debtors' pre-petition debt is in default due to the bankruptcy filing and Debtors' pre-petition debt of \$1,585 is also included in liabilities subject to compromise. The Plan addresses the proposed treatment of the Debtor's pre-petition debt and the DCC Claim.

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At the Filing Date, in accordance with SOP 90-7, Dana discontinued recording interest expense on debt classified as liabilities subject to compromise. Contractual interest on all debt, including the portion classified as liabilities subject to compromise, amounted to \$14 and \$146 for the one month and nine months ended September 30, 2007.

Note 5. Reorganization Items

SOP 90-7 requires that reorganization items, such as professional fees directly related to the process of reorganizing under Chapter 11 and adjustments to the carrying value of certain pre-petition liabilities to their estimated allowable claim amounts, be reported separately. The Debtors' reorganization expense items for the month of September 2007 consisted of professional fees and contract rejection damages, partially offset by interest income.

Pursuant to orders of the Bankruptcy Court, professionals retained by the Debtors and by the official statutory committees appointed in the Bankruptcy Cases are entitled to receive payment for their fees and expenses on a monthly basis, subject to compliance with certain procedures established by the Bankruptcy Code and orders of the Bankruptcy Court. In some cases, the professionals retained by the Debtors in the Bankruptcy Cases are also providing services to the Debtors' non-Debtor subsidiaries and are being paid for such services by the non-Debtor subsidiaries. With respect to the Debtors' foreign non-Debtor subsidiaries, payments for services to these entities in U.S. dollars are being made by the Debtors and reimbursed by the foreign non-Debtor subsidiaries through the ordinary course netting process established under the Debtors' consolidated cash management system. In addition, under the terms of the DIP Credit Agreement, the Debtors are obligated to reimburse the lenders for the fees and expenses of their professionals. The Debtors are making the required payments to such professionals, as described above, and believe they are current with regard to such payments.

The month of September 2007 includes an adjustment to a claim settlement estimate recorded in the month of August which has the effect of reducing September 2007 reorganization items, net by \$35.

Note 6. Post-petition Accounts Payable

The Debtors believe that all undisputed post-petition accounts payable have been and are being paid under agreed payment terms and the Debtors intend to continue paying all undisputed post-petition obligations as they become due. See "Schedule 1. Cash Disbursements by Debtors" for post-petition disbursements in September 2007.

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In re Dana Corporation, et al.
 Reporting Period: September 1, 2007 - September 30, 2007
 Cash Disbursements by Debtors
 (Dollars in 000s)

Schedule 1

Petitioning Entities:	Case Number:	September 2007 Disbursements
Dana Corporation	06-10354	\$ 383,607
Dakota New York Corp	06-10351	
Brake Systems, Inc.	06-10355	
BWDAC, Inc.	06-10357	
CP Products, Inc. (p/k/a Coupled Products, Inc.)	06-10359	
Dana Atlantic, LLC	06-10360	
Dana Automotive Aftermarket, Inc.	06-10362	
Dana Brazil Holdings I, LLC	06-10363	
Dana Brazil Holdings, LLC	06-10364	
Dana Information Technology, LLC	06-10365	
Dana International Finance, Inc.	06-10366	
Dana International Holdings, Inc.	06-10367	
Dana Risk Management Services, Inc.	06-10368	178
Dana Technology, Inc.	06-10369	
Dana World Trade Corporation	06-10370	
Dandorr L.L.C.	06-10371	
Dorr Leasing Corporation	06-10372	
DTF Trucking, Inc.	06-10373	
Echlin-Ponce, Inc.	06-10374	
EFMG, LLC	06-10375	
EPE, Inc.	06-10376	
ERS, LLC	06-10377	
Flight Operations, Inc.	06-10378	
Friction, Inc.	06-10379	
Friction Materials, Inc.	06-10380	
Glacier Vandervell, Inc.	06-10381	
Hose & Tubing Products, Inc.	06-10382	
Lipe Corporation	06-10383	
Long Automotive, LLC	06-10384	
Long Cooling, LLC	06-10385	
Long USA, LLC	06-10386	
Midland Brake, Inc.	06-10387	
Prattville Mfg, Inc.	06-10388	
Reinz Wisconsin Gasket, LLC	06-10390	1
Spicer Heavy Axle & Brake, Inc.	06-10391	
Spicer Heavy Axle Holdings, Inc.	06-10392	
Spicer Outdoor Power Equipment Components	06-10393	
Torque-Traction Integration Technologies, LLC	06-10394	
Torque-Traction Manufacturing Technologies, LLC	06-10395	87
Torque-Traction Technologies, LLC	06-10396	
United Brake Systems, Inc.	06-10397	
Total Cash Disbursements		<u>\$ 383,873(a)</u>

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In re Dana Corporation, et al.
 Reporting Period: September 1, 2007 - September 30, 2007
 Payroll Taxes Paid
 (Dollars in 000s)

Schedule 2

FEDERAL

Liabilities incurred or withheld				TOTALS
FIT	FICA-ER	FICA-EE	FUTA	
\$ 6,202	\$3,533	\$3,533	\$—	\$13,268
Deposits released and pending				TOTALS
FIT	FICA-ER	FICA-EE	FUTA	
\$(6,202)	\$(3,533)	\$(3,533)	\$—	\$(13,268)

STATE

Liabilities incurred or withheld				TOTALS
SIT	SUI-ER	SUI-EE	SDI-EE	
\$ 1,635	\$—	\$—	\$6	\$1,641
Deposits released and pending				TOTALS
SIT	SUI-ER	SUI-EE	SDI-EE	
\$(1,635)	\$—	\$—	\$(6)	\$(1,641)

LOCAL

Liabilities incurred or withheld				TOTALS
CIT				
\$ 404				\$404
Deposits released and pending				TOTALS
CIT				
\$(404)				\$(404)

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In re Dana Corporation, et al.
 Reporting Period: September 30, 2007 - September 30, 2007
 Post-petition Sales, Use and Property Taxes Paid

Schedule 3

(Dollars in 000s)

Tax Authority	State	Type of Tax	Taxes Paid
Allen County Treasurer	IN	Property	1
Anthony Wayne Local Schools	OH	Property	39
City of Auburn Hills	MI	Property	1
City of Buena Vista	VA	Property	(A)
City of Crossville	TN	Property	5
Commonwealth of Pennsylvania	PA	Miscellaneous	2
Florida Dept of Revenue	FL	Sales/use	4
Franklin County Treasurer	OH	Property	24
Fulton County Treasurer	OH	Property	24
Garland Tax Office	TX	Property	58
Georgia Dept of Revenue	GA	Income	1
Hohenwald City Recorder	TN	Property	(A)
Illinois Dept of Revenue	IL	Sales/use	4
Indiana Dept of Revenue	IN	Sales/use	15
Kentucky Dept of Revenue	KY	Sales/use	76
Knox County Treasurer	OH	Property	5
Lucas County Treasurer	OH	Property	140
Michigan Dept of Treasury	MI	Sales/use	18
Minnesota Dept of Revenue	MN	Income	3
Mississippi Office of Revenue	MS	Franchise	57
Missouri Dept of Revenue	MO	Sales/use	12
New York State Tax Commission	NY	Income	1
Noble County Treasurer	IN	Property	16
Noble County Treasurer	OH	Property	150
Ohio State Treasurer	OH	Sales/use	85
Pennsylvania Dept of Revenue	PA	Franchise	8
Pennsylvania Dept of Revenue	PA	Sales/use	(A)
Pope County Tax Collector	AR	Property	84
Pottstown Tax Collector	PA	Property	4
South Carolina Dept of Revenue	SC	Sales/use	1
State of New Jersey	NJ	Income	1
Tennessee Dept of Revenue	TN	Sales/use	18
Texas Comptroller	TX	Sales/use	6
United States Treasury		Miscellaneous	1
Virginia State Corporation Commission	VA	Annual Report	(A)
Whiteford Township	MI	Property	58
Whitley County Treasurer	IN	Property	52
Winnebago County Treasurer	IL	Property	142
Wisconsin Dept of Revenue	WI	Income	(A)
Wisconsin Dept of Revenue	WI	Sales/use	2
Wyandot County Treasurer	OH	Property	48
			\$ 1,164

(A) - amount less than one thousand dollars

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