
**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): February 23, 2005

Dana Corporation

(Exact name of registrant as specified in its charter)

Virginia

(State or other jurisdiction
of incorporation)

1-1063

(Commission File Number)

34-4361040

(IRS Employer
Identification Number)

4500 Dorr Street, Toledo, Ohio

(Address of principal executive offices)

43615

(Zip Code)

Registrant's telephone number, including area code: (419) 535-4500

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On February 23, 2005, Dana Corporation (Dana) issued a news release regarding its earnings for the fiscal quarter and year ended December 31, 2004. A copy of that release is furnished as Exhibit 99.1 to this Current Report.

The earnings release includes tables showing (i) Dana Corporation (Including Dana Credit Corporation on an Equity Basis), Condensed Statements of Income (Unaudited) for the Three Months and Year Ended December 31, 2004 and 2003; (ii) Dana Corporation (Including Dana Credit Corporation on an Equity Basis), Condensed Balance Sheets (Unaudited) as of December 31, 2004 and 2003; and (iii) Dana Corporation (Including Dana Credit Corporation on an Equity Basis), Cash Flow Impacts on Net Debt for the Three Months and Year Ended December 31, 2004 and 2003. As accounting principles generally accepted in the United States (GAAP) require that Dana Credit Corporation (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 1:00 p.m. EST on February 23, 2005, Dana's Chairman and Chief Executive Officer, Michael J. Burns, and Chief Financial Officer, Robert C. Richter, will discuss Dana's fourth quarter and full-year 2004 results. Copies of the slides for this presentation are furnished as Exhibit 99.2 to this Current Report.

Certain of the slides in Exhibit 99.2 include financial measures which are not presented in accordance with GAAP. These include (i) slides 4 and 6 (which present net income excluding unusual items); (ii) slide 4 (which presents earnings per share excluding unusual items); and (iii) slides 6, 15, 17, 19, 20, 21 and 26 (which include DCC on an equity basis). 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 37 and 38 of the presentation; Item 2.02, above; and Dana's earnings release in the attached Exhibit 99.1 also contain information about the reconciliation of some of these non-GAAP financial measures to comparable GAAP financial measures and an explanation of why management believes the non-GAAP financial measures provide useful information to investors.

Item 9.01. Financial Statements and Exhibits.

(c) Exhibits

- 99.1 Press release dated February 23, 2005 (furnished but not filed)
- 99.2 Slides for February 23, 2005 conference call (furnished but not filed)

Signatures

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

Dana Corporation
(Registrant)

By: /s/ Robert C. Richter

Name: Robert C. Richter

Title: Chief Financial Officer

Date: February 23, 2005

Exhibit Index

- 99.1 Press release dated February 23, 2005
- 99.2 Slide presentation for February 23, 2005 conference call

News Release



Contact: Michelle L. Hards
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DANA CORPORATION REPORTS FOURTH-QUARTER AND FULL-YEAR RESULTS
Aftermarket Divestiture and Related Actions Improve Balance Sheet, Cost Structure

Toledo, Ohio — February 23, 2005 — Dana Corporation (NYSE: DCN) today announced its fourth-quarter and full-year 2004 results. During the fourth quarter, Dana took a series of actions aimed at strengthening its long-term competitiveness and repositioning the company to better serve its global original equipment customers. These actions, which together resulted in unusual charges of \$195 million after tax, included:

- Completing the divestiture of the automotive aftermarket businesses previously held for sale;
- Announcing two facility closures and other manufacturing realignments; and
- Repurchasing approximately \$900 million of long-term debt.

“The aftermarket divestiture, our realignment actions, and the debt repurchase significantly improved our balance sheet and financial flexibility. Our efforts were recognized by two leading credit agencies, which returned us to investment grade in December,” said Dana Chairman and CEO Mike Burns. “In addition, year-over-year sales and net income, excluding unusual items, were both up significantly despite a challenging operating environment.

“Certainly, we’re not yet where we’d like to be. But the improvements to our balance sheet and operational performance were important steps in the continuing transformation of Dana, and I am proud of what our people accomplished in 2004.”

Financial Summary
(in millions, except earnings per share)

	4th Quarter		Full Year	
	2004	2003	2004	2003
Net sales	\$ 2,300	\$ 2,050	\$ 9,056	\$ 7,918
Net income (loss)				
Net income, excluding unusual items	\$ 62	\$ 62	\$ 262	\$ 183
Divestiture gains (losses), net	(50)	6	(30)	30
Realignment costs	(49)	—	(54)	—
Debt repurchase gains (losses)	(96)	—	(96)	9
Net income (loss)	\$ (133)	\$ 68	\$ 82	\$ 222
Income (loss) from continuing operations	\$ (83)	\$ 56	\$ 95	\$ 175
Income (loss) from discontinued operations	(50)	12	(13)	47
Net income (loss)	\$ (133)	\$ 68	\$ 82	\$ 222
Diluted earnings per share				
Net income, excluding unusual items	\$ 0.41	\$ 0.41	\$ 1.73	\$ 1.23
Net income (loss)	\$ (0.89)	\$ 0.45	\$ 0.54	\$ 1.49

(more)

Fourth-Quarter Results

Dana posted fourth-quarter sales of \$2.3 billion in 2004, compared to \$2.1 billion in the same period of 2003. This increase was primarily due to new business and strong sales to commercial vehicle customers, while favorable currency effects added \$73 million.

Including unusual charges for the aftermarket divestiture, manufacturing realignments, and debt repurchase, Dana recorded a net loss of \$133 million, or 89 cents per share, in the quarter, compared to net income of \$68 million, or 45 cents per share, in the same period of 2003. Excluding unusual charges, net income for the quarter was \$62 million in 2004, compared to the same amount in the fourth quarter of 2003.

Earnings in the fourth quarter were negatively impacted by the continuing effects of higher raw material prices. Net of customer recoveries, the increased cost of steel alone reduced earnings by \$31 million after tax, compared to the same period in 2003. Favorably impacting the 2004 results were tax benefits that resulted primarily from the company's ability to reduce valuation allowances provided against deferred tax assets in prior periods.

Dana Vice President and Chief Financial Officer Bob Richter explained, "While reported income was greater than expected, this was largely due to greater than anticipated tax benefits. More important for the long term were the actions taken to strengthen our financial position. We improved our net debt-to-capital ratio, excluding Dana Credit Corporation, from 47 percent at the start of the quarter — and 61 percent less than three years ago — to less than 35 percent. This improvement will be reflected in reduced interest expense going forward. We also made an extra contribution of approximately \$200 million to our pension plans, which will reduce future expense and contribution requirements. And, we are no longer limited by high-yield covenants on our debt. All of this will enable us to better capitalize on future growth opportunities."

Full-Year Results

Sales increased to \$9.1 billion in 2004 from \$7.9 billion in 2003, primarily due to net new business of over \$400 million, strong commercial and off-highway vehicle markets, and favorable currency effects of \$300 million.

Full-year net income was \$82 million, or 54 cents per share, compared to \$222 million, or \$1.49 per share, in 2003. Unusual items of \$180 million in 2004 included the \$195 million of charges recorded in the fourth quarter plus \$15 million of net gains reported earlier in the year. Net income in 2003 included \$39 million of unusual gains on divestitures and debt repurchases.

Excluding unusual items, net income in 2004 was \$262 million, or \$1.73 per share, compared to \$183 million, or \$1.23 per share, in 2003. The margin on higher sales and benefits from the company's cost-reduction initiatives, as well as tax benefits, more than offset the impact of increased raw material costs.

"Despite very challenging industry conditions, we made good progress year over year," said Burns. "We had to contend with increased steel costs, which net of recoveries was \$70 million after tax, mostly in the second half of year. We also saw a small decline in North American light vehicle production. Fortunately, we had the benefit of new business, strong commercial and off-highway vehicle markets, and the early returns from our cost-reduction initiatives. In particular, during 2004, we consolidated our light vehicle business units and centralized our purchasing organization for greater buying leverage."

(more)

2005 Outlook

“This will be another tough year for the automotive industry as well as Dana,” said Burns. “We believe North American light vehicle production will be flat at 15.8 million units. We expect to see continuing pressure on raw material prices and energy costs, particularly in the first half of the year. And, as a company, we will also face the near-term challenge of replacing the lost earnings from the automotive aftermarket businesses that were sold, as well as the reduced earnings contribution from Dana Credit Corporation as we continue to wind that business down.

“On the other hand, we have renewed our focus on our global original equipment manufacturers. In fact, we already have an additional \$410 million in net new business, which comes on in 2005. And we’re very optimistic about the outlook for the commercial vehicle and off-highway markets. We’re anticipating a 13 percent increase in North American Class 8 truck production to 293,000 units. The combination of these factors should allow us to increase our 2005 full-year sales to \$9.6 billion.

“The increased sales alone however will not be enough to offset the challenges we face. So we will be relentless in pursuing our cost-reduction objectives. We will continue to deploy lean manufacturing and value engineering throughout the organization and streamline our administrative processes. These efforts, along with better leverage from our consolidated purchasing function, are expected to gain more momentum and therefore provide greater benefit to our bottom line as the year progresses.

“We expect Dana’s earnings to be lower in the first half of the year compared to last year mainly due to higher raw material prices. Therefore, we’re anticipating first-quarter earnings of 17 to 23 cents per share. Our ability to achieve higher earnings in the second half of the year is largely dependent on the successful execution of our cost-reduction programs. At this time, our full-year earnings guidance is \$1.40 to \$1.62 per share,” added Burns.

Quarterly Conference Call Scheduled Today at 1 p.m.

Dana will discuss its fourth-quarter and full-year results in a conference call at 1 p.m. (EST) 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 6 p.m. today. To access this recording, please dial (800) 537-8823. A webcast replay of the call will be available after 6 p.m. today and will be accessible via the Dana web site.

About Dana Corporation

Dana people design and manufacture products for every major vehicle producer in the world. Dana is focused on being an essential partner to automotive, commercial, and off-highway vehicle customers, which collectively produce more than 60 million vehicles every year. A leading supplier of axle, driveshaft, engine, frame, chassis, and transmission technologies, Dana employs 45,000 people in 28 countries. The company is based in Toledo, Ohio, and reported sales of \$9.1 billion in 2004. Dana’s Internet address is: www.dana.com.

(more)

Forward-Looking Statements

Certain statements contained in this presentation constitute “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements represent Dana’s expectations based on our current information and assumptions. Forward-looking statements are inherently subject to risks and uncertainties. Dana’s actual results could differ materially from those that are anticipated or projected due to a number of factors. These factors include: national and international economic conditions; adverse effects from terrorism or hostilities; the strength of other currencies relative to the U.S. dollar; increases in commodity costs, including steel, that cannot be recouped in product pricing; our ability and that of our customers to achieve projected sales and production levels; the continued availability of necessary goods and services from our suppliers; competitive pressures on our sales and pricing; the continued success of our cost reduction and cash management programs, long-term transformation and U.S. tax loss carryforward utilization strategies; 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.

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

	Three Months Ended December 31	
	2004	2003
Sales	\$ 2,300	\$ 2,050
Income (loss) from continuing operations	\$ (83)	\$ 56
Income (loss) from discontinued operations	(50)	12
Net income (loss)	<u>\$ (133)</u>	<u>\$ 68</u>
Income (loss) from continuing operations	\$ (83)	\$ 56
Net gains associated with DCC asset sales	(2)	(9)
Loss on repurchase of notes	96	
Realignment charges	49	
Income from continuing operations, excluding unusual items	<u>\$ 60</u>	<u>\$ 47</u>
Income (loss) from discontinued automotive aftermarket business	\$ (50)	\$ 15
Losses of other discontinued operations	(50)	(3)
	(50)	12
Sale of automotive aftermarket business	52	
Charges related to sales of discontinued operations		3
Income from discontinued operations, excluding unusual items	<u>\$ 2</u>	<u>\$ 15</u>
Diluted earnings per share:		
Income (loss) from continuing operations	\$ (0.55)	\$ 0.37
Income (loss) from discontinued operations	(0.34)	0.08
Net income (loss)	<u>\$ (0.89)</u>	<u>\$ 0.45</u>
Income from continuing operations, excluding unusual items	\$ 0.40	\$ 0.31
Income from discontinued operations, excluding unusual items	0.01	0.10
Net income, excluding unusual items	0.41	0.41
Unusual items	(1.30)	0.04
Net income (loss)	<u>\$ (0.89)</u>	<u>\$ 0.45</u>

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

	Year Ended December 31	
	2004	2003
Sales	<u>\$ 9,056</u>	<u>\$ 7,918</u>
Income from continuing operations	\$ 95	\$ 175
Income (loss) from discontinued operations	(13)	47
Net income	<u>\$ 82</u>	<u>\$ 222</u>
Income from continuing operations	\$ 95	\$ 175
Gain associated with the sale of assets to a newly formed joint venture	(13)	
Net gains associated with DCC asset sales	(22)	(35)
Loss (gain) on repurchase of notes	96	(9)
Realignment charges	54	
Income from continuing operations, excluding unusual items	<u>\$ 210</u>	<u>\$ 131</u>
Income (loss) from discontinued automotive aftermarket business	\$ (13)	\$ 58
Losses of other discontinued operations		(11)
Income (loss) from discontinued operations	(13)	47
Loss on engine management sale		5
Sale of automotive aftermarket business	65	
Income from discontinued operations, excluding unusual items	<u>\$ 52</u>	<u>\$ 52</u>
Diluted earnings per share:		
Income from continuing operations	\$ 0.63	\$ 1.17
Income (loss) from discontinued operations	(0.09)	0.32
Net income	<u>\$ 0.54</u>	<u>\$ 1.49</u>
Income from continuing operations, excluding unusual items	\$ 1.39	\$ 0.88
Income from discontinued operations, excluding unusual items	0.34	0.35
Net income, excluding unusual items	1.73	1.23
Unusual items	(1.19)	0.26
Net income	<u>\$ 0.54</u>	<u>\$ 1.49</u>

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

	Three Months Ended December 31	
	2004	2003
Net sales	\$ 2,300	\$ 2,050
Revenue from lease financing and other income (expense)	(98)	36
	<u>2,202</u>	<u>2,086</u>
Costs and expenses		
Cost of sales	2,178	1,870
Realignment charges	66	5
Selling, general and administrative expenses	123	128
Interest expense	53	52
	<u>2,420</u>	<u>2,055</u>
Income (loss) before income taxes	(218)	31
Income tax benefit	118	15
Minority interest	1	(3)
Equity in earnings of affiliates	16	13
Income (loss) from continuing operations	(83)	56
Income (loss) from discontinued operations	(50)	12
Net income (loss)	<u>\$ (133)</u>	<u>\$ 68</u>
Basic earnings per share		
Income (loss) from continuing operations	\$ (0.56)	\$ 0.37
Income (loss) from discontinued operations	(0.34)	0.08
Net income (loss)	<u>\$ (0.90)</u>	<u>\$ 0.45</u>
Diluted earnings per share		
Income (loss) from continuing operations	\$ (0.55)	\$ 0.37
Income (loss) from discontinued operations	(0.34)	0.08
Net income (loss)	<u>\$ (0.89)</u>	<u>\$ 0.45</u>
Average shares outstanding -		
For Basic EPS	149	148
For Diluted EPS	151	150

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

	Year Ended December 31	
	2004	2003
Net sales	\$ 9,056	\$ 7,918
Revenue from lease financing and other income (expense)	(66)	149
	<u>8,990</u>	<u>8,067</u>
Costs and expenses		
Cost of sales	8,333	7,245
Realignment charges	72	
Selling, general and administrative expenses	504	520
Interest expense	217	221
	<u>9,126</u>	<u>7,986</u>
Income (loss) before income taxes	(136)	81
Income tax benefit	196	49
Minority interest	(8)	(7)
Equity in earnings of affiliates	43	52
Income from continuing operations	95	175
Income (loss) from discontinued operations	(13)	47
Net income	<u>\$ 82</u>	<u>\$ 222</u>
Basic earnings per share		
Income from continuing operations	\$ 0.64	\$ 1.17
Income (loss) from discontinued operations	(0.09)	0.32
Net income	<u>\$ 0.55</u>	<u>\$ 1.49</u>
Diluted earnings per share		
Income from continuing operations	\$ 0.63	\$ 1.17
Income (loss) from discontinued operations	(0.09)	0.32
Net income	<u>\$ 0.54</u>	<u>\$ 1.49</u>
Average shares outstanding -		
For Basic EPS	149	148
For Diluted EPS	151	149

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

	December 31 2004	December 31 2003
Assets		
Current assets		
Cash and cash equivalents	\$ 634	\$ 731
Accounts receivable		
Trade	1,266	1,048
Other	444	326
Inventories	907	743
Assets of discontinued operations		1,254
Other current assets	217	431
Total current assets	3,468	4,533
Investment in leases	281	622
Investments and other assets	3,145	2,252
Property, plant and equipment, net	2,153	2,210
Total assets	\$ 9,047	\$ 9,617
Liabilities and Shareholders' Equity		
Current liabilities		
Notes payable	\$ 155	\$ 493
Accounts payable	1,317	1,076
Liabilities of discontinued operations		307
Other current liabilities	1,217	1,089
Total current liabilities	2,689	2,965
Long-term debt	2,054	2,605
Deferred employee benefits and other noncurrent liabilities	1,746	1,901
Minority interest	123	96
Shareholders' equity	2,435	2,050
Total liabilities and shareholders' equity	\$ 9,047	\$ 9,617

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

	Three Months Ended December 31	
	2004	2003
Net income (loss)	\$ (133)	\$ 68
Depreciation and amortization	88	100
Asset impairment	13	3
Loss (gain) on divestitures, asset sales and note repurchases	170	(18)
Working capital decrease (increase)	(174)	105
Other	155	(8)
Net cash flows - operating activities	<u>119</u>	<u>250</u>
Purchases of property, plant and equipment	(122)	(90)
Payments received on leases	5	5
Net loan repayments from customers	2	2
Divestitures	968	76
Asset sales	32	76
Other	(45)	14
Net cash flows - investing activities	<u>835</u>	<u>7</u>
Net change in short-term debt	(211)	(104)
Proceeds from long-term debt	450	(47)
Payments on and repurchases of long-term debt	(1,052)	(9)
Dividends paid	(20)	(9)
Other	(1)	1
Net cash flows - financing activities	<u>(834)</u>	<u>(159)</u>
Net change in cash and cash equivalents	120	98
Net change in cash - discontinued operations	2	(3)
Cash and cash equivalents - beginning of period	512	636
Cash and cash equivalents - end of period	<u>\$ 634</u>	<u>\$ 731</u>

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

	Year Ended December 31	
	2004	2003
Net income	\$ 82	\$ 222
Depreciation and amortization	361	394
Asset impairment	37	21
Loss (gain) on divestitures, asset sales and note repurchases	113	(47)
Working capital increase	(587)	(212)
Other	49	(43)
Net cash flows - operating activities	55	335
Purchases of property, plant and equipment	(330)	(305)
Payments received on leases	8	26
Net loan repayments from customers	4	14
Divestitures	968	145
Asset sales	356	282
Other	(66)	47
Net cash flows - investing activities	940	209
Net change in short-term debt	(30)	(113)
Proceeds from long-term debt	455	
Payments on and repurchases of long-term debt	(1,457)	(272)
Dividends paid	(73)	(14)
Other	9	17
Net cash flows - financing activities	(1,096)	(382)
Net change in cash and cash equivalents	(101)	162
Net change in cash - discontinued operations	4	(2)
Cash and cash equivalents - beginning of period	731	571
Cash and cash equivalents - end of period	\$ 634	\$ 731

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

	Three Months Ended December 31	
	2004	2003
Net sales	\$ 2,300	\$ 2,050
Other income (expense)	(121)	18
	<u>2,179</u>	<u>2,068</u>
Costs and expenses		
Cost of sales	2,184	1,883
Realignment charges	66	5
Selling, general and administrative expenses	115	107
Interest expense	44	38
	<u>2,409</u>	<u>2,033</u>
Income (loss) before income taxes	(230)	35
Income tax benefit	117	2
Minority interest	1	(3)
Equity in earnings of affiliates	29	22
Income (loss) from continuing operations	(83)	56
Income (loss) from discontinued operations	(50)	12
Net income (loss)	<u>\$ (133)</u>	<u>\$ 68</u>

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

	Year Ended December 31	
	2004	2003
Net sales	\$ 9,056	\$ 7,918
Other income (expense)	(78)	91
	<u>8,978</u>	<u>8,009</u>
Costs and expenses		
Cost of sales	8,361	7,293
Realignment charges	72	
Selling, general and administrative expenses	472	447
Interest expense	172	160
	<u>9,077</u>	<u>7,900</u>
Income (loss) before income taxes	(99)	109
Income tax benefit (expense)	109	(20)
Minority interest	(8)	(7)
Equity in earnings of affiliates	93	93
Income from continuing operations	95	175
Income (loss) from discontinued operations	(13)	47
Net income	<u>\$ 82</u>	<u>\$ 222</u>

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

	December 31 2004	December 31 2003
Assets		
Current assets		
Cash and cash equivalents	\$ 619	\$ 664
Accounts receivable		
Trade	1,266	1,048
Other	445	300
Inventories	907	743
Assets of discontinued operations		1,254
Other current assets	<u>192</u>	<u>399</u>
Total current assets	3,429	4,408
Investments and other assets	3,337	2,580
Property, plant and equipment, net	<u>2,015</u>	<u>2,014</u>
Total assets	<u>\$ 8,781</u>	<u>\$ 9,002</u>
Liabilities and Shareholders' Equity		
Current liabilities		
Notes payable	\$ 289	\$ 260
Accounts payable	1,317	1,076
Liabilities of discontinued operations		307
Other current liabilities	<u>1,269</u>	<u>1,235</u>
Total current liabilities	2,875	2,878
Long-term debt	1,611	2,087
Deferred employee benefits and other noncurrent liabilities	1,739	1,893
Minority interest	121	94
Shareholders' equity	<u>2,435</u>	<u>2,050</u>
Total liabilities and shareholders' equity	<u>\$ 8,781</u>	<u>\$ 9,002</u>

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

	Three Months Ended December 31	
	2004	2003
Sources		
Net income (loss)	\$ (133)	\$ 68
Depreciation	82	88
Asset sales	27	45
Divestitures	968	
Working capital decrease	90	147
	<u>1,034</u>	<u>348</u>
Uses		
Capital spend	(120)	(86)
Dividends	(20)	(9)
Restructuring cash payments	(15)	(44)
Additional pension contribution	(198)	
Investment in and undistributed earnings of equity affiliates	(49)	32
Net changes in other accounts	37	(17)
	<u>(365)</u>	<u>(124)</u>
Cash change in net debt	<u>\$ 669</u>	<u>\$ 224</u>

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

	Year Ended December 31	
	2004	2003
Sources		
Net income	\$ 82	\$ 222
Depreciation	332	337
Asset sales	67	89
Divestitures	968	145
Working capital increase	(261)	(72)
	<u>1,188</u>	<u>721</u>
Uses		
Capital spend	(324)	(295)
Dividends	(73)	(14)
Restructuring cash payments	(80)	(136)
Additional pension contribution	(198)	
Investment in and undistributed earnings of equity affiliates	(129)	(45)
Net changes in other accounts	(9)	41
	<u>(813)</u>	<u>(449)</u>
Cash change in net debt	<u>\$ 375</u>	<u>\$ 272</u>

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

	Three Months Ended December 31, 2004			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Net sales	\$ 2,300	\$	\$	\$ 2,300
Other income (expense)	(121)	33	(10)	(98)
	<u>2,179</u>	<u>33</u>	<u>(10)</u>	<u>2,202</u>
Costs and expenses				
Cost of sales	2,184		(6)	2,178
Realignment charges	66			66
Selling, general and administrative expenses	115	11	(3)	123
Interest expense	44	10	(1)	53
	<u>2,409</u>	<u>21</u>	<u>(10)</u>	<u>2,420</u>
Income (loss) before income taxes	(230)	12	—	(218)
Income tax benefit	117	1		118
Minority interest	1			1
Equity in earnings of affiliates	29	3	(16)	16
Income (loss) from continuing operations	(83)	16	(16)	(83)
Loss from discontinued operations	(50)			(50)
Net income (loss)	<u>\$ (133)</u>	<u>\$ 16</u>	<u>\$ (16)</u>	<u>\$ (133)</u>

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

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

	Year Ended December 31, 2004			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Net sales	\$ 9,056	\$	\$	\$ 9,056
Other income (expense)	(78)	59	(47)	(66)
	<u>8,978</u>	<u>59</u>	<u>(47)</u>	<u>8,990</u>
Costs and expenses				
Cost of sales	8,361		(28)	8,333
Realignment charges	72			72
Selling, general and administrative expenses	472	49	(17)	504
Interest expense	172	47	(2)	217
	<u>9,077</u>	<u>96</u>	<u>(47)</u>	<u>9,126</u>
Loss before income taxes	(99)	(37)	—	(136)
Income tax benefit	109	87		196
Minority interest	(8)			(8)
Equity in earnings of affiliates	93	7	(57)	43
Income from continuing operations	95	57	(57)	95
Loss from discontinued operations	(13)			(13)
Net income	<u>\$ 82</u>	<u>\$ 57</u>	<u>\$ (57)</u>	<u>\$ 82</u>

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

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

	Three Months Ended December 31, 2003			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Net sales	\$ 2,050	\$	\$	\$ 2,050
Other income	18	34	(16)	36
	<u>2,068</u>	<u>34</u>	<u>(16)</u>	<u>2,086</u>
Costs and expenses				
Cost of sales	1,883		(13)	1,870
Realignment charges	5			5
Selling, general and administrative expenses	107	24	(3)	128
Interest expense	38	14		52
	<u>2,033</u>	<u>38</u>	<u>(16)</u>	<u>2,055</u>
Income (loss) before income taxes	35	(4)	—	31
Income tax benefit	2	13		15
Minority interest	(3)			(3)
Equity in earnings of affiliates	22	4	(13)	13
Income from continuing operations	56	13	(13)	56
Income from discontinued operations	12			12
Net income	<u>\$ 68</u>	<u>\$ 13</u>	<u>\$ (13)</u>	<u>\$ 68</u>

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

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

	Year Ended December 31, 2003			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Net sales	\$ 7,918	\$	\$	\$ 7,918
Other income	91	134	(76)	149
	<u>8,009</u>	<u>134</u>	<u>(76)</u>	<u>8,067</u>
Costs and expenses				
Cost of sales	7,293		(48)	7,245
Selling, general and administrative expenses	447	101	(28)	520
Interest expense	160	61		221
	<u>7,900</u>	<u>162</u>	<u>(76)</u>	<u>7,986</u>
Income (loss) before income taxes	109	(28)	—	81
Income tax benefit (expense)	(20)	69		49
Minority interest	(7)			(7)
Equity in earnings of affiliates	93	20	(61)	52
Income from continuing operations	175	61	(61)	175
Income from discontinued operations	47			47
Net income	<u>\$ 222</u>	<u>\$ 61</u>	<u>\$ (61)</u>	<u>\$ 222</u>

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

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

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

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

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

	December 31, 2003			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Assets				
Current assets				
Cash and cash equivalents	\$ 664	\$ 67	\$	\$ 731
Accounts receivable				
Trade	1,048			1,048
Other	300	26		326
Inventories	743			743
Assets of discontinued operations	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 December 31, 2004			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Sources				
Net income	\$ (133)	\$ 16	\$ (16)	\$ (133)
Depreciation	82	6		88
Asset sales	27	5		32
Divestitures	968			968
Working capital decrease	90	4	14	108
	<u>1,034</u>	<u>31</u>	<u>(2)</u>	<u>1,063</u>
Uses				
Capital spend	(120)	(2)		(122)
Dividends	(20)			(20)
Restructuring cash payments	(15)			(15)
Additional pension contribution	(198)			(198)
Investment in and undistributed earnings of equity affiliates	(49)	(4)	16	(37)
Net changes in other accounts	37	(12)	43	68
	<u>(365)</u>	<u>(18)</u>	<u>59</u>	<u>(324)</u>
Cash change in net debt	<u>\$ 669</u>	<u>\$ 13</u>	<u>\$ 57</u>	<u>\$ 739</u>
Analysis of components of decrease in net debt:				
Net change in short-term debt	\$ (100)	\$ 17	\$ (57)	\$ (140)
Net payments on long-term debt	(437)	(40)		(477)
Change in cash - continuing operations	(132)	10		(122)
Cash change in net debt	(669)	(13)	(57)	(739)
Non-cash changes in net debt	(29)			(29)
Total change in net debt	<u>\$ (698)</u>	<u>\$ (13)</u>	<u>\$ (57)</u>	<u>\$ (768)</u>

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

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

	Year Ended December 31, 2004			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Sources				
Net income	\$ 82	\$ 57	\$ (57)	\$ 82
Depreciation	332	29		361
Asset sales	67	292	(3)	356
Divestitures	968			968
Working capital decrease (increase)	(261)	4	17	(240)
	<u>1,188</u>	<u>382</u>	<u>(43)</u>	<u>1,527</u>
Uses				
Capital spend	(324)	(9)	3	(330)
Dividends	(73)			(73)
Restructuring cash payments	(80)			(80)
Additional pension contribution	(198)			(198)
Investment in and undistributed earnings of equity affiliates	(129)	(8)	57	(80)
Net changes in other accounts	(9)	(203)	185	(27)
	<u>(813)</u>	<u>(220)</u>	<u>245</u>	<u>(788)</u>
Cash change in net debt	<u>\$ 375</u>	<u>\$ 162</u>	<u>\$ 202</u>	<u>\$ 739</u>
Analysis of components of decrease in net debt:				
Net change in short-term debt	\$ 256	\$ (13)	\$ (202)	\$ 41
Net payments on long-term debt	(676)	(201)		(877)
Change in cash - continuing operations	45	52		97
Cash change in net debt	(375)	(162)	(202)	(739)
Non-cash changes in net debt	(27)	(26)		(53)
Total change in net debt	<u>\$ (402)</u>	<u>\$ (188)</u>	<u>\$ (202)</u>	<u>\$ (792)</u>

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

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

	Three Months Ended December 31, 2003			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Sources				
Net income	\$ 68	\$ 13	\$ (13)	\$ 68
Depreciation	88	12		100
Asset sales	45	43	(12)	76
Working capital decrease	147	11	(9)	149
	<u>348</u>	<u>79</u>	<u>(34)</u>	<u>393</u>
Uses				
Capital spend	(86)	(3)	(1)	(90)
Dividends	(9)	(50)	50	(9)
Restructuring cash payments	(44)			(44)
Investment in and undistributed earnings of equity affiliates	32	(4)	(37)	(9)
Net changes in other accounts	(17)	(5)	22	
	<u>(124)</u>	<u>(62)</u>	<u>34</u>	<u>(152)</u>
Cash change in net debt	<u>\$ 224</u>	<u>\$ 17</u>	<u>\$ —</u>	<u>\$ 241</u>
Analysis of components of decrease in net debt:				
Net change in short-term debt	\$ (99)	\$ (5)	\$	\$ (104)
Net payments on long-term debt	(8)	(31)		(39)
Change in cash - continuing operations	(115)	19		(96)
Change in cash - discontinued operations	(2)			(2)
Cash change in net debt	<u>(224)</u>	<u>(17)</u>	<u>—</u>	<u>(241)</u>
Non-cash changes in net debt	8	(1)		7
Total change in net debt	<u>\$ (216)</u>	<u>\$ (18)</u>	<u>\$ —</u>	<u>\$ (234)</u>

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

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

	Year Ended December 31, 2003			
	Dana with DCC on Equity Basis	DCC	Elimination Entries	Dana Consolidated
Sources				
Net income	\$ 222	\$ 61	\$ (61)	\$ 222
Depreciation	337	57		394
Asset sales	89	210	(17)	282
Divestitures	145			145
Working capital decrease (increase)	(72)	3	(7)	(76)
	<u>721</u>	<u>331</u>	<u>(85)</u>	<u>967</u>
Uses				
Capital spend	(295)	(12)	2	(305)
Dividends	(14)	(50)	50	(14)
Restructuring cash payments	(136)			(136)
Investment in and undistributed earnings of equity affiliates	(45)	(20)	11	(54)
Net changes in other accounts	41		22	63
	<u>(449)</u>	<u>(82)</u>	<u>85</u>	<u>(446)</u>
Cash change in net debt	<u>\$ 272</u>	<u>\$ 249</u>	<u>\$ —</u>	<u>\$ 521</u>
Analysis of components of decrease in net debt:				
Net change in short-term debt	\$ (12)	\$ (101)	\$	\$ (113)
Repurchases of long-term debt	(140)			(140)
Proceeds from swap settlement	18			18
Net payments on long-term debt	(23)	(101)		(124)
Change in cash - continuing operations	(113)	(47)		(160)
Change in cash - discontinued operations	(2)			(2)
Cash change in net debt	(272)	(249)	—	(521)
Non-cash changes in net debt	(9)	(34)		(43)
Total change in net debt	<u>\$ (281)</u>	<u>\$ (283)</u>	<u>\$ —</u>	<u>\$ (564)</u>

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



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

	External Sales		Inter-Segment Sales		EBIT		Operating PAT		Net Profit		Net Assets	
	04	03	04	03	04	03	04	03	04	03	04	03
Automotive Systems Group	\$ 1,692	\$ 1,531	\$ 46	\$ 38	\$ 61	\$ 93	\$ 49	\$ 67	\$ 12	\$ 32	\$ 3,100	\$ 3,027
Heavy Vehicle Technologies and Systems Group	590	499	9	17	41	37	25	22	10	9	676	610
Dana Commercial Credit							13	3	13	3	350	291
Other	18	20	1	1	(64)	(58)	(27)	(45)	25	3	41	13
Continuing Operations	2,300	2,050	56	56	38	72	60	47	60	47	4,167	3,941
Discontinued Operations							19	2	15	2	15	
Unusual Items Excluded from Performance Measurement					(277)	(5)	(195)	6	(195)	6		
Consolidated	<u>\$ 2,300</u>	<u>\$ 2,050</u>	<u>\$ 56</u>	<u>\$ 56</u>	<u>\$ (239)</u>	<u>\$ 86</u>	<u>\$ (133)</u>	<u>\$ 68</u>	<u>\$ (133)</u>	<u>\$ 68</u>	<u>\$ 4,167</u>	<u>\$ 3,941</u>
North America	\$ 1,456	\$ 1,388	\$ 28	\$ 22	\$ 16	\$ 78	\$ 11	\$ 46	\$ (20)	\$ 13	\$ 2,230	\$ 1,478
Europe	487	381	37	22	41	29	33	24	23	15	1,224	1,021
South America	172	126	63	43	23	23	14	14	10	11	384	222
Asia Pacific	185	155	6	1	14	10	8	6	5	2	198	158
Dana Commercial Credit							13	3	13	3	350	291
Other					(56)	(68)	(19)	(46)	29	3	(219)	771
Continuing Operations	2,300	2,050	134	88	38	72	60	47	60	47	4,167	3,941
Discontinued Operations							19	2	15	2	15	
Unusual Items Excluded from Performance Measurement					(277)	(5)	(195)	6	(195)	6		
Consolidated	<u>\$ 2,300</u>	<u>\$ 2,050</u>	<u>\$ 134</u>	<u>\$ 88</u>	<u>\$ (239)</u>	<u>\$ 86</u>	<u>\$ (133)</u>	<u>\$ 68</u>	<u>\$ (133)</u>	<u>\$ 68</u>	<u>\$ 4,167</u>	<u>\$ 3,941</u>
Information for Discontinued Operations	<u>342</u>	<u>473</u>	<u>2</u>	<u>3</u>								

FOR MORE INFORMATION
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 E-Mail michelle.hards@dana.com or karen.crawford@dana.com
 Dana Investor Relations 419-535-4635



Investor Relations
Dana Corporation
Quarterly Financial Information (Unaudited)
For the Twelve Months Ended December 31, 2004
(in millions)

	External Sales		Inter-Segment Sales		EBIT		Operating PAT		Net Profit		Net Assets	
	04	03	04	03	04	03	04	03	04	03	04	03
Automotive Systems Group	\$ 6,658	\$ 5,927	\$ 187	\$ 149	\$ 340	\$ 339	\$ 238	\$ 242	\$ 106	\$ 111	\$ 3,100	\$ 3,027
Heavy Vehicle Technologies and Systems Group	2,322	1,924	35	75	173	130	106	79	48	27	676	610
Dana Commercial Credit							29	21	29	21	350	291
Other	76	67	7	6	(228)	(221)	(163)	(211)	27	(28)	41	13
Continuing Operations	9,056	7,918	229	230	285	248	210	131	210	131	4,167	3,941
Discontinued Operations					84	90	52	52	52	52		
Unusual Items Excluded from Performance Measurement					(292)	(1)	(180)	39	(180)	39		
Consolidated	<u>\$ 9,056</u>	<u>\$ 7,918</u>	<u>\$ 229</u>	<u>\$ 230</u>	<u>\$ 77</u>	<u>\$ 337</u>	<u>\$ 82</u>	<u>\$ 222</u>	<u>\$ 82</u>	<u>\$ 222</u>	<u>\$ 4,167</u>	<u>\$ 3,941</u>
North America	\$ 6,010	\$ 5,473	\$ 109	\$ 88	\$ 196	\$ 245	\$ 123	\$ 150	\$ 15	\$ 30	\$ 2,230	\$ 1,478
Europe	1,775	1,455	127	81	141	113	105	88	72	55	1,224	1,021
South America	626	441	212	165	97	70	59	43	48	33	384	222
Asia Pacific	645	549	28	3	39	47	25	30	11	15	198	158
Dana Commercial Credit							29	21	29	21	350	291
Other					(188)	(227)	(131)	(201)	35	(23)	(219)	771
Continuing Operations	9,056	7,918	476	337	285	248	210	131	210	131	4,167	3,941
Discontinued Operations					84	90	52	52	52	52		
Unusual Items Excluded from Performance Measurement					(292)	(1)	(180)	39	(180)	39		
Consolidated	<u>\$ 9,056</u>	<u>\$ 7,918</u>	<u>\$ 476</u>	<u>\$ 337</u>	<u>\$ 77</u>	<u>\$ 337</u>	<u>\$ 82</u>	<u>\$ 222</u>	<u>\$ 82</u>	<u>\$ 222</u>	<u>\$ 4,167</u>	<u>\$ 3,941</u>
Information for Discontinued Operations	<u>1,949</u>	<u>2,153</u>	<u>16</u>	<u>14</u>								

FOR MORE INFORMATION
(www.dana.com) - Dial-For-Dana U.S. or Canada 800-537-8823; OH 800-472-8810
 E-Mail michelle.hards@dana.com or karen.crawford@dana.com
 Dana Investor Relations 419-535-4635



Dana Corporation

2004 4th Quarter & Full-Year Results

February 23, 2005

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

Agenda

- ▶ **2004 Highlights** **Mike Burns**
 - Financial summary
 - Operational review
- ▶ **Detailed Financial Review** **Bob Richter**
 - Fourth-quarter results
 - Full-year results
 - 2005 guidance
- ▶ **2005 Outlook** **Mike Burns**

2004 Highlights

- ▶ **Year-over-year sales increased 14% to \$9.1 billion**
- ▶ **Renewed focus on global OE customers**
 - Adopted disciplined program management approach – from quotation to launch
 - Improved PPM performance by more than 75%
- ▶ **Excluding unusual items, net income increased 43% despite steel costs**
- ▶ **Added \$700 million in net new business through 2007**
- ▶ **Regained investment-grade credit rating**

Financial Overview

(\$ Millions, except per share data)

	<u>Fourth Quarter</u>		<u>Full Year</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Sales	\$ 2,300	\$ 2,050	\$ 9,056	\$ 7,918
Net Income (loss)	\$ (133)	\$ 68	\$ 82	\$ 222
Earnings per share	\$ (0.89)	\$ 0.45	\$ 0.54	\$ 1.49
Net income, excluding unusual items	\$ 62	\$ 62	\$ 262	\$ 183
Earnings per share, excluding unusual items	\$ 0.41	\$ 0.41	\$ 1.73	\$ 1.23

2004 Sales Growth

- ▶ **\$9,056 million in 2004 vs. \$7,918 million in 2003**
- ▶ **Year-over-year increase of 14%**
 - Favorable currency - \$300 million
 - Increased volume/pricing - \$440 million
 - Net new business - \$400 million

2004 Impacts on Net Income

With DCC on an Equity Basis*

(Millions)

▶ Net income, excluding unusual items	\$262
– Steel	(70)
– Tax benefits	64
▶ Unusual items, net of tax	
- Divestitures	(30)
- Realignments	(54)
- Debt repurchase	(96)

Automotive Systems Performance

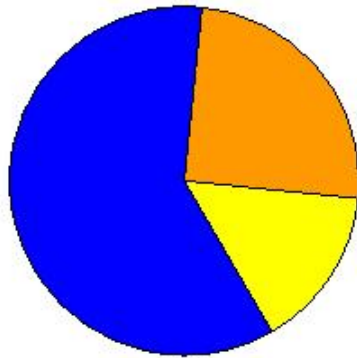
	Sales			OPAT			Steel Cost
	<u>2004</u>	<u>2003</u>	<u>Chg.</u>	<u>2004</u>	<u>2003</u>	<u>Chg.</u>	<u>2004</u>
(Millions)							
Q1	\$1,757	\$1,543	14%	\$71	\$57	25%	\$1
Q2	1,767	1,532	15	72	66	9	7
Q3	1,583	1,432	11	46	52	(12)	13
Q4	1,738	1,569	11	49	67	(27)	20
Results	\$6,845	\$6,076	13%	\$238	\$242	(2)%	\$41

Heavy Vehicle Performance

	Sales			OPAT			Steel Cost
	<u>2004</u>	<u>2003</u>	<u>Chg.</u>	<u>2004</u>	<u>2003</u>	<u>Chg.</u>	<u>2004</u>
(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
Q4	599	516	16	25	22	14	7
Results	\$2,357	\$1,999	18%	\$106	\$79	34%	\$14

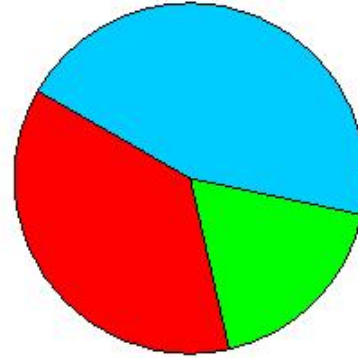
Renewed Focus on Our Diverse Customer Base

Diversified By Markets



■ Light Vehicle ■ Commercial ■ Off-Highway

Dana's Customers



■ Detroit Big 3 ■ Next 5 ■ Other

Next 5: PACCAR, Navistar, Renault-Nissan, Volvo Truck, Toyota

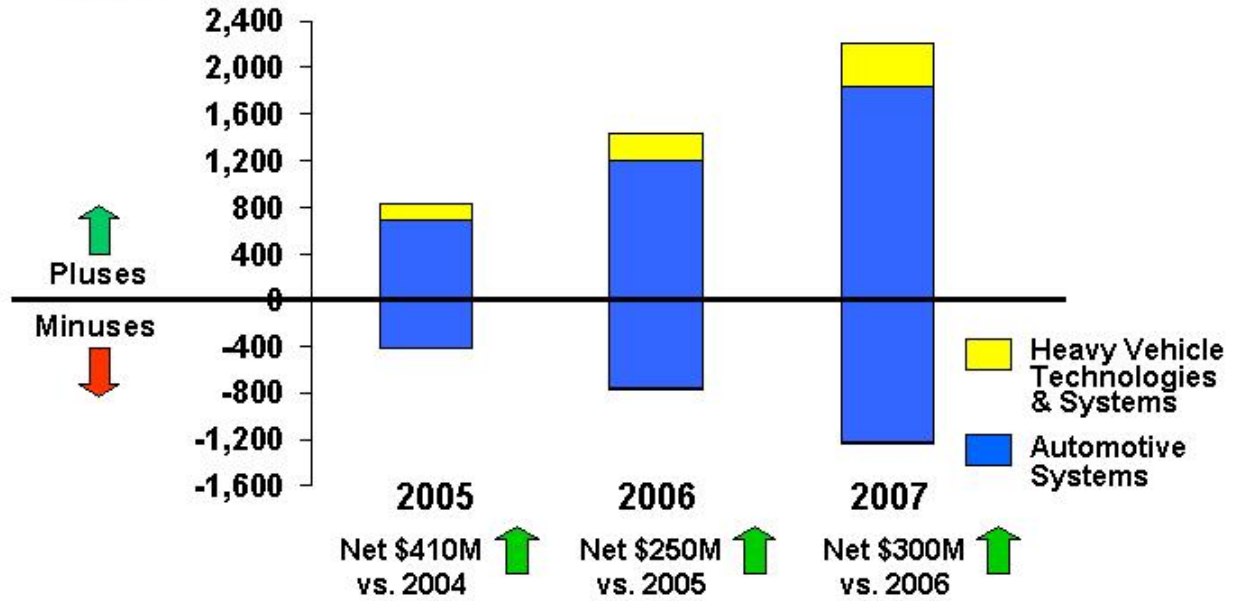
Based on full-year 2004 sales for continuing operations

OE Customer Focus

- ▶ **Global business development**
 - Approaching customers as “Dana”
 - New tools and robust processes
 - “Batting average” clearly getting better
- ▶ **Program management**
 - Consistent, disciplined, cross-functional approach: business development, engineering, purchasing, manufacturing, and finance
- ▶ **PPM performance for all customers improved more than 75% year-over-year**

Cumulative Net New Business

(\$ Millions)



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

2005 North American International Auto Show

23 Worldwide Production Launches

- ▶ **BMW 5-Series AWD**
- ▶ **Cadillac STS-V**
- ▶ **Chevrolet Z06 Corvette**
- ▶ **Dodge Charger**
- ▶ **Ferrari Superamerica**
- ▶ **Ford Fusion**
- ▶ **Ford F-150 Harley-Davidson**
- ▶ **Honda Ridgeline**
- ▶ *Infiniti M45/M35*
- ▶ *Kia Rio*
- ▶ **Land Rover Range Rover Sport**
- ▶ **Lexus GX 470**
- ▶ **Lexus RX 330 Thundercloud**
- ▶ **Lincoln Zephyr**
- ▶ **Lincoln Mark LT**
- ▶ **Mercedes-Benz M-Class**
- ▶ **Mini Cooper S automatic**
- ▶ *Mitsubishi Eclipse*
- ▶ **Mitsubishi Raider**
- ▶ **Saturn Sky**
- ▶ *Subaru B9 Tribeca*
- ▶ **Toyota Avalon**
- ▶ **Porsche 911 Carrera, Carrera S Cabriolet**

19 of 23 vehicles contain Dana products

2005 Launches

Z06 Corvette



Hummer H3



Land Rover LR3



Ford Escape Hybrid



Toyota Tacoma



Additions to Leadership Team

Chief Purchasing Officer



Paul Miller

- ▶ Centralized purchasing
- ▶ Supply base rationalization

Chief Information Officer



Bruce C. Carver

- ▶ Enterprise-wide systems
- ▶ Consolidating operations

Q4 Income Statement

With DCC on an Equity Basis*

(Millions)	Excluding Unusual Items	Unusual Items				As Reported
		Debt	Realignment	AAG	DCC	
Net sales	\$ 2,300					\$ 2,300
Other income (expense)	36	(157)	-	-	-	(121)
	<u>2,336</u>	<u>(157)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,179</u>
Cost of sales	2,181		3			2,184
Realignment charges	-		66			66
SG&A expense	114		1			115
Interest expense	44	-	-	-	-	44
	<u>2,339</u>	<u>-</u>	<u>70</u>	<u>-</u>	<u>-</u>	<u>2,409</u>
Income (loss) before taxes	(3)	(157)	(70)	-	-	(230)
Tax benefit (expense)	32	61	24			117
Minority interest	1					1
Equity in affiliate earnings	30	-	(3)	-	2	29
	<u>60</u>	<u>(96)</u>	<u>(49)</u>	<u>-</u>	<u>2</u>	<u>(83)</u>
Discontinued operations	2	-	-	(52)	-	(50)
Net income (loss)	<u>\$ 62</u>	<u>\$ (96)</u>	<u>\$ (49)</u>	<u>\$ (52)</u>	<u>\$ 2</u>	<u>\$ (133)</u>

*Comparable GAAP measures available at www.dana.com/investors

4th Quarter Segment Comparison

(Millions)	Sales			OPAT		
	2004	2003	Chg.	2004	2003	Chg.
Automotive	\$ 1,738	\$ 1,569	11 %	\$ 49	\$ 67	(27) %
Heavy Vehicle	599	516	16	25	22	14
DCC				13	3	333
Other	(37)	(35)	(6)	(27)	(45)	40
Results from						
Cont. Operations	\$ 2,300	\$ 2,050	12 %	\$ 60	\$ 47	28 %
Discontinued Ops.*				2	15	
Unusual Items				(195)	6	
Consolidated	\$ 2,300	\$ 2,050	12 %	\$ (133)	\$ 68	(296) %

* Q4 sales from discontinued operations were \$342 in 2004 vs. \$473 in 2003

2004 Income Statement

With DCC on an Equity Basis*

(Millions)	Excluding Unusual Items	Unusual Items				Knorr	As Reported
		Debt	Realignment	AAG	DCC		
Net sales	\$ 9,056						\$ 9,056
Other income (expense)	70	(157)	(3)	-	(8)	20	(78)
	9,126	(157)	(3)	-	(8)	20	8,978
Cost of sales	8,358		3				8,361
Realignment charges	3		69			-	72
SG&A expense	471		1				472
Interest expense	172	-	-	-	-	-	172
	9,004	-	73	-	-	-	9,077
Income (loss) before taxes	122	(157)	(76)	-	(8)	20	(99)
Tax benefit (expense)	26	61	25		4	(7)	109
Minority interest	(8)		-				(8)
Equity in affiliate earnings	70	-	(3)	-	26	-	93
	210	(96)	(54)	-	22	13	95
Discontinued operations	52	-	-	(65)	-	-	(13)
Net income	\$ 262	\$ (96)	\$ (54)	\$ (65)	\$ 22	\$ 13	\$ 82

Full-Year Segment Comparison

(Millions)	Sales			OPAT		
	2004	2003	Chg.	2004	2003	Chg.
Automotive	\$ 6,845	\$ 6,076	13 %	\$ 238	\$ 242	(2) %
Heavy Vehicle	2,357	1,999	18	106	79	34
DCC				29	21	38
Other	(146)	(157)	(7)	(163)	(211)	(23)
Results from						
Cont. Operations	\$ 9,056	\$ 7,918	14 %	\$ 210	\$ 131	60 %
Discontinued Ops.*				52	52	
Unusual Items				(180)	39	
Consolidated	\$ 9,056	\$ 7,918	14 %	\$ 82	\$ 222	(63) %

* Sales from discontinued operations were \$1,949 in 2004 vs. \$2,153 in 2003

Income Statement

With DCC on an Equity Basis*

(Millions)	Fourth Quarter		Full Year	
	2004	2003	2004	2003
Net sales	\$ 2,300	\$ 2,050	\$ 9,056	\$ 7,918
Other income (expense)	(121)	18	(78)	91
	<u>2,179</u>	<u>2,068</u>	<u>8,978</u>	<u>8,009</u>
Cost of sales	2,184	1,883	8,361	7,293
Realignment charges	66	5	72	
SG&A expense	115	107	472	447
Interest expense	44	38	172	160
	<u>2,409</u>	<u>2,033</u>	<u>9,077</u>	<u>7,900</u>
Income (loss) before taxes	(230)	35	(99)	109
Tax benefit (expense)	117	2	109	(20)
Minority interest	1	(3)	(8)	(7)
Equity in affiliate earnings	<u>29</u>	<u>22</u>	<u>93</u>	<u>93</u>
	(83)	56	95	175
Discontinued operations	<u>(50)</u>	<u>12</u>	<u>(13)</u>	<u>47</u>
Net income (loss)	\$ <u>(133)</u>	\$ <u>68</u>	\$ <u>82</u>	\$ <u>222</u>

* Comparable GAAP measures available at www.dana.com/investors

Cash Flow Statement

With DCC on an Equity Basis *

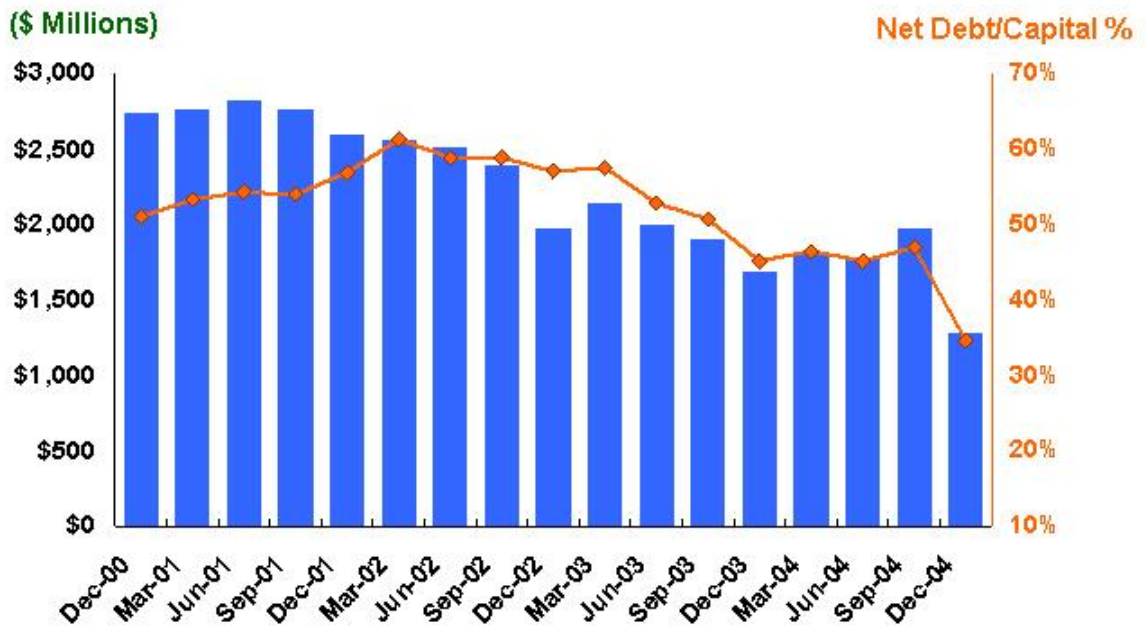
(Millions)	Fourth Quarter		Full Year	
	2004	2003	2004	2003
Sources				
Net income (loss)	\$ (133)	\$ 68	\$ 82	\$ 222
Depreciation	82	88	332	337
Asset sales & divestitures	995	46	1,035	234
Working capital decrease (increase)	90	147	(261)	(71)
	<u>1,034</u>	<u>349</u>	<u>1,188</u>	<u>722</u>
Uses				
Capital spend	(120)	(86)	(324)	(295)
Dividends	(20)	(9)	(73)	(14)
Restructuring payments	(15)	(44)	(80)	(136)
Additional pension contribution	(198)	-	(198)	-
Investment in and undistributed earnings of equity affiliates	(49)	32	(129)	(45)
Net changes in other accounts	37	(18)	(9)	40
	<u>\$ (365)</u>	<u>\$ (125)</u>	<u>\$ (813)</u>	<u>\$ (450)</u>
Cash change in net debt	<u>\$ 669</u>	<u>\$ 224</u>	<u>\$ 375</u>	<u>\$ 272</u>

Capital Structure

With DCC on an Equity Basis*

(Millions)	<u>Dec-03</u>	<u>Operations</u>	<u>Other</u>	<u>Dec-04</u>
Short-term debt	\$ 260	\$ 25	\$ 4	\$ 289
Long-term debt	<u>2,087</u>	<u>(445)</u>	<u>(31)</u>	<u>1,611</u>
Borrowings	2,347	(420)	(27)	1,900
Cash	<u>664</u>	<u>(45)</u>	<u>-</u>	<u>619</u>
Net debt	\$ 1,683	\$ (375)	\$ (27)	\$ 1,281
Equity	\$ 2,050	\$ 9	\$ 376	\$ 2,435
Net Debt / Capital	45.1%			34.5%

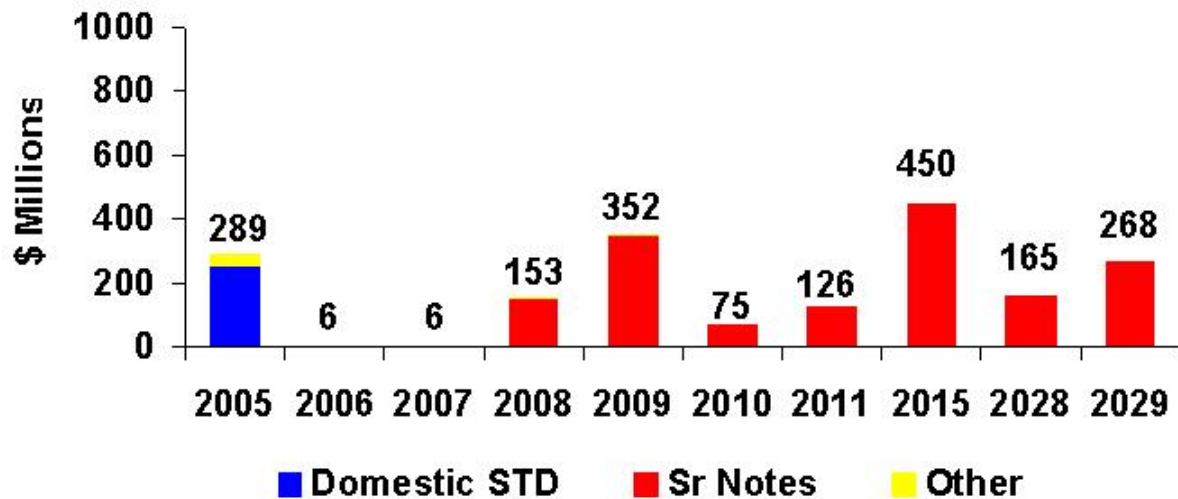
Net Debt and Capitalization Progress



December 31, 2004 Debt Portfolio

Excluding DCC

Average Life - 9.5 Years



Maturities do not reflect swap valuation adjustments

December 31, 2004 Liquidity

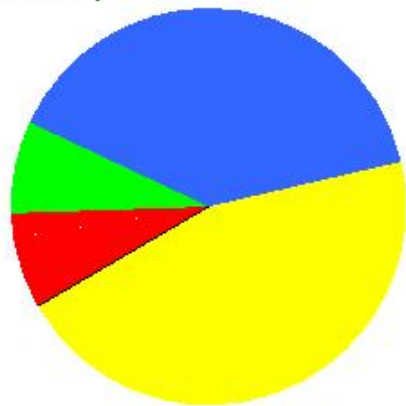
Excluding DCC

(Millions)	<u>Lines</u>	<u>Drawn</u>	<u>Available</u>
5-year bank facility	\$ 400	\$ -	\$ 400
Accts receivable program	200	-	200
Bank lines	<u>120</u>	<u>65</u>	<u>55</u>
Bank facilities	720	65	655
Amount due DCC		<u>\$ 185</u>	<u>\$ (185)</u>
Total short-term facilities		\$ 250	\$ 470
Plus cash			<u>619</u>
		Total	\$ 1,089

Excludes committed borrowing lines related to foreign operations.

Dana Credit Corporation Portfolio Analysis

(\$ Millions)



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



12/04 Total Portfolio Assets - \$830

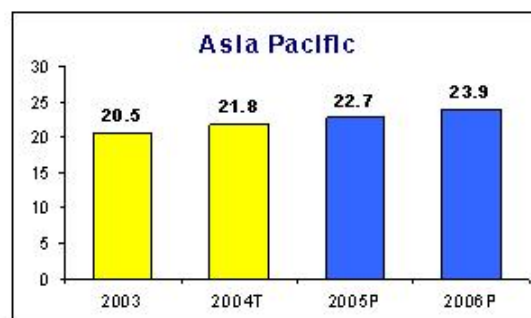
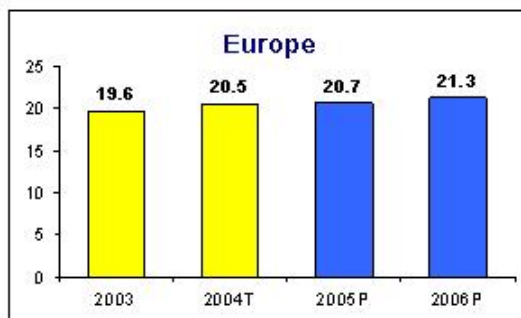
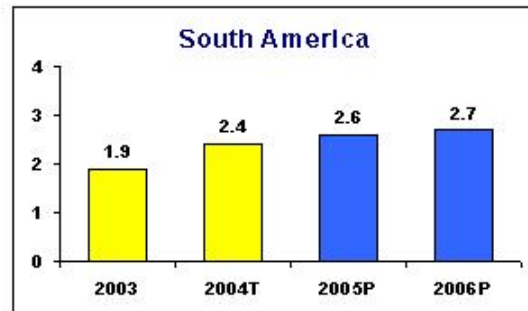
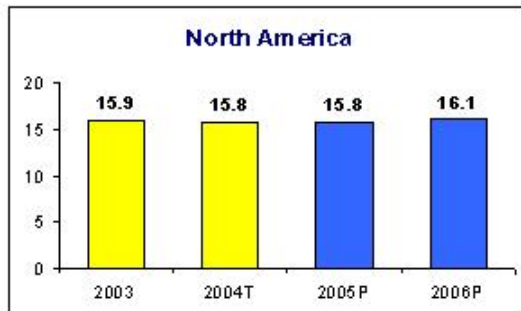
 **Value-Added Services**

 **Capital Markets**

 **Real Estate**

 **Retained**

2005 Light Vehicle Production (Units Millions)



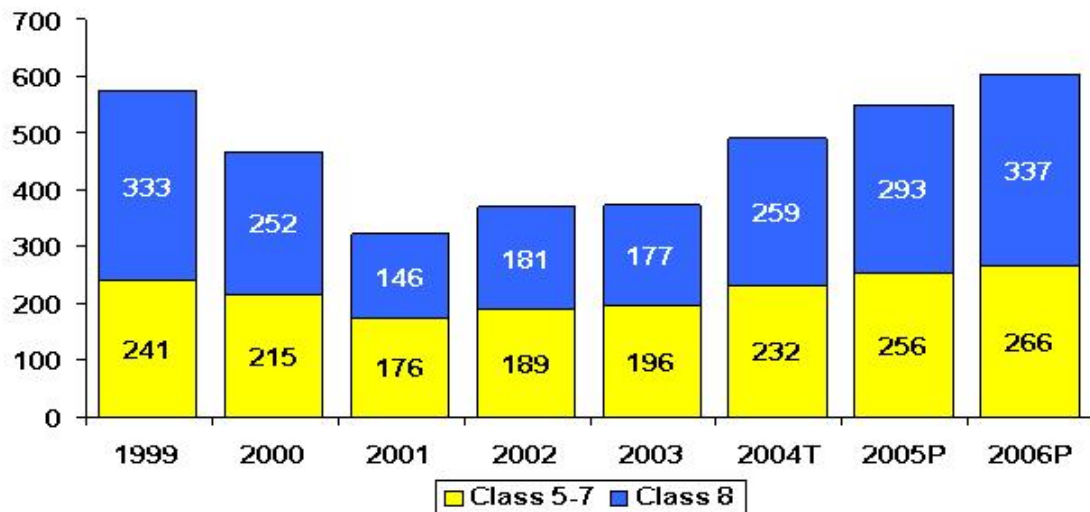
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2005 NAFTA Vehicle Production

(Units Thousands)

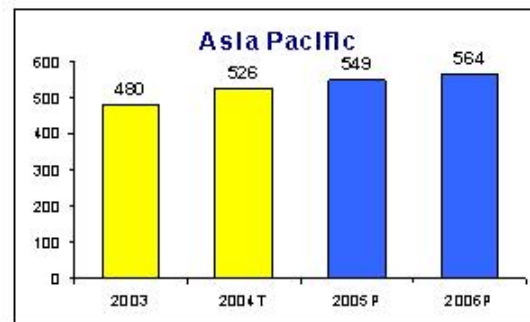
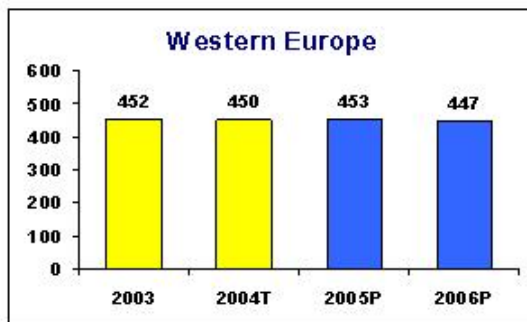
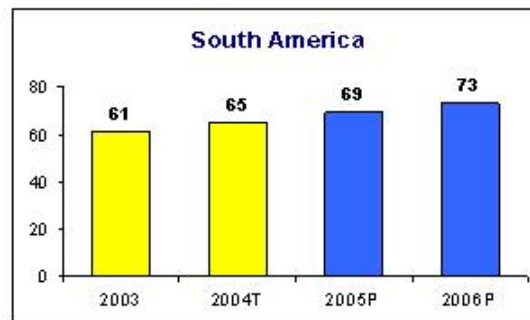
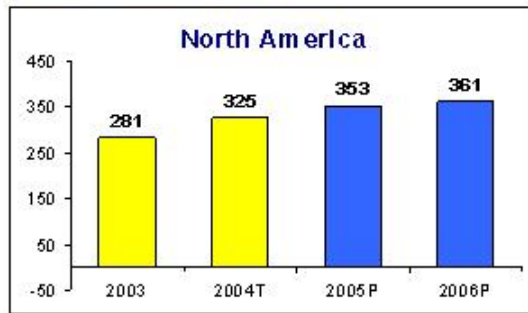
Heavy (Class 8) + 13.1%

Medium (Class 5-7) + 10.3%



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Actual results may differ materially. See cautionary statement on Slide 1.

2005 Off-Highway Vehicle Production (Units Thousands)



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Actual results may differ materially. See cautionary statement on Slide 1.

2005 Steel Outlook

- ▶ **Estimated adverse impact of \$100 million after tax, net of customer recoveries, vs. 2003 levels**
- ▶ **Cost-reduction programs underway**
- ▶ **Scrap prices are down and demand is moderating, but prices are not following**
- ▶ **Uncertainty exists**

2005 Guidance

(\$ Millions, except per share data)

Sales	\$9,600
Net Income*	\$210 - \$245
EPS*	\$1.40 - \$1.62

* Excludes unusual items

2005 Free Cash Flow Outlook

\$ Millions, with DCC on an Equity Basis

Sources:

Net income	\$210 - \$245
Depreciation	300
Working Capital	100
	<u>\$610 - \$645</u>

Less:

Capital spend	(325)
Restructuring payments	(30)
Other	(80)
	<u>\$ (435)</u>

Free Cash Flow

\$175 - \$210

2005 Strategic Goals

- ▶ **Profitable sales growth at twice the rate of the global vehicle market**
 - **Reinvest in business:**
 - **New technologies**
 - **New products**
 - **Strategic acquisitions and joint ventures**
 - **Deliver best-quality products, on-time to our customers**
 - **Expand geographically in growth markets**

2005 Strategic Goals

- ▶ **Increase earnings through accelerated cost and productivity initiatives**
 - Leverage our new, consolidated purchasing function
 - Deploy lean manufacturing in every plant
 - Apply value engineering to every product
 - Continue standardizing administrative processes
- ▶ **Maintain a strong balance sheet**

Summary

- ▶ **Improved earnings despite commodity prices**
- ▶ **Solid balance sheet**
- ▶ **Shared future with our customers**
- ▶ **Focused on:**
 - Top-line growth
 - Earnings growth
- ▶ **Execution is essential**



Questions



Supplemental Slides

Capital Structure

Reconciliation as of December 31, 2003

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

Capital Structure

Reconciliation as of December 31, 2004

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

Dana's Net New Business

(\$ Millions)

Jan-2005	<u>2005</u>	<u>2006</u>	<u>2007</u>
ASG	\$285	\$150	\$155
HVTSG	<u>125</u>	<u>100</u>	<u>145</u>
TOTAL	\$410	\$250	\$300

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



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