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As shown in the following table, at December 31, 2003, our continuing operations had 251 manufacturing, distribution and service branch or office facilities worldwide. We own the majority of our manufacturing and larger distribution facilities. We lease certain manufacturing facilities and most of our smaller distribution outlets and financial service branches and offices.

Dana Facilities by Geographic Region

Type of Facility	North America	Europe	South America	Asia/Pacific	Total
Manufacturing	95	33	29	11	168
Distribution	16	6	9	1	32
Service branches, offices	31	10	5	5	51
Total Continuing Operations	142	49	43	17	251
Discontinued Operations	56	31	25	2	114
Total	198	80	68	19	365

Item 3 —Legal Proceedings

We are a party to various pending judicial and administrative proceedings arising in the ordinary course of business. After reviewing the proceedings that are currently pending (including the probable outcomes, reasonably anticipated costs and expenses, availability and limits of our insurance coverage, and our established reserves for uninsured liabilities), we do not believe that any liabilities that may result from these proceedings are reasonably likely to have a material adverse effect on our liquidity, financial condition or results of operations.

Environmental Proceedings. In our reports for the quarterly periods ended June 30, 2003, and September 30, 2003, we discussed an environmental matter in which the U.S. Department of Justice (DOJ) had proposed a consent decree and a \$0.7 fine in connection with alleged violations of the U.S. Clean Water Act at our facility at Harvey Street, Muskegon, Michigan. We have submitted a proposal to the DOJ to undertake certain supplemental environmental projects to reduce or offset the amount of the proposed fine. The DOJ is reviewing our proposal and the matter is pending.

In addition, we reported in our annual report for the year ended December 31, 2002, an environmental proceeding involving our plant at Sanford Street in Muskegon, Michigan. That facility had received a notice of an enforcement action and a proposed consent order from the Michigan Department of Environmental Quality (MDEQ) alleging various air permit and rule violations. The alleged violations related to smoke and odor complaints from neighbors, failure to have permits for the installation of certain engine test cells and noncompliance with certain record keeping requirements. Negotiations with the MDEQ resulted in a final consent order with a fine of \$0.1. The MDEQ released this order for public comment in December 2002, and the matter is pending.

Litigation. In our reports for the quarterly periods ended June 30, 2003, and September 30, 2003, we also discussed a number of lawsuits that had been filed in various courts in connection with the