This heightened emphasis on technology also supports our industry's most significant trend – the move toward modularity and systems integration. A recent Schroder SalomonSmithBarney study projects outsourced modular assembly business growing from about $43 billion globally in 2000 to $73 billion in 2005, and more than $110 billion in 2010. Our future plans are linked to this projected growth.

Currently, our major automotive customers are telling us we may see vehicles composed of 15 to 20 major modules by the end of this decade. Our foundation product array is strategically aligned with what are expected to be five to seven of the most significant modules where our technical expertise has the greatest application. We believe this strategically focused product offering, coupled with our unparalleled systems integration experience, bodes well for the future.

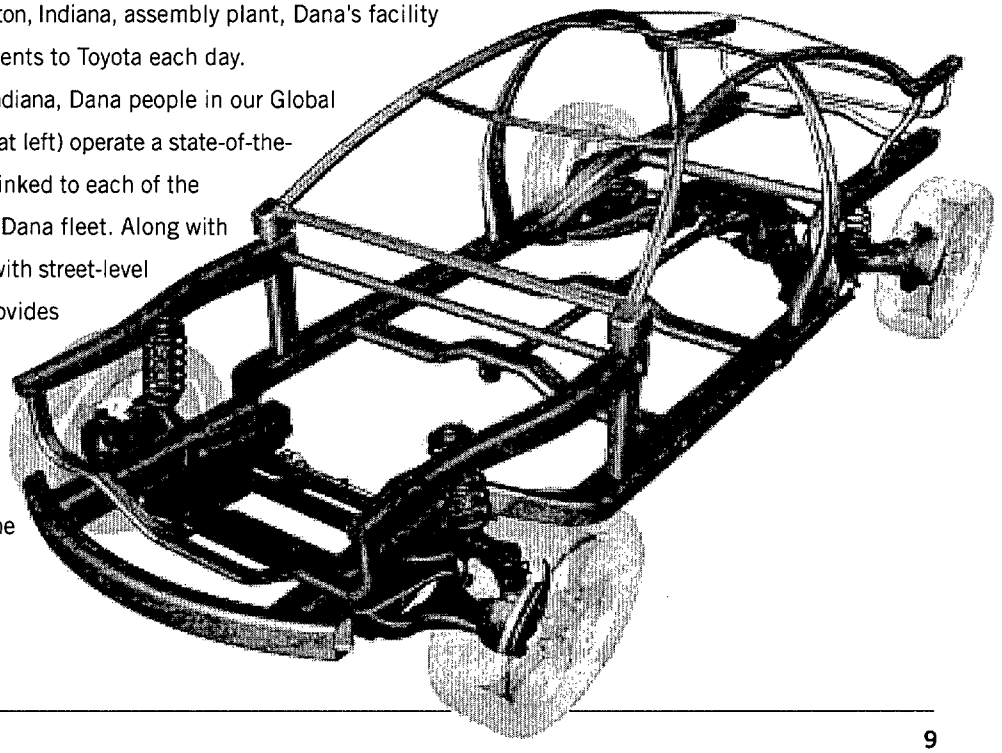
Technology development will be central to our success.

Customer Focus is Our Focus.

Amid the challenge and change of 2001, one aspect of our business has remained the same: our commitment to providing customers with value-driven products. We're also setting new standards in teaming with our customers to boost their productivity.

For example, our Owensboro, Kentucky, Structural Solutions facility produces sequenced frames for the Toyota Sequoia and Tundra vehicles. Electronic systems in the facility enable our people to accomplish model changeovers in just three seconds. Located near Toyota's Princeton, Indiana, assembly plant, Dana's facility makes 28 customized shipments to Toyota each day.

And in Columbia City, Indiana, Dana people in our Global Logistics operation (pictured at left) operate a state-of-the-art satellite tracking system linked to each of the more than 500 trucks in the Dana fleet. Along with tracking the status of trucks with street-level precision, the system also provides important advisories and directions that assist drivers and help keep customer shipments on schedule and within demanding just-in-time delivery requirements.



Dana's Rolling Spaceframe™ system is indicative of our emphasis on modularity and systems integration. The system will integrate product and material technologies with the benefits of modular manufacturing to produce a system with enhanced structural stability.