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During the past year, we made significant moves to sharpen the strategic focus of our business on the light vehicle, commercial vehicle and off-highway original equipment marketplace.

Divestitures

A number of businesses that we deemed non-strategic were divested in 2002 and 2003. In June 2003, we completed the sale of our Engine Management aftermarket business with annual sales of approximately \$300. More recently, in December 2003, we announced plans to divest substantially all of our Automotive Aftermarket Group, which had sales of more than \$2,000 in 2003 and employed approximately 14,000 people. These businesses are now classified as discontinued operations in our financial statements. Upon completion of the divestiture of the Automotive Aftermarket business, when combined with the other divestitures closed during the last three years, we will have divested businesses that previously reported annual sales of more than \$3,000.

Additionally, in 2001 we commenced the divestiture of a major portion of our leasing operation, Dana Credit Corporation (DCC). To date, divestitures and normal run-off have reduced DCC's portfolio assets by approximately \$850; we expect continued asset dispositions over the next few years.

Outsourcing Non-Core Manufacturing

Within our core businesses, we have looked closely at the manufacturing processes that are key to the product technology and service value package we supply our customers. In this regard, we have divested non-core product manufacturing to third parties or, in some cases, transferred such manufacturing to our international affiliates who consider it core to their business.

Strategic Partnerships

Strategic alliances continue to be an important component of our strategy, either in supporting our global expansion, enhancing our technology or improving our cost competitiveness. During 2003, we signed a new joint venture agreement with GETRAG (one of our European partners) and Volvo Car Corporation to produce all-wheel-drive systems in Europe, and we announced plans to form a joint venture with Dongfeng to develop and produce commercial vehicle axles in China.

Another important strategic partnership entered this past year was our agreement with the United Auto Workers. This agreement established collective bargaining and representation principles governing our automotive assembly and manufacturing facilities in the United States that serve DaimlerChrysler AG, Ford Motor Company and General Motors Corporation. The cooperative approach embodied in this agreement is expected to contribute to our business growth, improve our productivity and enhance our operational cost efficiency.