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and strong existing management teams. We believe that targeted acquisitions will help us achieve our long-term objectives.

2003 Overview

Improved performance best characterizes 2003 compared to 2002. Net income for the year ended December 31, 2003 increased by over \$400 to \$222 from a year earlier loss of \$182. Net income in 2002 was adversely impacted by a \$220 effect of a change in accounting for goodwill. Income from continuing operations increased by nearly \$170 in 2003.

These performance improvements were linked in large part to the restructuring actions taken subsequent to the announcement of our restructuring program in December 2001. By the end of 2002 we had incurred nearly all of the charges associated with this program and many of the actions related to the announcements have been completed. The completion of such actions has enabled us to reduce costs.

Closely related to our restructuring actions has been the focus given to business components considered core to our strategy. Significant progress in divesting non-core business components has been made in 2003 and 2002. The sale of the engine management business highlighted our 2003 divestiture activity. In December 2003, we announced our intention to sell substantially all of the AAG. When completed, this transaction will represent the largest divestiture in our history.

Restructuring

In October 2001, we announced plans to accelerate the restructuring of our operations, to evaluate at least 30 facilities for closure and to reduce our workforce globally by more than 15%. As of December 31, 2003, we had closed or consolidated 35 of the 39 facilities selected for closure. When completed, these actions will have reduced our workforce — at all levels of the organization — by approximately 17% since October of 2001. The after-tax charges recorded in connection with this restructuring totaled approximately \$442. We also sold portions of our Dana Credit Corporation (DCC) leasing operation, as described above.

Geographic Areas

We maintain administrative organizations in four regions — North America, Europe, South America and Asia Pacific — to facilitate financial and statutory reporting and tax compliance on a worldwide basis and to support our SBUs. Our operations are located in the following countries (shown by the regions in which we administer them):

North America	Europe	South America	Asia Pacific
Canada	Austria	Luxembourg	Argentina
Mexico	Belgium	Netherlands	Brazil
United States	France	Poland	Colombia
	Germany	Slovakia	South Africa
	India	Spain	Uruguay
	Ireland	Sweden	Venezuela
	Italy	Turkey	
	United Kingdom		

Our non-U.S. subsidiaries and affiliates manufacture and sell a number of products similar to those