

FINANCIAL REVIEW OF MAGNA INTERNATIONAL INC.
(United States dollars in millions, except per share figures)
Prepared in accordance with U.S. GAAP

Note	2015					2016					2017				
	1st Q	2nd Q	3rd Q	4th Q	TOTAL	1st Q	2nd Q	3rd Q	4th Q	TOTAL	1st Q	2nd Q	3rd Q	4th Q	TOTAL
VEHICLE VOLUME STATISTICS (in millions)															
North American vehicle volumes (including Mexico)	4.107	4.528	4.294	4.548	17.477	4.532	4.586	4.309	4.358	17.785	4.534	4.456	3.979	4.139	17.108
European vehicle volumes:															
Western Europe	3.500	3.712	3.271	3.745	14.228	3.925	4.050	3.181	3.577	14.733	4.008	3.829	3.330	3.798	14.965
Eastern Europe	1.722	1.770	1.485	1.748	6.725	1.742	1.842	1.447	1.807	6.838	1.888	1.971	1.644	1.957	7.460
Total Europe	5.222	5.482	4.756	5.493	20.953	5.667	5.892	4.628	5.384	21.571	5.896	5.800	4.974	5.755	22.425
Magna Steyr vehicle assembly volumes	0.027	0.029	0.023	0.025	0.104	0.023	0.026	0.019	0.007	0.075	0.008	0.021	0.022	0.027	0.078
AVERAGE FOREIGN EXCHANGE RATES															
1 Canadian dollar equals U.S. dollars	0.808	0.813	0.766	0.749	0.784	0.728	0.776	0.766	0.749	0.755	0.756	0.744	0.798	0.787	0.771
1 Euro equals U.S. dollars	1.129	1.107	1.113	1.094	1.111	1.103	1.129	1.116	1.080	1.107	1.066	1.101	1.175	1.178	1.130
1 British pound equals U.S. dollars	1.517	1.533	1.551	1.516	1.529	1.431	1.435	1.313	1.241	1.355	1.239	1.279	1.309	1.327	1.289
1 Brazilian real equals U.S. dollars	0.351	0.325	0.285	0.260	0.305	0.256	0.285	0.308	0.304	0.288	0.318	0.311	0.316	0.308	0.313
1 Chinese renminbi equals U.S. dollars	0.160	0.161	0.159	0.156	0.159	0.153	0.153	0.150	0.146	0.151	0.145	0.146	0.150	0.151	0.148
CONSOLIDATED STATEMENTS OF INCOME															
Sales:															
External Production															
North America	4,225	4,583	4,281	4,670	17,759	4,764	4,902	4,837	4,878	19,381	5,094	5,004	4,601	4,872	19,571
Europe	1,895	1,829	1,696	1,832	7,252	2,266	2,486	2,184	2,204	9,140	2,456	2,458	2,495	2,706	10,115
Asia	403	390	346	473	1,612	507	499	548	663	2,217	557	580	576	644	2,357
Rest of World	131	125	111	87	454	80	107	119	133	439	126	127	156	153	562
Complete vehicle assembly	600	607	522	628	2,357	596	652	503	439	2,190	413	743	781	1,007	2,944
Tooling, engineering and other	518	599	705	878	2,700	687	797	658	936	3,078	726	772	890	1,009	3,397
Total sales	7,772	8,133	7,661	8,568	32,134	8,900	9,443	8,849	9,253	36,445	9,372	9,684	9,499	10,391	38,946
Costs and expenses:															
Cost of goods sold	6,668	6,962	6,593	7,336	27,559	7,619	8,045	7,558	7,901	31,123	7,921	8,277	8,140	8,920	33,258
Selling, general and administrative	330	348	358	412	1,448	392	414	371	424	1,601	416	409	406	437	1,668
Equity income	(51)	(52)	(52)	(49)	(204)	(55)	(67)	(65)	(46)	(233)	(70)	(58)	(45)	(88)	(261)
EBITDA	825	875	762	869	3,331	944	1,051	985	974	3,954	1,105	1,056	998	1,122	4,281
Depreciation and amortization	194	198	197	213	802	246	262	270	278	1,056	274	280	306	313	1,173
EBIT	631	677	565	656	2,529	698	789	715	696	2,898	831	776	692	809	3,108
Interest expense (income), net	10	8	9	17	44	23	22	23	20	88	19	11	20	20	70
Operating income	621	669	556	639	2,485	675	767	692	676	2,810	812	765	672	789	3,038
Impairment charges	-	-	-	-	-	-	-	-	-	-	-	-	-	81	81
Other expense (income)	-	(57)	(124)	15	(166)	-	-	-	30	30	6	3	2	(53)	(42)
Other expense (income), net	-	(57)	(124)	15	(166)	-	-	-	30	30	6	3	2	28	39
Income from continuing operations before income taxes	621	726	680	624	2,651	675	767	692	646	2,780	806	762	670	761	2,999
Income taxes	167	191	211	142	711	172	206	178	150	706	209	188	158	189	744
Net income from continuing operations	454	535	469	482	1,940	503	561	514	496	2,074	597	574	512	572	2,255
Income (loss) from discontinued operations, net of tax	10	(55)	119	(7)	67	-	-	-	-	-	-	-	-	-	-
Net income	464	480	588	475	2,007	503	561	514	496	2,074	597	574	512	572	2,255
Net (income) loss from continuing operations attributable to non controlling interests	1	3	1	1	6	(11)	(3)	(11)	(18)	(43)	(11)	(13)	(9)	(16)	(49)
Net income attributable to Magna International Inc.	465	483	589	476	2,013	492	558	503	478	2,031	586	561	503	556	2,206
Adjusted net income attributable to Magna International Inc. from continuing operations	455	496	402	498	1,851	492	558	503	504	2,057	592	564	505	568	2,229
Diluted earnings per share:															
From continuing operations	\$ 1.10	\$ 1.29	\$ 1.13	\$ 1.19	\$ 4.72	\$ 1.22	\$ 1.41	\$ 1.29	\$ 1.24	\$ 5.16	\$ 1.53	\$ 1.48	\$ 1.36	\$ 1.53	\$ 5.90
From adjusted continuing operations	\$ 1.10	\$ 1.19	\$ 0.97	\$ 1.22	\$ 4.49	\$ 1.22	\$ 1.41	\$ 1.29	\$ 1.31	\$ 5.23	\$ 1.55	\$ 1.49	\$ 1.37	\$ 1.57	\$ 5.96
Consolidated	\$ 1.12	\$ 1.16	\$ 1.42	\$ 1.17	\$ 4.88	\$ 1.22	\$ 1.41	\$ 1.29	\$ 1.24	\$ 5.16	\$ 1.53	\$ 1.48	\$ 1.36	\$ 1.53	\$ 5.90
Diluted shares outstanding (in millions)	415.0	415.4	413.8	407.0	412.7	403.2	395.7	389.0	385.0	393.2	383.4	379.5	370.4	362.3	373.9
PROFITABILITY RATIOS															
Gross margin (before depreciation) / Total sales	14.2%	14.4%	13.9%	14.4%	14.2%	14.4%	14.8%	14.6%	14.6%	14.6%	15.5%	14.5%	14.3%	14.2%	14.6%
Selling, general and administrative / Total sales	4.2%	4.3%	4.7%	4.8%	4.5%	4.4%	4.4%	4.2%	4.6%	4.4%	4.4%	4.2%	4.3%	4.2%	4.3%
EBITDA / Total sales	10.6%	10.8%	9.9%	10.1%	10.4%	10.6%	11.1%	11.1%	10.5%	10.8%	11.8%	10.9%	10.5%	10.8%	11.0%
EBIT / Total sales	8.1%	8.3%	7.4%	7.7%	7.9%	7.8%	8.4%	8.1%	7.5%	8.0%	8.9%	8.0%	7.3%	7.8%	8.0%
Operating income / Total sales	8.0%	8.2%	7.3%	7.5%	7.7%	7.6%	8.1%	7.8%	7.3%	7.7%	8.7%	7.9%	7.1%	7.6%	7.8%
Effective tax rate from continuing operations															
Reported	26.9%	26.3%	31.0%	22.8%	26.8%	25.5%	26.9%	25.7%	23.2%	25.4%	25.9%	24.7%	23.6%	24.8%	24.8%
Excluding Other expense (income), net of taxes	26.9%	26.3%	27.9%	22.2%	25.8%	25.5%	26.9%	25.7%	22.8%	25.3%	25.7%	24.6%	23.5%	26.0%	25.0%

FINANCIAL REVIEW OF MAGNA INTERNATIONAL INC.
CONSOLIDATED BALANCE SHEETS
(United States dollars in millions)

	2015				2016				2017			
	1st Q	2nd Q	3rd Q	4th Q	1st Q	2nd Q	3rd Q	4th Q	1st Q	2nd Q	3rd Q	4th Q
ASSETS												
Current assets:												
Accounts receivable	5,524	5,574	5,671	5,439	6,546	6,843	6,879	6,165	6,950	7,014	7,130	6,878
Inventories	2,512	2,676	2,665	2,564	2,864	2,841	3,090	2,804	3,061	3,269	3,426	3,379
Prepaid expenses and other	173	162	243	278	403	276	247	220	205	230	225	237
	8,209	8,412	8,579	8,281	9,813	9,960	10,216	9,189	10,216	10,513	10,781	10,494
Current liabilities:												
Accounts payable and other accruals	6,833	6,783	7,027	7,040	8,075	8,018	8,137	7,933	8,478	8,301	8,607	8,802
	1,376	1,629	1,552	1,241	1,738	1,942	2,079	1,256	1,738	2,212	2,174	1,692
Working capital	382	403	440	399	2,226	2,214	2,244	1,850	1,847	1,835	1,942	2,088
Investments	5,166	5,355	5,400	5,948	6,686	6,770	6,936	7,022	7,092	7,424	7,704	8,141
Fixed assets, net	1,801	1,807	1,791	1,925	2,734	2,772	2,913	3,263	3,317	3,536	3,627	3,708
Goodwill, other assets and intangible assets	8,725	9,194	9,183	9,513	13,384	13,698	14,172	13,391	13,994	15,007	15,447	15,629
Funds employed in continuing operations	432	472	-	-	-	-	-	-	-	-	-	-
Net assets of discontinued operations	9,157	9,666	9,183	9,513	13,384	13,698	14,172	13,391	13,994	15,007	15,447	15,629
FINANCING												
Straight debt:												
Short-term borrowing	77	77	31	25	388	441	631	623	488	868	457	259
Cash and cash equivalents	(1,099)	(1,163)	(2,015)	(2,863)	(625)	(597)	(364)	(974)	(831)	(666)	(783)	(726)
Long-term debt due within one year	160	167	158	211	273	423	201	139	152	138	102	108
Long-term debt	791	790	1,430	2,327	2,500	2,454	2,450	2,394	2,394	2,427	3,175	3,195
	(71)	(129)	(396)	(300)	2,536	2,721	2,918	2,182	2,203	2,767	2,951	2,836
Long-term employee benefit liabilities	516	524	525	504	653	640	652	667	679	719	739	670
Other long-term liabilities	314	304	350	331	269	310	296	298	284	267	226	304
Deferred tax (assets) liabilities, net	(175)	(93)	(159)	(139)	2	27	34	25	19	24	51	87
	655	735	716	696	924	977	982	990	982	1,010	1,016	1,061
Shareholders' equity	8,573	9,060	8,863	9,117	9,924	10,000	10,272	10,219	10,809	11,230	11,480	11,732
	9,157	9,666	9,183	9,513	13,384	13,698	14,172	13,391	13,994	15,007	15,447	15,629
ASSET UTILIZATION RATIOS												
Days in accounts receivable	64.0	61.7	66.6	57.1	66.2	65.2	70.0	60.0	66.7	65.2	67.6	59.6
Days in accounts payable	92.2	87.7	95.9	86.4	95.4	89.7	96.9	90.4	96.3	90.3	95.2	88.8
Inventory turnover - cost of sales	10.6	10.4	9.9	11.4	10.6	11.3	9.8	11.3	10.4	10.1	9.5	10.6
Working capital turnover	22.6	20.0	19.7	27.6	20.5	19.5	17.0	29.5	21.6	17.5	17.5	24.6
Total asset turnover	3.6	3.5	3.3	3.6	2.7	2.8	2.5	2.8	2.7	2.6	2.5	2.7
CAPITAL STRUCTURE												
Straight debt	-0.8%	-1.3%	-4.3%	-3.2%	18.9%	19.9%	20.6%	16.3%	15.7%	18.4%	19.1%	18.1%
Long-term employee benefit liabilities, other long-term liabilities & deferred tax liabilities, net	7.2%	7.6%	7.8%	7.3%	6.9%	7.1%	6.9%	7.4%	7.0%	6.7%	6.6%	6.8%
Shareholders' equity	93.6%	93.7%	96.5%	95.8%	74.1%	73.0%	72.5%	76.3%	77.2%	74.8%	74.3%	75.1%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Debt to total capitalization	10.7%	10.2%	15.4%	21.9%	24.2%	24.9%	24.2%	23.6%	21.9%	23.4%	24.5%	23.3%
ANNUALIZED RETURNS												
Return on assets (EBIT/assets employed)	28.9%	29.5%	24.6%	27.6%	20.9%	23.0%	20.2%	20.8%	23.8%	20.7%	17.9%	20.7%
Return on equity (Net income attributable to Magna International Inc. / Average shareholders' equity)	21.6%	21.9%	26.3%	21.2%	20.7%	22.4%	19.9%	18.7%	22.3%	20.4%	17.7%	19.2%
Adjusted Return on equity (Adjusted Net income attributable to Magna International Inc. / Average shareholders' equity)	21.6%	20.0%	23.3%	21.8%	20.7%	22.4%	19.9%	19.7%	22.5%	20.5%	17.8%	19.6%
Return on Invested Capital (Annualized after-tax operating profits / invested capital)	20.1%	23.0%	20.2%	21.2%	16.2%	17.0%	15.2%	14.9%	17.8%	16.1%	13.8%	15.1%

FINANCIAL REVIEW OF MAGNA INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(United States dollars in millions)

Cash provided from (used for):	2015					2016					2017				
	1st Q	2nd Q	3rd Q	4th Q	TOTAL	1st Q	2nd Q	3rd Q	4th Q	TOTAL	1st Q	2nd Q	3rd Q	4th Q	TOTAL
Operating activities															
Net income	454	535	469	482	1,940	503	561	514	496	2,074	597	574	512	572	2,255
Items not involving current cash flows	175	176	94	291	736	264	303	282	382	1,231	273	374	347	312	1,306
	629	711	563	773	2,676	767	864	796	878	3,305	870	948	859	884	3,561
Changes in operating assets and liabilities	(349)	(271)	33	243	(344)	(464)	(276)	(139)	840	(39)	(427)	(391)	22	564	(232)
Cash provided from operating activities	280	440	596	1,016	2,332	303	588	657	1,718	3,266	443	557	881	1,448	3,329
Investment activities															
Fixed asset additions	(266)	(361)	(360)	(604)	(1,591)	(346)	(409)	(390)	(662)	(1,807)	(309)	(420)	(379)	(750)	(1,858)
Increase in investments, other assets and intangibles	(37)	(41)	(74)	(69)	(221)	(54)	(103)	(166)	(155)	(478)	(83)	(143)	(158)	(267)	(651)
Increase in restricted cash deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Business combination	(1)	-	-	(221)	(222)	(1,662)	(31)	-	(117)	(1,810)	-	-	-	-	-
Proceeds from disposition of fixed assets and other	24	15	11	11	61	18	19	26	75	138	142	14	71	105	332
Sale of Interiors	-	-	473	47	520	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of facilities	-	103	118	-	221	-	-	-	-	-	-	-	-	49	49
Cash used in discontinued operations	(32)	(9)	(15)	-	(56)	-	-	-	-	-	-	-	-	-	-
Cash used in investment activities	(312)	(293)	153	(836)	(1,288)	(2,044)	(524)	(530)	(859)	(3,957)	(250)	(549)	(466)	(863)	(2,128)
Financing activities															
Net issue (repayment) of debt	41	6	602	885	1,534	(16)	191	116	(40)	251	(145)	313	141	(197)	112
Issues of Common Shares	6	7	6	16	35	23	3	2	5	33	6	5	9	24	44
Repurchase of Common Shares	-	(5)	(345)	(155)	(505)	(300)	(308)	(190)	(106)	(904)	(100)	(383)	(422)	(366)	(1,271)
Shares repurchased for tax withholdings on vesting of equity awards	-	-	(1)	(9)	(10)	-	-	(1)	(8)	(9)	-	-	-	(11)	(11)
Contributions to subsidiaries by non-controlling interests	-	-	10	31	41	-	-	-	-	-	-	10	-	-	10
Minority interest - dividends paid	-	-	-	-	-	-	-	-	(6)	(6)	-	(7)	(26)	(5)	(38)
Dividends	(89)	(90)	(91)	(84)	(354)	(95)	(98)	(97)	(95)	(385)	(105)	(101)	(99)	(95)	(400)
Cash provided from (used for) financing activities	(42)	(82)	181	684	741	(388)	(212)	(170)	(250)	(1,020)	(344)	(163)	(397)	(650)	(1,554)
Effect of exchange rate changes on cash and cash equivalents	(76)	(1)	(78)	(16)	(171)	16	(5)	(10)	15	16	11	3	1	9	24
Net increase (decrease) in cash, cash equivalents and restricted cash equivalents during the period	(150)	64	852	848	1,614	(2,113)	(153)	(53)	624	(1,695)	(140)	(152)	19	(56)	(329)
Cash, cash equivalents and restricted cash equivalents, beginning of period	1,249	1,099	1,163	2,015	1,249	2,863	750	597	544	2,863	1,168	1,028	876	895	1,168
Cash, cash equivalents and restricted cash equivalents, end of period	1,099	1,163	2,015	2,863	2,863	750	597	544	1,168	1,168	1,028	876	895	839	839

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Note 2: SEGMENT INFORMATION

	2015					2016					2017				
	1st Q	2nd Q	3rd Q	4th Q	TOTAL	1st Q	2nd Q	3rd Q	4th Q	TOTAL	1st Q	2nd Q	3rd Q	4th Q	TOTAL
North America															
Total sales	4,457	4,877	4,591	5,090	19,015	5,080	5,317	5,109	5,238	20,744	5,383	5,370	4,892	5,260	20,905
Adjusted EBIT	453	525	455	501	1,934	489	544	512	516	2,061	557	538	463	506	2,064
Adjusted EBIT as a percentage of total sales	10.2%	10.8%	9.9%	9.8%	10.2%	9.6%	10.2%	10.0%	9.9%	9.9%	10.3%	10.0%	9.5%	9.6%	9.9%
Europe															
Total sales	2,818	2,774	2,642	2,889	11,123	3,242	3,512	3,102	3,224	13,080	3,344	3,627	3,900	4,306	15,177
Adjusted EBIT	128	120	91	112	451	161	196	115	71	543	187	145	113	151	596
Adjusted EBIT as a percentage of total sales	4.5%	4.3%	3.4%	3.9%	4.1%	5.0%	5.6%	3.7%	2.2%	4.2%	5.6%	4.0%	2.9%	3.5%	3.9%
Asia															
Total sales	463	466	428	624	1,981	625	620	654	775	2,674	640	681	676	794	2,791
Adjusted EBIT	42	31	13	63	149	51	51	64	100	266	76	74	77	139	366
Adjusted EBIT as a percentage of total sales	9.1%	6.7%	3.0%	10.1%	7.5%	8.2%	8.2%	9.8%	12.9%	9.9%	11.9%	10.9%	11.4%	17.5%	13.1%
Rest of World															
Total sales	133	125	115	88	461	81	111	129	144	465	128	135	161	160	584
Adjusted EBIT	(4)	(8)	(7)	(6)	(25)	(11)	(5)	(5)	4	(17)	0	1	14	(3)	12
Adjusted EBIT as a percentage of total sales	-3.0%	-6.4%	-6.1%	-6.8%	-5.4%	-13.6%	-4.5%	-3.9%	2.8%	-3.7%	0.0%	0.7%	8.7%	-1.9%	2.1%
Corporate and other															
Intercompany Eliminations	(99)	(109)	(115)	(123)	(446)	(128)	(117)	(145)	(128)	(518)	(123)	(129)	(130)	(129)	(511)
Adjusted EBIT	12	9	13	(14)	20	8	3	29	5	45	11	18	25	16	70
Total															
Total sales	7,772	8,133	7,661	8,568	32,134	8,900	9,443	8,849	9,253	36,445	9,372	9,684	9,499	10,391	38,946
Adjusted EBIT	631	677	565	656	2,529	698	789	715	696	2,898	831	776	692	809	3,108
Adjusted EBIT as a percentage of total sales	8.1%	8.3%	7.4%	7.7%	7.9%	7.8%	8.4%	8.1%	7.5%	8.0%	8.9%	8.0%	7.3%	7.8%	8.0%

Note 3: CASH, CASH EQUIVALENTS AND RESTRICTED CASH EQUIVALENTS

A reconciliation of Cash and cash equivalent and Restricted cash equivalents (included in prepaid expenses) to Total cash, cash equivalents and restricted cash equivalents is as follows:

	2015				2016				2017			
	1st Q	2nd Q	3rd Q	4th Q	1st Q	2nd Q	3rd Q	4th Q	1st Q	2nd Q	3rd Q	4th Q
Cash and cash equivalents	(1,099)	(1,163)	(2,015)	(2,863)	(625)	(597)	(364)	(974)	(831)	(666)	(783)	(726)
Restricted cash equivalents included in prepaid expenses	0	0	0	0	(125)	0	(180)	(194)	(197)	(210)	(112)	(113)
Total cash, cash equivalents and restricted cash equivalents	(1,099)	(1,163)	(2,015)	(2,863)	(750)	(597)	(544)	(1,168)	(1,028)	(876)	(895)	(839)

Note 4: INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX

In the third quarter of 2015, we sold substantially all of our interiors operations (excluding our seating operations). The assets and liabilities, and operating results for the previously reported interiors operations are presented as discontinued operations and have therefore been excluded from both continuing operations and segment results for all periods presented in the attached financial statements. In the third quarter of 2015, income from discontinued operations, net of tax includes a \$52 million gain on divestiture, net of tax.

Note 5: COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to the current period's method of presentation.