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

repared in addordance with o.o. Organ				0045					0040					2047		
	Note	1st Q	2nd Q	2015 <u>3rd Q</u>	4th Q	TOTAL	1st Q	2nd Q	2016 <u>3rd Q</u>	4th Q	<u>TOTAL</u>	1st Q	2nd Q	2017 3rd Q	4th Q	<u>TOTAL</u>
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 5.222	1.770 5.482	1.485 4.756	1.748 5.493	6.725 20.953	1.742 5.667	1.842 5.892	1.447 4.628	1.807 5.384	6.838 21.571	1.888 5.896	1.971 5.800	1.644 4.974	1.957 5.755	7.460 22.425
Total Europe  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		0.027	0.023	0.023	0.023	0.104	0.023	0.020	0.013	0.007	0.073	0.000	0.021	0.022	0.027	0.010
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 0.351	1.533 0.325	1.551 0.285	1.516	1.529 0.305	1.431 0.256	1.435 0.285	1.313 0.308	1.241 0.304	1.355 0.288	1.239 0.318	1.279 0.311	1.309 0.316	1.327 0.308	1.289 0.313
1 Brazilian real equals U.S. dollars 1 Chinese renminbi equals U.S. dollars		0.351	0.323	0.265	0.260 0.156	0.303	0.256	0.265	0.150	0.304	0.266	0.316	0.311	0.316	0.308	0.313
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 Asia		1,895 403	1,829 390	1,696 346	1,832 473	7,252 1,612	2,266 507	2,486 499	2,184 548	2,204 663	9,140 2,217	2,456 557	2,458 580	2,495 576	2,706 644	10,115 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	1	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 Interest expense (income), net	2	<b>631</b> 10	<b>677</b> 8	<b>565</b> 9	<b>656</b> 17	2,529 44	<b>698</b> 23	<b>789</b> 22	<b>715</b> 23	<b>696</b> 20	2,898 88	<b>831</b> 19	<b>776</b> 11	<b>692</b> 20	<b>809</b> 20	3,108 70
Operating income	1	621	669	556	639	2,485	675	767	692	676	2,810	812	765	672	789	3,038
Impairment charges	•	-	-	-	-	-,	-	-	-	-	-,0.0		-	-	81	81
Other expense (income)	_	-	(57)	(124)	15	(166)	-	-	-	30	30	6	3	2	(53)	(42)
Other expense (income), net Income from continuing operations before income taxes	1	621	(57) <b>726</b>	(124) <b>680</b>	15 <b>624</b>	(166) 2,651	675	767	692	30 <b>646</b>	30 2,780	806	762	670	28 <b>761</b>	39 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 Net income	4	10 464	(55) <b>480</b>	119 <b>588</b>	(7) 475	2,007	503	- 561	514	496	2,074	597	574	512	- 572	2,255
Net (income) loss from continuing operations attributable		707	400	300	4/3	2,007					· ·					,
to non controlling interests		1	3	1 500	1 170	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	1	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				4.72		\$ 1.41		1.24 \$		\$ 1.53	\$ 1.48 \$	1.36		\$ 5.90
From adjusted continuing operations		\$ 1.10				4.49		\$ 1.41					\$ 1.49 \$			\$ 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 EBITDA / Total sales		4.2% 10.6%	4.3% 10.8%	4.7% 9.9%	4.8% 10.1%	4.5% 10.4%	4.4% 10.6%	4.4% 11.1%	4.2% 11.1%	4.6% 10.5%	4.4% 10.8%	4.4% 11.8%	4.2% 10.9%	4.3% 10.5%	4.2% 10.8%	4.3% 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		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%
Reported Excluding Other expense (income), net of taxes		26.9% 26.9%	26.3%	27.9%	22.8%	25.8%	25.5% 25.5%	26.9%	25.7% 25.7%	23.2%	25.4% 25.3%	25.9%	24.7%	23.5%	26.0%	24.8%
, or the last takes		20.070	20.070	2	,0	_0.070	20.070	20.070	-0 /0	0,0	_0.0 /0		,	20.070	20.070	_0.0,0

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

ASSETS	1st Q	201 <u>2nd Q</u>	5 3rd Q	4th Q	<u>1st Q</u>	201 2nd Q	16 3rd Q	4th Q	1st Q	201 <u>2nd Q</u>	7 <u>3rd Q</u>	4th Q
Current assets: Accounts receivable Inventories Prepaid expenses and other	5,524 2,512 173	5,574 2,676 162	5,671 2,665 243	5,439 2,564 278	6,546 2,864 403	6,843 2,841 276	6,879 3,090 247	6,165 2,804 220	6,950 3,061 205	7,014 3,269 230	7,130 3,426 225	6,878 3,379 237
Current liabilities: Accounts payable and other accruals	8,209 6,833	8,412 6,783	8,579 7,027	8,281 7,040	9,813 8,075	<b>9,960</b> 8,018	10,216 8,137	9,189 7,933	10,216 8,478	10,513 8,301	10,781 8,607	10,494 8,802
Working capital Investments Fixed assets, net Goodwill, other assets and intangible assets	1,376 382 5,166 1,801	1,629 403 5,355 1,807	1,552 440 5,400 1,791	1,241 399 5,948 1,925	1,738 2,226 6,686 2,734	1,942 2,214 6,770 2,772	2,079 2,244 6,936 2,913	1,256 1,850 7,022 3,263	1,738 1,847 7,092 3,317	2,212 1,835 7,424 3,536	2,174 1,942 7,704 3,627	1,692 2,088 8,141 3,708
Funds employed in continuing operations  Net assets of discontinued operations	8,725 432	9,194	9,183	9,513	13,384	13,698	14,172 -	13,391	13,994	15,007	15,447	15,629
FINANCING Straight debt:	9,157	9,666	9,183	9,513	13,384	13,698	14,172	13,391	13,994	15,007	15,447	15,629
Short-term borrowing Cash and cash equivalents Long-term debt due within one year Long-term debt	77 (1,099) 160 791 (71)	77 (1,163) 167 790 (129)	31 (2,015) 158 1,430 (396)	25 (2,863) 211 2,327 (300)	388 (625) 273 2,500 <b>2,536</b>	441 (597) 423 2,454 <b>2,721</b>	631 (364) 201 2,450 <b>2,918</b>	623 (974) 139 2,394 <b>2,182</b>	488 (831) 152 2,394 <b>2,203</b>	868 (666) 138 2,427 <b>2,767</b>	457 (783) 102 3,175 <b>2,951</b>	259 (726) 108 3,195 <b>2,836</b>
Long-term employee benefit liabilities Other long-term liabilities Deferred tax (assets) liabilities, net	516 314 (175) <b>655</b>	524 304 (93) <b>735</b>	525 350 (159) <b>716</b>	504 331 (139) <b>696</b>	653 269 2 <b>924</b>	640 310 27 <b>977</b>	652 296 34 <b>982</b>	667 298 25 <b>990</b>	679 284 19 <b>982</b>	719 267 24 <b>1,010</b>	739 226 51 <b>1,016</b>	670 304 87 <b>1,061</b>
Shareholders' equity	8,573 <b>9,157</b>	9,060 <b>9,666</b>	8,863 <b>9,183</b>	9,117 <b>9,513</b>	9,924 <b>13,384</b>	10,000 <b>13,698</b>	10,272 <b>14,172</b>	10,219 <b>13,391</b>	10,809 <b>13,994</b>	11,230 <b>15,007</b>	11,480 <b>15,447</b>	11,732 <b>15,629</b>
ASSET UTILIZATION RATIOS  Days in accounts receivable Days in accounts payable Inventory turnover - cost of sales Working capital turnover Total asset turnover	64.0 92.2 10.6 22.6 3.6	61.7 87.7 10.4 20.0 3.5	66.6 95.9 9.9 19.7 3.3	57.1 86.4 11.4 27.6 3.6	66.2 95.4 10.6 20.5 2.7	65.2 89.7 11.3 19.5 2.8	70.0 96.9 9.8 17.0 2.5	60.0 90.4 11.3 29.5 2.8	66.7 96.3 10.4 21.6 2.7	65.2 90.3 10.1 17.5 2.6	67.6 95.2 9.5 17.5 2.5	59.6 88.8 10.6 24.6 2.7
CAPITAL STRUCTURE Straight debt Long-term employee benefit liabilities, other long-term	-0.8%	-1.3%	-4.3%	-3.2%	18.9%	19.9%	20.6%	16.3%	15.7%	18.4%	19.1%	18.1%
liabilities & deferred tax liabilities, net Shareholders' equity	7.2% 93.6% 100.0%	7.6% 93.7% 100.0%	7.8% 96.5% 100.0%	7.3% 95.8% 100.0%	6.9% 74.1% 100.0%	7.1% 73.0% 100.0%	6.9% 72.5% 100.0%	7.4% 76.3% 100.0%	7.0% 77.2% 100.0%	6.7% 74.8% 100.0%	6.6% 74.3% 100.0%	6.8% 75.1% 100.0%
Debt to total capitalization  ANNUALIZED RETURNS	10.7%	10.2%	15.4%	21.9%	24.2%	24.9%	24.2%	23.6%	21.9%	23.4%	24.5%	23.3%
Return on assets (EBIT/assets employed) Return on equity (Net income attributable to Magna International Inc. / Average shareholders' equity)	28.9% 21.6%	29.5% 21.9%	24.6% 26.3%	27.6% 21.2%	20.9% 20.7%	23.0% 22.4%	20.2% 19.9%	20.8% 18.7%	23.8% 22.3%	20.7% 20.4%	17.9% 17.7%	20.7% 19.2%
Adjusted Return on equity (Adjusted Net income attributable to Magna International Inc. / Average shareholders' equity)  Return on Invested Capital (Annualized after-tax operating profits / invested capital)	21.6% 20.1%	20.0% 23.0%	23.3% 20.2%	21.8% 21.2%	20.7% 16.2%	22.4% 17.0%	19.9% 15.2%	19.7% 14.9%	22.5% 17.8%	20.5% 16.1%	17.8% 13.8%	19.6% 15.1%

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

			2015					2016					2017		
Cash provided from (used for):	<u>1st Q</u>	2nd Q	3rd Q	4th Q	<u>TOTAL</u>	<u>1st Q</u>	2nd Q	3rd Q	4th Q	<u>TOTAL</u>	<u>1st Q</u>	2nd Q	3rd Q	4th Q	<u>TOTAL</u>
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	(70)	(4)	(70)	(40)	(474)	40	(5)	(40)	45	40					0.4
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 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,	(150)	64	832	848	1,614	(2,113)	(153)	(53)	624	(1,695)	(140)	(152)	19	(36)	(329)
beginning of period 3	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,	1,273	1,000	1,103	2,010	1,273	2,003	750	331	544	2,003	1,100	1,020	070	093	1,100
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

#### FINANCIAL REVIEW OF MAGNA INTERNATIONAL INC.

(United States dollars in millions, except per share figures)

### Note 1: NON-GAAP MEASURES

The Company presents Operating income, EBIT (Earnings before interest and taxes) and EBITDA (Earnings before interest, taxes and depreciation and amortization) before Other expense (income),net. The Company also presents Adjusted Net Income (Net Income before Other expense (income),net, net of tax and excluding significant income tax valuation allowance adjustments), Adjusted EBIT and Adjusted EBIT and Adjusted EBIT and Adjusted EBIT and Adjusted EBIT as a percentage of sales, Return on Invested Capital and Return on Equity. The Company presents these financial figures because such measures are widely used by analysts and investors in evaluating the operating performance of the Company. However, such measures do not have any standardized meaning under U.S. generally accepted accounting principles and may not be comparable to the calculation of similar measures by other companies. Other expense (income), net consists of:

Gain on sale of battery pack business
Gain on sale of Bestop
Restructuring charges
Pension settlement
Impairment charges
Gain on formation of a new venture
Gain on sale of Investment

<u>1st Q</u>	<u>2nd Q</u>	2015 <u>3rd Q</u>	4th Q	TOTAL	<u>1st Q</u>	2nd Q	2016 <u>3rd Q</u>	4th Q	<u>TOTAL</u>	<u>1st Q</u>	2nd Q	2017 3rd Q	4th Q	<u>TOTAL</u>
-	(57)	-	,	(57)	-	-	-			-	-	-	-	-
-	-	(136)	-	(136)	-	-	-	-	-	-	-	-	-	-
-	-	12	15	27	-	-	-	17	17	6	3	2	18	29
-	-	-	-	-	-	-	-	13	13	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	81	81
-	-	-	-	-	-	-	-	-	-	-	-	-	(45)	(45)
-	-	-	-	-	-	-	-	-	-	-	-	-	(26)	(26)
-	(57)	(124)	15	(166)	-		-	30	30	6	3	2	28	39

2040

2047

#### 2015

- Q2 In Europe, the Company recorded a gain of \$57 million related to the sale of its battery pack business.
- Q3 In North America, the Company recorded a gain of \$136 million related to the sale of Bestop. In Europe, the Company recorded \$12 million of restructuring charges.
- Q4 In Europe, the Company recorded \$15 million of restructuring charges.

#### <u>2016</u>

Q4 In North America, the Company recognized \$13 million non-cash settlement charge on pension. In Europe, the company recorded \$16 million of restructuring charges

#### 2017

- Q1 In Europe, the Company recorded \$6 million of restructuring charges
- Q2 In Europe, the Company recorded \$3 million of restructuring charges
- Q3 In Europe, the company recorded \$2 million of restructuring charges
- 4 In Europe, the Company recorded \$3 million of restructuring charges, \$17 million impairment charge on investment and \$64 million impairment charges of fixed assets. In North America, the Company recorded \$15 million of restructuring charges. In Asia, the Company recorded a gain of \$45 million related to the formation of a new venture. In Corporate, the Company recorded a gain of \$26 million on the sale of investment.

A reconciliation of Net income to Adjusted net income and Diluted earnings per share to Adjusted diluted earnings per share is as follows:

	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
Net income attributable to Magna International Inc. from continuing Exclude:	455	538	470	483	1,946	492	558	503	478	2,031	586	561	503	556	2,206
Impairment charges	_			_	_	_		_	_	_	_	_	_	81	81
Restructuring charges	_	_	12	15	27	_	_	-	17	17	6	3	2	14	25
Gain on sale of Bestop	_	-	(80)	-	(80)	_	_	_			-	-	-		
Pension settlement	_	-	-	-	-	-	-	-	9	9	-	_	_	_	_
Gain on formation of a new venture	-	-	-	-	-	-	-	-	-	-	-	-	-	(34)	(34)
Gain on sale of investment	-	-	-	-	-	-	-	-	-	-	-	-	-	(26)	(26)
US tax reform [a]	-	-	-	-	-	-	-	-	-	-	-	-	-	(23)	(23)
Gain on sale of battery pack business	-	(42)	-	-	(42)	-	-	-	-	-	-	-	-	-	-
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
Exclude:															
Impairment charges	-	-				-	-	-						0.22	0.22
Restructuring charges	-	-	0.03	0.03	0.06	-	-	-	0.05	0.05	0.02	0.01	0.01	0.04	0.06
Gain on sale of Bestop	-	-	(0.19)	-	(0.19)	-	-	-	-		-	-	-	-	-
Pension settlement	-	-	-	-	-	-	-	-	0.02	0.02	-	-	-	(0.00)	(0.00)
Gain on formation of a new venture Gain on sale of investment	-	-	-	-	-	-	-	-	-	-	-	-	-	(0.09) (0.07)	(0.09) (0.07)
US tax reform [a]	_	-	-	-		-	-	-	-	-	_	-	-	(0.07)	(0.07)
Gain on sale of battery pack business		(0.10)		-	(0.10)		-	-	-	[ ]	[	-	-	(0.00)	(0.00)
Adjusted diluted earnings per share from continuing operations	\$ 1.10	\$ 1.19	0.97	1.22	1	\$ 1.22	\$ 1.41	\$ 1.29	\$ 1.31	\$ 5.23	\$ 1.55	\$ 1.49	\$ 1.37	\$ 1.57	\$ 5.96

[a] During the fourth quarter of 2017, the Company recorded a \$23 million deferred tax gain as a result of the US tax reform.

## Note 2: SEGMENT INFORMATION

				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	<u> </u>			· · ·		·	<u> </u>	· · ·				<u> </u>	<u> </u>	· · · · · · · · · · · · · · · · · · ·	<u> </u>
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 <sup>°</sup> %	-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%
rajusted EDT as a persontage of total sales	0.170	0.070	7.70	1.1 /0	1.370	7.070	0.470	3.170	7.070	3.0 /6	0.070	0.070	1.070	7.070	0.070

## 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:

		201	5			20	16		2017					
	<u>1st Q</u>	2nd Q	<u>3rd Q</u>	4th Q	<u>1st Q</u>	<u>2nd Q</u>	3rd Q	4th Q	<u>1st Q</u>	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.