



**Magna International Inc.**

**Interim Financial Statements for the three months  
ended March 31, 2018**

**MAGNA INTERNATIONAL INC.**  
**CONSOLIDATED STATEMENTS OF INCOME**

[Unaudited]

[U.S. dollars in millions, except per share figures]

	Note	Three months ended	
		2018	2017
		March 31,	
		[As Adjusted – Note 2]	
<b>Sales</b>		<b>\$ 10,792</b>	<b>\$ 8,900</b>
<b>Costs and expenses</b>			
Cost of goods sold		9,293	7,457
Depreciation and amortization		315	276
Selling, general and administrative		396	416
Interest expense, net		21	19
Equity income		(87)	(67)
Other expense	3	3	6
Income from operations before income taxes		851	793
Income taxes		182	206
<b>Net income</b>		<b>669</b>	<b>587</b>
Income attributable to non-controlling interests		(9)	(10)
<b>Net income attributable to Magna International Inc.</b>		<b>\$ 660</b>	<b>\$ 577</b>
Earnings per Common Share:	4		
Basic		\$ 1.84	\$ 1.51
Diluted		\$ 1.83	\$ 1.51
Cash dividends paid per Common Share		\$ 0.330	\$ 0.275
Weighted average number of Common Shares outstanding during the period [in millions]:	4		
Basic		357.7	381.4
Diluted		359.9	383.4

See accompanying notes

**MAGNA INTERNATIONAL INC.**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

[Unaudited]

[U.S. dollars in millions]

	Note	Three months ended	
		2018	2017
		March 31,	
		[As Adjusted – Note 2]	
<b>Net income</b>		<b>\$ 669</b>	<b>\$ 587</b>
Other comprehensive income, net of tax:	13		
Net unrealized gain on translation of net investment in foreign operations		<b>134</b>	110
Net unrealized (loss) gain on cash flow hedges		<b>(21)</b>	32
Reclassification of net (gain) loss on cash flow hedges to net income		<b>(1)</b>	33
Reclassification of net loss on pensions to net income		<b>2</b>	1
<b>Other comprehensive income</b>		<b>114</b>	176
Comprehensive income		<b>783</b>	763
Comprehensive income attributable to non-controlling interests		<b>(17)</b>	(15)
<b>Comprehensive income attributable to Magna International Inc.</b>		<b>\$ 766</b>	<b>\$ 748</b>

*See accompanying notes*

**MAGNA INTERNATIONAL INC.**  
**CONSOLIDATED BALANCE SHEETS**

[Unaudited]

[U.S. dollars in millions]

	Note	As at March 31, 2018	As at December 31, 2017 [As Adjusted – Note 2]
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	\$ 769	\$ 726
Accounts receivable	2	8,073	6,695
Inventories	6	3,564	3,542
Prepaid expenses and other		250	237
		<b>12,656</b>	<b>11,200</b>
Investments	14	2,132	2,079
Fixed assets, net		8,204	8,176
Intangible assets, net		646	650
Goodwill		2,126	2,099
Deferred tax assets		260	238
Other assets	8	1,065	1,026
		<b>\$ 27,089</b>	<b>\$ 25,468</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Short-term borrowings	9	\$ 262	\$ 259
Accounts payable		6,751	6,283
Accrued salaries and wages		956	836
Other accrued liabilities	11	2,061	1,739
Income taxes payable	10	87	18
Long-term debt due within one year		114	108
		<b>10,231</b>	<b>9,243</b>
Long-term debt		3,220	3,195
Long-term employee benefit liabilities		691	670
Other long-term liabilities		340	326
Deferred tax liabilities		314	322
		<b>14,796</b>	<b>13,756</b>
<b>Shareholders' equity</b>			
Capital stock			
Common Shares			
[issued: 356,375,459; December 31, 2017 – 358,063,217]	13	3,609	3,617
Contributed surplus		126	119
Retained earnings		8,531	8,074
Accumulated other comprehensive loss	14	(501)	(600)
		<b>11,765</b>	<b>11,210</b>
Non-controlling interests		528	502
		<b>12,293</b>	<b>11,712</b>
		<b>\$ 27,089</b>	<b>\$ 25,468</b>

See accompanying notes

**MAGNA INTERNATIONAL INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

[Unaudited]  
[U.S. dollars in millions]

	Note	Three months ended	
		2018	2017
		March 31,	
		[As Adjusted – Note 2]	
<b>Cash provided from (used for):</b>			
<b>OPERATING ACTIVITIES</b>			
Net income		\$ 669	\$ 587
Items not involving current cash flows	5	363	274
		1,032	861
Changes in operating assets and liabilities	1, 5	(455)	(404)
<b>Cash provided from operating activities</b>		<b>577</b>	<b>457</b>
<b>INVESTMENT ACTIVITIES</b>			
Fixed asset additions		(243)	(323)
Increase in investments, other assets and intangible assets		(114)	(83)
Proceeds from disposition		29	142
<b>Cash used for investing activities</b>		<b>(328)</b>	<b>(264)</b>
<b>FINANCING ACTIVITIES</b>			
Issues of debt		15	11
Increase (Decrease) in short-term borrowings		1	(142)
Repayments of debt		(13)	(14)
Issues of Common Shares on exercise of stock options		5	6
Repurchase of Common Shares	13	(103)	(100)
Dividends		(118)	(105)
<b>Cash used for financing activities</b>		<b>(213)</b>	<b>(344)</b>
Effect of exchange rate changes on cash, cash equivalents and restricted cash equivalents		10	11
Net increase (decrease) in cash, cash equivalents and restricted cash equivalents during the period		46	(140)
Cash, cash equivalents and restricted cash equivalents, beginning of period		839	1,168
<b>Cash, cash equivalents and restricted cash equivalents, end of period</b>	5	<b>\$ 885</b>	<b>\$ 1,028</b>

See accompanying notes

**MAGNA INTERNATIONAL INC.**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

[Unaudited]

[U.S. dollars in millions]

	Note	<u>Common Shares</u> Number	<u>Stated</u> Value	Contri- buted Surplus	Retained Earnings	AOCL <sup>(i)</sup>	Non- controlling Interest	Total Equity
		<i>[in millions]</i>						
<b>Balance, December 31, 2017</b>		<b>358.1</b>	<b>\$ 3,617</b>	<b>\$ 119</b>	<b>\$ 8,074</b>	<b>\$ (600)</b>	<b>\$ 502</b>	<b>\$ 11,712</b>
Adoption of ASU No. 2016-16	1				3			3
<b>Balance, December 31, 2017, as adjusted</b>		<b>358.1</b>	<b>\$ 3,617</b>	<b>\$ 119</b>	<b>\$ 8,077</b>	<b>\$ (600)</b>	<b>\$ 502</b>	<b>\$ 11,715</b>
Net income					660		9	669
Other comprehensive income						97	17	114
Shares issued on exercise of stock options		0.1	6	(1)				5
Release of stock and stock units			3	(3)				—
Repurchase and cancellation under normal course issuer bid	13	(1.9)	(19)		(86)	2		(103)
Stock-based compensation expense				11				11
Dividends paid		0.1	2		(120)			(118)
<b>Balance, March 31, 2018</b>		<b>356.4</b>	<b>\$ 3,609</b>	<b>\$ 126</b>	<b>\$ 8,531</b>	<b>\$ (501)</b>	<b>\$ 528</b>	<b>\$ 12,293</b>

	Note	<u>Common Shares</u> Number	<u>Stated</u> Value	Contri- buted Surplus	Retained Earnings	AOCL <sup>(i)</sup>	Non- controlling Interest	Total Equity
		<i>[in millions]</i>						
<b>Balance, December 31, 2016</b>		<b>382.3</b>	<b>\$ 3,796</b>	<b>\$ 105</b>	<b>\$ 7,318</b>	<b>\$ (1,451)</b>	<b>\$ 451</b>	<b>\$ 10,219</b>
Adoption of ASU No. 2014-09	2				(5)			(5)
<b>Balance, December 31, 2016, as adjusted</b>		<b>382.3</b>	<b>\$ 3,796</b>	<b>\$ 105</b>	<b>\$ 7,313</b>	<b>\$ (1,451)</b>	<b>\$ 451</b>	<b>\$ 10,214</b>
Net income					577		10	587
Other comprehensive income						171	5	176
Shares issued on exercise of stock options		0.3	8	(2)				6
Release of stock and stock units			3	(3)				—
Repurchase and cancellation under normal course issuer bid	13	(2.3)	(23)		(79)	2		(100)
Stock-based compensation expense				17				17
Dividends paid			1		(106)			(105)
<b>Balance, March 31, 2017</b>		<b>380.3</b>	<b>\$ 3,785</b>	<b>\$ 117</b>	<b>\$ 7,705</b>	<b>\$ (1,278)</b>	<b>\$ 466</b>	<b>\$ 10,795</b>

(i) AOCL is Accumulated Other Comprehensive Loss.

See accompanying notes

# MAGNA INTERNATIONAL INC.

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

[Unaudited]

[All amounts in U.S. dollars and all tabular amounts in millions unless otherwise noted]

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### 1. SIGNIFICANT ACCOUNTING POLICIES

#### [a] Basis of presentation

The unaudited interim consolidated financial statements of Magna International Inc. and its subsidiaries [collectively "Magna" or the "Company"] have been prepared in U.S. dollars following accounting principles generally accepted in the United States of America ["GAAP"]. The unaudited interim consolidated financial statements do not conform in all respects to the requirements of GAAP for annual financial statements. Accordingly, these unaudited interim consolidated financial statements should be read in conjunction with the December 31, 2017 audited consolidated financial statements and notes thereto included in the Company's 2017 Annual Report.

The unaudited interim consolidated financial statements reflect all adjustments, which consist only of normal and recurring adjustments, necessary to present fairly the financial position at March 31, 2018 and the results of operations, changes in equity and cash flows for the three-months ended March 31, 2018 and 2017.

Certain amounts in prior periods have been reclassified to conform with current period presentation.

#### [b] New Segment Structure

The Company announced a realignment of its management structure along product lines in December 2017. As a result, effective January 1, 2018, the Company's results are reported through the following business segments: Body Exteriors & Structures, Power & Vision, Seating Systems and Complete Vehicles. Prior period amounts contained in these unaudited interim consolidated financial statements have been adjusted to conform to the new segment presentation. Refer to Note 17 for additional information.

#### [c] Recently adopted Accounting Standards

##### Revenue Recognition

In May 2014, the FASB issued ASU No. 2014-09 (Topic 606), "Revenue from Contracts with Customers". This ASU supersedes most of the existing guidance on revenue recognition in ASC Topic 605, Revenue Recognition and requires entities to recognize revenue when control of promised goods or services is transferred to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. On January 1, 2018, the Company adopted ASC 606, Revenue from Contracts with Customers and all of the related amendments ("new revenue standard") to all contracts using the full retrospective transition method [note 2].

##### Pensions

In March 2017, the FASB issued ASU 2017-07, "Compensation - Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost (ASU 2017-07)" which changes the way employers that sponsor defined benefit pension and/or postretirement benefit plans reflect net periodic benefit costs in the income statement. On January 1, 2018, the Company retrospectively adopted the amendments to ASC 715 which requires the presentation of service cost to be separate from the other components of net periodic costs. The Company previously recorded service cost with other compensation costs (benefits) in Cost of goods sold and Selling, general and administrative expenses. The adoption of this guidance required the other components of net period benefit cost to be reclassified. Prior comparative figures have not been adjusted since the impact of ASU 2017-07 is not material.

##### Income Taxes

In October 2016, the FASB issued ASU No. 2016-16, "Accounting for Income Taxes: Intra-Entity Asset Transfers of Assets Other than Inventory". This guidance requires that the tax effects of all intra-entity sales of assets other than inventory be recognized in the period in which the transaction occurs. The Company adopted ASU No. 2016-16 in the first quarter of 2018 on a modified retrospective basis, through a cumulative-effect adjustment to retained earnings. The adoption of this guidance did not have a significant impact on the Company's consolidated financial statements.

# MAGNA INTERNATIONAL INC.

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

[Unaudited]

[All amounts in U.S. dollars and all tabular amounts in millions unless otherwise noted]

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### 1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial Instruments

In January 2016, the FASB issued ASU No. 2016-01, "Financial Instruments—Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities (ASU 2016-01)", which addresses certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. ASU 2016-01 requires the Company to measure its investments in private equity securities at fair value, with all gains and losses, realized and unrealized, recognized in the consolidated statement of income. The Company adopted ASU 2016-01 in the first quarter of fiscal 2018 on a prospective basis for its investments in private equity securities.

As of March 31, 2018, the Company's investment balance includes investments in private equity securities of \$57 million [\$50 million as of December 31, 2017]. The Company has elected to use the measurement alternative, defined as cost, less impairments, adjusted by observable price changes to measure its private equity investments. There were no material changes to the fair value of the Company's private equity securities for the three months ended March 31, 2018. The Company's private equity securities are classified within Level 3 in the fair value hierarchy.

#### [d] Future Accounting Standards

##### Derivatives and Hedging

In August 2017, the FASB issued ASU No. 2017-12, "Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities (ASU 2017-12)" which amends and simplifies existing guidance in order to allow companies to more accurately present the economic effects of risk management activities in the financial statements. The amendments of this ASU are effective for reporting periods beginning after December 15, 2018, with early adoption permitted. The adoption of ASU 2017-12 is not expected to have a significant impact on the Company's consolidated financial statements.

##### Leases

In February 2016, the FASB issued ASU No. 2016-02, "Leases: Topic 842 (ASU 2016-02)", to supersede nearly all existing lease guidance under GAAP. The guidance would require lessees to recognize most leases on their balance sheets as lease liabilities with corresponding right-of-use assets. ASU 2016-02 is effective for the Company in the first quarter of fiscal 2019 using a modified retrospective approach with the option to elect certain practical expedients. The Company is currently evaluating the impact of ASU 2016-02 on its consolidated financial statements.

#### [e] Seasonality

The Company's businesses are generally not seasonal. However, the Company's sales and profits are closely related to its automotive customers' vehicle production schedules. The Company's largest North American customers typically halt production for approximately two weeks in July and one week in December. Additionally, many of the Company's customers in Europe typically shutdown vehicle production during portions of August and one week in December.

# MAGNA INTERNATIONAL INC.

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

[Unaudited]

[All amounts in U.S. dollars and all tabular amounts in millions unless otherwise noted]

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### 2. REVENUE RECOGNITION

On January 1, 2018, the Company adopted ASC 606, Revenue from Contracts with Customers ["new revenue standard"] using the full retrospective transition method. The Company recognized a net reduction to opening retained earnings of \$5 million as of January 1, 2017 due to the cumulative impact of adopting the new revenue standard. The impact was primarily due to a change in the timing of recognition for customer reimbursements for tooling and pre-production engineering activities.

#### [a] Accounting Policies

##### Revenue Recognition

The Company enters into contracts with its customers to provide production parts or assembled vehicles. Contracts do not commit the customer to a specified quantity of products; however, the Company is generally required to fulfill its customers' purchasing requirements for the production life of the vehicle. Contracts do not typically become a performance obligation until the Company receives either a purchase order and/or a customer release for a specific number of parts or assembled vehicles at a specified price. While long-term supply agreements may range from five to seven years, contracts may be terminated by customers at any time. Historically, terminations have been minimal. Contracts may also provide for annual price reductions over the production life of the vehicle, and prices are adjusted on an ongoing basis to reflect changes in product content/cost and other commercial factors.

Revenue is recognized at a point in time when control of the parts produced or assembled vehicles are transferred to the customer according to the terms of the contract. The amount of revenue recognized reflects the consideration that the Company expects to be entitled to in exchange for those products based on purchase orders, annual price reductions and ongoing price adjustments (some of which is accounted for as variable consideration). The Company uses the expected value method, taking into account historical data and the status of current negotiations, to estimate the amount to which it expects to be entitled. Significant changes to the Company's estimates of variable consideration are not expected.

The Company also performs tooling and engineering activities for its customers that are not part of a long-term production arrangements. Tooling and engineering revenue are recognized at a point in time or over time depending, among other considerations, on whether the Company has an enforceable right to payment plus a reasonable profit, for performance completed to date. Over-time recognition utilizes costs incurred to date relative to total estimated costs at completion, to measure progress toward satisfying performance obligations. Revenue is recognized as control is transferred to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods and services. Total tooling and other sales were \$177.6 million and \$175.0 million for the three months ended March 31, 2018 and 2017, respectively.

The Company's customers pay for products received in accordance with payment terms that are customary in the industry, typically 30 to 90 days. The Company's contracts with its customers do not have significant financing components.

Amounts billed to customers related to shipping and handling costs are included in Sales in the Consolidated Statements of Income. Shipping and handling costs are accounted for as fulfillment costs and are included in Cost of goods sold in the Consolidated Statements of Income.

Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction that are collected by the Company from a customer are excluded from revenue.

For revenues disaggregated by product group, refer to Segmented Information [note 17].

# MAGNA INTERNATIONAL INC.

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

[Unaudited]

[All amounts in U.S. dollars and all tabular amounts in millions unless otherwise noted]

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### 2. REVENUE RECOGNITION (CONTINUED)

#### **Tooling and Pre-Production Engineering Costs Related to Long-Term Supply Agreements**

The Company incurs pre-production engineering and tooling costs related to the products produced for its customers under long-term supply agreements. Customer reimbursements for tooling and pre-production engineering activities that are part of a long-term supply arrangement, are accounted for as a reduction of cost. Pre-production costs related to long-term supply arrangements with a contractual guarantee for reimbursement are included in the Company's Other Assets [note 8].

The Company expenses all pre-production engineering costs for which reimbursement is not contractually guaranteed by the customer. All pre-production tooling costs related to customer-owned tools for which reimbursement is not contractually guaranteed by the customer or for which the Company does not have a non-cancelable right to use the tooling is also expensed.

#### **Contract Assets and Liabilities**

The Company's contract assets include both billed and unbilled accounts receivable and are included in the Accounts Receivable balance. Unbilled amounts typically result from sales of standalone tooling and engineering activities where revenue recognized exceeds the amount billed to the customer. Amounts may not exceed their net realizable value. As at March 31, 2018, the Company's unbilled accounts receivable balance was \$169 million [2017 - \$81 million]. Accounts receivable related to production, tooling and engineering sales were \$6.2 billion as of March 31, 2018 [2017 - \$5.1 billion]. Contract assets do not include the costs of obtaining or fulfilling a contract with a customer, as these amounts are generally expensed as incurred.

Customer advances are recorded as deferred revenue [a contract liability]. There were no significant contract liabilities recorded or recognized in revenue for all periods presented.

#### **Product Warranty**

The Company has assurance warranties and records product warranty liabilities based on its individual customer agreements. The Company monitors warranty activity on an ongoing basis and adjusts reserve estimates when it is probable that future warranty costs will be different than those estimates. For further detail on the Company's warranty obligations see Contingencies [note 16].

#### **Practical Expedients and Exemptions**

The Company does not disclose the value of unsatisfied performance obligations for [i] contracts with an original expected length of one year or less and [ii] contracts for which it recognizes revenue at the amount to which it has the right to invoice for services performed.

**MAGNA INTERNATIONAL INC.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

[Unaudited]

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**2. REVENUE RECOGNITION (CONTINUED)**

**[b] Impact of Adopting ASC 606**

The impact of adopting the new revenue standard affected certain balances in the Consolidated Statements of Income as follows:

	For the three months ended			
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
Decrease in sales	\$ (472)	\$ (544)	\$ (635)	\$ (707)
Decrease in cost of goods sold	(464)	(532)	(652)	(715)
Increase in depreciation and amortization	2	2	4	3
Decrease in equity Income	3	4	—	1
(Decrease) increase in income from operations before income taxes	(13)	(18)	13	4
(Decrease) increase in income taxes	(3)	(5)	4	1
(Decrease) increase in net income	(10)	(13)	9	3
Decrease in income attributable to non-controlling interests	1	—	—	—
<b>(Decrease) increase in net income attributable to Magna International Inc.</b>	<b>\$ (9)</b>	<b>\$ (13)</b>	<b>\$ 9</b>	<b>\$ 3</b>
Earnings per Common Share:				
Basic	\$ (0.03)	\$ (0.04)	\$ 0.02	\$ 0.01
Diluted	\$ (0.02)	\$ (0.04)	\$ 0.02	\$ 0.01

The decrease in Sales and Cost of goods sold for all periods was primarily a result of the change in the accounting for tooling and pre-production engineering activities as a cost recovery rather than as revenue, and also due to a change in the timing of recognition for customer reimbursements related to tooling and pre-production engineering activities.

The impact of adopting the new revenue standard affected certain balances in the Consolidated Balance Sheets as follows:

	For the three months ended			
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
<b>ASSETS</b>				
Decrease in accounts receivable	\$ (174)	\$ (162)	\$ (190)	\$ (183)
Increase in inventories	181	203	183	163
Decrease in investments	(3)	(7)	(8)	(9)
Increase in fixed assets, net	38	38	37	35
Increase in deferred tax assets	3	8	4	2
Increase in other assets	73	53	66	67
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
Decrease in accounts payable	\$ (1)	\$ (1)	\$ (2)	\$ (3)
Increase in other accrued liabilities	126	140	93	77
Increase in other long-term liabilities	7	23	22	22
Decrease in deferred tax liabilities	—	—	(1)	(1)
Decrease in retained earnings	(14)	(27)	(18)	(15)
Decrease in accumulated other comprehensive income	—	(2)	(2)	(3)
Decrease in non-controlling interests	—	—	—	(2)

**MAGNA INTERNATIONAL INC.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

*[Unaudited]*

*[All amounts in U.S. dollars and all tabular amounts in millions unless otherwise noted]*

**2. REVENUE RECOGNITION (CONTINUED)**

The impact of adopting the new revenue standard affected certain balances in the Consolidated Statements of Cash Flows as follows:

	For the three months ended			
	March 31, 2017	June 30, 2017	September 30, 2017	December 31, 2017
<b>OPERATING ACTIVITIES</b>				
(Decrease) increase in net income	\$ (10)	\$ (13)	\$ 9	\$ 3
Increase (decrease) in items not involving current cash flows	1	(1)	5	4
	(9)	(14)	14	7
Decrease (increase) in changes in operating assets and liabilities	23	15	(13)	(6)
Increase in cash provided from operating activities	14	1	1	1
<b>INVESTING ACTIVITIES</b>				
Increase in fixed asset additions	(14)	(1)	(1)	(1)
Increase in cash used for investing activities	(14)	(1)	(1)	(1)
Cash, cash equivalents and restricted cash equivalents beginning of period	1,168	1,028	876	895
Cash, cash equivalents and restricted cash equivalents, end of period	\$ 1,028	\$ 876	\$ 895	\$ 839

**MAGNA INTERNATIONAL INC.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

[Unaudited]

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**3. OTHER EXPENSE**

During the first quarter of 2018, the Company recorded restructuring charges of \$3 million [\$3 million after tax] (2017 - \$6 million [\$6 million after tax]), for its Power & Vision operations.

**4. EARNINGS PER SHARE**

	Three months ended	
	2018	2017 [As Adjusted – Note 2]
<b>Basic earnings per Common Share:</b>		
Net income attributable to Magna International Inc.	\$ 660	\$ 577
Weighted average number of Common Shares outstanding	357.7	381.4
Basic earnings per Common Share	\$ 1.84	\$ 1.51
<b>Diluted earnings per Common Share [a]:</b>		
Net income attributable to Magna International Inc.	\$ 660	\$ 577
Weighted average number of Common Shares outstanding	357.7	381.4
Adjustments		
Stock options and restricted stock	2.2	2.0
	359.9	383.4
Diluted earnings per Common Share	\$ 1.83	\$ 1.51

[a] For the three months ended March 31, 2017, diluted earnings per Common Share excluded 1.5 million Common Shares issuable under the Company's Incentive Stock Option Plan because these options were not "in-the-money". The dilutive effect of participating securities using the two-class method was excluded from the calculation of earnings per share because the effect would be immaterial.

**MAGNA INTERNATIONAL INC.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

[Unaudited]

[All amounts in U.S. dollars and all tabular amounts in millions unless otherwise noted]

**5. DETAILS OF CASH FROM OPERATING ACTIVITIES**

[a] Cash, cash equivalents and restricted cash equivalents:

	<b>March 31, 2018</b>	December 31, 2017
Bank term deposits and bankers' acceptances	\$ 281	\$ 234
Cash	488	492
Cash and cash equivalents	769	726
Restricted cash equivalents included in prepaid expenses [note 9]	116	113
	<b>\$ 885</b>	<b>\$ 839</b>

[b] Items not involving current cash flows:

	<b>Three months ended March 31,</b>	
	<b>2018</b>	2017 [As Adjusted – Note 2]
Depreciation and amortization	\$ 315	\$ 276
Amortization of other assets included in cost of goods sold	36	25
Other non-cash charges	10	23
Deferred income taxes	(12)	(23)
Equity income in excess of dividends received	14	(27)
	<b>\$ 363</b>	<b>\$ 274</b>

[c] Changes in operating assets and liabilities:

	<b>Three months ended March 31,</b>	
	<b>2018</b>	2017 [As Adjusted – Note 2]
Accounts receivable	\$ (1,328)	\$ (735)
Inventories	1	(291)
Prepaid expenses and other	(15)	19
Accounts payable	404	233
Accrued salaries and wages	113	93
Other accrued liabilities	307	228
Income taxes payable	63	49
	<b>\$ (455)</b>	<b>\$ (404)</b>

**MAGNA INTERNATIONAL INC.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

[Unaudited]

[All amounts in U.S. dollars and all tabular amounts in millions unless otherwise noted]

**6. INVENTORIES**

Inventories consist of:

	<b>March 31, 2018</b>	December 31, 2017 [As Adjusted – Note 2]
Raw materials and supplies	<b>\$ 1,282</b>	\$ 1,254
Work-in-process	<b>360</b>	331
Finished goods	<b>438</b>	433
Tooling and engineering	<b>1,484</b>	1,524
	<b>\$ 3,564</b>	\$ 3,542

Tooling and engineering inventory represents costs incurred on tooling and engineering services contracts in excess of billed and unbilled amounts included in accounts receivable.

**7. VARIABLE INTEREST ENTITIES**

The Company has two investees that are variable interest entities ["VIEs"]. The Company has determined that it is the primary beneficiary and has the power to direct the activities that are considered most significant to these entities. As a result, the assets, liabilities, and results of operations of these variable interest entities are included in the Company's Consolidated Financial Statements. The Company's maximum exposure to any potential losses associated with these affiliated companies is limited to its investment, which was \$197 million at March 31, 2018, and \$137 million at December 31, 2017.

The carrying amounts and classification of assets and liabilities included in the Company's consolidated balance sheet related to the consolidated VIEs are as follows:

	<b>March 31, 2018</b>	December 31, 2017 [As Adjusted – Note 2]
Current assets	<b>\$ 343</b>	\$ 270
Noncurrent assets	<b>134</b>	134
Total assets	<b>\$ 477</b>	\$ 404
Current liabilities	<b>\$ 274</b>	\$ 263
Noncurrent liabilities	<b>6</b>	4
Total liabilities	<b>\$ 280</b>	\$ 267

Assets recognized as a result of consolidating these VIEs do not represent additional assets that could be used to satisfy claims against the Company's general assets. Conversely, liabilities recognized as a result of consolidating these VIEs do not represent additional claims on the Company's general assets; rather, they represent claims against the specific assets of the consolidated VIEs.

# MAGNA INTERNATIONAL INC.

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

[Unaudited]

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### 8. OTHER ASSETS

Other assets consist of:

	March 31, 2018	December 31, 2017 [As Adjusted – Note 2]
Preproduction costs related to long-term supply agreements with contractual guarantee for reimbursement	\$ 771	\$ 732
Long-term receivables	217	204
Pension overfunded status	23	23
Unrealized gain on cash flow hedges	30	46
Other, net	24	21
	<b>\$ 1,065</b>	<b>\$ 1,026</b>

### 9. SHORT-TERM BORROWINGS

The Company's short-term borrowings consist of the following:

	March 31, 2018	December 31, 2017
Bank indebtedness [i]	\$ 27	\$ 9
Commercial paper [ii]	235	250
	<b>\$ 262</b>	<b>\$ 259</b>

[i] The Company has an agreement for a credit facility that is drawn in euros. The Company is required to secure any amounts drawn on the facility with a USD cash deposit of 105% of the outstanding euro balance. As at March 31, 2018, the gross amount outstanding under the credit facility was \$111 million [€90 million]. The credit agreement includes a netting arrangement with the bank that provides for the legal right of setoff. Accordingly, as at March 31, 2018, this liability balance was offset against the related restricted cash equivalent deposit of \$116 million. The remaining net deposit of \$5 million was included in the prepaid expenses and other balance, and is restricted under the terms of the loan. As at December 31, 2017 the gross amount outstanding under the credit facility was \$108 million [€90 million], and the net deposit included in the prepaid expenses and other balance was \$5 million.

[ii] The Company has a U.S. commercial paper program [the "U.S. Program"] and a euro-commercial paper program [the "euro-Program"]. Under the U.S. Program, the Company may issue U.S. commercial paper notes [the "U.S. notes"] up to a maximum aggregate amount of U.S. \$500 million. The U.S. Program is supported by the Company's existing global credit facility. As of March 31, 2018, \$75 million [2017 – \$70 million] of U.S notes were outstanding, with a weighted-average interest rate of 2.26% [2017 – 1.84%], and maturities less than three months.

Under the euro-Program, the Company may issue euro-commercial paper notes [the "euro notes"] up to a maximum aggregate amount of €500 million or its equivalent in alternative currencies. The euro notes issued are guaranteed by the Company's existing global credit facility. As of March 31, 2018, \$160 million or €130 million [2017 – \$180 million or €150 million] of euro notes were outstanding, with a negative weighted-average interest rate of 0.26% [2017 – 0.22%], and maturities less than three months.

### 10. INCOME TAXES

On December 22, 2017, the United States enacted the Tax Cuts and Jobs Act [the "US Tax Reform"], which reduces the U.S. federal corporate tax rate from 35% to 21% beginning in 2018, requires companies to pay a one-time transition tax on all offshore earnings that were previously tax deferred and creates new taxes on certain foreign sourced earnings, in addition to other changes. For the year ended December 31, 2017, in accordance with guidance provided by SEC Staff Accounting Bulletin No. 118 ["SAB 118"], the Company made a reasonable estimate of its effects and recognized a provisional \$23 million net reduction in income tax expense. The Company anticipates that additional analysis and regulatory guidance could impact the provisional amount recorded in respect of 2017, as well as the Company's estimated annual effective tax rate for the current period. The Company has not made any adjustments during the three months ended March 31, 2018, and expects to finalize its provisional amounts by the fourth quarter of 2018.

**MAGNA INTERNATIONAL INC.**  
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[Unaudited]

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**11. WARRANTY**

The following is a continuity of the Company's warranty accruals:

	2018	2017
Balance, beginning of period	\$ 255	\$ 270
Expense, net	32	11
Settlements	(17)	(16)
Foreign exchange and other	2	2
Balance, March 31	\$ 272	\$ 267

**12. LONG-TERM EMPLOYEE BENEFIT LIABILITIES**

The Company recorded long-term employee benefit expenses as follows:

	Three months ended March 31,	
	2018	2017
Defined benefit pension plans and other	\$ 2	\$ 3
Termination and long-term service arrangements	7	7
	\$ 9	\$ 10

**13. CAPITAL STOCK**

[a] During the first quarter of 2018, the Company repurchased 1,867,203 shares under a normal course issuer bid for cash consideration of \$103 million.

[b] The following table presents the maximum number of shares that would be outstanding if all the dilutive instruments outstanding at May 9, 2018 were exercised or converted:

Common Shares	352,674,730
Stock options <sup>(i)</sup>	8,894,791
	361,569,521

(i) Options to purchase Common Shares are exercisable by the holder in accordance with the vesting provisions and upon payment of the exercise price as may be determined from time to time pursuant to the Company's stock option plans.

**MAGNA INTERNATIONAL INC.**  
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[Unaudited]

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**14. ACCUMULATED OTHER COMPREHENSIVE LOSS**

The following is a continuity schedule of accumulated other comprehensive loss:

	2018	2017
Accumulated net unrealized loss on translation of net investment in foreign operations <sup>(i)</sup>		
Balance, beginning of period	\$ (456)	\$ (1,131)
Net unrealized gain	117	105
Repurchase of shares under normal course issuer bid	2	2
Balance, March 31	<b>(337)</b>	(1,024)
Accumulated net unrealized gain (loss) on cash flow hedges <sup>(ii)</sup>		
Balance, beginning of period	39	(135)
Net unrealized (loss) gain	(21)	32
Reclassification of net (gain) loss to net income	(1)	33
Balance, March 31	17	(70)
Accumulated net unrealized loss on pensions <sup>(iii)</sup>		
Balance, beginning of period	(183)	(185)
Reclassification of net loss to net income	2	1
Balance, March 31	<b>(181)</b>	(184)
Total accumulated other comprehensive loss	<b>\$ (501)</b>	\$ (1,278)

(i) The amount of income tax benefit that has been netted in the accumulated net unrealized loss on translation of net investment in foreign operations is as follows:

	2018	2017
Balance, beginning of period	\$ 7	\$ —
Net unrealized loss	—	—
Balance, March 31	<b>\$ 7</b>	\$ —

(ii) The amount of income tax benefit that has been netted in the accumulated net unrealized gain (loss) on cash flow hedges is as follows:

	2018	2017
Balance, beginning of period	\$ (12)	\$ 53
Net unrealized loss (gain)	5	(12)
Reclassification of net loss to net income	—	(14)
Balance, March 31	<b>\$ (7)</b>	\$ 27

(iii) The amount of income tax benefit that has been netted in the accumulated net unrealized loss on pensions is as follows:

	2018	2017
Balance, beginning of period	\$ 17	\$ 30
Net unrealized loss	—	—
Balance, March 31	<b>\$ 17</b>	\$ 30

The amount of other comprehensive loss that is expected to be reclassified to net income over the next 12 months is \$19 million.

**MAGNA INTERNATIONAL INC.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

[Unaudited]

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**15. FINANCIAL INSTRUMENTS**

[a] The Company's financial assets and financial liabilities consist of the following:

	<b>March 31, 2018</b>	December 31, 2017 [As Adjusted – Note 2]
<b>Financial assets</b>		
Cash and cash equivalents	\$ 769	\$ 726
Restricted cash equivalents	116	113
Accounts receivable	8,073	6,695
Severance investments	4	4
Long-term receivables included in other assets	217	204
	<b>\$ 9,179</b>	<b>\$ 7,742</b>
<b>Financial liabilities</b>		
Bank indebtedness	\$ 27	\$ 9
Commercial paper	235	250
Long-term debt (including portion due within one year)	3,334	3,303
Accounts payable	6,751	6,283
	<b>\$ 10,347</b>	<b>\$ 9,845</b>
<b>Derivatives designated as effective hedges, measured at fair value</b>		
Foreign currency contracts		
Prepaid expenses	\$ 54	\$ 55
Other assets	30	46
Other accrued liabilities	(27)	(32)
Other long-term liabilities	(15)	(17)
	<b>\$ 42</b>	<b>\$ 52</b>

**MAGNA INTERNATIONAL INC.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

[Unaudited]

[All amounts in U.S. dollars and all tabular amounts in millions unless otherwise noted]

**15. FINANCIAL INSTRUMENTS (CONTINUED)**

**[b] Derivatives designated as effective hedges, measured at fair value**

The Company presents derivatives that are designated as effective hedges at gross fair values in the consolidated balance sheets. However, master netting and other similar arrangements allow net settlements under certain conditions. The following table shows the Company's derivative foreign currency contracts at gross fair value as reflected in the consolidated balance sheets and the unrecognized impacts of master netting arrangements:

	<b>Gross amounts presented in consolidated balance sheets</b>	<b>Gross amounts not offset in consolidated balance sheets</b>	<b>Net amounts</b>
<b>March 31, 2018</b>			
Assets	\$ 84	\$ 39	\$ 45
Liabilities	\$ (42)	\$ (39)	\$ (3)
<b>December 31, 2017</b>			
Assets	\$ 101	\$ 47	\$ 54
Liabilities	\$ (49)	\$ (47)	\$ (2)

**[c] Fair value**

The Company determined the estimated fair values of its financial instruments based on valuation methodologies it believes are appropriate; however, considerable judgment is required to develop these estimates. Accordingly, these estimated fair values are not necessarily indicative of the amounts the Company could realize in a current market exchange. The estimated fair value amounts can be materially affected by the use of different assumptions or methodologies. The methods and assumptions used to estimate the fair value of financial instruments are described below:

*Cash and cash equivalents, restricted cash equivalents, accounts receivable, short-term borrowings and accounts payable.*

Due to the short period to maturity of the instruments, the carrying values as presented in the consolidated balance sheets are reasonable estimates of fair values.

*Commercial Paper*

Due to the short period to maturity of the commercial paper, the carrying value as presented in the consolidated balance sheet is a reasonable estimate of its fair value.

*Term debt*

The Company's term debt includes \$114 million due within one year. Due to the short period to maturity of this debt, the carrying value as presented in the consolidated balance sheets is a reasonable estimate of its fair value.

*Senior Notes*

The fair value of our Senior Notes are classified as Level 1 when we use quoted prices in active markets and Level 2 when the quoted prices are from less active markets or when other observable inputs are used to determine fair value. At March 31, 2018, the net book value of the Company's Senior Notes was \$3.15 billion and the estimated fair value was \$3.21 billion.

**MAGNA INTERNATIONAL INC.**  
**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

[Unaudited]

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**15. FINANCIAL INSTRUMENTS (CONTINUED)**

**[d] Credit risk**

The Company's financial assets that are exposed to credit risk consist primarily of cash and cash equivalents, restricted cash equivalents, accounts receivable, and foreign exchange forward contracts with positive fair values.

Cash and cash equivalents and restricted cash equivalents which consists of short-term investments, are only invested in bank term deposits and bank commercial paper with an investment grade credit rating. Credit risk is further reduced by limiting the amount which is invested in certain major financial institution.

The Company is also exposed to credit risk from the potential default by any of its counterparties on its foreign exchange forward contracts. The Company mitigates this credit risk by dealing with counterparties who are major financial institutions that the Company anticipates will satisfy their obligations under the contracts.

In the normal course of business, the Company is exposed to credit risk from its customers, substantially all of which are in the automotive industry and are subject to credit risks associated with the automotive industry. For the three month period ended March 31, 2018, sales to the Company's six largest customers represented 77% of the Company's total sales, and substantially all of the Company's sales are to customers in which it has ongoing contractual relationships.

**[e] Interest rate risk**

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary current assets and current liabilities. In particular, the amount of interest income earned on the Company's cash and cash equivalents is impacted more by the investment decisions made and the demands to have available cash on hand, than by movements in the interest rates over a given period.

In addition, the Company is not exposed to interest rate risk on its term debt and Senior Notes as the interest rates on these instruments are fixed.

**[f] Currency risk and foreign exchange contracts**

The Company is exposed to fluctuations in foreign exchange rates when manufacturing facilities have committed to the delivery of products for which the selling price has been quoted in currencies other than the facilities' functional currency, and when materials and equipment are purchased in currencies other than the facilities' functional currency. In an effort to manage this net foreign exchange exposure, the Company employs hedging programs, primarily through the use of foreign exchange forward contracts

At March 31, 2018, the Company had outstanding foreign exchange forward contracts representing commitments to buy and sell various foreign currencies. Significant commitments are as follows:

	Buys	Sells
For Canadian dollars		
U.S. amount	214	(2,034)
euro amount	28	(20)
Korean won amount	33,654	(600)
For U.S. dollars		
Peso amount	6,821	—
Korean won amount	10,828	(445)
For euros		
U.S. amount	137	(196)
GBP amount	13	(58)
Czech Koruna amount	7,855	(14)
Polish Zlotys amount	398	—

Forward contracts mature at various dates through 2022. Foreign currency exposures are reviewed quarterly.

# MAGNA INTERNATIONAL INC.

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

[Unaudited]

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### 16. CONTINGENCIES

From time to time, the Company may become involved in regulatory proceedings, or become liable for legal, contractual and other claims by various parties, including customers, suppliers, former employees, class action plaintiffs and others. On an ongoing basis, the Company attempts to assess the likelihood of any adverse judgments or outcomes to these proceedings or claims, together with potential ranges of probable costs and losses. A determination of the provision required, if any, for these contingencies is made after analysis of each individual issue. The required provision may change in the future due to new developments in each matter or changes in approach such as a change in settlement strategy in dealing with these matters.

- [a] In September 2014, the Conselho Administrativo de Defesa Economica, Brazil's Federal competition authority, attended at one of the Company's operating divisions in Brazil to obtain information in connection with an ongoing antitrust investigation relating to suppliers of automotive door latches and related products. Proceedings of this nature can often continue for several years. At this time, management is unable to predict the duration or outcome of the Brazilian investigation.

The Company's policy is to comply with all applicable laws, including antitrust and competition laws. The Company has completed its previously announced global review focused on antitrust risk and does not currently anticipate any material liabilities in connection with the review.

In the event of an antitrust violation, Magna could be subject to fines, penalties, restitution settlements and civil, administrative or criminal legal proceedings and other consequences, including reputational damage.

- [b] In certain circumstances, the Company is at risk for warranty costs including product liability and recall costs. Due to the nature of the costs, the Company makes its best estimate of the expected future costs [note 11]; however, the ultimate amount of such costs could be materially different. The Company continues to experience increased customer pressure to assume greater warranty responsibility. Currently, under most customer agreements, the Company only accounts for existing or probable claims. Under certain complete vehicle engineering and assembly contracts, and with respect to our powertrain systems programs, the Company records an estimate of future warranty-related costs based on the terms of the specific customer agreements, and the specific customer's [or the Company's] warranty experience.

# MAGNA INTERNATIONAL INC.

## NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

*[Unaudited]*

*[All amounts in U.S. dollars and all tabular amounts in millions unless otherwise noted]*

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### 17. SEGMENTED INFORMATION

Magna is a global automotive supplier which has complete vehicle engineering and contract manufacturing expertise, as well as product capabilities which include body, chassis, exterior, seating, powertrain, active driver assistance, electronics, vision, closure and roof systems. Magna also has electronic and software capabilities across many of these areas.

Previously, the Company organized its businesses into four reportable operating segments: North America, Europe, Asia and Rest of World. In December 2017, the Company announced a realignment of its management structure along product lines. As a result, beginning with the first quarter of 2018, the Company changed its segments to align with the way its business is now managed.

The Company is now organized under four operating segments which have been determined on the basis of technological opportunities, product similarities, and market and operating factors. These operating segments are also the Company's reportable segments:

- Body Exteriors & Structures includes our body and chassis business, exteriors, roof systems, sealing systems and fuel systems operations;
- Power & Vision includes our powertrain, electronics, mirrors, lighting and closures operations;
- Seating Systems is comprised of our complete seat assembly facilities and our foam, trim, structures and mechanisms operations; and
- Complete Vehicles is comprised of our contract manufacturing operations as well as our complete vehicle engineering centers.

The results of each segment are regularly reviewed by the Company's chief operating decision maker to assess the performance of the segment and make decisions regarding the allocation of resources. The Company's chief operating decision maker uses Adjusted Earnings before Interest and Income Taxes ["Adjusted EBIT"] as the measure of segment profit or loss, since management believes Adjusted EBIT is the most appropriate measure of operational profitability or loss for its reporting segments. Adjusted EBIT is calculated by taking net income from operations and adding back income taxes, interest expense, net, and other (income) expense, net.

The accounting policies of each segment are the same as those found in the Company's 2017 Annual Report, in the Notes to the consolidated financial statements set out under "Significant Accounting Policies". The most recent updates to these policies can be found in "Recently adopted Accounting Standards" under Note 1 – Significant Accounting Policies. All intersegment sales and transfers are accounted for at fair market value. Due to the new segment structure, the Company assessed goodwill for impairment, as of March 31, 2018. Based on the Company's analysis, the fair value of the Company's reporting units are greater than their respective carrying values.

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[Unaudited]

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**17. SEGMENTED INFORMATION (CONTINUED)**

[a] The following tables show segment information for the Company's reporting segments and a reconciliation of Adjusted EBIT to the Company's consolidated income before income taxes:

Three months ended March 31, 2018						
	Total sales	External sales	Adjusted EBIT [ii]	Depreciation and amortization	Equity income	Fixed asset additions
Body Exteriors and Structures	\$ 4,619	\$ 4,555	\$ 340	\$ 170	\$ (3)	\$ 127
Power & Vision	3,190	3,120	358	111	(81)	82
Seating Systems	1,470	1,470	130	15	(3)	9
Complete Vehicles	1,660	1,646	19	13	—	23
Corporate & Other [i]	(147)	1	28	6	—	2
<b>Total Reportable Segments</b>	<b>\$ 10,792</b>	<b>\$ 10,792</b>	<b>\$ 875</b>	<b>\$ 315</b>	<b>\$ (87)</b>	<b>\$ 243</b>

Three months ended March 31, 2017 [As Adjusted – Note 2]						
	Total sales	External sales	Adjusted EBIT [ii]	Depreciation and amortization	Equity income	Fixed asset additions
Body Exteriors and Structures	\$ 4,167	\$ 4,148	\$ 349	\$ 151	\$ (2)	\$ 133
Power & Vision	2,963	2,894	328	92	(65)	122
Seating Systems	1,335	1,335	116	17	—	11
Complete Vehicles	527	522	6	10	—	47
Corporate & Other [i]	(92)	1	19	6	—	10
<b>Total Reportable Segments</b>	<b>\$ 8,900</b>	<b>\$ 8,900</b>	<b>\$ 818</b>	<b>\$ 276</b>	<b>\$ (67)</b>	<b>\$ 323</b>

[i] Included in Corporate and Other Adjusted EBIT are intercompany fees charged to the automotive segments.

[ii] The following table reconciles Net income to Adjusted EBIT:

	Three months ended March 31,	
	2018	2017 [As Adjusted – Note 2]
<b>Net income</b>	<b>\$ 669</b>	<b>\$ 587</b>
Add:		
Interest expense, net	21	19
Other expense, net	3	6
Income taxes	182	206
<b>Adjusted EBIT</b>	<b>\$ 875</b>	<b>\$ 818</b>

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**17. SEGMENTED INFORMATION (CONTINUED)**

[b] The following table shows Goodwill for the Company's reporting segments:

	<b>March 31, 2018</b>	December 31, 2017 [As Adjusted – Note 2]
Body Exteriors and Structures	\$ 469	\$ 463
Power & Vision	1,382	1,365
Seating Systems	154	153
Complete Vehicles	121	118
<b>Total Reportable Segments</b>	<b>\$ 2,126</b>	<b>\$ 2,099</b>

[c] The following table shows Net Assets for the Company's reporting segments:

	<b>March 31, 2018</b>	December 31, 2017 [As Adjusted – Note 2]
Body Exteriors and Structures	\$ 7,578	\$ 7,243
Power & Vision	6,823	6,475
Seating Systems	876	804
Complete Vehicles	324	394
Corporate & Other	618	658
<b>Total Reportable Segments</b>	<b>\$ 16,219</b>	<b>\$ 15,574</b>

The following table reconciles Total Assets to Net Assets:

	<b>March 31, 2018</b>	December 31, 2017 [As Adjusted – Note 2]
<b>Total Assets</b>	<b>\$ 27,089</b>	<b>\$ 25,468</b>
Deduct assets not included in segment net assets:		
Cash and cash equivalents	(769)	(726)
Deferred tax assets	(260)	(238)
Long-term receivables from joint venture partners	(73)	(72)
Deduct liabilities included in segment net assets:		
Accounts payable	(6,751)	(6,283)
Accrued salaries and wages	(956)	(836)
Other accrued liabilities	(2,061)	(1,739)
<b>Segment Net Assets</b>	<b>\$ 16,219</b>	<b>\$ 15,574</b>

**18. SUBSEQUENT EVENTS**

**Lyft, Inc. Multi-Year Self-Driving Partnership**

In the first quarter of 2018, the Company entered into a multi-year collaboration to jointly fund, develop and manufacture self-driving systems with Lyft, Inc. ["Lyft"], a rideshare company headquartered in the United States. As part of the collaboration, following receipt of regulatory approval in the second quarter of 2018, we invested \$200 million in Lyft equity.

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*[Unaudited]*

*[All amounts in U.S. dollars and all tabular amounts in millions unless otherwise noted]*

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**18. SUBSEQUENT EVENTS (CONTINUED)**

**Credit Facility Amendment**

On May 3, 2018, the Company amended its \$2.75 billion revolving credit facility, including an extension of the maturity date from June 22, 2022 to June 22, 2023.