Change in Accounting for Tooling and Pre-Production Engineering

As noted in our third quarter 2017 report, we will adopt the new revenue recognition standard and change our accounting for tooling and pre-production engineering beginning in 2018. The primary result of this change is a decrease in sales, substantially offset by a similar decrease in cost of goods sold. We expect no significant change to our 2017 earnings associated with this adoption. The next slide provides a summary that identifies the expected impact on our 2017 Outlook dated November 9, 2017.

2017 Outlook Restated for Adoption of New Revenue Accounting Standard

(U.S. GAAP) ($Billions, unless otherwise noted)	2017 Outlook (November)	Tooling & Pre-Production Engineering	Adjusted
Production Sales			
• North America	19.2 - 19.6		19.2 - 19.6
• Europe	9.9 - 10.2		9.9 - 10.2
• Asia	2.3 - 2.4		2.3 - 2.4
• Rest of World	0.5 - 0.6		0.5 - 0.6
• Total	31.9 - 32.8		31.9 - 32.8
Complete Vehicle Assembly Sales	3.0 - 3.2		3.0 - 3.2
Tooling, Eng. and Other Sales	3.4 - 3.5	~(2.4)	1.0 - 1.1
Consolidated Sales	38.3 - 39.5	~(2.4)	**35.9 - 37.1**
Consolidated EBIT %*	8.0% - 8.1%	~0.5%	**8.5% - 8.6%**

No significant change to earnings associated with the adoption

** Earnings Before Interest and Taxes ("EBIT") represents Net Income before income taxes and interest expense, net. EBIT % is the ratio of EBIT to Total Sales.*