The markets for these products are industrial, construction, commercial, automotive, appliance, aerospace and government customers concentrated principally in North America, however, sales are made globally. Sales are made directly by the Company and indirectly through distributors and manufacturers' representatives to such customers.

*Vehicle Components*

Truck Components Heavy-, medium- and light-duty mechanical and automatic transmissions; power take-offs; engine valves; valve lifters; leaf springs; viscous fan drives; fans and fan shrouds; power steering pumps; fleet management systems and advanced drivetrain controls.

On January 2, 1998, the Company completed the sale of the Axle and Brake business, which had sales of $659 million and $542 million in 1997 and 1996, respectively. This business manufactured components for commercial trucks, primarily heavy- and medium-duty, and construction off-highway equipment. Products manufactured by this business include heavy- and medium-duty clutches; drive, trailer and steering axles; brakes; anti-lock brake systems; locking differentials; tire pressure control systems and tire valves.

Passenger Car and Light Duty Components Engine valves; hydraulic valve lifters; viscous fan drives; fans and fan shrouds; locking differentials; limited slip differentials; viscous converter clutches; transaxle components; superchargers; tire valves; refrigeration charge and relief valves.

Off-Highway Vehicle Components Mechanical and automatic transmissions; drive and steering axles; specialty axle products; brakes; engine valves; hydraulic valve lifters; gear and piston pumps and motors; transaxles and steering systems; geroters; control valves and cylinders; forgings; central tire inflation systems and tire valves.

The principal market for these products is original equipment manufacturers of heavy-, medium- and light-duty trucks, passenger cars and off-highway vehicles. These original equipment manufacturers are generally concentrated in North America, however, sales are made on a global basis. Most sales of these products are made directly to such manufacturers.

*Defense Systems*

Strategic countermeasures; tactical jamming systems; electronic intelligence electronic support measures and radar surveillance.

On October 1, 1997, the Company sold the majority of AIL Systems Inc., which represented the Defense Systems business segment (the Company continues to hold a minor interest in AIL).

*Other Information*

Identifiable assets for each segment and geographic region represent those assets used in operations, including excess of cost over net assets of businesses acquired, and exclude general corporate assets, which consist principally of short-term investments, deferred income taxes, investments in associate companies and joint ventures, property and other assets.

Net sales to divisions and subsidiaries of one customer, primarily from the Vehicle Components business segment (in millions), were $766 in 1997, $739 in 1996 and $740 in 1995 (10% of sales in 1997 and 11% of sales in 1996 and 1995). Sales from the Company's United States operations to customers in foreign countries, primarily Canada, (in millions) were $791 in 1997, $743 in 1996 and $709 in 1995 (10% of sales in 1997, 11% in 1996, and 10% in 1995).

*Geographic Region Information*

| (Millions) | Net sales | Operating profit | Identifiable assets |
|---|---|---|---|
| **1997** | | | |
| United States | $5,946 | $ 516 | $3,631 |
| Canada | 293 | 28 | 106 |
| Europe | 1,112 | 104 | 662 |
| Latin America | 532 | 34 | 435 |
| Pacific Region | 158 | 1 | 122 |
| Eliminations | (478) | | (104) |
| | $7,563 | $ 683 | $4,852 |
| **1996** | | | |
| United States | $5,440 | $ 505 | $3,399 |
| Canada | 297 | 23 | 108 |
| Europe | 1,113 | 84 | 752 |
| Latin America | 366 | (31) | 368 |
| Pacific Region | 148 | 18 | 136 |
| Eliminations | (403) | | (94) |
| | $6,961 | $ 599 | $4,669 |
| **1995** | | | |
| United States | $5,390 | $ 571 | $3,369 |
| Canada | 282 | 24 | 109 |
| Europe | 1,153 | 79 | 807 |
| Latin America | 266 | 4 | 151 |
| Pacific Region | 136 | 23 | 90 |
| Eliminations | (405) | | (99) |
| | $6,822 | $ 701 | $4,427 |

Operating profit in 1997 was reduced by restructuring charges (in millions) of $4 in the United States, $12 in Europe, $5 in Canada, $1 in Latin America, and $2 in the Pacific Rim.

Operating profit for the United States in 1997 was reduced by an $85 million write-off of purchased in-process research and development.

Operating profit in 1996 was reduced by restructuring charges (in millions) of $28 in the United States, $9 in Europe and $13 in Latin America.

Geographic region information (table above) does not include results of associate companies and joint ventures in which the Company holds a 20%-50% ownership interest and which had total sales as follows (in millions):

| | 1997 | 1996 | 1995 |
|---|---|---|---|
| United States | $ 21 | $ 13 | $ 21 |
| Europe | 14 | 14 | 13 |
| Latin America | 31 | 16 | 20 |
| Pacific Region | 258 | 326 | 347 |
| | $324 | $369 | $401 |