	1999	2000	% Change	% Change Excluding Acquisitions & Divestitures
North America	$10,308	$9,449	(8)	(4)
Europe	2,051	1,947	(5)	(8)
South America	549	563	3	14
Asia Pacific	251	358	43	43

In 2000, overall sales outside the United States increased $20 despite the $279 adverse impact of further strengthening of the U.S. dollar. Sales for our operations in Canada and Mexico were flat after considering a $4 benefit from currency changes; acquisitions and divestitures were not a factor in those countries. Sales in Europe benefited from a net $65 increase related to acquisitions net of divestitures and organic growth added another $79. These positive effects were more than offset by $247 of adverse currency impact as the U.S. dollar equivalent of sales denominated in euros and pounds declined $207 and $32, respectively, due to weakness in those currencies. In South America, where currency weakness resulted in an $11 sales decline, the effect of divestitures net of acquisitions was a $66 drop in sales. Continuing recovery in the region was evident however in the $90 of organic growth. Organic growth in Asia Pacific sales totaled $133, more than offsetting the $25 of adverse currency effects. Sales due to acquisitions equaled those lost by way of divestitures.

Sales by SBU for 1999 and 2000 are presented in the following table. DCC did not record sales in either year.

	1999	2000	% Change	% Change Excluding Acquisitions & Divestitures
ASG	$4,403	$4,522	3	-
AAG	2,955	2,768	(6)	(5)
EFMG	2,495	2,400	(4)	(4)
CVS	1,904	1,598	(16)	(11)
OHSG	870	786	(10)	1
Other	532	243	(54)	(1)

ASG sales in North America decreased $103 or 3% in 2000 as a result of light vehicle and heavy truck OEM production cuts intended to reduce dealer inventory. Light vehicle production in North America started the year near all-time record levels but declined in the second half of 2000 to end at 17.2 million units. SUVs and light trucks displayed a similar trend line while maintaining their share of overall production. While sales appeared flat in South America, internal growth in Brazil across all the ASG product lines was slightly more than the combined negative effect of currency ($8) and net divestitures ($55). Sales in Europe benefited from our acquisition of the GKN driveshaft business early in the year, which added sales of $142, but gave back $75 to currency effects. ASG's internal growth of nearly $40 resulted from improvement in both driveshaft and axle sales. The acquisition of the automotive axle manufacturing and stamping business of Invensys plc added $34 of sales in Asia Pacific, more than offsetting the $22 adverse currency effect and complementing the $141 of organic growth resulting mainly from new modular systems business.

AAG ended 2000 with a $187 decrease in sales, of which nearly $44 related to the late 1999 divestiture of Sierra. Inefficiencies in consolidating parts of its warehousing operations and softness in the North American automotive aftermarket were key factors in the $85 sales decline at AAG's operating units in this region. Sales in Europe were marginally higher than in 1999 but the region lost $40 to currency movements. Modest sales improvement in South America was offset by decreases in Asia Pacific. There were no acquisitions or divestitures in either region and currency effects were minimal.

Sales in EFMG declined $95 in 2000 as North America lost $42 in its ongoing operations and another $6 due to a divestiture. Operations in Europe incurred currency losses of $78 to account for their $52 sales decline after $27 of organic growth. Sales in South America were up slightly due to modest internal growth.

CVS continued its success of 1999 during the first half of 2000, growing sales 4% after excluding the effects of two divestitures in the first quarter of 2000. However, early in the second half of the year, heavy truck manufacturers sharply reduced production in response to falling demand and excess inventory. CVS sales fell by one-third in the second half and finished the full year $306 below 1999 results. The divestiture impact for the full year was $106 and currency losses pared another $9, leaving $190 of organic sales reductions.

OHSG sales fell $84 overall in 2000 as the divestiture of the Gresen Hydraulics business in January 2000 resulted in a $99 decline in sales and adverse currency impacts accounted for another $44. Organic growth was flat. North American sales declined $96 with $86 attributable to the Gresen divestiture. In Europe, sales were $14 higher as much of the $58 added through acquisitions was offset by a $44 adverse effect from weakness in the euro. South American sales were down $3 as $8 of organic growth was negated by $11 lost through the Gresen divestiture.

Revenue from lease financing increased $32 or 29% in 2000 on a $15 increase in direct finance lease income and a $17 increase in interest income and income from property rentals recognized by DCC.

Other income increased $148 in 2000, primarily the result of a $156 increase in gains on divestitures that was partially offset by a $9 decrease in interest income exclusive of the DCC interest income which is included in lease financing revenue.

Gross margin in 2000 was 13.9%, well below the 16.7% reported in 1999. Results in all regions reflected lower gross margins, but the declines were most severe in North America and Asia Pacific. In North America, ASG and CVS were both affected by producing above optimum capacity in the first half of the year. In the second half, these units were impacted by erratic demand from their major customers and generally fell well below efficient production levels. AAG margins were impacted by softness in the automotive aftermarket. In Asia Pacific, ASG margins were affected by startup costs related to our new modular business in Australia. We incurred $17 in 2000 in connection with discontinuing certain lines of business and $57 in 1999 related to impairment and other rationalization adjustments and charged these amounts to cost of sales. Gross margins excluding these items would have been 14.1% in 2000 and 17.1% in 1999.