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In addition to the reasons described earlier, the loss before income taxes decrease in 2002 compared to 2001 is attributable in large part to a decrease in the amount of restructuring charges and interest expense. Restructuring charges, excluding amounts included in cost of sales, decreased by \$118 in 2002 compared to 2001. The reduction in restructuring charges is attributable to fewer announced restructuring actions during 2002 compared to those in 2001, most of which occurred in the fourth quarter of 2001. The reduction in interest expense of \$45 in 2002 compared to 2001 is the combined impact of lower average interest rates and lower average debt outstanding.

	2002	2001	Dollar Change
Income tax benefits	\$78	\$118	\$(40)

The effective tax rate of our continuing operations for the year ended December 31, 2002 approximated a 69% benefit rate compared to a 34% benefit rate for the year-earlier period. The two primary items affecting the effective income tax rate in 2002 relate to the recognition of a capital loss, which has been largely offset by a valuation allowance. The capital loss arose from the sale in 2002 of a subsidiary whose tax basis substantially exceeded the book basis. This capital loss was used to offset certain capital gains generated in 2002 from sales of other subsidiaries and assets, primarily real estate. These sales resulted in book gains for which only a relatively small amount of tax was recorded because of the available capital loss. At December 31, 2002, we had an unused capital loss carryforward of \$1,050 that expires in 2007, and a deferred tax benefit of \$368 associated with this carryforward. We established a valuation allowance of \$356 against this deferred tax asset. See our discussion of Results of Operations — 2003 versus 2002 for the reasons for establishing this valuation allowance. Our effective tax rate of 34% in 2001 represented a rate much closer to the 35% statutory rate.

Minority interest in net income of consolidated subsidiaries increased \$6 in 2002 when compared to the previous year due to the gain realized by a majority-owned subsidiary in Taiwan on the sale of a portion of an affiliate.

Equity in earnings of affiliates for 2002 was \$23 higher than in 2001. DCC recorded a \$14 increase in income from its affiliates accounted for under the equity method, rebounding from the decline experienced in 2001 when one-time charges related to the telecommunications industry were recorded by its equity affiliates. This comparison is impacted unfavorably by \$10 in 2001 due to losses incurred by Danaven, a Venezuelan affiliate that became a consolidated subsidiary in July 2001. We also experienced increases of \$2 from our equity investments in Germany in 2002.

We reported a net loss of \$182 for 2002 compared to a net loss of \$298 for 2001. Comparison of these annual amounts is difficult due to the change in accounting in 2002 and the unusual charges and credits in both years. The \$133 of unusual after-tax charges includes \$163 of charges related to our restructuring activities, reduced by \$30 of net gains on divestitures. The net gain includes the \$23 impairment charge related to the sale of our Engine Management business. Comprising the net \$133 were net charges in the ASG (\$19), the former AAG (\$61), EFMG (\$50), HVTSG (\$22) and Other (\$13) and a net credit within DCC (\$32).

The net loss in 2001 included \$313 of restructuring and other unusual charges and a net gain of \$10 resulting from divestitures. Operating PAT of our continuing operations was \$27 in 2001, while our discontinued operations reported a loss of \$22 on the same basis. The net \$303 of unusual items were related to ASG (\$41), the former AAG (\$85), EFMG (\$108), HVTSG (\$55) and the Other SBU (\$14).