

TESMA INTERNATIONAL INC.

Financial Review

(Amounts expressed in \$ millions unless otherwise noted)

JULY FISCAL 1999 Total	JULY FISCAL 2000 Total	JULY FISCAL 2001 Total	JULY FISCAL 2002 Total	DEC STUB 2002 Total	DEC STUB 2001 Total	YEAR ENDED DEC 2002 Total	CALENDAR YEAR ENDED DECEMBER 31, 2003					CALENDAR YEAR ENDED DECEMBER 31, 2004			
							1st Q	2nd Q	3rd Q	4thQ	2003 Total	1st Q	2nd Q	3rd Q	2004 Total

Vehicle volume statistics

North American vehicle volumes (000's) [i]
North American content per vehicle (USD) [i]

16,585	17,519	16,016	16,061	6,721	6,459	16,323	4,152	4,152	3,662	3,898	15,864	4,134	4,176	3,632	11,942
\$21.76	\$28.82	\$32.14	\$35.21	\$38.13	\$34.41	\$36.87	\$41.32	\$43.15	\$42.80	\$48.67	\$43.95	\$57.78	\$52.82	\$55.69	\$55.41

Western European vehicle volumes (000's)
Western European content per vehicle (Euro)

16,110	16,689	16,826	16,023	6,289	6,092	16,341	4,279	4,346	3,647	4,156	16,428	4,342	4,423	3,724	12,489
€ 9.91	€ 11.44	€ 12.85	€ 14.14	€ 16.53	€ 14.23	€ 14.90	€ 16.54	€ 15.50	€ 17.45	€ 15.86	€ 16.28	€ 16.81	€ 16.12	€ 18.53	€ 17.14

Consolidated Statements of Income

	IN US\$							IN US\$					IN US\$			
Sales:																
Production-North America	427.6	569.1	582.5	637.9	293.2	249.1	681.2	196.1	203.6	179.7	216.6	796.0	265.2	246.0	232.3	743.5
Production-Europe	135.3	130.5	128.1	140.5	72.3	53.7	159.4	55.2	56.9	51.8	56.8	220.7	69.8	65.9	61.4	197.1
Production-Asia	0.0	29.0	28.9	27.1	12.3	9.5	30.0	6.6	5.9	6.7	7.4	26.6	7.9	8.1	8.5	24.5
Tooling	30.0	37.4	49.5	49.7	21.6	16.3	55.3	9.5	12.4	16.1	17.3	55.3	18.5	20.4	21.3	60.2
Total sales	592.9	766.0	789.0	857.2	398.4	328.6	925.9	267.4	278.8	254.3	298.1	1,098.6	361.4	340.4	323.5	1,025.3
Cost of goods sold [ii]	460.8	582.6	611.7	667.7	310.0	259.4	718.2	212.5	215.3	201.1	226.6	855.5	280.8	265.4	264.5	810.7
Depreciation and amortization	23.5	29.6	33.9	37.4	18.0	14.9	40.5	11.2	12.8	12.6	15.0	51.6	14.8	14.8	15.5	45.1
Writedown to fair value of long-lived assets	0.0	0.0	0.0	0.0	12.1	0.0	12.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Selling, general and administrative [ii]	44.0	52.2	51.9	55.9	24.8	20.9	59.8	16.1	16.5	16.5	20.1	69.2	22.9	22.1	19.6	64.6
Interest (income) expense	1.5	2.2	1.1	2.5	0.3	0.9	2.0	0.1	(0.2)	(0.1)	0.0	(0.2)	0.3	0.5	0.4	1.2
Affiliation fees and other charges [ii]	6.9	8.6	9.1	9.8	4.3	3.7	10.4	3.0	3.2	2.8	3.4	12.4	3.8	3.6	3.2	10.6
Pre-tax income	56.2	90.8	81.3	81.9	29.9	28.8	82.9	24.5	31.2	21.4	33.0	110.0	38.8	34.0	20.3	93.1
Income taxes	21.4	33.1	23.3	28.3	9.3	10.5	26.9	8.2	9.9	5.5	12.3	35.9	14.1	7.8	8.0	29.9
Minority interest	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income for the period	34.8	57.7	58.0	53.6	20.6	18.3	56.0	16.3	21.3	15.9	20.7	74.1	24.7	26.2	12.3	63.2
Dividends on Prefs (net of return of capital)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net income attributable to Class A and Class B shares	34.8	57.7	58.0	53.6	20.6	18.3	56.0	16.3	21.3	15.9	20.7	74.1	24.7	26.2	12.3	63.2

Earnings per share

Basic	1.22	2.01	1.99	1.82	0.64	0.63	1.82	0.50	0.66	0.49	0.64	2.29	0.76	0.81	0.38	1.95
Diluted	1.19	1.97	1.96	1.80	0.63	0.62	1.80	0.50	0.66	0.49	0.63	2.28	0.76	0.80	0.38	1.93
Basic before non-recurring item																
Diluted before non-recurring item																

Outstanding Shares

Average # of shares outstanding - Basic	28,527,248	28,765,586	29,213,611	29,454,016	32,299,947	29,268,989	30,724,462	32,334,329	32,334,438	32,344,438	32,362,155	32,343,918	32,390,661	32,448,141	32,475,229	32,438,015
Average # of shares outstanding - Diluted	29,162,271	29,321,501	29,558,030	29,831,200	32,513,388	29,601,329	31,056,510	32,459,570	32,463,905	32,590,479	32,612,611	32,531,202	32,657,549	32,743,811	32,726,785	32,709,446

Profitability ratios

Reported gross margin	22.28%	23.94%	22.47%	21.92%	22.38%	21.06%	22.43%	20.53%	22.78%	20.92%	23.99%	22.13%	22.30%	22.03%	18.24%	20.93%
S,G & A as % of sales	7.42%	6.81%	6.58%	6.54%	6.21%	6.36%	6.46%	6.02%	5.92%	6.49%	6.74%	6.30%	6.34%	6.48%	6.06%	6.30%
EBIT as % of sales	9.43%	11.94%	10.29%	9.57%	7.49%	8.76%	8.95%	9.16%	11.19%	8.42%	11.07%	10.01%	10.74%	9.99%	6.28%	9.06%
EBIT (pre affiliation fees) as % of sales	10.90%	13.26%	11.59%	11.00%	8.64%	10.16%	10.29%	10.32%	12.27%	9.48%	12.21%	11.12%	11.87%	11.19%	7.39%	10.23%
Effective tax rate-pre-equity losses and amortization of discount on pref shares	38.08%	36.47%	28.67%	34.56%	31.10%	36.46%	32.45%	33.47%	31.73%	25.70%	37.27%	32.64%	36.34%	22.94%	39.41%	32.12%

Notes:

[i] Effective fiscal 2003, North American production volumes have been adjusted to exclude volumes of medium and heavy trucks or vehicles. All prior year comparative amounts (including content per vehicle calculations) have been restated on this basis.

[ii] Effective fiscal 2003, specific charges paid to Magna were reclassified to selling, general and administrative expenses and overhead costs. All prior year amounts have been restated on this basis.

[iii] Effective fiscal 2003, the company began recording stock based expense or stock based compensation. The Dec stub and 2003 fiscal periods were impacted by this change.