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JOINT PRESS RELEASE

MAGNA AND TESMA ANNOUNCE AGREEMENT TO MERGE TESMA WITH THE MAGNA STEYR GROUP

November 2, 2001, Aurora, Ontario, Canada.....Magna International Inc. (TSE:MG.A, MG.B; NYSE: MGA) ("Magna") and **Tesma International Inc. (TSE: TSM.A; NASDAQ; TSMA)** ("Tesma") today jointly announced the execution of definitive agreements providing for the merger of Tesma with the Magna Steyr Group of Magna effective January 1, 2002 to form Magna Steyr Inc. ("Magna Steyr"). For purposes of the merger, the exchange ratio for converting the equity of each of Tesma and the Magna Steyr Group into equity of Magna Steyr is 52.5% in the case of Tesma and 47.5% in the case of the Magna Steyr Group.

As noted below, the merger is subject to approval by Tesma's shareholders on December 12, 2001. The Tesma Board of Directors approved the merger following the report and recommendation of its Special Committee of independent directors established to review and negotiate the terms of the transaction. In approving the merger, the Tesma Board determined that the transaction is in the best interests of Tesma and its shareholders, and recommended that all holders of Tesma Class A Subordinate Voting Shares vote in favour of the special resolution approving the merger. Scotia Capital Inc., the independent valuator and financial adviser to the Special Committee, concluded that the exchange ratio is fair, from a financial point of view, to the minority holders of Tesma Class A Subordinate Voting Shares (other than Magna and its affiliates).

The purpose of the merger is to combine the recognized individual strengths and capabilities of each of Tesma and the Magna Steyr Group to create a pre-eminent full-service global supplier of advanced powertrain and drivetrain products with complete vehicle engineering, testing and assembly capabilities. Magna Steyr will combine Tesma's successful engine, transmission and fueling systems business with the Magna Steyr Group's complete vehicle competence, including its internationally recognized engineering, drivetrain and vehicle assembly business in Europe. The Magna Steyr Group is one of the world's most advanced developers and suppliers of complete drivetrain technologies, including four-wheel/all-wheel drive systems and axle modules, and is the automotive industry's leading independent assembler of low volume derivative and specialty vehicles for original equipment manufacturers such as DaimlerChrysler and, based on recently announced contracts, BMW and the Saab unit of General Motors. For Magna, the merger is in keeping with its objective of restructuring its operating groups along global product lines.

The combination of Tesma with the Magna Steyr Group is expected to result in a number of benefits and synergies to Tesma, including:

- *improved strategic positioning* – Tesma will have access to the extensive engineering, testing, manufacturing and vehicle assembly capabilities of the Magna Steyr Group which will further accelerate Tesma's transition from a *product-focused* supplier to an advanced *systems* and *modules* supplier and from a specialty *powertrain products* business strategy to a comprehensive *powertrain/drivetrain integrator* strategy;
- *enhanced product strategy* – Tesma's current product offerings will be expanded and enhanced through the addition of the Magna Steyr Group's complementary powertrain/drivetrain products, including complete four-wheel/all-wheel drive systems, transfer cases, power take-off units and suspension and axle modules;

- *expanded global platform* – Tesma will be able to capitalize on the Magna Steyr Group's unique expertise, resources and reputation in Europe to expand its platform to supply full powertrain/drivetrain modules globally, while minimizing additional infrastructure and related costs;
- *leverage customer relationships* – Tesma will have the ability to leverage and grow the strong customer relationships enjoyed by the Magna Steyr Group, particularly in Europe, and thereby further diversify its existing customer base;
- *improved "scale" versus competitors* – the combination of Tesma and the Magna Steyr Group will immediately create a pre-eminent full-service global powertrain/drivetrain supplier and integrator with complete vehicle capability. This will allow Tesma to compete more effectively and grow in the estimated annual US\$185 billion automotive powertrain/drivetrain market;
- *integration/strengthened management team* – integration will be assisted by the common focus of Tesma and the Magna Steyr Group on technology and engineering, as well as similar operating principles. Tesma will also benefit from a strengthened management team with a significant European presence and a broad range of complementary operational experience; and
- *cost savings* – cost savings will be realized through efficiencies and the elimination of duplication and overlap in research and development, products, sales and administration. Tesma will also have access to the Magna Steyr Group's substantial powertrain testing, engineering and development resources which Tesma would otherwise be required to develop over time at its own cost.

The merger is subject to the approval of Tesma's shareholders at its Annual and Special Meeting to be held on December 12, 2001 in Toronto. Approval by two-thirds of the votes cast by holders of both Tesma Class A Subordinate Voting Shares and Tesma Class B Shares, with each class voting separately, is required. In addition, the approval of a simple majority of the votes cast by the minority holders of Tesma Class A Subordinate Voting Shares is also required. Magna, and parties related to Magna, including its directors and senior officers, may not vote their Tesma Class A Subordinate Voting shares for the purposes of this "majority of the minority" approval requirement.

On a pro forma July 31, 2001 fiscal year basis, Magna Steyr would have sales of approximately Cdn\$3.4 billion, 12,500 employees, 32 manufacturing facilities (including one joint venture) in seven countries and 10 engineering, testing and advanced research and development facilities (including two joint ventures) in six countries.

Tesma, a global supplier of highly-engineered engine, transmission and fueling systems and modules for the automotive industry, employs over 4,500 employees in North America, Europe and Asia in 22 manufacturing facilities and two research centres.

Magna, one of the most diversified automotive suppliers in the world, designs, develops and manufactures automotive systems, assemblies, modules and components, and engineers and assembles complete vehicles, primarily for sale to original equipment manufacturers of cars and light trucks in North America, Europe, Mexico, South America and Asia. Magna's products include: interior products, including complete seats, instrument and door panel systems and sound insulation, and closure systems through Intier Automotive Inc.; stamped, hydroformed and welded metal parts and assemblies through Cosma International; exterior and interior mirror systems through Magna Mirror Systems; a variety of plastic parts and exterior decorative systems including body panels and fascias through Decoma International Inc.; various engine, transmission and fueling and cooling components through Tesma International Inc.; and a variety of drivetrain components and complete vehicle engineering and assembly through the Magna Steyr Group. Magna's non-automotive activities are conducted through Magna Entertainment Corp.

Magna has over 64,000 employees in 168 manufacturing operations and 33 product development and engineering centres in 18 countries.

For further information regarding this release, please contact either Vincent J. Galifi, Executive Vice-President, Finance and Chief Financial Officer of Magna at (905) 726-7100 or Anthony E. Dobranowski, Executive Vice-President and Chief Financial Officer of Tesma at (905) 417-2155.