



PRESS RELEASE

TESMA INTERNATIONAL INC. RECORD PERFORMANCE CONTINUES

September 14, 2000, Concord, Ontario, Canada... **Tesma International Inc.** (TSE:TSM.A; NASDAQ:TSMA) today announced record sales, income and earnings per share for the quarter and year ended July 31, 2000.

	Three Months Ended July 31		Twelve Months Ended July 31	
	2000	1999	2000	1999
	(Canadian dollars in millions, except per share figures)			
Sales	\$277.9	\$246.2	\$1,127.8	\$893.7
Income before income taxes	\$ 31.0	\$ 22.3	\$ 133.6	\$ 84.5
Net income	\$ 19.5	\$ 13.7	\$ 84.9	\$ 52.3
Operating cash flow	\$ 39.3	\$ 38.7	\$ 147.2	\$ 93.8
Basic earnings per share	\$ 0.67	\$ 0.48	\$ 2.95	\$ 1.83
Fully diluted earnings per share	\$ 0.65	\$ 0.46	\$ 2.83	\$ 1.76
Weighted average number of shares outstanding on a fully diluted basis (in millions)	30.3	30.1	30.2	30.1

The fourth quarter of fiscal 2000 represents the 20th consecutive quarter (on a comparative year-over-year basis) of record sales and operating income reported by Tesma since going public in 1995.

Sales for the quarter increased by 13% over the prior year to \$277.9 million. This increase reflects the sales generated by new products and production programs launched over the past twelve months, a 10% increase in our North American content per vehicle to \$46, increased sales to our export markets of Australia and South America and an increase in vehicle production volumes in North America which were up 3.8% over the comparable period last year. The gains were somewhat offset by the strengthening of the Canadian dollar versus the Euro which resulted in a growth rate in European sales of only 4% compared to the fourth quarter of fiscal 1999. For the twelve month period, reported sales were a record \$1,127.8 million, an increase of 26% over the prior year.

Income before income taxes increased by 39% to a record \$31.0 million, compared to \$22.3 million in the fourth quarter of fiscal 1999. This increase is attributed to the Company's new business, operating efficiencies and higher sales volumes as a result of our increased content per vehicle and higher North American production volumes. Net income for the quarter of \$19.5 million was also a record for the fourth quarter and compares to \$13.7 million a year ago. Year-to-date net income was \$84.9 million compared to \$52.3 million a year ago, a 62.3% increase.

Tesma's fully diluted earnings per share for the fourth quarter of fiscal 2000 increased by 41% to \$0.65 from \$0.46 last year. For the year, fully diluted earnings per share increased by 61% to \$2.83 from \$1.76 last year.

Cash provided from operations was \$39.3 million in the fourth quarter, an increase of \$0.6 million over fiscal 1999. Net investment activities for the quarter included \$24.6 million for fixed and other asset additions, primarily related to new business which will be launched over the next twelve months and the construction of a new manufacturing facility in Austria. For the year, cash generated from operations was \$147.2 million, compared to \$93.8 million a year ago.

As we outlined in our 1999 annual report, management is committed to increasing shareholder value through a focus on operational excellence, a strong balance sheet and superior financial results. Our performance in fiscal 2000 demonstrates that we are on the right track. The strong operating performance of our manufacturing facilities has generated strong cash flow which has resulted in a stronger balance sheet. We are pleased with our continued strong financial performance and are confident that this performance will be appropriately reflected in our stock price.

The Tesma Board of Directors today declared a dividend in respect of the fourth quarter of fiscal 2000 of \$0.16 per share on the Class A Subordinate Voting and Class B shares payable on October 16, 2000 to shareholders of record on September 29, 2000.

Tesma is a global supplier of highly-engineered engine, transmission and fueling systems and components for the automotive industry, focusing on **Innovation, Engineering and Performance**. Tesma employs over 4,250 employees in North America, Europe and Asia in 21 manufacturing facilities and two research centres.

Tesma will hold a conference call to discuss its fourth quarter 2000 results on Friday, September 15, 2000 at 9:30 a.m. EST. The numbers for this call are 416-641-6670 (local/overseas) or 1-800-379-4140 (North America), with call-in required 10 minutes prior to the start of the conference call. The conference call will be chaired by Anthony Dobranowski, Tesma's Executive Vice President and Chief Financial Officer. A taped replay of the conference call will also be made available from 11:30 a.m. on September 15, 2000 until 12:00 midnight on September 29, 2000. The numbers for the replay are 416-626-4100, reference number 14934593 (local/overseas) or 1-800-558-5253, reference number 14940379 (North America).

This press release may contain forward looking statements within the meaning of applicable securities legislation. Such statements involve certain risks and uncertainties which may cause actual results or objectives to be materially different from those expressed or implied herein. These factors include the Company's financial performance, changes in the economic and competitive markets in which the Company competes, relationships with customers and other factors as set out in the Company's Form 40-F for its fiscal year ended July 31, 1999 and subsequent SEC filings.

For further information please contact: Anthony E. Dobranowski at (905) 669-7355. Alternatively, forward e-mail requests to tony.dobranowski@tesma.com or visit Tesma's website @ www.tesma.com.

TESMA INTERNATIONAL INC.
CONSOLIDATED BALANCE SHEETS
(Canadian dollars in thousands)
(Unaudited)

	As at	As at
	July 31, 2000	July 31, 1999
ASSETS		
Cash	\$143,104	\$ 78,582
Accounts receivable	142,657	134,395
Inventories	83,632	76,043
Prepaid expenses and other	9,937	9,813
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	379,330	298,833
Fixed assets	306,057	276,297
Other assets	27,284	32,173
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	\$712,671	\$607,303
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LIABILITIES AND SHAREHOLDERS' EQUITY		
Bank indebtedness	\$ 50,207	\$ 30,618
Accounts payable	85,624	78,654
Accrued salaries and wages	36,019	25,108
Other accrued liabilities	44,014	41,854
Income taxes payable	13,346	5,673
Long-term debt due within one year	8,243	10,029
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	237,453	191,936
Long-term debt	74,990	82,340
Deferred income taxes	33,023	29,538
 SHAREHOLDERS' EQUITY		
Class A Subordinate Voting Shares	185,851	180,265
Class B Shares	2,583	2,583
Retained earnings	186,554	120,595
Currency translation adjustment	(7,783)	46
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	367,205	303,489
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	\$712,671	\$607,303
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TESMA INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS
(Canadian dollars in thousands)
(Unaudited)

	THREE MONTHS ENDED July 31		TWELVE MONTHS ENDED July 31	
	2000	1999	2000	1999
Sales	\$277,855	\$246,157	\$1,127,785	\$893,671
Cost of goods sold	214,092	191,613	857,757	694,567
Depreciation and amortization	10,118	10,128	43,513	35,391
Selling, general and administrative	20,275	18,622	76,314	65,720
Interest (net)	(81)	485	3,271	2,295
Affiliation fees and other charges	2,466	3,036	13,343	11,213
Income before income taxes	30,985	22,273	133,587	84,485
Income taxes	11,530	8,546	48,693	32,151
Net income attributable to Class A Subordinate Voting Shares and Class B Shares	19,455	13,727	84,894	52,334
Retained earnings, beginning of period	174,980	109,705	120,595	77,085
Dividends on Class A Subordinate Voting Shares and Class B Shares	(4,658)	(2,837)	(15,712)	(8,824)
Surrender of stock options	(3,223)	-	(3,223)	-
Retained earnings, end of period	\$186,554	\$120,595	\$186,554	\$120,595
Earnings per Class A Subordinate Voting Share or Class B Share				
Basic	\$0.67	\$0.48	\$2.95	\$1.83
Fully diluted	\$0.65	\$0.46	\$2.83	\$1.76
Average number of Class A Subordinate Voting Shares and Class B Shares outstanding (in millions)				
Basic	29.0	28.6	28.8	28.5
Fully diluted	30.3	30.1	30.2	30.1

TESMA INTERNATIONAL INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Canadian dollars in thousands)
(Unaudited)

	THREE MONTHS ENDED July 31		TWELVE MONTHS ENDED July 31	
	2000	1999	2000	1999
CASH PROVIDED FROM (USED FOR):				
OPERATING ACTIVITIES				
Net income	\$ 19,455	\$ 13,727	\$ 84,894	\$ 52,334
Items not involving current cash flows	12,643	14,128	51,747	41,274
	32,098	27,855	136,641	93,608
Changes in non-cash working capital	7,205	10,887	10,568	170
	39,303	38,742	147,209	93,778
INVESTING ACTIVITIES				
Fixed asset additions	(24,619)	(14,980)	(81,947)	(67,455)
Purchase of subsidiaries	-	177	(800)	(44,608)
Increase in other assets	28	(531)	(1,288)	(5,126)
Proceeds from disposition of fixed and other assets	851	318	3,065	1,198
Cash acquired on purchase of subsidiaries	-	-	-	3,863
	(23,740)	(15,016)	(80,970)	(112,128)
FINANCING ACTIVITIES				
Increase (decrease) in bank indebtedness	5,738	(16,919)	19,353	14,616
Issues of long-term debt	-	60,653	1,377	64,657
Repayments of long-term debt	(2,990)	(4,799)	(7,617)	(17,650)
Issuance of Class A Subordinate Voting Shares	1,948	636	5,586	898
Dividends on Class A Subordinate Voting Shares and Class B Shares	(4,658)	(2,837)	(15,712)	(8,824)
Surrender of stock options	(3,223)	-	(3,223)	-
	(3,185)	36,734	(236)	53,697
Effect of exchange rate changes on cash	198	529	(1,481)	(763)
Net increase in cash during the period	12,576	60,989	64,522	34,584
Cash, beginning of period	130,528	17,593	78,582	43,998
Cash, end of period	\$143,104	\$ 78,582	\$143,104	\$ 78,582

NOTE TO CONSOLIDATED FINANCIAL STATEMENTS

The Company currently operates in one industry segment, the automotive powertrain business, designing and manufacturing parts and assemblies primarily for the automotive OEMs or their Tier 1 powertrain component manufacturers.

The Company operates internationally and its manufacturing facilities are arranged geographically to match the requirements of the Company's customers in each market. Each manufacturing facility has the capability to offer many different powertrain parts and assemblies as the technological processes employed can be used to make many different parts and assemblies. Additionally, specific marketing and distribution strategies are required in each geographic region. The Company currently operates in four geographic segments of which only two are reportable segments. The accounting policies for the segments are the same as those described in Note 1 to the July 31, 1999 consolidated financial statements and intersegment sales are accounted for at prices which approximate fair value.

Executive management assesses the performance of each segment based on income before income taxes as the management of income tax expense is centralized.

	North American Automotive	European Automotive	Other	Total
[Canadian dollars in thousands]				
July 31, 2000				
Total Sales	\$ 883,295	\$ 208,830	\$ 42,748	\$ 1,134,873
Intersegment sales	(4,241)	(2,847)	-	(7,088)
Sales to external customers	\$ 879,054	\$ 205,983	\$ 42,748	\$ 1,127,785
Interest (net)	\$ 1,042	\$ (808)	\$ 3,037	\$ 3,271
Depreciation and amortization	\$ 31,265	\$ 7,760	\$ 4,488	\$ 43,513
Income before income taxes	\$ 116,111	\$ 14,949	\$ 2,527	\$ 133,587
Fixed assets, net	\$ 208,393	\$ 55,977	\$ 41,687	\$ 306,057
Fixed asset additions	\$ 54,292	\$ 21,018	\$ 6,637	\$ 81,947
Goodwill, net	\$ 17,788	\$ 1,704	\$ -	\$ 19,492
July 31, 1999				
Total Sales	\$ 665,590	\$ 216,381	\$ 17,490	\$ 899,461
Intersegment sales	(2,611)	(3,179)	-	(5,790)
Sales to external customers	\$ 662,979	\$ 213,202	\$ 17,490	\$ 893,671
Interest (net)	\$ 1,093	\$ (123)	\$ 1,325	\$ 2,295
Depreciation and amortization	\$ 26,177	\$ 7,344	\$ 1,930	\$ 35,391
Income before income taxes	\$ 72,800	\$ 11,714	\$ (29)	\$ 84,485
Fixed assets, net	\$ 184,581	\$ 52,489	\$ 39,227	\$ 276,297
Fixed asset additions	\$ 52,069	\$ 14,302	\$ 1,084	\$ 67,455
Goodwill, net	\$ 18,451	\$ 2,049	\$ -	\$ 20,500