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PRESS RELEASE

TESMA ANNOUNCES END OF MERGER DISCUSSIONS

March 12, 2002, Concord, Ontario, Canada.....Tesma International Inc. (TSE: TSM.A; NASDAQ: TSM.A) ("Tesma") today announced the decision not to proceed with the merger transaction between Tesma and the Magna Steyr group of Magna International Inc. (TSE: MG.A, MG.B; NYSE: MGA) ("Magna") in light of the additional vehicle assembly capacity being acquired by Magna Steyr in the Eurostar transaction. Magna Steyr has concluded an agreement to acquire the Eurostar vehicle assembly facility from DaimlerChrysler, with closing expected to occur in July 2002.

"Although the merger would have benefited Tesma by adding critical mass and engineering resources," stated Manfred Gingl, Tesma's President and CEO, "the current favourable market conditions and Tesma's strong position should enable us to achieve these goals by other means, while remaining focused on our core powertrain strategy." Anthony Dobranowski, Tesma's Executive Vice President and CFO added, "Our Board of Directors and management team remain committed to aggressively exploring ways of accelerating Tesma's growth through the acquisition of new products and technologies, joint ventures and our own research and advanced product development efforts."

Belinda Stronach, Magna's President and CEO also added, "Given the fundamental changes that have taken place in the last few months, the decision for Magna Steyr and Tesma to pursue separate growth strategies is the optimal one at present. There is still an understanding that Tesma and Magna Steyr will co-operate in the sharing of resources and expertise to take advantage of the relationships developed during the merger negotiations and to realize some of the cross-group benefits and synergies that were discussed in the original merger transaction."

Tesma, a global supplier of highly-engineered engine, transmission and fueling systems and modules for the automotive industry, employs over 4,600 employees in North America, Europe and Asia in 22 manufacturing facilities and two research centres.

This press release may contain "forward-looking statements" within the meaning of applicable securities legislation. Such statements involve certain risks, assumptions, uncertainties and other factors which may cause actual results or anticipated events to differ materially from those expressed or implied herein. These factors include, but are not limited to: Tesma's operating and/or financial performance; changes in the various economies in which Tesma operates; Tesma's relationship with Magna; fluctuations in interest rates; environmental emission and safety regulations; fuel prices; the extent of OEM outsourcing; industry cyclicality (including reductions or increases in production volumes); trade and labour disruptions; customer pricing pressures, price concessions and cost absorptions; warranty, recall and product liability claims; delays in program launches; Tesma's dependence on certain engine and transmission programs; Tesma's relationships with and dependence on certain customers; currency exposure; technological developments by Tesma's competitors; governmental, environmental and regulatory policies; changes in the competitive environment in which Tesma operates; and other factors as set out in Tesma's Form 40-F for its fiscal year ended July 31, 2001 and subsequent SEC filings. Tesma disclaims any intention and undertakes no obligation to update or revise any forward-looking statements to reflect subsequent information, events, results, circumstances or otherwise.

For further information regarding this release, please contact Anthony E. Dobranowski, Executive Vice-President and Chief Financial Officer of Tesma at (905) 417-2155.