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JOINT PRESS RELEASE

MAGNA AND TESMA ANNOUNCE THE PROPOSED COMBINATION OF TESMA AND THE MAGNA STEYR GROUP

May 17, 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") jointly announced today that they have entered into a non-binding letter of intent concerning the proposed combination of Tesma and the Magna Steyr group to form a new global powertrain supplier that would combine the recognized strengths and capabilities of both organizations.

This combination would create a leading global full-service powertrain supplier, incorporating Tesma's successful engine, powertrain and fueling systems products businesses with Magna Steyr's strong powertrain, engineering and vehicle assembly businesses, including four-wheel drive systems and complete vehicle assembly expertise in Europe. For Magna, the proposed combination is in keeping with its objective of restructuring its operating groups along global product lines.

Initially, Magna and Tesma must confirm that such a combination is viable and negotiate the form and terms of the transaction, including the basis of determining relative values. Tesma's board of directors has established a special committee of independent directors to review the proposed transaction with the assistance of Tesma management.

Any transaction would be subject to a number of conditions, including review and recommendation by Tesma's special committee, approval of definitive transaction terms by the boards of directors of both Magna and Tesma, and required regulatory approvals. In addition, under applicable securities laws, any combination of Tesma and Magna Steyr will require approval by Tesma's Class A shareholders. Given the preliminary nature of the discussions to date, there is no assurance that any transaction will result from the discussions or any subsequent negotiations.

Since going public in July 1995, Tesma has reported substantial growth, with sales surpassing Cdn \$1.1 billion in fiscal 2000. Tesma, a global supplier of highly-engineered engine, transmission and fueling systems and modules for the automotive industry, employs over 4,400 employees in North America, Europe and Asia in 22 manufacturing facilities and two research centres.

Magna Steyr is the industry-leading, one-stop automotive service provider, offering a full spectrum of vehicle program management and engineering services under one roof, and is the leading independent assembler of low volume and niche vehicles. It is also one of the world's most technology advanced suppliers of total drivetrain technologies, including four wheel drive systems, for the world's major OEMs. Since Magna's acquisition of Steyr-Daimler-Puch in 1998, Magna Steyr has been awarded a substantial number of new powertrain, engineering and complete vehicle assembly contracts for a variety of OEMs.

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) 669-7355.