



LIBRARY USE ONLY

MAGNA INTERNATIONAL INC.
1992 ANNUAL REPORT

Magna is a leading manufacturer of technologically advanced automotive systems and assemblies. The manufacturing operations of the Company are conducted by manufacturing and product development divisions located throughout North America and Europe. These divisions form Magna's four Automotive Systems Corporations, each of which focuses on manufacturing specific vehicle systems.

Magna has approximately 14,500 highly skilled employees who design, engineer and manufacture quality systems and assemblies for many of the world's major automotive manufacturers.

Magna International Inc. is a public company whose Class A shares are listed and traded on The Toronto Stock Exchange and The Montreal Exchange in Canada and on the New York Stock Exchange in the United States.

YEAR IN REVIEW AND FINANCIAL HIGHLIGHTS

1

CORPORATE CONSTITUTION

2

TO OUR SHAREHOLDERS

3

MANAGEMENT'S MESSAGE

4

OUTLOOK

7

FINANCIAL REVIEW

21

PRODUCT DIRECTORY

39

T H E Y E A R I N R E V I E W

Consolidated sales of the Company in fiscal 1992 were approximately \$2.4 billion and sales of joint ventures were more than \$500 million resulting in total managed sales of approximately \$2.9 billion. Fully diluted earnings per share of \$2.08, compared to \$0.58 in fiscal 1991, were a record high. This increase in earnings resulted from improvements in gross margin, a reduction in interest expense of more than \$30 million, and the maintenance of selling, general and administrative expenses at 1991 levels.

Magna generated approximately \$245 million of cash from operations in fiscal 1992. Of this amount, \$42 million was invested in fixed assets and joint ventures, \$13 million

was invested in working capital and \$10 million was paid in dividends. The remaining \$180 million was used for debt reduction.

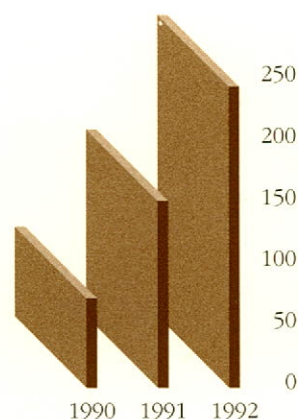
The financial position of the Company is significantly improved, with total equity in excess of \$650 million and total debt (net of cash) at less than \$300 million. Of this debt, \$165 million is in the form of convertible bonds and debentures, which management expects to be converted into equity before the end of fiscal 1994. Magna now has a very strong financial position to support future growth.

F I N A N C I A L H I G H L I G H T S

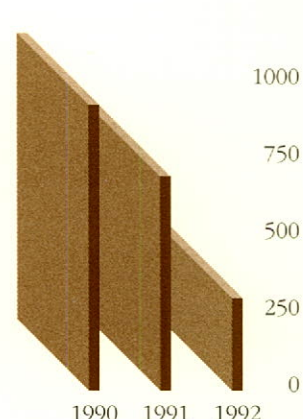
[Canadian dollars in millions, except per share figures]

	1988	1989	1990	1991	1992
Sales	\$1,459	\$1,924	\$1,927	\$2,017	\$2,359
Net Income (Loss)	19.5	33.6	(224.2)	16.5	98.0
Fully Diluted Earnings (Loss) per Class A and B Share	0.70	1.19	(8.06)	0.58	2.08
Capital Expenditures and Investments	309	316	218	40	42
Shareholders' Equity	446	464	231	268	590

**CASH FROM
OPERATIONS**
Canadian \$ Millions



**TOTAL DEBT
(NET OF CASH)**
Canadian \$ Millions



Any change to Magna's Corporate Constitution will require the approval of the Class A and Class B shareholders, with each class voting separately.

Magna's Corporate Constitution publicly declares and defines the rights of employees and investors to participate in the Company's profits and growth while also imposing certain disciplines on management. These features strike a balance between employees, investors and management while allowing the Company to maintain an entrepreneurial environment which encourages productivity.

Magna is a public company with two classes of shares, a Class B share, held primarily by management, which carries a multiple vote and a Class A share for investors and employees which carries a single vote. This share structure has been in place for a number of years and enables management to have operating control of the Company on a day-to-day basis, provided it adheres to the Corporate Constitution.

BOARD OF DIRECTORS

Magna believes that outside directors provide independent counsel and discipline. A majority of the members of Magna's Board of Directors will be outsiders.

EMPLOYEE EQUITY AND PROFIT PARTICIPATION

Ten per cent of Magna's profit before tax will be allocated to employees. These funds will be used for the purchase of Magna shares in trust for employees and for cash distributions to employees, recognizing length of service.

SHAREHOLDER PROFIT PARTICIPATION

Magna will distribute, on average, 20 per cent of its annual net profit to its shareholders.

MANAGEMENT PROFIT PARTICIPATION

To obtain long-term commitment from senior management, the Company provides a compensation arrangement which, in addition to a base salary comparable to industry standards, allows for the distribution of up to six per cent of Magna's profit before tax.

RESEARCH AND DEVELOPMENT

Magna will allocate seven per cent of its profit before tax for research and development to ensure the long-term viability of the Company.

SOCIAL RESPONSIBILITY

The Company will allocate a maximum of two per cent of its profit before tax for charitable, cultural, educational and political purposes to support the basic fabric of society.

MINIMUM PROFIT PERFORMANCE

Management has an obligation to produce a profit. If Magna does not generate a minimum after-tax return of four per cent on share capital for two consecutive years, the Class A shareholders, voting as a class, will have the right to elect additional directors.

UNRELATED INVESTMENTS

Class A and Class B shareholders, with each class voting separately, will have the right to approve any investment in an unrelated business in the event such investment together with all other investments in unrelated businesses exceeds 20 per cent of Magna's equity.

Magna is a unique economic culture which focuses on human capital and automotive technologies. The foundation of this culture is Magna's Corporate Constitution, which clearly defines the rights of investors as well as the rights and responsibilities of management and employees.

Magna's executive management constantly introduces programs to motivate employees for greater productivity. The Company's Corporate Charter encourages every employee to be a shareholder of Magna. In addition, the operating principles of the Company call for decentralized profit centres with a limited number of individuals per factory in order to foster good communication between management and employees. These principles enable Magna to make a better product for a better price and thereby provide better service to our customers. Working with management in making a quality product at a competitive price also provides employees with the best job security for the future. Only by maintaining a globally competitive operation can jobs be preserved.

Magna's corporate culture is the reason for the Company's continued growth. During the last 25 years, Magna has achieved a compounded internal growth rate of 30 per cent per year and has built a solid reputation as one of the world's leading suppliers of automotive components and systems.

As Magna continues to move forward, the Company adopts policies from lessons learned in the past. Magna's growth from 1985 to 1990 was financed primarily from bank borrowings. The debt restructuring which resulted from a technical default on certain loan covenants proved to be a costly experience for the Company and its shareholders. One of the lessons Magna learned from that experience was to ensure future growth comes primarily from cash flow and equity, not bank financing.

Fortunately, Magna's management addressed the debt problem and is now putting into place policies to restrict the amount of debt the Company can incur. This approach will allow management to focus its attention on running the business. As a result, I am optimistic that Magna will continue to enjoy controlled, sustainable growth in the years ahead and provide good returns for our shareholders.

In closing, I would like to thank our employees, customers, managers and suppliers for Magna's success during the past year.



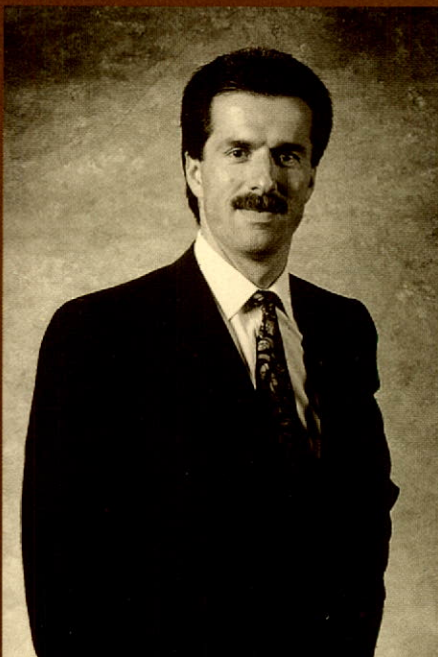
Frank Stronach
Chairman of the Board



Magna's corporate culture is the reason for the Company's continued growth.



Manfred Gintl
*President &
 Chief Executive Officer*



Don Walker
*Executive Vice-President &
 Chief Operating Officer*

Magna achieved record sales and earnings in fiscal 1992 despite a relatively weak North American automotive market. This was accomplished through the combined efforts of employees and management to be responsive to our customers' needs and to consistently deliver high quality products on time.

Although we had record sales and profits in fiscal 1992, we will continue to be under pressure from our customers to reduce costs. We believe we have a competitive advantage in this area because of the innovation of our highly skilled engineers and tool and die makers in developing new processes and products to reduce costs. In essence, we will continue to engineer costs out of our products. We hope, as well, to demonstrate to our customers that our strong financial position and continued profitability is in their long-term interests through securing a quality tier one source for their products.

Management will continue to focus, in the short term, on filling open capacity, strengthening Systems Corporations' product lines and developing stronger relationships with our customers. Our future relationships with our customers will be based on joint problem solving and mutual support. We must continually reduce costs while providing our customers with full engineering, development and prototyping capabilities at an early stage. This creates greater opportunities for Magna to respond to ever increasing quality demands in a cost effective way.

In the longer term, our Company will focus on controlled, sustainable growth through the enhancement and increased application of leading edge technologies. This growth will occur, however, only where the expected return justifies the necessary expenditures, and where this can be accomplished without incurring an inappropriate level of debt.

As Magna grows, we face our biggest challenge – maintaining an entrepreneurial environment within a large, decentralized corporation. Management believes this can be achieved by adhering to the philosophies and principles that have made our Company a success: autonomous operations; equity ownership and profit participation by management and employees; and a commitment to provide a safe and healthy environment for our employees to work and live in.

Management believes the Company is well-positioned to capitalize on the political and economic changes affecting North America. The trend among "new" domestic customers to purchase more North American products and the North American Free Trade Agreement's requirement for increased North American content, will lead "new" domestic customers to source more products with companies such as Magna. The Company has already proven it can deliver technologically advanced systems on a just-in-time basis. Similarly, Magna will continue to benefit from our North American-based customers' desire to outsource production to a limited number of suppliers since the Company has established its reputation as a responsive, high-quality systems supplier.

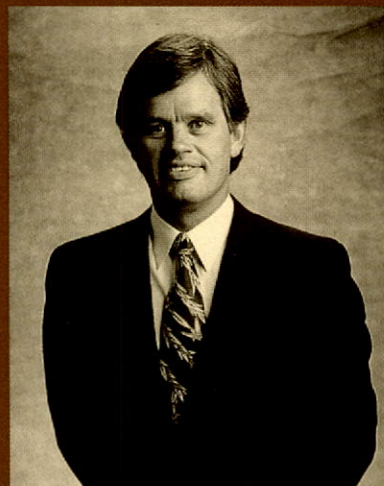
OPERATIONAL OBJECTIVES

Operationally, management will continue to focus on reducing costs of sales and improving the high quality of our products. This is being achieved through continuous process improvements in each of our facilities, implementation of the latest engineering and manufacturing techniques and employee involvement in problem solving. Management will work closely with employees to continue enhancing our technological capabilities in the key product areas identified by our Systems Corporations. In addition, all employees will continue to contribute to Magna's operational success through open communication, education and training.

The Company will continue to respond to the needs of employees, with particular concern for their health and safety, and the environment in which they work. In fiscal 1992, the Company introduced a health, safety and environmental policy and plan designed to maintain the Company's outstanding reputation for providing safe and healthful working conditions and showing concern for the environment in which our facilities are located.

From a sales and marketing perspective, the Company will continue to quote on potential contracts for a variety of product opportunities within a wide range of vehicle programs. Magna focuses its marketing efforts on those specific programs determined to have the greatest likelihood of enduring market acceptance. Product mix and segmentation analysis are conducted to determine optimum growth potential.

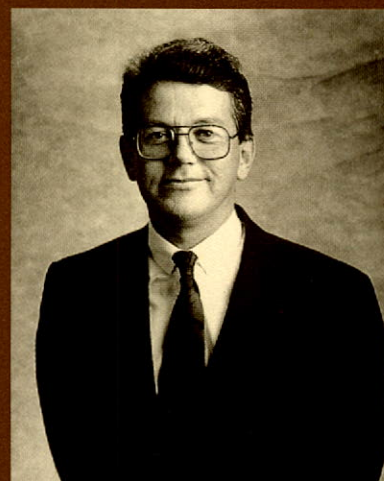
In its marketing efforts, the Company will work closely with its customers to meet the challenge arising from the greater diversity of vehicle models, shorter replacement schedules and accelerated development programs.



Graham J. Orr
*Senior Vice-President
Corporate Development &
Investor Relations*



Paul G. Robinson
*Senior Vice-President
Finance*



Dennis Bausch
*Senior Vice-President
Marketing & Planning*

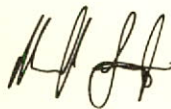
FINANCIAL OBJECTIVES

The Company believes a strong balance sheet will be a significant competitive advantage during the 1990s since it will enable Magna to minimize borrowing costs and increase financial and operational flexibility. In fiscal 1991, the Board of Directors established the objective of reducing debt to 50 cents for every dollar of equity by July 31, 1993. The Company had already achieved this objective by the end of fiscal 1992. Through the proper management of the Company's operating cash flows and assuming the conversion of the Company's convertible debt instruments, the Company can be debt-free prior to July 31, 1994.

Capital expenditures for fiscal 1992 were within the guidelines established by the Board of Directors at the beginning of the year. Relatively low levels of capital expenditures can be maintained for the next few years without adversely affecting growth. This is largely because of expenditures made during the latter half of the 1980s on facilities devoted to new products. In fiscal 1993, management expects capital expenditures to be in the range of \$50 to \$75 million. Of this amount, approximately \$25 million represents the costs of maintenance and the remainder represents investments in new capital assets. Beyond fiscal 1993, as a consequence of the continued reduction of debt, virtually all cash flow will be available to fund growth.

FUTURE OUTLOOK

The North American automotive market strengthened in fiscal 1992, yet remained relatively weak by historical standards. Still, the Company had record sales and profits. The Company believes a continued strengthening of the automotive market, together with new contracts the Company expects to secure, will result in increased sales and profitability for Magna in fiscal 1993 and beyond.



Manfred Gintl
*President &
Chief Executive Officer*



Don Walker
*Executive Vice-President &
Chief Operating Officer*

O U T L O O K

Magna has operated and grown for more than 30 years believing the foundation of quality products is quality people and processes. Magna is continually bringing together and developing the finest human and industrial resources available. This approach has produced a skilled team of people who use the latest technologies available to put imagination, ingenuity and innovation into all our products. Magna has become a world leader in the production of automotive components and systems, with a reputation for reliable product quality and service, at consistently competitive prices.

C R E A T I V E

8

R E S P O N S I V E

10

D I V E R S E

12

I N T U I T I V E

14

R E S P O N S I B L E

16

A D V A N C E D

18

L O O K I N G A H E A D

20



C R E A T I V E

Magna continues to commit time and resources toward improving existing products and processes, and developing new ones.

Magna maintains its status as one of the most technologically advanced automotive systems suppliers in North America through continued advances in research and development.

Original Equipment Manufacturers (OEMs) increasingly ask suppliers to play a more integral role in the development of the components they produce. Magna's customers have long enjoyed the benefits of the Company's research and development activities. These activities, combined with a large pool of engineering talent located at our Detroit Design and Engineering Centres and in each manufacturing plant, ensure our ability to play an active role in product development and maintain our status as a Tier One supplier.

We not only manufacture automotive components and systems for the OEMs but frequently respond to their requests to design, engineer, prototype and test those products as well.

These activities have resulted in improved products and creative processes which achieve styling flexibility, weight reduction and component standardization, often through revolutionary material applications.

Our door panel technology provides a particularly apt example. Magna developed a process for moulding door panels from lightweight urethane thermoset which, in its initial, two-step form, offered design and styling flexibility. The one-step, second generation technology, to be used in the 1995 model year, will offer further weight and cost reductions and integrate components such as the arm rest, bolster and pull handle into the door panel design.

Further, innovations such as the integrated child safety seat illustrate how marrying a strong commitment to research and development with our Company's ingenuity produces innovative technological developments.

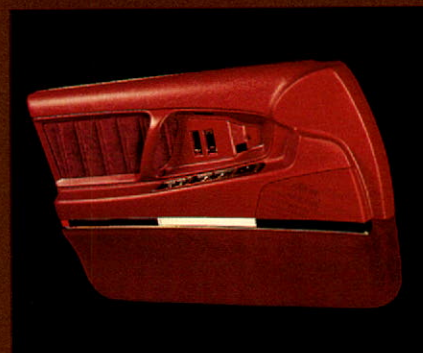
The revolutionary integrated child safety seat, jointly developed with Chrysler, has proven to be extremely popular and is being offered as an option in an increasing number of van and car models. Magna manufactures and assembles the safety standard-approved child seat as a unit, with the passenger seat which houses it.

The identification of future vehicle features and attributes steers our advanced research and development efforts. Analysis of new legislation and emerging trends, products and technologies serve to highlight distinct areas for pursuit. Responding to legislation governing side-impact performance, Magna created a new market for itself by developing a roll-forming application to produce door intrusion beams.

Magna believes technology development is vital to both the continued growth and success of the Company, and the long-term well-being of industrial enterprise. We continue to commit time and resources toward improving existing products and processes as well as developing new ones.



Magna's technical expertise ensures the Company plays an active role in product development.



Magna's process for moulding door panels offers its customers weight reduction and styling flexibility.



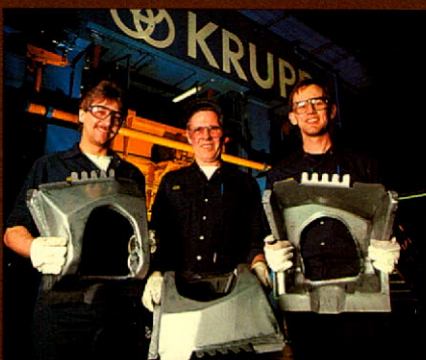
Magna has a large pool of engineering talent located in Detroit and in each manufacturing plant.



Quality is ensured through advanced quality planning from design concept through component production.



Magna's state-of-the-art environmental chambers test component performance in a variety of climactic conditions.



Magna's reputation for quality is enhanced by technologically advanced equipment and a skilled workforce.

Magna is recognized within the global automotive industry as a manufacturer of high quality products at competitive prices. Magna's hard-won quality reputation rests on a number of key factors:

- highly skilled and motivated employees
- modern, state-of-the-art operations
- technologically advanced processes and equipment
- company-wide commitment to quality improvement

Magna's employees are regularly trained in the latest quality assurance techniques and take part in ongoing process improvement meetings. Employee input is vital in identifying areas of quality improvement and building quality into the product development process, from design through to final assembly. Synchronous training programs in manufacturing and engineering and cross-functional team approaches give employees an overall understanding of quality issues such as waste reduction and process efficiency.

As a result of major capital investments in the late 1980s, Magna today has an extremely modern operations base. The majority of Magna's manufacturing capacity has been built in the last five years and the Company's larger facilities are among the most technologically advanced in the industry.

Over the years, Magna has earned a reputation as a world-competitive supplier in terms of quality and cost. Magna's quality achievements include top awards from every major OEM customer and prestigious contracts from Cadillac, Lincoln, Chrysler New Yorker and BMW – cars that have set standards of quality excellence.

During the past year Magna divisions won 46 quality awards, including top-ranked accomplishments such as Chrysler's Pentastar, Honda's Quality Performance, Ford's Q1, Nissan's Quality Master, General Motors' Mark of Excellence and Toyota's Superior awards. Magna divisions also won several new awards, including a Saturn Quality Award and a Subaru-Isuzu Quality Achievement Award.

OEM quality awards are given out on the basis of meeting a number of strict requirements in the areas of product quality conformance, warranty performance and timely delivery. Other factors considered by OEMs include inventory control, product design and cost competitiveness.

In winning many of the OEM awards, Magna divisions were able to meet stringent standards such as 100 per cent on-time delivery and a "zero defect" rating.

As OEMs continue to streamline their supplier base, only those companies which can demonstrate consistent quality and cost improvements will be able to maintain supplier status. Magna divisions continue to win customer recognition as quality suppliers.



R E S P O N S I V E

Employee input is vital to maintaining Magna's quality and cost competitiveness.



D I V E R S E

Magna manufactures more than 5,000 different automotive components through its four Systems Corporations.

Magna is the most diversified independent automotive supplier in North America, manufacturing more than 5,000 different automotive components through four Systems Corporations. Each supplies components and systems for a specific vehicle area.

Atoma is a leading supplier of integrated automotive interior systems; Cosma is one of the largest independent manufacturers in North America of metal body components and systems; Decoma is a diversified supplier of exterior decorative metal and plastic components; and Tesma manufactures powertrain and transmission systems.

Each, with in-house tooling, engineering and manufacturing capabilities, supplies automotive systems which integrate components, reduce costs and vehicle weight and introduce value-added safety features.

Magna has a large product mix on a wide number of best-selling domestic and "new" domestic vehicles. The bulk of Magna's business is with the domestic OEMs, although the Company has a growing level of business among the major "new" domestic and foreign manufacturers.

Magna's content per vehicle for North American-built cars was approximately \$190 last year, up from \$173 in fiscal 1991. This increase was largely due to:

- more content on best-selling domestic vehicles such as the Jeep Grand Cherokee, Cadillac Seville and Ford Taurus, all of which underwent body styling changes
- increased content on "new" domestic vehicles such as the Toyota Camry, a trend which is expected to accelerate as "new" domestic manufacturers increase their parts purchasing from North American-based suppliers such as Magna
- increased production volumes on vehicles with high Magna content

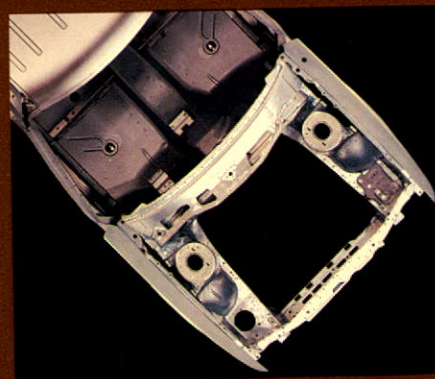
Magna continues to expand its product base to meet the needs of customers and the rapid technological changes emerging from the automotive industry. Continual consumer demand for increased safety and fuel-efficient features has provided new product opportunities for Magna, particularly in the areas of door reinforcement beams and seating systems with built-in safety features.

Increasingly, OEMs are moving toward more specialized and differentiated models within the same vehicle body type. The interior systems and decorative application strengths of the Company allow Magna to capitalize on this growing trend.

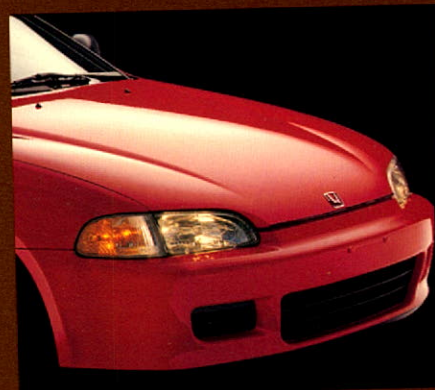
These strengths, together with Magna's innovative approach to product design, ensure the Company will continue to supply a wide array of automotive systems in the decade ahead.



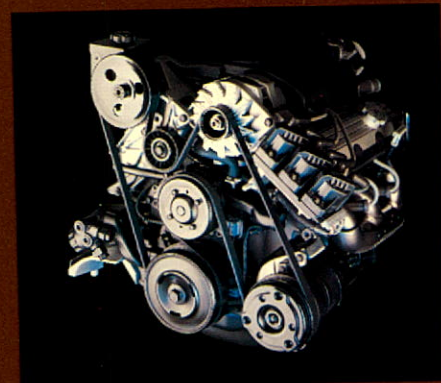
Atoma is a leading supplier of integrated automotive interior systems.



Cosma is one of North America's largest manufacturers of metal body systems.



Decoma supplies both metal and plastic exterior decorative systems.



Tesma produces a range of powertrain and transmission systems.



Dodge Intrepid



Ford Taurus



Cadillac Seville



Toyota Camry



Honda Civic

The importance of solid market research increases as product planning cycles within the automotive industry are compressed. With the period from concept to production of new vehicles decreasing from a current average of 50 months to 36 months by 1995, suppliers have less room for error in assessing how well those vehicles fit shifting design trends, consumer preferences and their own product lines.

Magna has targeted key vehicles with the greatest potential for success. In North America, the top 10 selling vehicles account for 25 per cent of vehicle production: parts supplied for those vehicles account for almost 50 per cent of Magna's production.

In the past, Magna accurately gauged the minivan's potential for rapid growth and currently enjoys sole supplier seating and fascia contracts for the best-selling minivan on the market. Magna also produces trim, body panels, fascias and stampings on other minivan models.

Magna actively targeted the popular Ford Taurus/Mercury Sable and has enjoyed both steady content per vehicle levels and the benefits of recent production volume increases.

Much the same can be said for the 1992 launch of the new Cadillac Seville. The model is scheduled for modification and dramatically increased production volumes in 1993.

Looking ahead, the Company has identified the 1993 Chrysler Concorde/Dodge Intrepid/Eagle Vision as another key vehicle line. The vehicle contains almost \$700 worth of Magna content per car, including inner sheet metal stampings, decorative trim components and the first plastic fenders used on a production vehicle at Chrysler.

Magna also has commitments to supply BMW's new plant in South Carolina. BMW is the first of what many industry analysts forecast will be a wave of European OEMs to locate production facilities in North America. These moves offer opportunities for Magna to capitalize on its already successful relationships with many European auto manufacturers. Magna's operations in Germany and Austria laid the groundwork by creating a solid relationship with Volkswagen AG.

Magna also enjoys successful relationships with Honda, Nissan and Toyota. With the launch of the 1992 model, Magna content on the Toyota Camry increased significantly over previous levels.

The North American Free Trade Agreement's requirement for increased North American content creates further opportunity for Magna to solidify its position among Japanese producers as a quality supplier with a reputation for cost competitiveness and reliability.

So too, does the increasing number of Japanese manufacturers establishing design centres in North America. The development of key vehicles locally, rather than in Japan, offers Magna the potential for involvement at the development stage. The likelihood of securing resulting production contracts increases accordingly.



I N T U I T I V E

Based on solid market research, Magna is able to identify and target vehicles with the greatest potential for success.



R E S P O N S I B L E

Magna invests in a range of educational, social and recreational programs designed to maximize employees' potential and job satisfaction.

From its inception in 1957, Magna has fostered an environment which places individual needs above bureaucratic interests. The resultant corporate organization is efficient and responsive to the needs of employees.

In the past, Magna has invested in an extensive range of educational, social and recreational programs designed to increase employees' skills and maximize their potential and job satisfaction.

Today, Magna continues to recognize the contributions individuals make to the Company's success. Every division operates as an independent profit centre guided by a capable and dedicated management team. Magna's hands-on managers are entrepreneurial-minded and enjoy a large degree of autonomy within the Company's decentralized structure.

This entrepreneurial culture rewards performance and productivity through an Employee Equity Participation and Profit Sharing Plan. This participation in profits is one cornerstone of Magna's Corporate Constitution.

Magna's Employee Charter complements the spirit of the Constitution, and extends the principles of fairness and entrepreneurship to encompass fair treatment. It outlines Magna's commitment to job security, job training, a safe and healthy workplace and competitive wages and benefits.

The Charter provides the basis for employees to express concerns if they feel their rights are being affected. Any employee can file a complaint through Magna's Hotline and have his or her concerns resolved by investigators acting on behalf of an Employee Relations Advisory Board. Independent Board members monitor all employee concerns to ensure Magna adheres to the Charter and Corporate Constitution.

To ensure the fair and equitable treatment of its employees, Magna is introducing Fairness Committees in its operating divisions. These employee-managed dispute settlement forums give employees the opportunity to talk to colleagues about any workplace problems. If necessary, employees can ask a specially trained employee/management panel to settle their dispute. This sort of open door problem-solving and grievance resolution procedure enables Magna to maintain a healthy working environment and a spirit of cooperation.

Magna has demonstrated its belief in a safe, healthy and environmentally friendly workplace through a corporate policy which protects the environment in which employees work and live. Through health and safety committees, safety audits and first aid training, we continually work to make Magna an even better place for people.

The Charter, combined with the Corporate Constitution and a unique corporate culture, demonstrate Magna's commitment to people. Our highly skilled and committed employees and managers have worked together to create a world-class company.

Above all, the Company is committed to the premise that continually responding to our customers' needs for high-quality, competitively priced products will preserve job security for all employees.



Magna's entrepreneurial environment fosters a sense of commitment and ownership among employees.



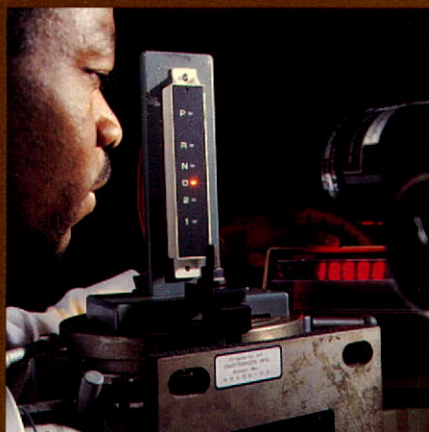
Employees are among the first to view the results of their efforts at a special product launch at the Company's employee park.



Since Frank Stronach founded the Company in 1957, Magna has recognized the unique contributions employees make.



Magna is exploring applications for new composite materials which offer the potential for weight reduction.



Magna is expanding its use of electronic components for interior system applications.



Magna is engineering more recyclable parts and experimenting with the use of recycled materials.

Magna continues to post impressive earnings growth during a time when North American automotive sales remain historically low. Magna's record profit in fiscal 1992 was attained despite lower-than-normal vehicle production and only 75 per cent average capacity utilization at its manufacturing facilities.

Many industry observers expect North American vehicle production will begin to slowly climb over the next several years due to pent-up consumer demand and an increase in the average age of vehicles on North American roads. The modest recovery in vehicle production will impact favourably on Magna's sales in 1993. Mexico and Eastern Europe promise to be growth areas, with Magna having already established a presence in each of these emerging markets.

In North America, Magna stands to gain from the recent location of transplant European assembly operations as well as an overall increase in North American parts purchasing by Japanese OEMs. At the same time, the Company has increased the intensity of its marketing efforts with Japanese OEMs by strengthening relationships with the engineering and purchasing departments of Japanese assemblers in North America and Japan. Today, more Magna sales and marketing representatives are aggressively pursuing "new" domestic business than ever before.

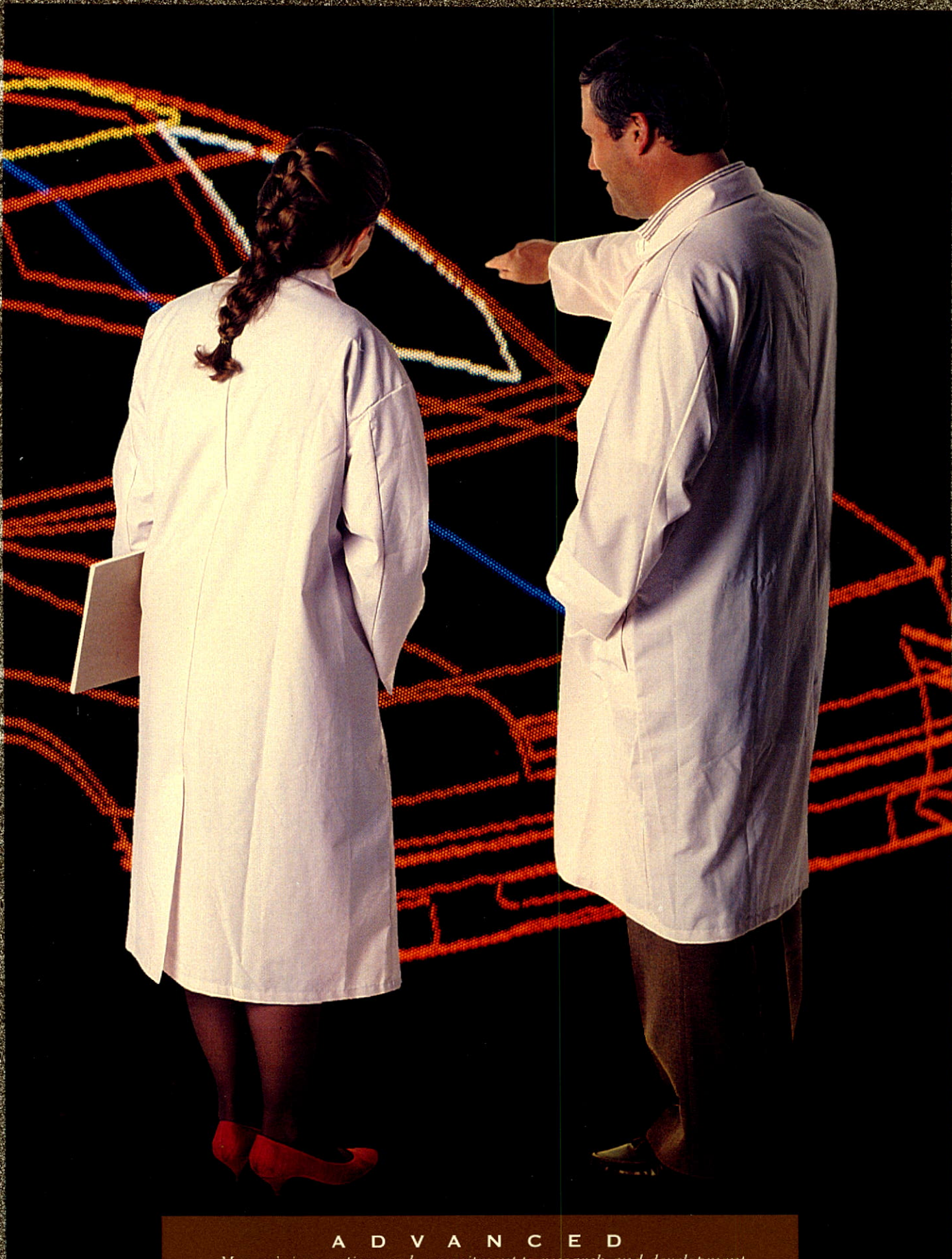
Continuing with the Company's tradition of identifying and capitalizing on emerging trends in the industry, Magna is taking steps to remain a leader in product development.

The Company is exploring innovative uses for new plastic composite materials to further reduce weight and fuel consumption and to improve impact performance. Composite plastics also offer OEMs greater design and engineering flexibility. As the decade progresses, an increasing number of vehicle lines will carry composite plastic bumper systems and body panels.

Magna is also expanding its use of electronic components for interior system applications, particularly in regard to door modules and display panels.

In response to environmental pressures, the Company is engineering more recyclable parts and experimenting with the use of recycled materials in the manufacture of new parts. As part of its overall environmental strategy, Magna is implementing better, more cost-efficient waste management systems to respond to the need for waste reduction and is seeking broader applications for environmentally friendly materials.

These and other research and development activities ensure the Company will maintain its technological leadership. Magna's technological innovation also demonstrates a commitment to work with its OEM customers to reduce costs and bring forward new products which address competitive and environmental pressures.



A D V A N C E D

Magna's innovation and commitment to research and development ensure its technological leadership.

Magna's evolution as a "one stop" systems supplier continues, with increased cooperation between Magna's Systems Corporations on new projects and the ongoing development of larger, more integrated modules and systems. Magna is enhancing its design and tooling capabilities to meet the needs of faster product development times for new OEM models. The Company is also preparing for the trend it perceives toward increased standardization of components for use on more than one vehicle line.

Magna is well-positioned for steady, focused growth in the decade ahead. The Company has established itself world-wide as a quality, Tier One system supplier. It has strengthened its parts content on a wide range of best-selling vehicles for both domestic and foreign OEMs. Magna has demonstrated a willingness to work with major OEMs in seeking product improvements and cost savings. It continues to aggressively pursue new market opportunities by applying the qualities which have distinguished Magna since its beginning: innovation, ingenuity and imagination.

F I N A N C I A L R E V I E W

At the heart of Magna's organizational structure is a unique corporate culture. It is an entrepreneurial culture which allows every employee and manager to be a shareholder and gives every employee and manager a portion of profits. This foremost principle, which is enshrined in our Corporate Constitution, is the foundation of Magna's success.

MANAGEMENT'S DISCUSSION AND ANALYSIS

22

REPORTS TO SHAREHOLDERS

25

SIGNIFICANT ACCOUNTING POLICIES

26

INCOME (LOSS) AND RETAINED EARNINGS (DEFICIT)

27

CASH FLOWS

28

BALANCE SHEETS

29

NOTES TO FINANCIAL STATEMENTS

30

TEN-YEAR FINANCIAL SUMMARY

36

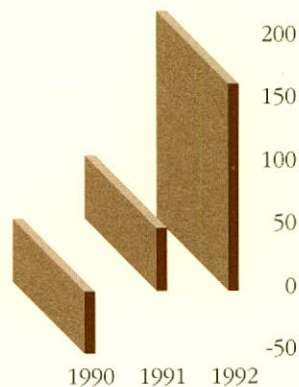
SHAREHOLDER AND OTHER FINANCIAL INFORMATION

37

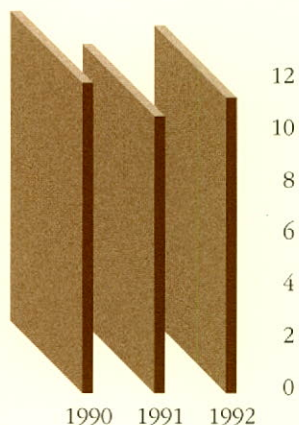
OTHER SHAREHOLDER INFORMATION

38

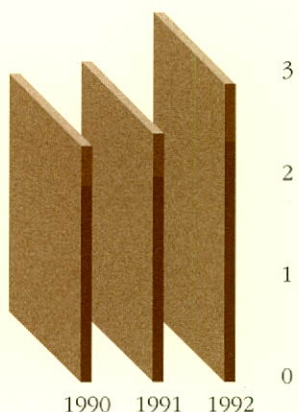
**OPERATING
INCOME**
Canadian \$ Millions



**NORTH AMERICAN
VEHICLE PRODUCTION**
Millions of Units



**MANAGED
SALES**
Canadian \$ Billions



FINANCIAL HIGHLIGHTS - FISCAL 1992

- Sales, including joint ventures, of \$2.9 billion achieved
- Record fully diluted earnings per share of \$2.08 achieved
- Cash flow from operations, net of investment spending and dividends, of \$180 million generated
- Net proceeds from the issuance of Class A Subordinate Voting shares of \$213 million generated
- Recommended regular quarterly dividend of \$0.10 per share in respect of the second quarter of fiscal 1992
- Total debt (net of cash) reduced by \$423 million to \$274 million at July 31, 1992
- Total debt to equity ratio improved to .4:1 at July 31, 1992

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

RESULTS OF OPERATIONS

Overview: Operating income before income taxes and minority interest increased \$114.6 million to \$164.8 million for fiscal 1992 compared to \$50.2 million for fiscal 1991. This significant year over year increase is primarily attributable to an approximate \$79 million increase in gross margin, principally achieved by higher capacity utilization and improved operating efficiencies, to reduced interest expense of approximately \$32 million and to the maintenance of selling, general and administrative expenses at approximately the same level as during fiscal 1991.

Sales: Consolidated sales for fiscal 1992 increased 17% to a record sales level of \$2,358.8 million compared to \$2,017.2 million for fiscal 1991. This increase is a result of an approximate 6.5% increase in North American vehicle production to 11.4 million units for fiscal 1992 as compared to fiscal 1991, an increase in Magna's average production content per vehicle of 9.5% over the same period and higher tooling sales. Tooling sales increased \$25.8 million to \$190.4 million for fiscal 1992 reflecting a number of new vehicle launches by OEM customers.

Substantially all of the Company's revenues are generated from sales of automotive components, assemblies, parts and tooling to North American OEMs. During fiscal 1992, approximately 41% of the Company's sales were in respect of products supplied for inclusion in five vehicle body types (including approximately 24% supplied for the Chrysler minivans).

The Company currently estimates North American vehicle production to increase 5% to 10% for fiscal 1993 over fiscal 1992.

Facilities: The Company has 68 manufacturing facilities, 63 in North America and five in Europe, 11 of which are joint venture operations. During the past year the Company completed its strategy of facility consolidation and disposition of non-strategic and tier two businesses. During the year, the Company sold two businesses and consolidated five facilities into other existing facilities.

Gross Margin: Gross margin, as a percentage of sales, increased to 20.1% for fiscal 1992 as compared to 19.6% for fiscal 1991, reflecting

FINANCIAL REVIEW

higher rates of capacity utilization, improved operating efficiencies and continued reductions in overhead costs partially offset by pressure on pricing from customers. The Company expects such pressure on pricing to continue.

S,G&A: Selling, general and administrative expenses decreased, as a percentage of sales, by 1% to 6.6% as compared to fiscal 1991 reflecting the higher level of sales. The dollar amount of expenditures remained constant reflecting the continuation of spending controls previously put in place by the Company.

Interest Expense: Interest expense declined approximately 40% from fiscal 1991 levels primarily as a result of declining debt levels and a reduction in the average cost of borrowing. Total interest expense for fiscal 1992 amounted to \$49.9 million compared to total interest expense for fiscal 1991 of \$82.3 million.

Equity Losses: Losses from equity accounted joint ventures and investments for fiscal 1992 were \$0.8 million, an improvement of \$1.9 million over the \$2.7 million of equity losses for fiscal 1991. Increased sales and continued operating efficiency improvements at certain joint ventures contributed to the improvement in results. These improvements were partially offset by reduced sales and profits for certain joint ventures due to lower customer vehicle production levels on certain key programs.

Income Taxes: The Company's effective income tax rate of approximately 30% in fiscal 1992 was lower than the statutory tax rate primarily as a result of the recognition within the income tax provision of the benefit of certain losses incurred by subsidiary companies in prior years. The Company expects to continue having an effective income tax rate below the statutory rate of 38% for fiscal 1993.

Minority Interest Expense: Minority interest expense increased \$10.3 million to \$17.0 million for fiscal 1992 reflecting the increased earnings in subsidiaries that have minority interests.

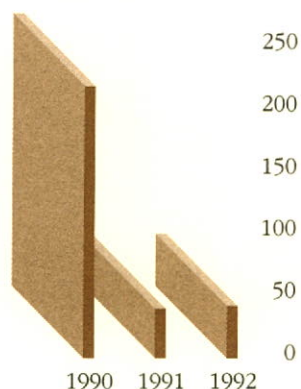
Earnings Per Share: On a fully diluted basis, net income per share was \$2.08 for fiscal 1992 compared to \$0.58 for fiscal 1991. The average fully diluted shares outstanding for fiscal 1992 was approximately 52.5 million.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

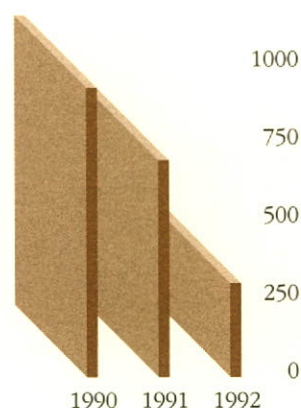
Cash Flow from Operations: In fiscal 1992, the Company generated \$245.3 million of cash from operations, an improvement of \$93.5 million over the \$151.8 million of cash generated from operations in fiscal 1991. This net year over year increase resulted from increases in cash generated from operating activities of \$114.6 million and from other items of \$1.9 million offset by higher cash taxes of \$21.1 million and a reduction in non-cash equity losses of \$1.9 million.

Changes in Non-Cash Working Capital: The Company's investment in non-cash working capital increased \$13.2 million for fiscal 1992 due to the general increase in sales activity partially offset by improvements in production inventory turnover.

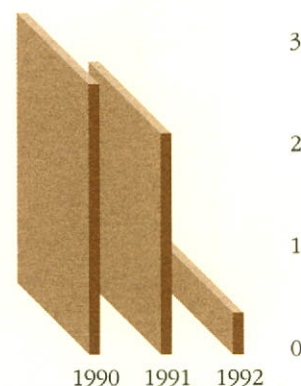
**INVESTMENT
SPENDING**
Canadian \$ Millions



**TOTAL DEBT
(NET OF CASH)**
Canadian \$ Millions

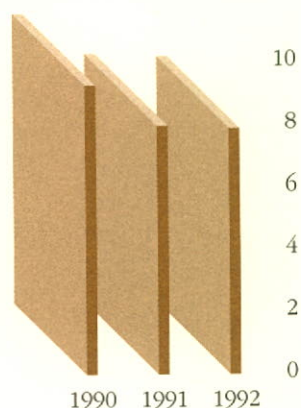


**DEBT PER \$1.00
OF EQUITY**
Canadian \$

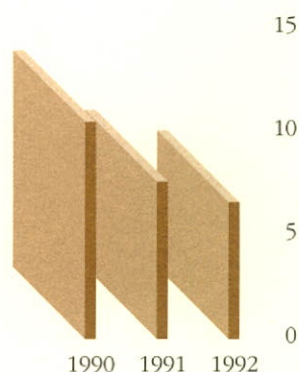


FINANCIAL REVIEW

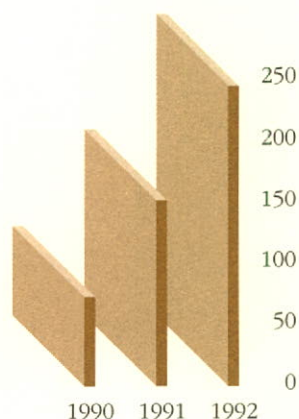
**MANUFACTURING
SPACE OCCUPIED**
Millions of Square Feet



**SELLING, GENERAL AND
ADMINISTRATIVE
EXPENSES**
% of Sales



**CASH FROM
OPERATIONS**
Canadian \$ Millions



Investment Spending: The Company's investment activities were maintained at budgeted levels for fiscal 1992. Capital and investment spending totalled \$41.6 million in fiscal 1992, compared to \$39.6 million in fiscal 1991. Capital and investment spending of between \$50 and \$75 million is expected for fiscal 1993. Actual fiscal 1992 and budgeted fiscal 1993 capital and investment spending is appropriate having regard to the relatively new asset base of the Company. Management is satisfied the fiscal 1993 budgeted amount is sufficient to properly support scheduled and anticipated new customer contracts, maintenance requirements and planned efficiency improvements. Capital and investment spending for fiscal 1993 is expected to be financed from cash from operations.

Debt Reduction: Debt reduction and strengthening of the Company's financial position were priorities of management during fiscal 1992 and will continue to be important objectives for fiscal 1993. Cash flow from operations and proceeds from the issuance of Class A Subordinate Voting shares were used to reduce debt during fiscal 1992. Total debt (net of cash) was reduced during fiscal 1992 by \$422.8 million to \$273.8 million at July 31, 1992 compared to \$696.6 million at July 31, 1991. This has resulted in the reduction of the Company's total debt (net of cash) to equity (including minority interest) ratio at the end of fiscal 1992 to approximately 0.4 to 1.0 from 2.2 to 1.0 at July 31, 1991.

Included in the total debt figure at July 31, 1992 is \$165.2 million of convertible subordinated bonds and debentures. It is the Company's expectation these will be converted into equity by the end of fiscal 1994.

Liquidity: During fiscal 1992 the Company established a new credit facility with a syndicate comprised of three Canadian banks and their U.S. affiliates. The new facility replaced a number of credit facilities in favour of the parent company and certain subsidiaries. In addition, one subsidiary which has a minority investor also renegotiated its bank lines of credit during fiscal 1992. These new facilities have provided the Company with lower borrowing costs and greater flexibility in financing its operations. Prior restrictions on the flow of funds from subsidiaries to the parent company were eliminated as a result of the establishment of the new syndicated credit facility for all consolidated operations excluding the one separately financed subsidiary. At July 31, 1992, such subsidiary was not borrowing any funds under its credit facility. In addition, the Company reinstituted its commercial paper program during the year which provides it with access to relatively low cost, short-term funds.

Dividends: The Company recommenced the payment of quarterly dividends during fiscal 1992. Dividends were declared and paid in respect of the second, third and fourth quarters, at the rate of \$0.10 per Class A Subordinate Voting or Class B share. These dividend payments were financed from cash from operations.

REPORTS TO SHAREHOLDERS

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Magna's management is responsible for the preparation and presentation of the consolidated financial statements and all the information in this Annual Report. The consolidated financial statements were prepared by management in accordance with generally accepted accounting principles. Where alternative accounting methods exist, management has selected those it considered to be most appropriate in the circumstances. Financial statements include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis designed to ensure that the consolidated financial statements are presented fairly, in all material respects. Financial information presented elsewhere in this Annual Report has been prepared by management to ensure consistency with that in the consolidated financial statements. The consolidated financial statements have been reviewed by the Audit Committee and approved by the Board of Directors of Magna.

Management is responsible for the development and maintenance of systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is accurate, relevant and reliable and that the Company's assets are appropriately accounted for and adequately safeguarded.

The Company's Audit Committee is appointed by its Board of Directors annually and is comprised solely of outside directors. The Committee meets periodically with management, as well as with the independent auditors, to satisfy itself that each is properly discharging its responsibilities, to review the consolidated financial statements and the independent auditors' report and to discuss significant financial reporting issues and auditing matters. The Audit Committee reports its findings to the Board of Directors for consideration when approving the consolidated financial statements for issuance to the shareholders.

The consolidated financial statements have been examined by Ernst & Young, the independent auditors, in accordance with generally accepted auditing standards on behalf of the shareholders. The Auditors' Report outlines the nature of their examination and their opinion on the consolidated financial statements of the Company. The independent auditors have full and unrestricted access to the Audit Committee.

September 11, 1992

Magna International Inc.

AUDITORS' REPORT

To the Shareholders of **Magna International Inc.**

We have audited the consolidated balance sheets of Magna International Inc. as at July 31, 1992 and 1991 and the consolidated statements of income (loss) and retained earnings (deficit) and cash flows for each of the years in the three-year period ended July 31, 1992. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 1992 and 1991 and the results of its operations and the changes in its financial position for each of the years in the three-year period ended July 31, 1992 in accordance with accounting principles generally accepted in Canada.



Toronto, Canada,
September 11, 1992

Ernst & Young
Chartered Accountants

SIGNIFICANT ACCOUNTING POLICIES

[A] BASIS OF PRESENTATION

The consolidated financial statements have been prepared in Canadian dollars following accounting policies generally accepted in Canada. These policies are also in conformity, in all material respects, with accounting policies generally accepted in the United States except as described in note 2 to the consolidated financial statements.

[B] PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of Magna International Inc. and its subsidiaries [the "Company"], some of which have a minority interest. All significant intercompany balances and transactions have been eliminated on consolidation. The Company accounts for its joint ventures and investments in which it has significant influence on the equity basis.

[C] INVENTORIES

Inventories are valued at the lower of cost and net realizable value, with cost being determined substantially on a first-in, first-out basis. Cost includes the cost of materials plus direct labour applied to the product and the applicable share of manufacturing overhead.

[D] FIXED ASSETS

Fixed assets are recorded at historical cost including interest capitalized on construction in progress and land under development less related investment tax credits.

Depreciation is provided on a straight-line basis over the estimated useful lives of fixed assets at annual rates of 2 1/2% to 5% for buildings, 7% to 10% for general purpose equipment and 10% to 30% for special purpose equipment.

Costs incurred in establishing new facilities which require substantial time to reach commercial production capability are capitalized as deferred preproduction costs. Amortization is being provided over terms ranging from two to five years from the date commercial production is achieved.

[E] GOODWILL

Goodwill, which is the excess of the purchase price of the Company's interest in subsidiary companies over the fair value of the underlying net identifiable assets arising on acquisitions, is amortized over 10 years.

[F] REVENUE RECOGNITION

Revenue from sales of manufactured products is recognized upon shipment to customers. Revenue on major tooling contracts is recognized on a percentage of completion basis.

[G] GOVERNMENT FINANCING

The Company makes periodic applications for financial assistance under available government assistance programs in the various jurisdictions in which the Company operates. Grants relating to capital expenditures are reflected as a reduction of the cost of the related assets. Grants and tax credits relating to current operating expenditures are recorded as a reduction of expense at the time the eligible expenses are incurred. The Company also receives loans which are recorded as liabilities in amounts equal to the cash received.

[H] FOREIGN EXCHANGE

Assets and liabilities of foreign subsidiaries are translated using the exchange rate in effect at the year-end and revenues and expenses are translated at the average rate during the year. Exchange gains or losses on translation of the Company's net equity investment in these subsidiaries are deferred as a separate component of shareholders' equity. The appropriate amounts of exchange gains or losses accumulated in the separate component of shareholders' equity are reflected in income when there is a reduction in the Company's net equity investment in these subsidiaries.

Foreign exchange gains and losses on transactions during the year are reflected in income except for gains and losses on foreign exchange forward contracts used to hedge specific future commitments payable in foreign currencies. Gains or losses on these contracts are accounted for as a component of the related hedged transaction.

Gains and losses on translation of foreign currency long-term liabilities are deferred and amortized over the period to maturity.

[I] INCOME TAXES

The Company follows the deferral method of tax allocation in accounting for income taxes. Under this method, timing differences between accounting and taxable income result in the recording of deferred income taxes.

Investment tax credits relating to fixed asset purchases and research and development expenses are accounted for as a reduction of the cost of such assets and expenses, respectively.

[J] EARNINGS PER SHARE

Basic earnings per share are calculated on the weighted average number of shares outstanding during the year. The weighted average number of shares is calculated on the assumption that all convertible subordinated bonds and debentures converted into Class A Subordinate Voting shares during the year were converted on the dates of the last interest payments.

Fully diluted earnings per share are calculated on the weighted average number of shares that would have been outstanding during the year had all the options and warrants been exercised and had all the convertible subordinated bonds and debentures been converted into Class A Subordinate Voting shares at the beginning of the year, or date of issuance, if later. The earnings applicable to the Class A Subordinate Voting shares and Class B shares are increased by the amount of interest, net of applicable taxes, that would have been earned on funds received due to the exercise of the options and warrants, and by the amount of interest expense, net of applicable taxes, that would have been eliminated due to the conversion of the convertible subordinated bonds and debentures.

CONSOLIDATED STATEMENTS OF INCOME (LOSS) AND RETAINED EARNINGS (DEFICIT)

[Canadian dollars in millions, except per share figures]

		Years ended July 31		
	Note	1992	1991	1990
Sales		\$2,358.8	\$2,017.2	\$1,927.2
Cost of goods sold		1,884.9	1,622.4	1,567.4
Depreciation and amortization		102.4	105.3	104.2
Selling, general and administrative		156.0	154.3	203.1
Interest	7	49.9	82.3	85.5
Equity loss	4	0.8	2.7	17.2
Restructuring provision	14			169.2
Net gains on sale of real estate and other assets				(20.7)
Income (loss) before income taxes and minority interest		164.8	50.2	(198.7)
Income taxes	6	49.8	27.0	23.8
Minority interest		17.0	6.7	1.7
Net income (loss)		98.0	16.5	(224.2)
Retained earnings (deficit), beginning of year		(35.0)	(51.5)	179.4
		63.0	(35.0)	(44.8)
Dividends on Class A Subordinate Voting and Class B shares		7.4		6.7
Share issue expenses (net of related income taxes)		6.7		
Retained earnings (deficit), end of year		\$ 48.9	\$ (35.0)	\$ (51.5)
Earnings (loss) per Class A Subordinate Voting or Class B share:	9			
Basic		\$ 2.91	\$ 0.59	\$ (8.06)
Fully diluted		\$ 2.08	\$ 0.58	\$ (8.06)
Cash dividends paid per Class A Subordinate Voting or Class B share		\$ 0.20	\$ Nil	\$ 0.24

See accompanying notes

CONSOLIDATED STATEMENTS OF CASH FLOWS

[Canadian dollars in millions]

Years ended July 31

	Note	1992	1991	1990
Cash provided from (used for):				
OPERATING ACTIVITIES				
Net income (loss)		\$ 98.0	\$ 16.5	\$(224.2)
Items not involving current cash flows	13	147.3	135.3	297.0
Changes in non-cash working capital	13	(13.2)	(43.9)	112.0
		232.1	107.9	184.8
INVESTMENT ACTIVITIES				
Fixed asset additions		(30.8)	(27.9)	(177.9)
Increase in investments and other		(10.8)	(11.7)	(39.8)
Proceeds from disposition of fixed assets and other		17.8		25.0
Proceeds from restructuring transactions			223.8	55.6
		(23.8)	184.2	(137.1)
FINANCING ACTIVITIES				
Issues of debt		233.1	427.4	80.8
Repayments of debt		(632.4)	(694.7)	(15.5)
Issuance of Class A Subordinate Voting shares	9	247.8		
Conversion of convertible subordinated bonds and debentures to Class A Subordinate Voting shares	8,9	(35.3)		
Redemption of special share purchase warrant	9	(20.0)		
Dividends paid to [net of capital contribution by] minority interests		(2.8)	(13.5)	(6.3)
Dividends		(7.4)		(6.7)
Repurchase of minority interest in subsidiary	11		(51.0)	
		(217.0)	(331.8)	52.3
Net increase (decrease) in cash during the year		(8.7)	(39.7)	100.0
Cash, beginning of year		60.3	100.0	Nil
Cash, end of year		\$ 51.6	\$ 60.3	\$ 100.0

See accompanying notes

CONSOLIDATED BALANCE SHEETS

Incorporated under the laws of Ontario

[Canadian dollars in millions]

As at July 31

	Note	1992	1991
ASSETS			
Current assets:			
Cash		\$ 51.6	\$ 60.3
Accounts receivable		255.7	238.3
Inventories	3	172.3	159.0
Prepaid expenses and other		20.6	28.0
		500.2	485.6
Investments	4	80.3	71.2
Fixed assets	5	751.7	841.1
Goodwill	11	17.8	20.4
Other assets		51.4	50.7
		\$1,401.4	\$1,469.0
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities:			
Bank indebtedness	7	\$ 70.4	\$ 109.4
Accounts payable		233.3	212.5
Accrued salaries and wages		41.2	40.5
Other accrued liabilities		42.0	33.0
Income taxes payable	6	10.9	10.7
Long-term debt due within one year	7	9.3	65.7
		407.1	471.8
Long-term debt	7	80.5	380.6
Convertible subordinated bonds and debentures	8	165.2	201.2
Deferred gains and financing obligations		6.2	16.7
Deferred income taxes	6	81.9	76.2
Minority interest	9,11	70.2	54.4
Shareholders' equity:			
Capital stock	9		
Class A Subordinate Voting shares			
[issued: 1992 - 38,755,717; 1991 - 26,555,260]		544.6	290.1
Warrants to purchase Class A Subordinate Voting shares			20.0
Class B shares [convertible into Class A Subordinate Voting shares]			
[issued: 1992 - 1,288,584; 1991 - 1,294,159]		1.5	1.5
Retained earnings (deficit)		48.9	(35.0)
Currency translation adjustment	10	(4.7)	(8.5)
		590.3	268.1
		\$1,401.4	\$1,469.0

See accompanying notes

On behalf of the Board:



Director



Chairman, Board of Directors

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - JULY 31, 1992

1. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the Company are set out under "Significant Accounting Policies" preceding these consolidated financial statements.

2. UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The Company's accounting policies do not differ from accounting principles generally accepted in the United States ["United States GAAP"] except that, under United States GAAP, the gain or loss on translation of the Company's foreign currency denominated debt would be included in income, income tax reductions realized on the utilization of prior years' losses would be disclosed as extraordinary income and the calculation of earnings per share figures would reflect the application of the treasury stock method for outstanding warrants and options. The following table presents net income (loss) before extraordinary income, net income (loss) and earnings (loss) per share information following United States GAAP:

	1992	1991	1990
[Canadian dollars in millions, except per share amounts]			
Net income (loss) under Canadian GAAP	\$98.0	\$16.5	\$(224.2)
Adjustments:			
Deferred gains (losses) on foreign currency denominated debt	(4.6)	(1.2)	0.3
Income tax reduction realized on utilization of prior years' losses	(17.3)		
Net income (loss) before extraordinary income under United States GAAP	76.1	15.3	(223.9)
Extraordinary items:			
Income tax reduction realized on utilization of prior years' losses	17.3		
Net income (loss) under United States GAAP	\$93.4	\$15.3	\$(223.9)
Earnings (loss) per Class A Subordinate Voting or Class B share under United States GAAP:			
Primary:			
Before extraordinary item	\$2.06	\$0.54	\$ (8.05)
After extraordinary item	\$2.52	\$0.54	\$ (8.05)
Fully diluted:			
Before extraordinary item	\$1.67	\$0.53	\$ (8.05)
After extraordinary item	\$2.00	\$0.53	\$ (8.05)

The Financial Accounting Standards Board has issued financial accounting standards 107 and 109, disclosure of the fair value of financial instruments, effective for fiscal years ending after December 15, 1992 and accounting for income taxes, effective for fiscal years beginning after December 15, 1992, respectively. The

Company has not determined the impact of adopting these standards.

3. INVENTORIES

Inventories consist of:

	1992	1991
[Canadian dollars in millions]		
Raw materials and supplies	\$ 51.4	\$ 55.0
Work-in-process	40.1	34.8
Tooling	49.5	38.8
Finished goods	31.3	30.4
	\$172.3	\$159.0

4. JOINT VENTURES AND EQUITY ACCOUNTED INVESTMENTS

The Company conducts certain of its operations through joint ventures. In addition, the Company has made certain investments in other businesses. The Company's current ownership percentage for joint ventures is 50% to 51% and up to 40% for other investments.

[a] Summary of transactions

In October 1990, the Company formed a joint venture with the Ford Motor Company with respect to two of its existing operations. The Company transferred assets, net of liabilities, to the joint venture in exchange for net cash proceeds of \$87.8 million and \$20.4 million of shares of the joint venture corporation.

In November 1990, the Company acquired the remaining 50% interest in a tool and die manufacturing facility from its partner. The purchase price was \$3.5 million, payable in installments over 5 years. This acquisition has been accounted for under the purchase method of business acquisitions and the net effect on the consolidated balance sheet was an increase in net working capital of \$4.7 million, an increase in fixed and other assets of \$11.4 million, a decrease in investments of \$13.1 million and an increase in debt of \$3.0 million.

[b] Condensed information

The following are condensed combined balance sheets and statements of income (loss) of the joint ventures and equity accounted investments in which the Company has an interest:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - JULY 31, 1992

Balance Sheets [as at July 31]	1992	1991
	[Canadian dollars in millions]	
Current assets	\$164.2	\$119.9
Fixed assets	269.9	232.1
Other	21.6	28.3
Total assets	\$455.7	\$380.3
Current liabilities	\$132.1	\$130.3
Due to affiliated companies	2.1	11.9
Other long-term debt and deferred income taxes	160.2	126.5
Long-term subordinated loans from shareholders	12.4	11.5
Shareholders' equity	148.9	100.1
Total liabilities and shareholders' equity	\$455.7	\$380.3

Statements of Income (loss)	1992	1991	1990
	[Canadian dollars in millions]		
Sales	\$559.2	\$422.5	\$394.1
Gross profit	\$ 82.5	\$ 65.9	\$ 63.8
Net income (loss)	\$ 0.3	\$ (1.0)	\$ (27.9)

The Company's proportionate share of total assets is \$226 million [1991 - \$189 million], its proportionate share of sales is \$274 million [1991 - \$212 million; 1990 - \$209 million] and its proportionate share of net income (loss) is \$(0.8) million [1991 - \$(2.7) million; 1990 - \$(17.2) million].

- [c] The Company and one of its joint venture partners have guaranteed specific bank lines of a joint venture. The Company's share of such guarantee is \$59 million. In addition, the Company has committed, along with one of its partners, to maintain a minimum equity balance in another joint venture. At July 31, 1992, no additional investments were required to maintain such minimum equity balance.

5. FIXED ASSETS

Fixed assets consist of:

	1992	1991
	[Canadian dollars in millions]	
Land	\$ 46.0	\$ 44.8
Buildings	195.8	197.3
Machinery and equipment	883.5	891.8
	1,125.3	1,133.9
Accumulated depreciation [i]	419.1	356.0
	706.2	777.9
Deferred preproduction costs [net of accumulated amortization]	45.5	63.2
	\$ 751.7	\$ 841.1

[i] Accumulated depreciation includes \$43.0 million for buildings [1991 - \$37.7 million] and \$376.1 million for machinery and equipment [1991 - \$318.3 million].

6. INCOME TAXES

- [a] The provision for income tax expense differs from the expense that would be obtained by applying Canadian statutory rates as a result of the following:

	1992	1991	1990
Canadian statutory income tax rate	44.3%	44.3%	44.3%
Manufacturing and processing profits deduction	(6.0)	(5.1)	(4.1)
Expected income tax rate	38.3	39.2	40.2
Foreign rate differentials	(0.3)	(1.9)	0.1
Non-taxable gains and losses	0.5	2.1	(8.7)
Large corporation tax	0.4	3.3	
Prior years' losses utilized	(10.5)		
Losses not tax effected		10.8	(44.5)
Income taxable at capital gains rate			2.1
Other	1.8	0.3	(1.2)
Effective income tax rate	30.2%	53.8%	(12.0)%

- [b] The details of the income tax provision are as follows:

	1992	1991	1990
	[Canadian dollars in millions]		
Current provision -			
Canadian federal taxes	\$10.6	\$ 8.7	\$ 3.9
Provincial taxes	5.9	3.9	0.8
Foreign taxes	20.8	3.6	2.0
	37.3	16.2	6.7
Deferred provision -			
Canadian federal taxes	14.4	2.9	9.2
Provincial taxes	8.7	1.6	6.4
Foreign taxes	(10.6)	6.3	1.5
	12.5	10.8	17.1
	\$49.8	\$27.0	\$23.8

- [c] Deferred income taxes have been provided on timing differences which consist of the following:

	1992	1991	1990
	[Canadian dollars in millions]		
Tax depreciation in excess of book depreciation	\$18.7	\$21.3	\$19.1
Preproduction costs, capitalized for accounting purposes [net of amortization], deducted for tax	(6.8)	(8.8)	(4.5)
Other	0.6	(1.7)	2.5
	\$12.5	\$10.8	\$17.1

- [d] Income taxes paid in cash were \$37.1 million for 1992 [1991 - \$11.1 million; 1990 - \$0.7 million].
- [e] Consolidated retained earnings (deficit) is net of approximately \$39.0 million at July 31, 1992 [1991 - \$23.3 million] of undistributed earnings of United States subsidiaries that may be subject to tax if remitted to the Canadian parent company. No provision has been made for such taxes as

these earnings are considered to be reinvested on a long-term basis.

- [f] At July 31, 1992, the Company has losses of \$108 million, the tax benefits of which have not been recognized in the consolidated financial statements. These losses may be available to offset future taxable income and expire between 1994 and 2006.

7. DEBT AND COMMITMENTS

- [a] The Company's long-term debt consists of the following:

	1992	1991
	[Canadian dollars in millions]	
Bank term debt	\$ 39.0	\$398.9
Loans from governments	21.8	27.7
Mortgages payable at interest rates from 5% to 11.1% due 1993 to 1997	20.7	8.1
Other	8.3	11.6
	89.8	446.3
Less due within one year	9.3	65.7
	\$ 80.5	\$380.6

- [b] Future principal repayments of long-term debt are estimated to be as follows:

	[Canadian dollars in millions]	
1994		\$ 10.0
1995		34.3
1996		16.8
1997		14.2
Thereafter		5.2
		\$ 80.5

- [c] During 1992, the parent company established a credit facility with a syndicate comprised of three Canadian banks and their U.S. affiliates. This facility replaced a number of credit facilities in favour of the parent company and certain subsidiaries on terms more favourable to the Company. In addition, during the year one subsidiary renegotiated its bank lines of credit on more favourable terms.

The Company has operating lines of credit totalling \$145 million and term lines of credit totalling \$185 million bearing interest at rates not exceeding the banks' prime rate of interest plus 1/2%. At July 31, 1992, in addition to cash resources of \$51.6 million, the Company had unused and available operating lines of credit of approximately \$75 million and term lines of credit of approximately \$129 million.

Substantially all of the assets of the Company have been pledged as collateral under the bank lines of credit.

- [d] Under the terms of the Company's operating and term credit agreements, it is permitted to make use of bankers' acceptances and commercial paper to borrow at effective interest rates which are lower than those charged under the bank lines of credit.

- [e] Interest paid includes:

	1992	1991	1990
	[Canadian dollars in millions]		
Interest expense	\$ 49.9	\$ 82.3	\$ 85.5
Interest capitalized to fixed assets			11.7
Interest payable, beginning of year	8.6	5.9	2.7
Interest payable, end of year	(6.3)	(8.6)	(5.9)
Interest paid for year	\$ 52.2	\$ 79.6	\$ 94.0

- [f] At July 31, 1992, the Company had commitments under operating leases requiring annual rental payments as follows:

	[Canadian dollars in millions]	
1993		\$ 20.7
1994		17.3
1995		15.2
1996		13.6
1997		11.3
Thereafter		41.6
		\$119.7

In 1992, payments under operating leases amounted to approximately \$25 million [1991 - \$32 million; 1990 - \$34 million].

- [g] The Company has net cash inflows denominated in U.S. dollars. The Company utilizes foreign exchange forward contracts to hedge these exposures. At July 31, 1992, the Company had outstanding foreign exchange forward contracts representing a net commitment to sell U.S. dollars aggregating approximately \$165 million at weighted average rates of exchange of approximately \$1.20 Canadian that mature over the next three years.

8. CONVERTIBLE SUBORDINATED BONDS AND DEBENTURES

- [a] The Company's convertible subordinated bonds and debentures consist of the following:

	1992	1991
	[Canadian dollars in millions]	
10% convertible subordinated debentures [1992 - \$95.5 million U.S.; 1991 - \$100 million U.S.]	\$105.8	\$110.1
7% convertible subordinated bonds [1992 - \$49.6 million U.S.; 1991 - \$75 million U.S.]	59.4	91.1
	\$165.2	\$201.2

[b] The 10% convertible subordinated debentures are convertible into Class A Subordinate Voting shares at a conversion price of \$8.525 U.S. [approximately \$10.10 Cdn. as at July 31, 1992] per share and mature on May 1, 2001. From the date of issuance to July 31, 1992, \$4.5 million U.S. of the debentures had been converted.

[c] The 7% convertible subordinated bonds are convertible into Class A Subordinate Voting shares at a conversion price of \$20.75 U.S. [approximately \$24.57 Cdn. as at July 31, 1992] per share and mature on November 26, 1993. From the date of issuance to July 31, 1992, \$25.4 million U.S. of the bonds had been converted.

9. CAPITAL STOCK

[a] The Company's authorized, issued and outstanding capital stock is as follows:

Preference shares - issuable in series -

The Company's authorized capital stock includes 99,760,000 preference shares, issuable in series. None of these shares are currently issued or outstanding.

Class A Subordinate Voting shares and Class B shares - Class A Subordinate Voting shares without par value [unlimited amount authorized] have the following attributes:

- [i] Each share is entitled to one vote per share at all meetings of shareholders.
- [ii] Each share shall participate equally as to dividends with each Class B share.

Class B shares without par value [authorized - 1,412,341] have the following attributes:

- [i] Each share is entitled to 500 votes per share at all meetings of shareholders.
- [ii] Each share shall participate equally as to dividends with each Class A Subordinate Voting share.
- [iii] Each share may be converted at any time into a fully-paid Class A Subordinate Voting share on a one-for-one basis.

In the event that either the Class A Subordinate Voting shares or the Class B shares are subdivided or consolidated, the other class shall be similarly changed to preserve the relative position of each class.

[b] Changes in the Class A Subordinate Voting shares and Class B shares for the three years ended July 31, 1992 are shown in the following table [Canadian dollars in millions]:

	Class A Subordinate Voting		Class B	
	Number of shares	Stated value	Number of shares	Stated value
Issued and outstanding at July 31, 1989	26,524,910	\$290.0	1,294,509	\$1.5
Conversion of Class B shares to Class A shares	300		(300)	
Issued and outstanding at July 31, 1990	26,525,210	290.0	1,294,209	1.5
Conversion of Class B shares to Class A shares	50		(50)	
Issued for cash under the 1987 Incentive Stock Option Plan	30,000	0.1		
Issued and outstanding at July 31, 1991	26,555,260	290.1	1,294,159	1.5
Conversion of Class B shares to Class A shares	5,575		(5,575)	
Issued for cash	9,570,000	213.4		
Conversion of 7% convertible subordinated bonds	1,222,604	30.1		
Conversion of 10% convertible subordinated debentures	525,278	5.2		
Issued for cash under the 1987 Incentive Stock Option Plan	877,000	5.8		
Issued and outstanding at July 31, 1992	38,755,717	\$544.6	1,288,584	\$1.5

[c] The Company has granted options on 2.0 million Class A Subordinate Voting shares reserved for issuance under the 1987 Incentive Stock Option Plan approved by the shareholders in December 1987. At July 31, 1992, options to purchase 1,093,000 Class A Subordinate Voting shares were outstanding [1991 - 1,970,000]. The options are exercisable up to June 1996, at an average price of \$8.05 per share.

[d] On May 31, 1991, as consideration for the reacquisition of the minority interest in one of the Company's principal subsidiaries, Tesma International Inc., a special share purchase warrant was issued. During 1992, the Company repurchased the warrant for \$20 million.

[e] During 1991, the Company granted warrants for the purchase of 2.75 million Class A Subordinate Voting shares as partial consideration for the restructuring of the Company's debt. These warrants are exercisable at \$4.00 per share after August 1, 1992 and expire on August 1, 1995.

- [f] The following table presents the maximum number of shares that would be outstanding if all the options and warrants outstanding at July 31, 1992 were exercised and all the convertible subordinated bonds and debentures outstanding at July 31, 1992 were converted into Class A Subordinate Voting shares:

	[thousands of shares]
Class A Subordinate Voting shares and Class B shares outstanding at July 31, 1992	40,044
Options to purchase Class A Subordinate Voting shares	1,093
Warrants	2,750
10% convertible subordinated debentures	11,205
7% convertible subordinated bonds	2,391
	57,483

10. CURRENCY TRANSLATION ADJUSTMENT

The following is a continuity schedule of the currency translation adjustment account included in shareholders' equity:

	1992	1991
	[Canadian dollars in millions]	
Balance, beginning of year	\$(8.5)	\$(8.9)
Adjustment for disposals		0.2
Translation adjustments	3.8	0.2
Balance, end of year	\$(4.7)	\$(8.5)

11. SHARE TRANSACTIONS BY SUBSIDIARY COMPANIES

- [a] During 1991, Atoma International Inc. ["Atoma"], one of the Company's principal subsidiaries, issued 1,533,836 Class A Subordinate Voting shares as consideration for the purchase of the minority interest in one of its operations. This issuance of shares reduced Magna's ownership percentage in Atoma by 3.8% to 71.7%. Goodwill of \$9.7 million was recorded on the purchase.
- [b] On May 31, 1991, the Company reacquired the minority interests in two of its principal subsidiaries; Cosma International Inc. for a cash purchase price of \$51 million and Tesma International Inc. by the issue of a special share purchase warrant of the Company [see note 9[d)].

12. RESEARCH AND DEVELOPMENT

The Company carries on various applied research and development programs, certain of which are partially or fully funded by governments or by customers of the Company. Research and development expenditures, net of amounts funded by governments or customers, for 1992 were \$9.8 million [1991 - \$8.8 million; 1990 - \$14.2 million].

13. DETAILS OF CASH FROM OPERATING ACTIVITIES

[a] Items not involving current cash flows:	1992	1991	1990
	[Canadian dollars in millions]		
Depreciation and amortization	\$102.4	\$105.3	\$104.2
Minority interest	17.0	6.7	1.7
Deferred income taxes	12.5	10.8	17.1
Equity loss	0.8	2.7	17.2
Gains on the disposal of assets			(20.7)
Restructuring provision			168.8
Other	14.6	9.8	8.7
	\$147.3	\$135.3	\$297.0
[b] Changes in non-cash working capital:	1992	1991	1990
	[Canadian dollars in millions]		
Accounts receivable	\$(18.6)	\$(14.7)	\$ 56.3
Inventories	(15.3)	19.2	41.5
Prepaid expenses and other	0.1	(1.4)	(4.1)
Accounts payable and accrued liabilities	19.6	(50.9)	11.3
Accrued salaries and wages	0.7	2.6	(0.4)
Income taxes payable	0.3	1.3	7.4
	\$(13.2)	\$(43.9)	\$112.0

14. SEGMENTED INFORMATION

The Company's operations are substantially all related to the automotive industry. Operations include the manufacture of automobile parts for the original equipment manufacturers as well as products for the after-market. Substantially all revenue is derived from sales to North American facilities of the major automobile manufacturers. In 1992, sales to the Company's three largest customers amounted to 37%, 26% and 26% [1991 - 31%, 29% and 28%; 1990 - 19%, 33% and 29%] of total sales, respectively.

The following table shows certain information with respect to geographic segmentation [Canadian dollars in millions]:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - JULY 31, 1992

1992			
	Canada	United States	Total
Sales	\$1,591.5	\$ 767.3	\$2,358.8
Income before the following	\$ 181.1	\$ 66.3	\$ 247.4
Corporate expenses [i]			(82.6)
Income before income tax and minority interest			\$ 164.8
Assets	\$ 871.1	\$ 449.9	\$1,321.0
Corporate assets			80.4
Total assets			\$1,401.4
1991			
	Canada	United States	Total
Sales	\$1,425.2	\$ 592.0	\$2,017.2
Income before the following	\$ 133.1	\$ 27.1	\$ 160.2
Corporate expenses [i]			(110.0)
Income before income tax and minority interest			\$ 50.2
Assets	\$ 947.8	\$ 446.8	\$1,394.6
Corporate assets			74.4
Total assets			\$1,469.0
1990			
	Canada	United States	Total
Sales	\$1,444.7	\$ 482.5	\$1,927.2
Income (loss) before the following	\$ (103.4)	\$ 13.1	\$ (90.3)
Net gains on sale of real estate and other assets			20.7
Corporate expenses [i]			(129.1)
Loss before income tax and minority interest [iv]			\$ (198.7)
Assets	\$1,252.6	\$ 481.5	\$1,734.1
Corporate assets			63.3
Total assets			\$1,797.4

Notes:

[i] Corporate expenses include:

	1992	1991	1990
	[Canadian dollars in millions]		
Interest expense	\$ 49.9	\$ 82.3	\$ 85.5
Selling, general and administrative	32.7	27.7	43.6
	\$ 82.6	\$ 110.0	\$ 129.1

Selling, general and administrative expense includes gains on foreign currency transactions of \$2.4 million in 1992 [1991 - \$2.5 million; 1990 - \$3.2 million].

[ii] Canadian sales include export sales of \$953 million [1991 - \$928 million; 1990 - \$1,181 million], substantially all of which are to the United States.

[iii] Income (loss) before income taxes from foreign operations amounts to \$58.6 million [1991 - \$5.1 million; 1990 - \$(17.9) million].

[iv] During 1990, the Company sold, closed or joint ventured various operating units and as a result, a provision of \$169.2 million was recorded with respect to the expected losses [net of gains] on these transactions.

15. TRANSACTIONS WITH RELATED PARTIES

During the year, trusts which exist to make orderly purchases of the Company's shares for employees, either for transfer to the employees' Deferred Profit Sharing Plan which invests exclusively in such shares, or to recipients of either bonuses or rights to purchase such shares from the trusts, borrowed up to \$7.2 million [1991 - \$1.4 million; 1990 - \$4.8 million] from the Company to facilitate the purchase of Class A Subordinate Voting shares and Class B shares of the Company. At July 31, 1992, the trusts' indebtedness to the Company was \$7.2 million [1991 - \$1.4 million; 1990 - \$0.8 million].

From time to time, the Company makes advances to officers to assist them in the purchase of shares of the Company and to assist in the purchase of houses following relocations. The maximum amount outstanding under such arrangements during the year was \$2.0 million [1991 - \$2.8 million; 1990 - \$2.8 million]. The balance outstanding at July 31, 1992 was \$2.0 million [1991 - \$1.9 million; 1990 - \$2.8 million]. These amounts are included in accounts receivable.

The Company obtains services from firms in which non-officer directors and former non-officer directors of the Company are partners or officers. These services include legal services and underwriting of equity and debt issues. On an annual basis, legal fees and underwriters' fees paid to such firms were not in aggregate in excess of three tenths of one percent of revenue.

16. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's method of presentation.

TEN-YEAR FINANCIAL SUMMARY

(Canadian dollars in millions, except per share figures)

	Years ended July 31									
	1992	1991	1990	1989	1988	1987	1986	1985	1984	1983
Operations Data										
Sales	\$2,358.8	\$2,017.2	\$1,927.2	\$1,923.7	\$1,458.6	\$1,152.5	\$1,027.8	\$690.4	\$493.6	\$302.5
Net income (loss) (3)	98.0	16.5	(224.2)	33.6	19.5	40.3	47.3	38.2	29.5	14.3
Basic earnings (loss) per Class A or Class B share (1,3)	\$2.91	\$0.59	\$(8.06)	\$1.21	\$0.70	\$1.56	\$1.93	\$1.77	\$1.81	\$1.07
Fully diluted earnings (loss) per Class A or Class B share (1,3)	\$2.08	\$0.58	\$(8.06)	\$1.19	\$0.70	\$1.52	\$1.93	\$1.71	\$1.73	\$1.04
Depreciation and amortization (3)	102.4	105.3	104.2	99.4	74.6	55.0	36.4	23.3	14.7	11.3
Cash flow from operating activities	232.1	107.9	184.8	90.9	(33.2)	52.3	124.8	19.2	24.3	30.6
Dividends declared per Class A or Class B share (1,2)	\$0.20	-	\$0.12	\$0.48	\$0.48	\$0.48	\$0.48	\$0.48	\$0.31	\$0.13
Cash dividends per Class A or Class B share (1,2)	\$0.20	-	\$0.24	\$0.48	\$0.48	\$0.48	\$0.48	\$0.46	\$0.26	\$0.10
Average number of Class A and Class B shares outstanding (thousands) (1)	33,625	27,825	27,819	27,819	27,836	25,860	24,323	21,424	16,105	12,964
Financial Position										
Total assets (3)	1,401.4	1,469.0	1,797.4	1,863.1	1,665.7	1,283.0	908.3	629.6	360.1	204.4
Fixed assets less accu- mulated depreciation and amortization (3)	751.7	841.1	917.8	1,101.2	999.7	881.2	590.3	358.9	173.4	84.8
Working capital (4)	93.1	13.8	(622.7)	55.6	54.3	58.0	68.3	64.1	79.8	48.3
Capital expenditures (3)	30.8	27.9	177.9	271.1	250.8	378.5	286.6	212.4	105.7	29.0
Long-term debt (4)	245.7	581.8	-	685.9	615.5	469.6	280.0	109.1	101.6	47.3
Equity relating to Class A and Class B shares (1,3,5)	590.3	268.1	231.1	464.3	446.1	448.9	345.9	289.4	140.1	80.1
Equity per Class A or Class B share (1,3)	\$14.74	\$8.91	\$8.31	\$16.69	\$16.04	\$16.10	\$13.63	\$12.08	\$8.23	\$5.48
Long-term debt and convertible subordinated bonds to shareholders' equity ratio (1,3,4,5)	0.42:1	2.17:1	-	1.48:1	1.38:1	1.05:1	0.81:1	0.38:1	0.73:1	0.59:1

(1) 1983 figures adjusted to give effect to the stock dividend issued June 1983.

(2) Stockholders received a special dividend issued June 1983.

(3) 1985 and prior years' figures have been restated to give effect to a change in method of accounting for investment tax credits.

(4) 1990 figures reflect all debt as a current liability defined as "debt to be restructured".

(5) 1991 figures include \$20 million of warrants to purchase Class A Subordinate Voting shares.

SHAREHOLDER AND OTHER FINANCIAL INFORMATION

SUPPLEMENTARY FINANCIAL INFORMATION

SUPPLEMENTARY QUARTERLY DATA (unaudited) (Canadian dollars in millions, except per share figures)

Fiscal 1992	October 31	January 31	April 30	July 31	Total
Sales	\$ 617.2	\$ 484.4	\$ 632.2	\$ 625.0	\$2,358.8
Gross profit	\$ 104.8	\$ 74.5	\$ 106.2	\$ 99.0	\$ 384.5
Net income	\$ 25.5	\$ 10.7	\$ 30.5	\$ 31.3	\$ 98.0
Earnings per share:					
Basic	\$ 0.92	\$ 0.33	\$ 0.89	\$ 0.82	\$ 2.91
Fully diluted	\$ 0.59	\$ 0.26	\$ 0.62	\$ 0.61	\$ 2.08

Fiscal 1991	October 31	January 31	April 30	July 31	Total
Sales	\$ 498.4	\$ 484.3	\$ 495.9	\$ 538.6	\$2,017.2
Gross profit	\$ 72.8	\$ 66.3	\$ 73.6	\$ 84.3	\$ 297.0
Net income (loss)	\$ 2.8	\$ (2.3)	\$ 4.4	\$ 11.6	\$ 16.5
Earnings (loss) per share:					
Basic	\$ 0.10	\$ (0.08)	\$ 0.16	\$ 0.41	\$ 0.59
Fully diluted	\$ 0.10	\$ (0.08)	\$ 0.16	\$ 0.31	\$ 0.58

SHARE INFORMATION

The Class A Subordinate Voting shares ("Class A shares") are listed and traded in Canada on The Toronto Stock Exchange ("TSE") and the Montreal Exchange. Prior to October 1992, when they were listed for trading on the New York Stock Exchange, the Class A shares were traded on the NASDAQ National Market System in the United States. The Class B shares are listed and traded in Canada on the TSE. As of September 30, 1992, there were 1,894 registered holders of Class A shares and 187 registered holders of Class B shares.

PRICE RANGE OF SHARES

Canada

The following table sets forth, for the fiscal periods indicated, the high and low sale prices of the Class A shares and Class B shares and volumes of Class A shares and Class B shares traded, in each case as reported by the TSE.

CLASS A (TSE) (\$CDN)						
1992				1991		
Quarter	Volume	High	Low	Volume	High	Low
1st	8,771,320	18.88	12.13	2,334,962	3.90	2.30
2nd	9,635,681	23.5	16.38	2,412,395	2.75	2.10
3rd	9,491,841	31.50	22.13	9,566,064	9.13	2.65
4th	8,514,669	35.25	27.50	6,922,017	14.25	8.50

CLASS B (TSE) (\$CDN)						
1992				1991		
Quarter	Volume	High	Low	Volume	High	Low
1st	9,270	19.00	12.75	1,800	8.50	6.25
2nd	13,550	23.00	17.5	423	6.63	6.25
3rd	10,584	30.00	22.25	1,400	9.75	6.50
4th	8,791	34.50	28.50	3,010	14.50	11.25

DISTRIBUTION OF SHARES

	Class A	Class B
Canada	35.3%	98.4%
United States	64.7%	1.6%

United States

The following table sets forth, for the fiscal periods indicated, the high and low sale prices of the Class A shares and volumes of Class A shares traded, as reported by NASDAQ.

CLASS A (NASDAQ) (\$US)						
1992				1991		
Quarter	Volume	High	Low	Volume	High	Low
1st	23,794,949	16.75	10.63	1,981,520	3.31	2.00
2nd	26,246,066	20.38	14.50	3,188,387	2.50	1.81
3rd	31,694,868	26.63	19.00	16,271,350	8.13	2.31
4th	31,282,999	29.38	23.38	30,634,730	12.50	7.38

OTHER SHAREHOLDER INFORMATION

HEAD OFFICE LOCATIONS FOR MAGNA AND ITS AUTOMOTIVE SYSTEMS CORPORATIONS

Magna International Inc.
36 Apple Creek Boulevard
Markham, Ontario. L3R 4Y4
Telephone (416) 477-7766

Atoma International Inc.
521 Newpark Boulevard
Newmarket, Ontario. L3Y 4X7
Telephone (416) 798-7961

Cosma International Inc.
349 Wildcat Road
Downsview, Ontario. M3J 2S3
Telephone (416) 650-0151

Decoma International Inc.
355 Wildcat Road
Downsview, Ontario. M3J 2S3
Telephone (416) 665-4611

Tesma International Inc.
300 Edgeley Boulevard
Concord, Ontario. L4K 3Y3
Telephone (416) 665-4131

THE 1992 ANNUAL MEETING

The 1992 Annual Meeting of Shareholders will be held at Roy Thomson Hall, Toronto, Canada on Wednesday, December 2 at 10:00 a.m.

TRANSFER AGENTS AND REGISTRARS

Canada - Class A and B
Montreal Trust Company of Canada, Toronto, Montreal and Vancouver.
United States - Class A
The Bank of Nova Scotia Trust Company of New York, New York.

DIVIDENDS

Dividends on Class A Subordinate Voting and Class B shares were declared payable on April 16, July 16 and October 16, 1992, at the rate of Cdn \$0.10 per share. Dividends on Class A Subordinate Voting and Class B shares, when payable to holders who are non-residents of Canada, are subject to withholding tax at a rate of 25 per cent unless reduced according to the provisions of any applicable tax treaty. Currently, the reduced rate applicable to dividends paid to a resident of the United States is generally 15 per cent.

STOCK LISTING

Class A - The Toronto Stock Exchange	(MG.A)
Montreal Exchange	(MG.A)
New York Stock Exchange	(MGA)
Class B - The Toronto Stock Exchange	(MG.B)

BOARD OF DIRECTORS

The Honourable William G. Davis, *Counsel, Tory, Tory, DesLauriers & Binnington*

Jean M. Fraser, *Partner, Blake, Cassels & Graydon*

Manfred Gingl, *President and Chief Executive Officer*

George C. Hitchman, *Corporate Director*

The Honourable Edward C. Lumley, *Vice-Chairman, Burns Fry Limited*

Donald Resnick, *Corporate Director*

Royden R. Richardson, *Senior Vice-President and Director, Richardson Greenshields of Canada Limited*

Belinda Stronach, *Corporate Director*

Frank Stronach, *Chairman, Board of Directors*



PRODUCT DIRECTORY

- Printed Circuit Board Assemblies
- PRNDL - Modules Switches
- ABS-Coil Assemblies
- Fuel Sender Assemblies

DOOR SYSTEMS

- Door Hinges
Stamped, Cast & Profile
- Door, Hood & Deck Latches
- Door Checkers

- Release Cables
- Door Strikers
- Window Regulators
Manual, Power & Cable
- Modular Door Assemblies

MIRROR SYSTEMS

- Mirror Assemblies
Manual/Power & Breakaway
- Cable & Padded Remote Mirrors
- Mirror Remote Controls

HARDWARE

- Fuel Filler Doors
- Pedal Assemblies
- Parking Brake Assemblies
- Shift Selectors
- Headlamp Assemblies
- Vehicle Emblems
- Stamped Parts

- Water Pumps
- Brake Backing Plates
- Master Cylinder Vacuum Shells

BODY SHEET METAL

- Body Side Assemblies
- Door Assemblies
- Hood & Deck Assemblies
- Roof Panels
- Rear Quarter Panels
- Medium/Large Stamping Dies

SUNROOFS

- Electric Sliding & Tilting
- Electric Spoiler
- Manual Sliding
- Pop Up

FINISHING

- E-Coating

DESIGN & ENGINEERING

- Complete CAD/CAM Capabilities
- Complete Body Engineering
- Prototypes
- Concept Vehicles

DECOMA TRIM

- Complete Body Trim Systems
- Body Front, Rear & Side Mouldings
- Bright Metal Mouldings
- Bumper Guards
- Co-Extruded PVC & EPDM Mouldings
- Door/Window Channels
- Fuel Tank Straps

- Headlamp Bezels
- Headlamp Retainers
- Rocker Panel Mouldings
- Scuff Plates
- Tail Light Bezels
- Wheel House
Opening Mouldings
- Roof Drip Mouldings
- Dynamic Sealing Systems

- Torsional Vibration Dampers
- Water Pump Accessories

TRANSMISSION

- Clutch Housings & Hubs
- Clutch Pistons
- Stamped Covers & Housings
- One & Two Piece Flexplates

SYSTEMS

- Automatic Belt Tensioner Systems
- Front End Accessory Drive Systems
- Timing Belt Systems
- Clutch Pack Assemblies

OTHER PRODUCTS

- Aluminum Die Castings
- Collapsible Drive Shafts
- Fine Blanked Components



SEATING SYSTEMS

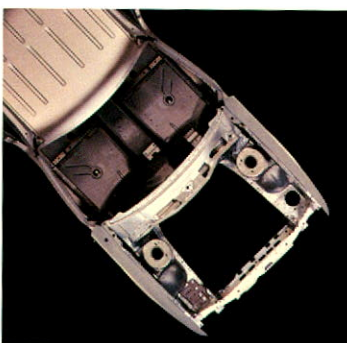
- Modular Seat Assemblies
- Seat Adjusters
- Seat Frames
- Seat Risers
- Headrest & Armrest Supports
- Release Handles
- Moulded Seat Cushions
- Integrated Child Safety Seat

PANEL SYSTEMS

- Interior Panels
- Wood & Polyurethane Substrates
- Sunroof Sunshades

ELECTROMECHANICAL/ ELECTRONIC SYSTEMS

- Interior Lamp Assemblies
- Switch Plate Assemblies
- Integrated Alarm & Control Modules ICAM
- Audible Alarms



CHASSIS STAMPINGS

- Crossmember Assemblies
- Engine Compartment Panels
- Floor Pans
- Radiator Supports
- Shock Towers
- Transmission Supports

GENERAL STAMPINGS

- Armrest Supports
- Seat Belt Anchor Plates
- Instrument Panel Supports

BUMPER STAMPINGS

- Aluminum Impact Bars
- High-Tensile Steel Impact Beams
- Stamped & Roll-Formed Bumper Beams

ENGINE & BRAKE RELATED STAMPINGS

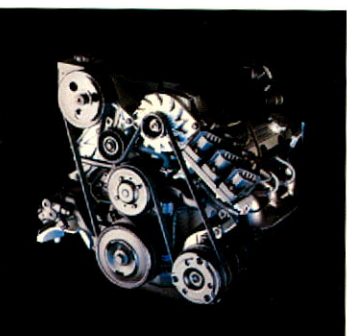
- Oil Strainers
- Oil Pans
- Heat Shields



DECOMA PLASTICS

- Complete Bumper Systems
- Vertical & Horizontal Body Panels
- Hard Tops & Roof Systems
- Complete Body Dress-Up Kits
- Airdams
- Body Cladding
- Clear Hard-Coated Glazing Panels
- Grilles

- Headlamp Lenses
- Rocker Panels
- Spoilers
- Bumper Beams
- Energy Absorbers
- Acrylic Backlites



ENGINE

- Air Conditioning
- Clutch Rotor Assemblies
- Automatic Belt Tensioners
- Engine Timing Belt Tensioners & Sprockets
- Flywheels
- Heat Shields
- Idler Pulleys
- Aluminum Pulleys
- Alternator Pulleys

- Timing Gears
- Oil Pickup Tubes
- Plastic Pulleys
- Poly-V Pulleys
- Single-V Pulleys
- Starter Ring Gears
- Timing Chain Covers
- Torsional Isolators/Decouplers



36 Apple Creek Boulevard, Markham, Ontario L3R 4Y4
Telephone: (416) 477-7766 Fax: (416) 475-0776

PRINTED IN CANADA