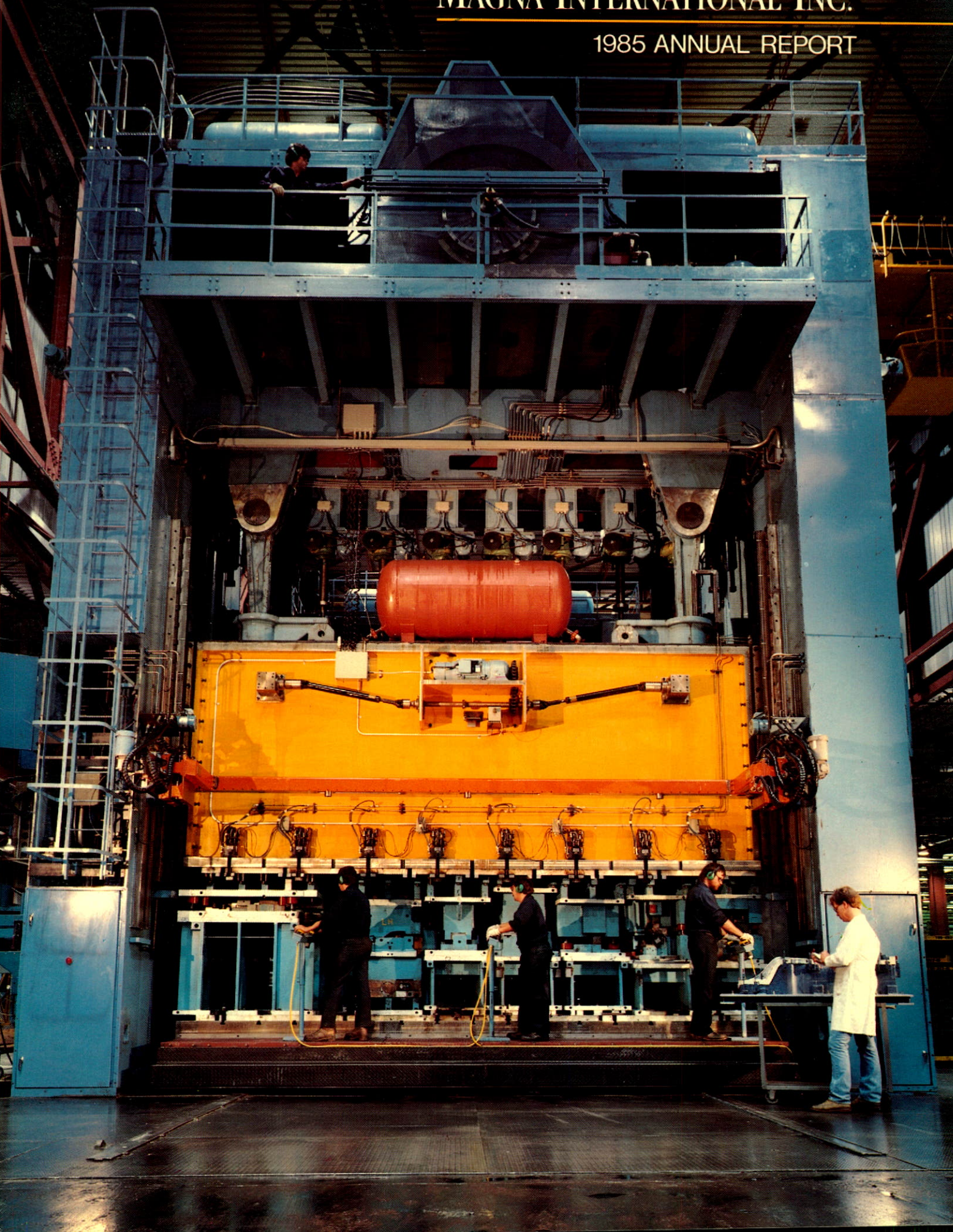
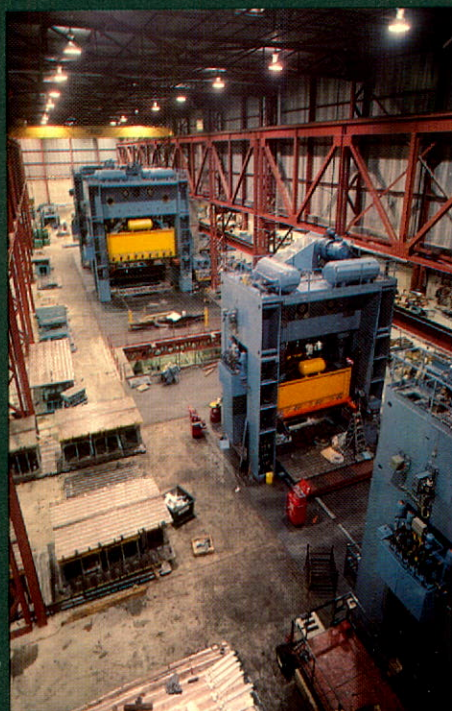


# MAGNA INTERNATIONAL INC.

1985 ANNUAL REPORT







*Press line being installed in one of Magna's new state-of-the-art heavy stamping operations. This press line was designed, manufactured and installed by one of Magna's service divisions.*

*Front Cover: New press in operation.*

*Magna International Inc. designs, develops and manufactures a diverse line of automotive components and systems for sale primarily to original equipment manufacturers (OEM's). The Company has more than seventy facilities in North America and one in West Germany and currently employs approximately 7,500 people. Magna is a public company, listed on the Toronto Stock Exchange and with NASDAQ in the United States.*

## ***Table of Contents***

Corporate Constitution	2
Chairman's Message	5
Operations Review	6
Our Principles in Action	8
Operating Structure	10
New Corporate Ventures and Technology Development	11
CMT Group	14
Decorative Products Group	16
MACI Group	18
Magna Manufacturing Group	20
Maple Group	22
Financial Review	24
Shareholders' Information	36
Corporate Directory	37
Product Directory	40

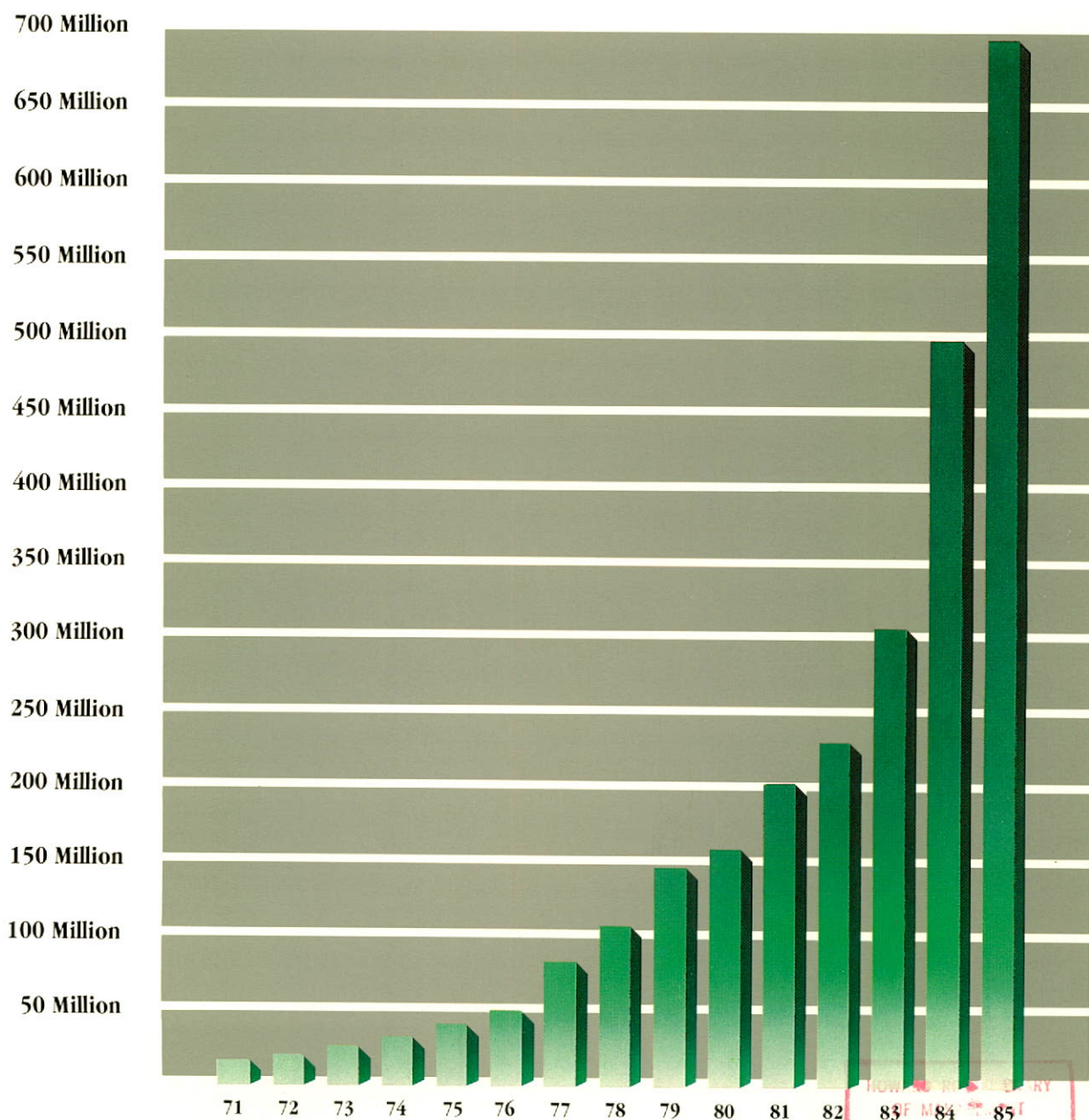


## Financial Highlights (Canadian Dollars in thousands except per share figures)

Years ended July 31

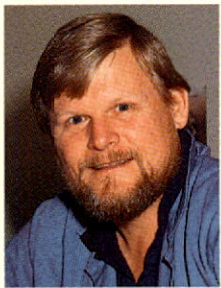
	<u>1983</u>	<u>1984</u>	<u>1985</u>
Sales	\$302,451	\$493,559	\$690,400
Net Income	14,647	31,480	43,191
Earnings Per Share	1.10	1.93	2.00
Shareholders' Equity	86,767	148,666	303,035
Shares outstanding (in millions)			
— weighted average	13.0	16.1	21.4
— year end	14.6	17.0	23.9

## Sales Growth Continues



NOV 29 1985  
MCGILL UNIVERSITY





**M**agna's business has shown consistent growth over many years. The primary reason for this performance has been our unique corporate culture. This culture is based upon a structure which provides that operating control of the Company rests with executive management and recognizes that investors and employees must have a clear understanding of the principles by which the Company is governed, including their rights to share equally in the Company's growth. For many years management has exercised voting control through the ownership of Class B shares which carry multiple votes while investors and employees have had equal economic participation rights through ownership of Class A shares which carry single votes.

This structure allows management to operate the Company in accordance with proven principles based upon the need:

- *To motivate employees for greater productivity through employee equity and profit participation and a concern for their work environment;*
- *To attract investors; and*
- *To recruit and commit the best management on a long term basis through incentives and an entrepreneurial environment.*

Magna's Corporate Constitution, summarized on the facing page, defines the rights of employees and investors to participate in the Company's profits and growth and imposes discipline on management. The principles contained in the Constitution have been a fundamental part of Magna's culture for many years.

Executive management believes that all Class A and Class B shareholders should have equal economic participation in Magna's growth. Further, they believe that orderly succession is critical to Magna's continued prosperity. In recognition of these principles, members of executive management have agreed that their Class B shares will be sold to their management successors at a price equal to the market price of Class A shares.



# ***Magna's Corporate Constitution***

## ***Board of Directors***

*Magna believes that outside directors provide independent counsel and discipline. A majority 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 both performance and 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***

*In order to obtain a long term contractual commitment from management, the Company provides a compensation arrangement which, in addition to a base salary comparable to industry standards, allows for the distribution to corporate management of up to 6 per cent of Magna's profit before tax.*

## ***Research and Technology Development***

*Magna will allocate 7 per cent of its profit before tax for research and technology development to ensure the long term viability of the Company.*

## ***Social Responsibility***

*The Company will contribute a maximum of 2 per cent of its profit before tax to charitable, cultural, educational and political institutions 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 4 per cent on share capital for two consecutive years, Class A shareholders, voting as a Class, will have the right to elect additional directors.*

## ***Major Investments***

*In the event that more than 20 per cent of Magna's equity is to be committed to a new unrelated business, Class A and Class B shareholders will have the right to approve such an investment with each class voting separately.*

## ***Constitutional Amendments***

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

*(Copies of the complete Constitution can be obtained from the Corporate Secretary's office.)*







# Chairman's Message

Magna's continued growth averaging 30% in sales and profits is based upon our unique corporate culture which allows the Company to make a better product for a better price. The business began from a small tool shop in 1957 and has grown to its present 1985 level of \$690 million in sales and \$43 million in net profits.

Our culture recognizes that it takes three ingredients to be successful in business, namely; management, employees, and capital. Furthermore it requires that each of these ingredients has a right to share in the profits that it helps to generate. This foremost principle and other operating principles are enshrined in Magna's Corporate Constitution.

We in management continuously search for ways to stimulate employees to achieve greater productivity. In recent years this has been partially accomplished through the introduction of new technology. At Magna we continue to emphasize the human capital as we introduce technology in a manner that does not result in the displacement of employees. We are focusing on productivity improvements through new technology as a means of continuing to upgrade wages for production employees in the years ahead while maintaining our competitive position in the marketplace.

Management's primary responsibility is to demonstrate to employees that we care for their well-being particularly with regard to wages, environment, safety in the workplace, fairness and equal opportunity for advancement. We are committed to these principles and intend to strengthen further our Human Resources department to make sure that our standards are maintained. A structure like this can only function through total openness. It is an education process. In our view the employees must fully understand the competitive factors facing the company as well as the facts surrounding our financial structure. I like to see employees reading the financial section of the papers in the morning realizing that they are shareholders of Magna. In fact, at this stage, our manufacturing and office employees own more than \$30 million of Magna stock.

Members of management are also large shareholders in the Company. The value of their shares amounts to approximately \$30 million and accordingly they have an interest in protecting the value of their investments. It is important for a healthy, growing company to have a strong equity base in relation to debt but we are sensitive to the effect of equity dilution on our ability to maintain investor confidence. Accordingly, we try to balance issues of new equity with growth in earnings per share.

Sales growth translates into the need for new production facilities. As a result, Magna's investment in land and buildings continues to increase. Management utilizes Magna's job creation capability to obtain favourable terms when purchasing land. We also seek joint venture partners to assist in the development of those lands. Our objective is to minimize Magna's capital outlay for land so as not to divert capital from our automotive components manufacturing activities.

I am very optimistic that the Company will maintain good growth in sales and profits for many years to come. The Company currently has only about 1% of the North American market for its products leaving considerable room for further growth.

In closing, I would like to thank our employees, directors and customers for their input and co-operation.

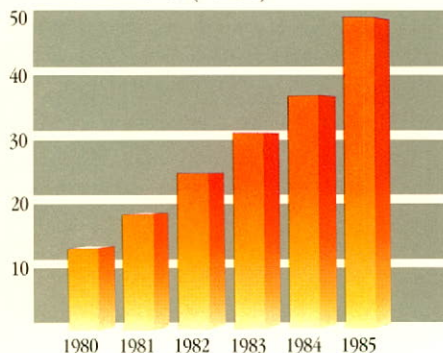


**Frank Stronach**  
Chairman of the Board  
and  
Chief Executive Officer



# Operations Review

Average Magna content per vehicle produced in North America (Dollars)



## ***Magna's record of growth continued in 1985.***

- ***Sales increased 40% to \$690 million***
- ***Earnings rose \$11.7 million to \$43.2 million***
- ***Shareholders' Equity increased 104% to \$303 million***
- ***Average number of Class A and B shares outstanding stood at 21.4 million compared to 16.1 million in 1984***
- ***Earnings per share increased from \$1.93 to \$2.00***

## **Operating Highlights**

Although North American vehicle production rose by less than five percent, demand for Magna's products continued to increase dramatically. Sales and profits were up almost 40% over 1984 levels and Magna content per vehicle was approximately \$49.00 compared to \$38.00 last year.

In order to deal with this growth Magna welcomed 2,500 new employees in 1985 surpassing the 1,700 new jobs created in 1984. The 1985 growth was financed by the sale of Class A shares, internally generated funds and debt. With its balance sheet reflecting a long-term debt to equity ratio of .34 : 1 at year end Magna is in a strong position to deal with the growth anticipated in the period ahead.

Thirteen new facilities were opened by our Operating Groups during the year including eleven modern production plants and two design and product development centres combined with Group administrative offices.

The Groups have continued to introduce new products to the marketplace. These and several future product programs are discussed in the sections of this report dedicated to our Operating Groups.

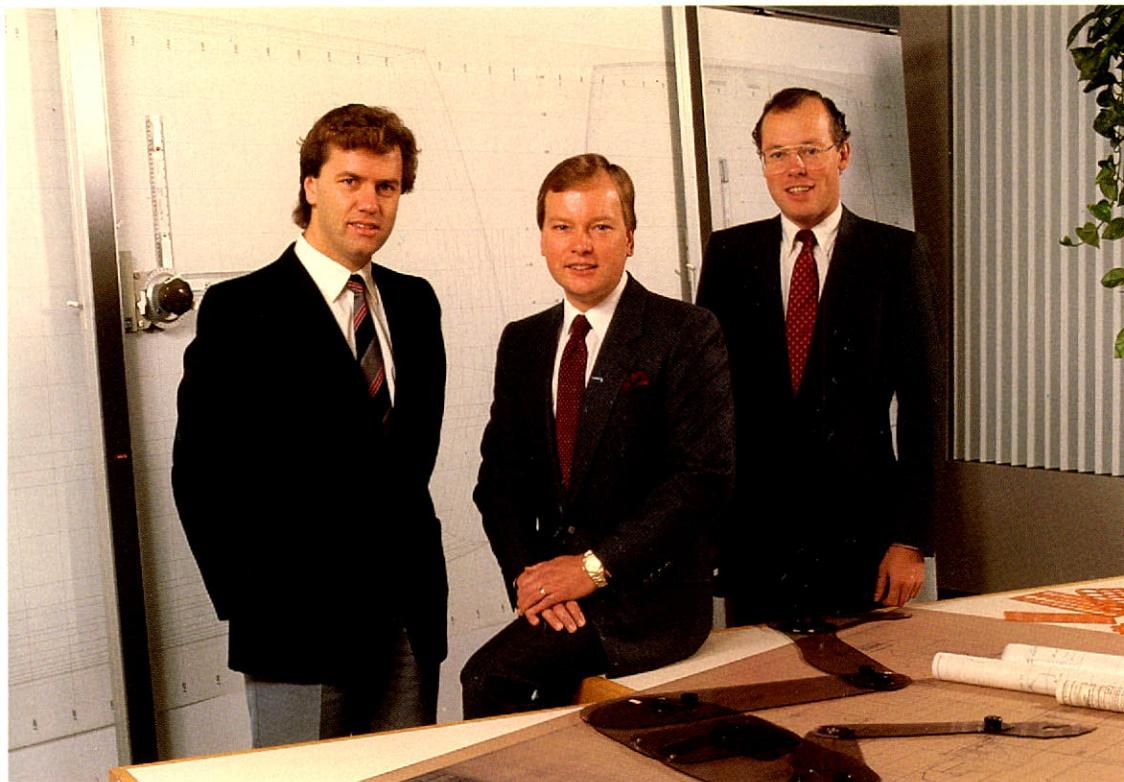
1985 was a year of transition as more and more responsibility for managing the businesses of our operating groups was handed over to the group management teams which have been expanded over the last eighteen to twenty-four months. This increased management depth will ensure that Magna is structured to participate in the opportunities of the future. Executive management continues to focus on strategic matters while serving as a resource to the groups and operating units.

Several new service businesses were established to meet the needs of both our customers and the operating groups. One is the advanced engineering group which is focusing on the design of modular vehicle systems in support of our operating groups. This engineering group also does designwork under contract for our customers. A second new group designs and manufactures production machinery and automated systems for sale to Magna divisions and third parties.

## **Quality Assurance**

Quality is stressed throughout Magna — our success has been built on it — our future depends on it. We continue to train employees at all levels in matters relating to quality including the use of sophisticated measuring devices and statistical process control techniques. As a result of efforts in the area of quality, our operating units received many quality awards from our customers. Magna is dedicated to supplying automotive components and systems which are "world class" in quality and value.





*Left to right: Fred Gingl, Mike Hottinger and Jim McAlpine.*

### **Human Resources**

Magna's greatest asset is its motivated workforce. We continuously strive to provide a positive, safe and fair environment for all employees.

With this in mind we continue to expand our Human Resources departments at the Group and Corporate offices and sponsor seminars which stress the importance of good communications between management and employees. Wherever possible productivity gains are recognized with improved wages and expenditures to improve the working environment.

During the year we introduced 'Magna People', a bi-monthly newsletter about Magna and its people. Simeon Park, which opened officially in June 1984, saw the introduction of many employee organized functions, both winter and summer. The allocation to our Employee Equity Participation and Profit Sharing Program amounted to \$8.3 million in 1985 compared to \$6.4 million last year.

### **Dividends**

The Board of Directors approved dividend payments of \$0.48 per share compared to \$0.31 during 1984. Payments to shareholders in 1985 amounted to \$9.5 million compared to \$4.2 million last year, consistent with the shareholder profit participation prescribed by Magna's Corporate Constitution.

### **Outlook**

We are optimistic that Magna will continue its growth over the next several years. More specifically for 1986 our existing order backlog should produce growth in sales and profits.

We express sincere thanks to our dedicated employees and customers as well as to our directors and investors for their continued support.

**Manfred Gingl**  
President  
and Chief Operating Officer

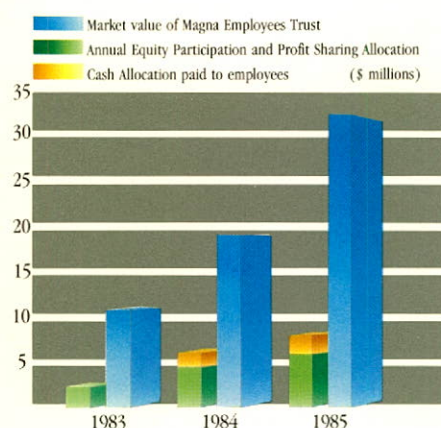
**Michael R. Hottinger**  
Executive Vice-President and  
Chief Marketing Officer

**James R. McAlpine**  
Executive Vice-President and  
Chief Financial Officer



# Our Principles in Action

**M***agna believes that a motivated work force is a company's greatest asset. For this reason the Company has initiated a number of programs which allow employees to benefit from Magna's success. We are also committed to reinvest a portion of our earnings to support the basic fabric of society.*



## Employee and Social Programs

### Employee Equity Participation and Profit Sharing

The Corporate Constitution guarantees employees the right to 10% of Magna's pre-tax profit. The major portion of this allocation is used to purchase shares of Magna which are held in trust and the balance is paid in the form of a cash distribution. This not only allows the employees to benefit from the annual profit they help generate but also allows them to participate in Magna's growth.

The program has been in existence since 1975 and during 1985 the allocation amounted to \$8.3 million, of which \$6.4 million was for share purchases and \$1.9 million for cash distribution. The total allocation represents an increase of \$1.9 million from 1984. The market value of the employees' trust fund was \$31.8 million at July 31, 1985 compared to \$19.5 million in 1984.

### Other Employee Programs

We provide a number of other programs for our employees including the following:

#### a) Simeon Park

Magna has developed a recreational park on 100 acres of natural countryside just north of Toronto. This park, available to all Magna employees and their families, features a 23 acre lake, sports and recreation facilities including children's playgrounds, tennis and volleyball courts, soccer fields, a baseball diamond, barbecue pits and picnic areas, nature trails, fishing docks and a large swimming pool.

The park is readily accessible to the majority of Magna's employees. During 1985 it was used extensively for company picnics, competitive team sports and casual family outings.

#### b) Industrial Campus Concept

To provide employees with an improved work environment, Magna is developing an industrial campus which will consist of a cluster of 10-20 small autonomous plants together with the related group office and product development centre supported by social and recreational facilities such as daycare, a medical office, educational and sporting facilities.

In 1985 three new plants went into production in our first campus being developed in Newmarket, Ontario. A new group administration office and product development centre associated with these plants also opened during the year. Two additional plants were under construction at year end. Land for other campuses is being assembled in preparation for our future growth.

#### c) Technical Training Centre

Consistent with our commitment to high quality in-house technical strength, Magna opened its first Technical Training Centre in the fall of 1984. The school is equipped with modern classroom and shop facilities and the latest in machinery and equipment.

On completion of their training, apprentices will work in a Magna operating unit to complete the requirements for trade qualification.

The purpose of the centre is to help fulfill Magna's demand for skilled tool and die makers and other technical trades. These students will also receive training in management practices.



*d) Continuing Education*

Magna encourages all employees continually to improve their skills and education. For this reason, we offer in-house training and education in areas of communication, safety, quality control, micro computer applications and management skills.

**Social Responsibility**

Magna believes it has a responsibility to support the basic fabric of society. We fulfill this obligation by giving financial assistance and contributing our time to programs and projects in the areas of health and welfare, youth, the advancement of art and culture, education, and in support of the political process. Examples of the programs we support include:

*a) University Teaching and Research Support*

Magna currently provides financial support to four universities for teaching and research concerning entrepreneurship and fair enterprise.

*b) Student Sponsorship*

Each year Magna sponsors a number of outstanding students to attend the GMI Engineering and Management Institute in Michigan. GMI is a private university offering degrees in engineering and industrial administration.

Sponsorship guarantees students financial support and planned work assignments in Magna plants as well as the offer of a full-time position with Magna upon graduation.



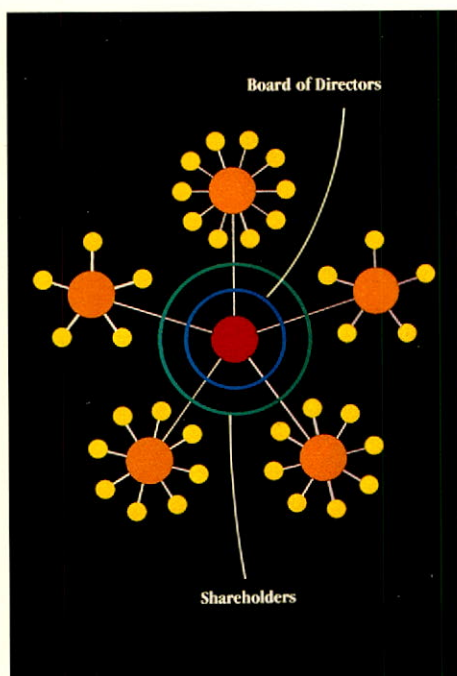
*Centre: Instructor and students at Magna's Technical Training Centre.*

*Remaining: Magna employees and their families enjoying Simeon Park.*



# Operating Structure

*Magna's operating structure consists of three levels of responsibility. The primary level is the operating unit. It is here that entrepreneurship and employee productivity come together to produce a better product for a better price. The second level is the Group office which supports a number of operating units. Finally, Executive Management sets the overall strategic direction for the Company. This structure harnesses the natural enthusiasm of the entrepreneurial environment which encourages new ideas and approaches thus enhancing the likelihood of success as evidenced by our continuous record of growth.*



## Operating Unit

Each operating unit is directed by a General Manager and an Assistant General Manager who have complete authority and responsibility for the operation of their unit within broad guidelines established by Executive and Group Management. These decentralized units generally employ approximately 100 people thus giving the management teams close contact with staff and immediate control of all matters affecting personnel, product quality, efficiency and profitability of the unit.

## Group Management

The operating units are grouped — geographically and by markets — under the direction of a group management team which is accountable to Executive Management. A Group Vice-President is responsible for all areas of activity in his group and is supported by marketing, financial and human resources executives.

Each group has its own sales team which maintains the day-to-day contact with the customers, the group office and the operating units.

The group financial staff monitors all financial activities including capital spending and operating results. Each group has its own quality control and human resources personnel which review the operating unit's performance and serve as a resource to the units.

Group Management also oversees research and technology development conducted for their group.

## Executive Management

Executive Management is responsible for establishing policies consistent with the Company's philosophy as developed by the Board of Directors.

Strategic planning is a priority of Executive Management. This involves the identification of specific products and technologies that Magna must develop in order to meet the challenges of an evolving marketplace. It also includes the establishment of management teams capable of implementing Magna's marketing, quality, human resources and financial goals and objectives. As part of its responsibilities, Executive Management secures and allocates financial resources and, together with Group Management, monitors the performance of the operating units.

The corporate office serves as a resource to the groups and operating units in the acquisition of capital equipment, raw materials and services. This system allows the groups and operating units to benefit from Magna's corporate buying power when it is to their advantage. However, responsibility for product quality and delivery rests with each operating unit and accordingly the units make purchases from whatever source best meets their individual requirements.



# *New Corporate Ventures and Technology Development*

***Magna's new Product Initiatives and Technology Development Programs are carried out at both the Group and Corporate levels. The Group program is directed primarily towards improvements in the design and performance of existing products. The Corporate program involves the development of advanced new products and processes at our corporate research and technology development centre and the acquisition of new technologies, primarily by way of joint ventures.***

***After the acquisition of technologies or upon completion of new product development, the resulting business is transferred to the appropriate Group.***



## ***New Product Ventures Sheet Metal Group***

During the year Magna contracted to manufacture the entire outer body sheet metal of a new vehicle to be introduced by an original equipment manufacturer in the 1988 model year. To satisfy this contract and to respond to other opportunities that exist in the market, a Sheet Metal Group, initially consisting of two factories, has been established. The first is now under construction with completion scheduled for the spring of 1987 in time to begin production for the 1988 model year. This factory will include state-of-the-art material handling and press technology providing flexibility to produce both high and low volume components at competitive prices. The second is a smaller existing facility serving present contracts for sheet metal panels.

## ***Sunroofs***

Our joint venture with Webasto-Werk of Germany moved into new premises in Michigan during May, 1985. Demand in both original equipment and after-markets has exceeded expectations and a second facility is planned in Ontario to serve the Canadian market.

## ***Long Term Development Programs***

Magna is continually developing new ideas and concepts to enhance its position in the automotive marketplace. The following long term development projects are funded from the technology development budget and closely monitored by corporate management.

## ***Electric Battery Project***

Magna has established a program to develop power trains and advanced batteries for use in electric vehicles through a joint venture with Swiss controlled Brown, Boveri & Cie (BBC) of Mannheim, West Germany. This program is proceeding on schedule and several conventional vehicles have been converted to battery power for prototype testing using components supplied by BBC.

## ***Speciality Vehicle Project***

Development of a unique plastic body vehicle for specialty utility applications continued through 1985. Extensive prototype testing and further market analysis will take place during 1986.

## ***Corporate Services***

Recognizing the importance of several internal service groups, Magna has organized its machine building, real estate and data processing activities into separate profit centres. In keeping with Magna's basic operating philosophy these groups will serve Magna's operating divisions on an arm's length basis. This structure will help ensure a lean corporate office, and at the same time provide other Magna operations with sophisticated support. It is expected that at some future date these service groups will also seek business from outside customers.

*Magna's Class 1 sheet metal facility will utilize state-of-the-art technology.*





### **Machine Tool and Equipment Group (MTE)**

We have recently established a new group which will provide us with the expertise necessary to equip the factory of the future. The group consists of three businesses, one manufactures automated welding lines and robotics, the second designs and manufactures presses and accessories and the third produces material handling systems. This group will play an important role when operating groups or divisions submit quotations to customers on major new programs. It will also assist operating groups or divisions to participate in volume purchases of various goods and services.

### **Realty Group**

To meet our continued facilities' expansion activities, we have enlarged the building design and construction management team. This allows us to co-ordinate environmental issues, work place design considerations and to ensure proper cost control. This Group also includes the staff responsible for handling issues related to the zoning and development of land for future industrial campuses.

### **Magna Data Systems (MDS)**

This group was established in 1985 to provide a service to Magna's operating groups. Initially, MDS concentrated on the upgrading and enhancement of computerized quality assurance programs and computerized communication with customers for product ordering and delivery information. Systems now under development include bar coding, improved financial reporting software, inventory control systems, and manufacturing control systems.

### **Advanced Engineering & Design**

The nature of the relationship with our customers is everchanging. It is increasingly important to be able to demonstrate an awareness of matters relating to the total vehicle. To this end we have continued to develop engineering and design expertise.

### **Advanced Engineering Group**

In order to co-ordinate better certain long term design and engineering programs, we established the Advanced Engineering Group to service Magna's operating groups and our OEM customers. This Group of highly skilled engineers coupled with the latest in computer aided design (CAD) and finite element analysis equipment has participated in several challenging customer proposals and has been awarded a number of engineering assignments.

### **California Design Studio**

Our California joint venture specializes in the design of vehicle interiors. This venture is currently involved in a number of customer programs.

### **International Activities**

Recognizing the emphasis on international activity within the automobile industry we have taken several important strategic initiatives over the last year. We have continued our efforts to introduce Magna to the Japanese auto industry. Our primary targets are the Japanese vehicle manufacturers who have, or are planning to locate, production facilities in North America, as well as their suppliers, who are exploring opportunities to do business in North America. With the manufacturers, our thrust is to demonstrate that Magna can provide products that are "world class" in quality and value. To date we have



*Top: Large stamping presses are manufactured and installed by Magna's MTE Group.*

*Lower: Deluxe sunroof designed and manufactured by our Webasto joint venture in Michigan.*



been awarded a reasonable amount of business considering the current state of these activities in North America.

Our approach with the Japanese parts' suppliers is to develop forms of co-operation in North America where both parties can contribute and continue to grow and prosper. At this stage, we have licensed one of our products to Japanese parts suppliers for production and sale in Japan and we have a licence to manufacture and sell certain Japanese products in North America. We are also in the process of establishing a trading company with a Japanese parts supplier which will co-ordinate the supply of certain products manufactured by Magna to one of the Japanese vehicle manufacturers located in North America.

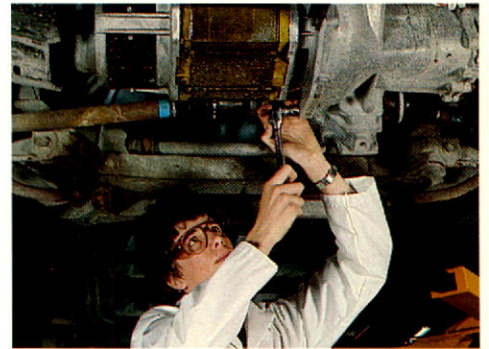
In Germany, we have established a tooling and production facility to supply the European OEM's. We have also been awarded contracts to supply certain North American produced components to two German automakers.

Late in the year, we signed an agreement to establish a joint venture in China to manufacture components for the Chinese automotive market.

To date, activities on each of these fronts have been relatively modest but we have developed important relationships that position us for opportunities in each market. With patience and persistence, we will be able to build successfully upon these relationships and establish Magna as a participant in the key automotive markets of the world.

*Prototype vehicles are being developed using technology from our partner, BBC.*

**Lower:** *Computerized co-ordinate measuring machine used for quality assurance at our Advanced Engineering Centre.*

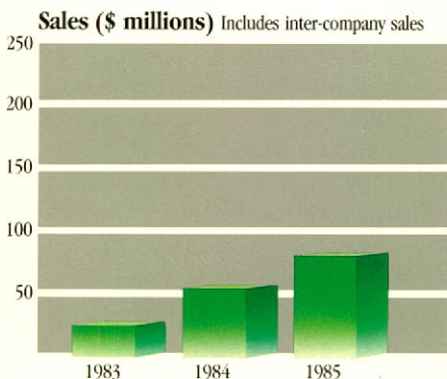




# CMT Group (Creative Mechanical Technologies)

***The Creative Mechanical Technology Group (CMT) manufactures intricate mechanical assemblies including seat tracks, locks, latches and hinges for hoods, doors and trunks, clutch and brake pedal assemblies, window regulators, springs and parking brakes.***

***With in-house engineering, design and prototyping capabilities, the CMT Group draws on its experienced tool designers and engineering staff to provide the customers with full service capabilities to develop new products and assemblies. These activities reflect Magna's move towards more complex and highly engineered products.***



## Operations Review

CMT's sales increased by 50% to \$82 million from \$54 million in 1984. This substantial growth is attributable to CMT's development of several innovative products, and to the addition of integrated processes which give the Group a broader range of product services and higher value added in the manufacturing process. Sales increases were also strong in hardware products, such as locks and latches, seat tracks and window regulators.

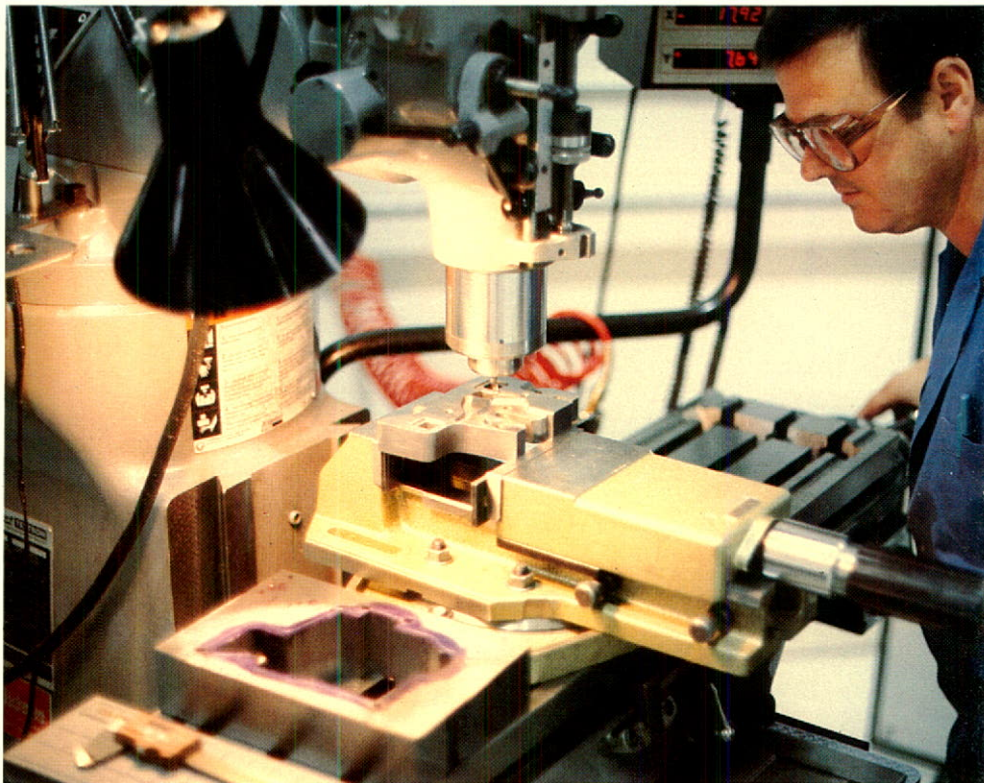
New products include a memory entry seat track, tubular deck lid hinges and seatback hinges. The "foam-in-place" seating technology acquired through a joint venture in 1984 is being further developed through research and ongoing customer prototype and development programs. The Group has made several customer proposals for seating systems based upon this technology.

During 1985 manufacturing facilities were added for latches and brake pedal assemblies and construction began on a second plant to manufacture seat tracks. The Group continued its plan to integrate vertically with the purchase of a spring manufacturer and the construction of a plant dedicated to metal coating which will complement the services already provided by the Group's cold heading and screw machine operations.

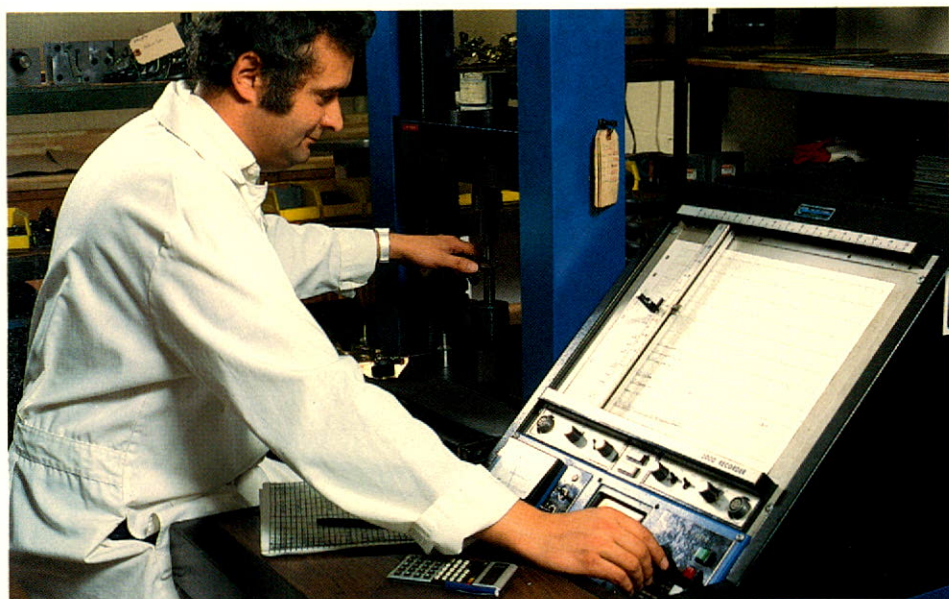
CMT is committed to manufacturing products of the highest quality and to this end has expanded its statistical process control and other quality assurance programs.

## Outlook

The outlook for further growth at CMT is very exciting with specific marketing emphasis on modular doors and seating systems. Continued outsourcing of hardware components by OEM's and the introduction of new vehicle programs in the years ahead present excellent opportunities for the CMT Group's future growth.







*Opposite page: Prototype seat component development at CMT's research and development facility.*

*Top left: Quality control is on-going at all manufacturing divisions.*

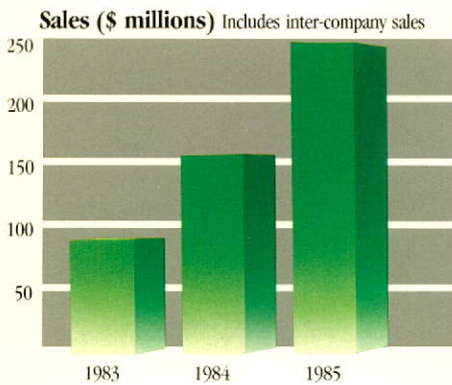
*Top right: Automated pedal assembly line.*

*Left: Prototype seat module using foam-in-place technology with memory seat track.*



# Decorative Products Group

***This Group produces decorative products segmented into two major lines, trim components and large plastic exterior components. The decorative trim products include traditional bright metal parts and recently developed co-extruded plastic-to-metal trim parts. The Group also moulds, paints and assembles a large variety of urethane bumper covers, fascia and body panels using the reaction injection moulding (RIM) and other injection moulding processes.***



## Operations Review

Sales of Decorative Products increased by 58% to \$248 million in 1985 from \$157 million in 1984. Growth was primarily due to increased market penetration of several products plus higher levels of vehicle production. Several product lines made significant contributions. These include large plastic components and co-extruded plastic-to-metal trim. The Group increased the use of its integrated finishing facilities which paint, apply chrome flashing, coat and anodize metal trim parts.

During the year the Group continued to expand existing operations and increased its emphasis on new product development activities. New facilities included a plant to manufacture moulded thermoplastic olefin bumper fascias, a metal finishing plant and a new painting facility. Two facilities were expanded and construction began on another factory, to be equipped with state-of-the-art technology used in the production of moulds for large plastic parts.

A joint venture with a company specializing in low stress moulding of specialty plastic automotive products, such as windows, has recently been established.

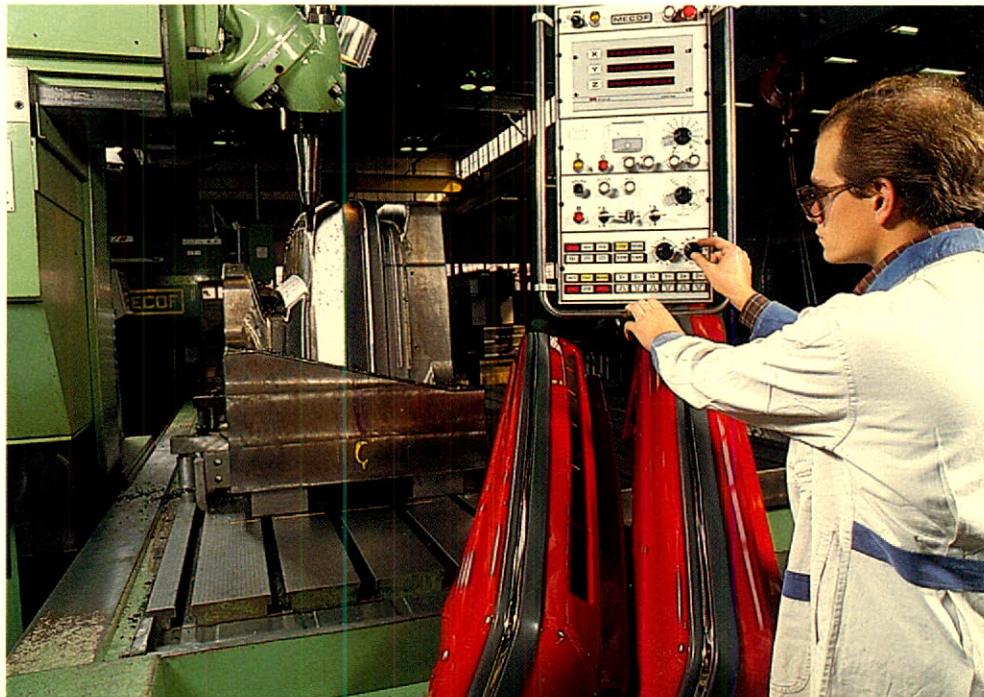
A new engineering and product development centre was set up to provide technical expertise to both customers and in-house manufacturing facilities. This centre has the latest CAD equipment which will enable the Group's engineering staff to design and develop new product applications more effectively both independently from and in conjunction with our customers. The design team is currently working on the development of a complete modular bumper assembly.

Quality and customer satisfaction continue to be major ingredients of the Group's success. During the year commitment to these areas was further demonstrated by the computerization of production control, statistical process control and customer communications.

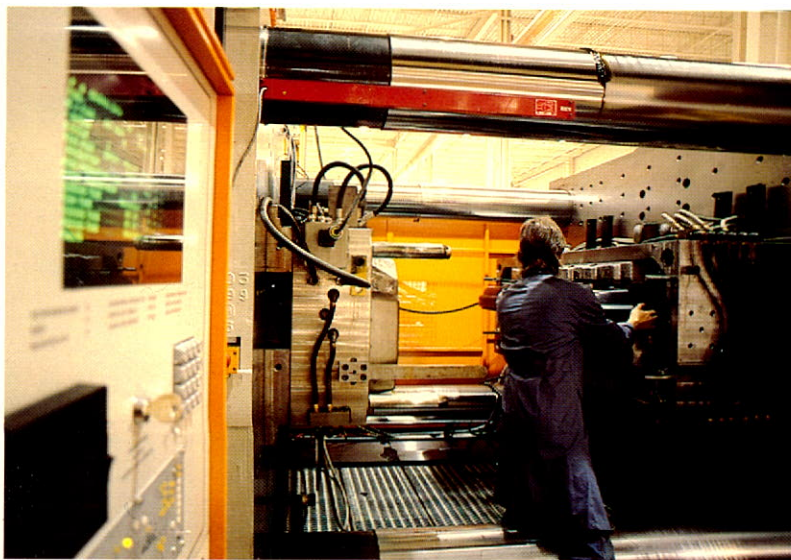
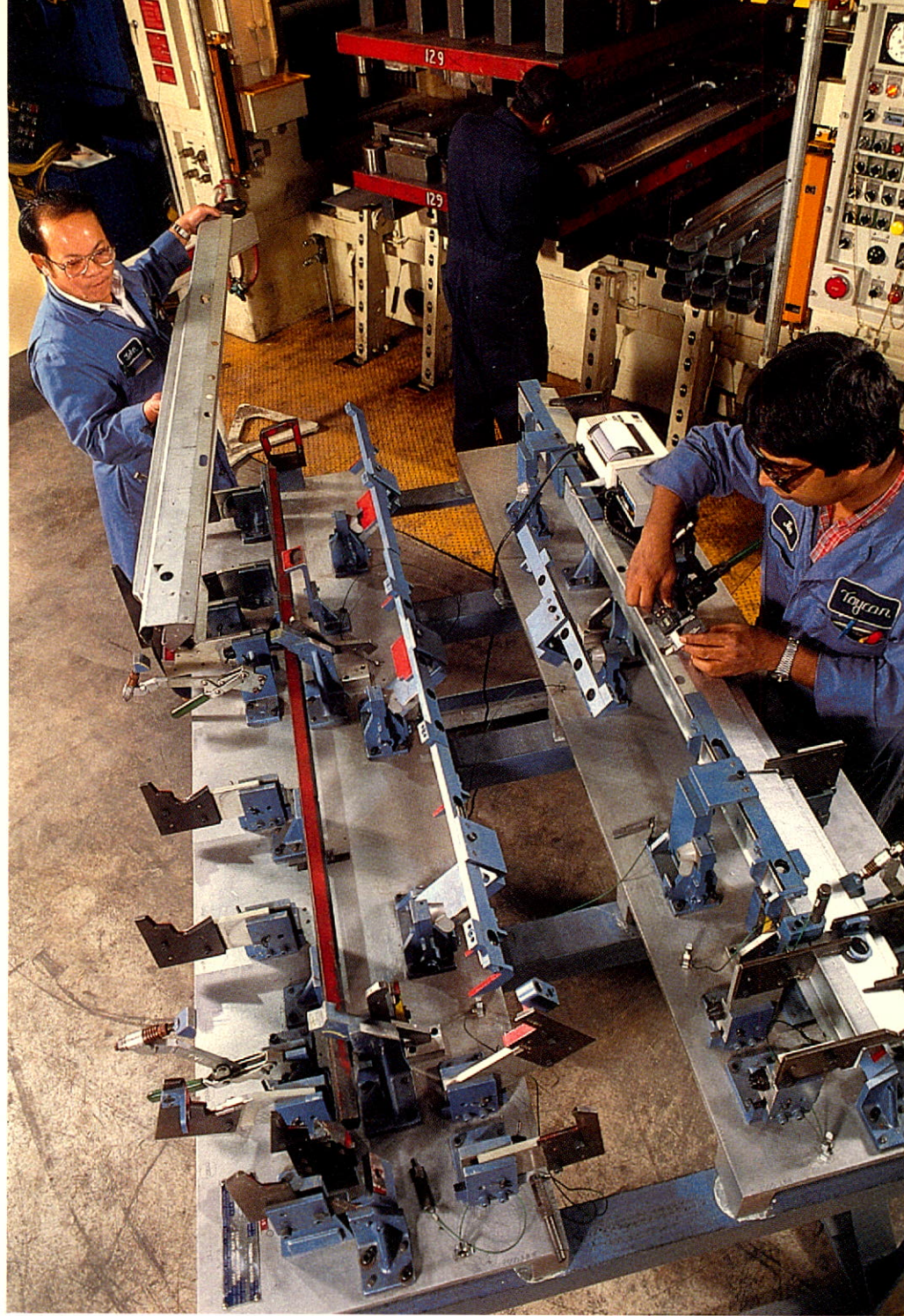
## Outlook

The market for plastic components is expected to expand dramatically in the future.

Magna's Decorative Products Group will benefit from this trend and from the increasing emphasis on improved technology and processing, and the addition of new product lines.







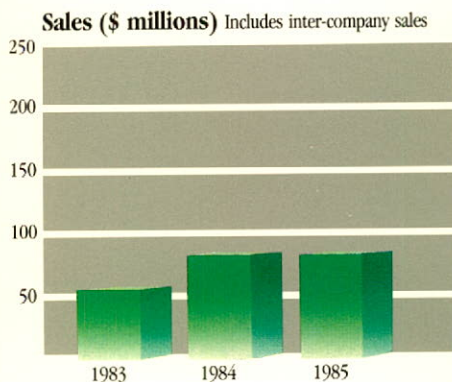
*Opposite page: Computer-aided machining of molds to be used in the manufacture of RIM bumpers (shown in foreground).  
 Top: Checking fixtures used for specific quality assurance procedures.  
 Right: Bright metal moldings for wheel opening trim.  
 Left: Large injection molding equipment in our newest plastics facility.*



# MACI Group

***MACI produces a large variety of electromechanical devices, electronic components and instrument clusters for both the vehicle manufacturers and the after-market. MACI's products are split into two major product lines — electromechanical components and electronic products.***

***One of the leading suppliers of Canadian fractional horsepower D.C. motors for automotive applications, the MACI Group has the capacity to produce over 20,000 electric motors per day in various sizes for a multitude of applications. The Group has developed design, manufacturing and testing methods to produce a variety of electronic devices for automotive applications. Other products manufactured include precision laminations and various switches, sensor products and mirrors.***



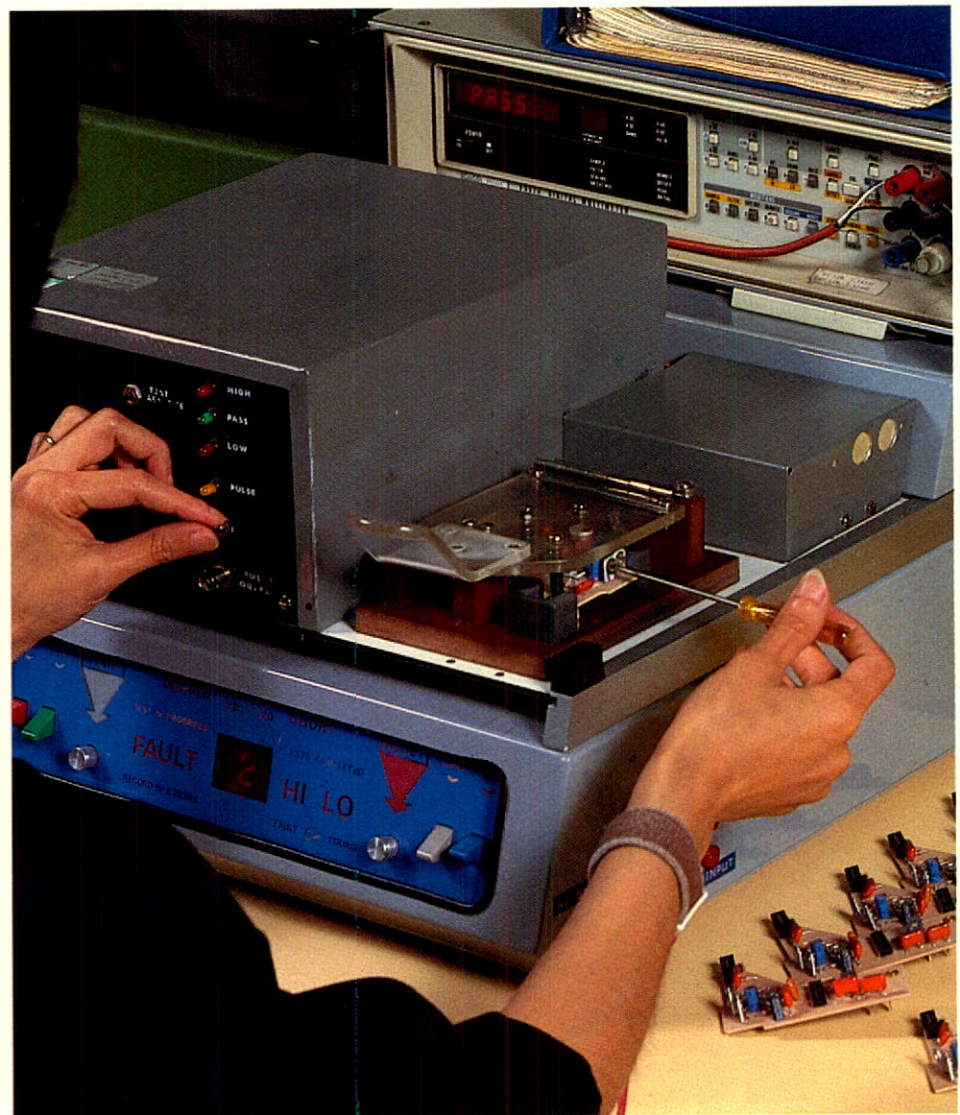
## Operations Review

At \$76 million, sales of the MACI Group were unchanged from 1984. This resulted from reduced sales of certain vehicle models to which MACI supplied instrument clusters and a reduction in the volume of certain aftermarket products. These factors were offset by increased sales of electric motors to the OEM's. In order to meet the demand for electric motors a new facility was constructed.

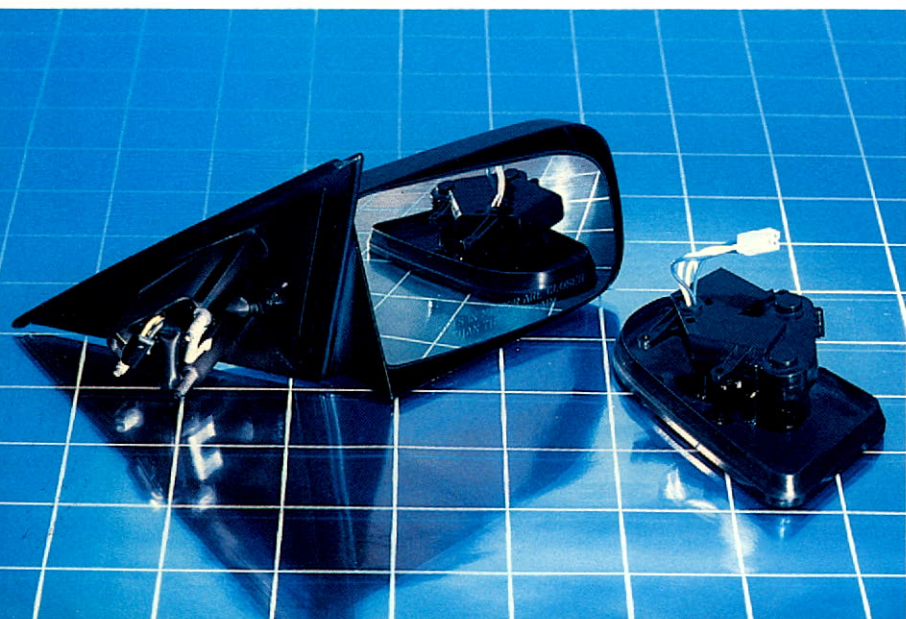
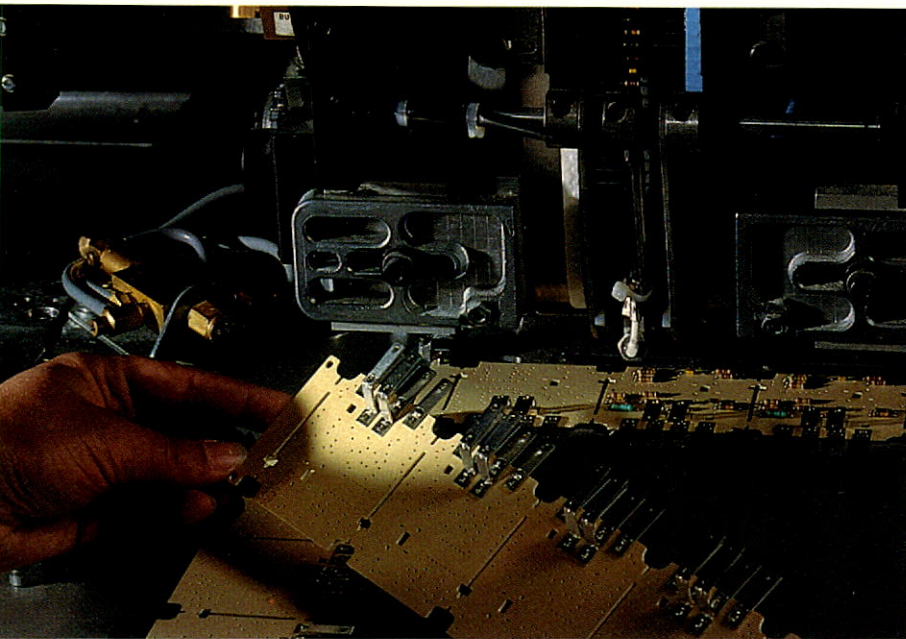
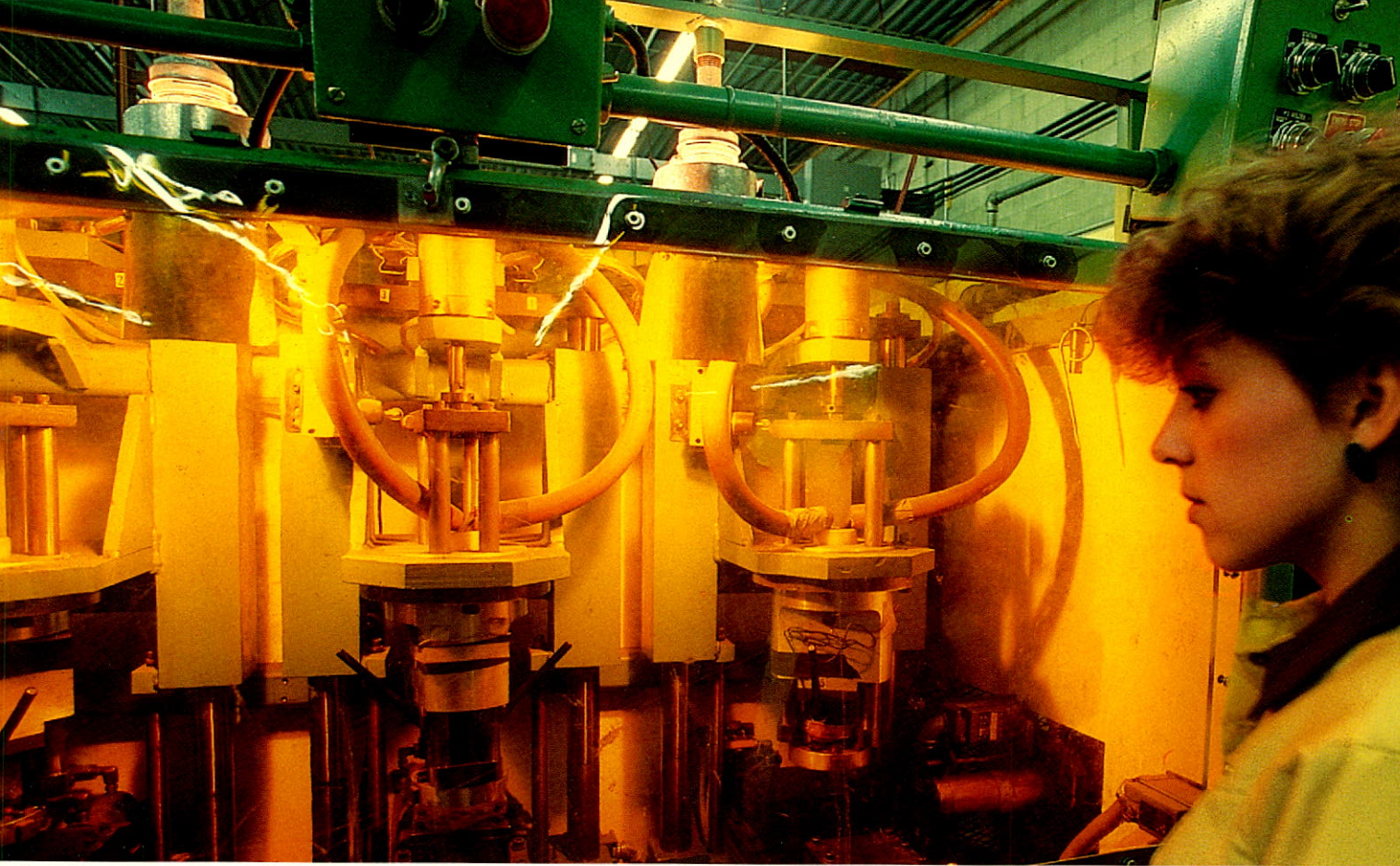
To assure a resumption in sales growth, MACI expanded its technology development activities. As a result, the Group's product offerings will be broadened. For example MACI started manufacturing automotive mirrors with the establishment of a new facility in Ontario and the acquisition of mirror design and production capabilities in the United States. A license agreement was also finalized with a Japanese manufacturer which will provide the base for a new line of advanced electromechanical products.

## Outlook

The introduction of automotive mirrors and other new products, which expand MACI's product lines, are expected to make a major contribution to sales in 1986 and beyond.







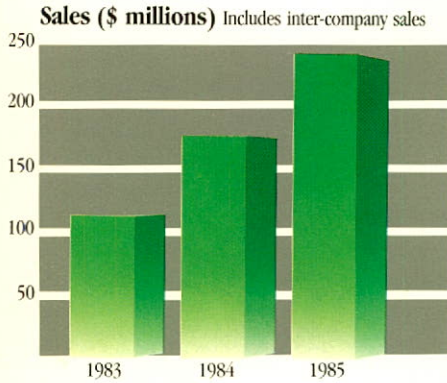
*Opposite page: Circuit board testing.  
Top: Low profile DC motor manufacturing.  
Centre: Assembly of circuit boards for tone alarms.  
Lower: Magna's new electronically controlled side mirror.*



# Magna Manufacturing Group

*This Group manufactures a variety of stamped, formed and welded metal products from motor mounts and scuff plates to underbodies and chassis components.*

*With in-house capability for high quality tooling, electroplating and phosphating and the latest state-of-the-art equipment and processes, this Group continues to increase its market penetration.*



## Operations Review

Magna Manufacturing increased sales by 37% to \$237 million in 1985 from \$173 million last year.

Growth in 1985 reflects continued market penetration in traditional lines. In addition, the Group has developed and sold a number of new and more sophisticated products for new vehicle programs.

The Group's major opportunities for the future are in heavy body parts such as underbodies and space frames. Accomplishments in 1985 include major contracts for the manufacture of large, stamped and welded underbody and chassis components. These contracts plus others under negotiation firmly establish the Magna Manufacturing Group as a major supplier of underbody components to the North American automotive industry. While this evolution towards larger, more complex stamped modules has taken place the production of traditional small and intermediate components has continued to expand.

Increased sales and customer commitments for participation in future product programs are a direct result of the Group's dedication to quality and delivery reliability. During the year, several new testing devices, including computerized statistical process control equipment, were added and training programs for staff at all levels were expanded.

A new stamping facility was opened in the United States and a new toolroom was established to provide expanded tooling capabilities.

One of the larger divisions was moved to a new state-of-the-art facility in order to meet customer demands for additional products. Six other facilities in the Group are being expanded to increase capacity to satisfy contracts for future production and to improve manufacturing efficiency.

## Outlook

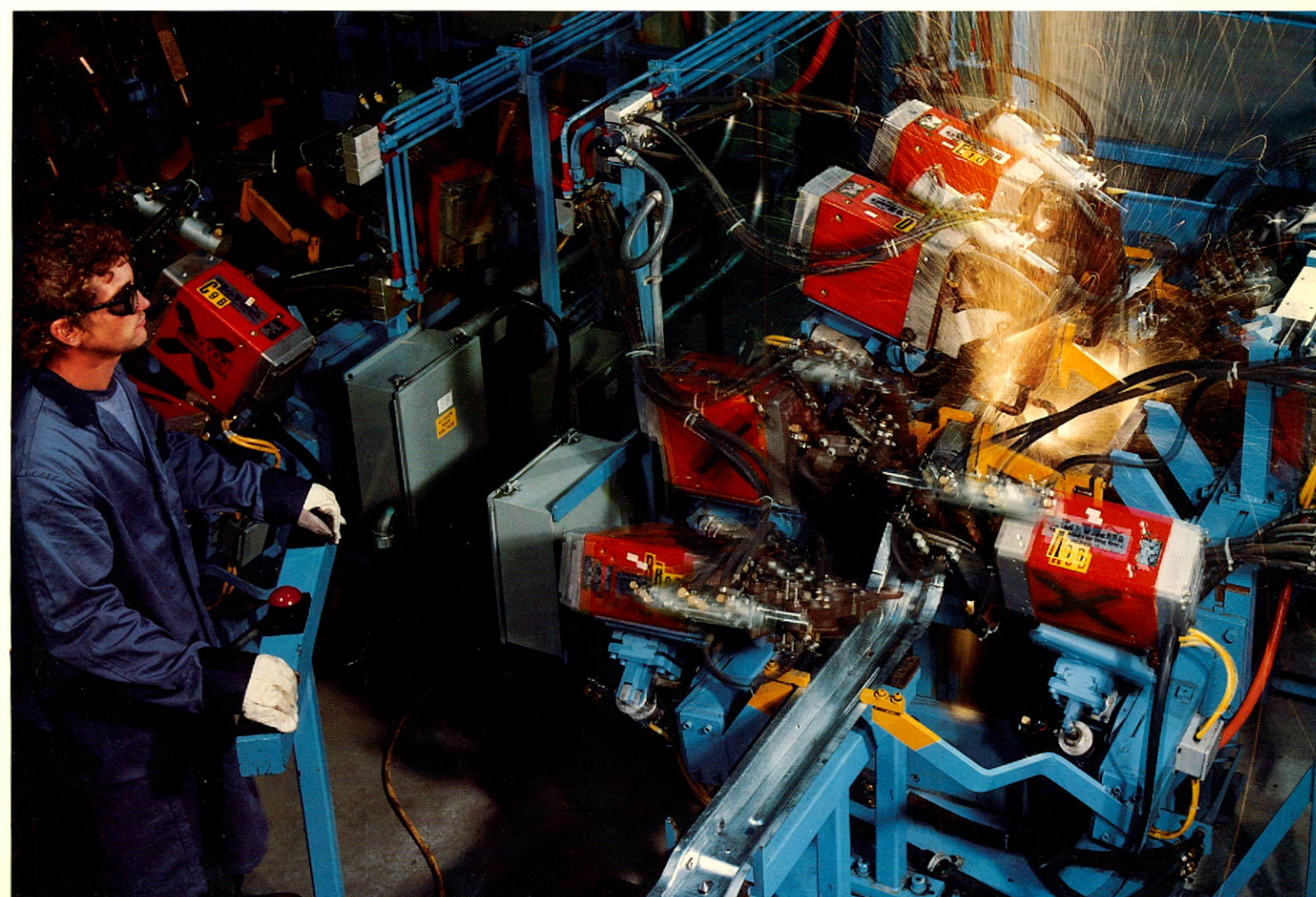
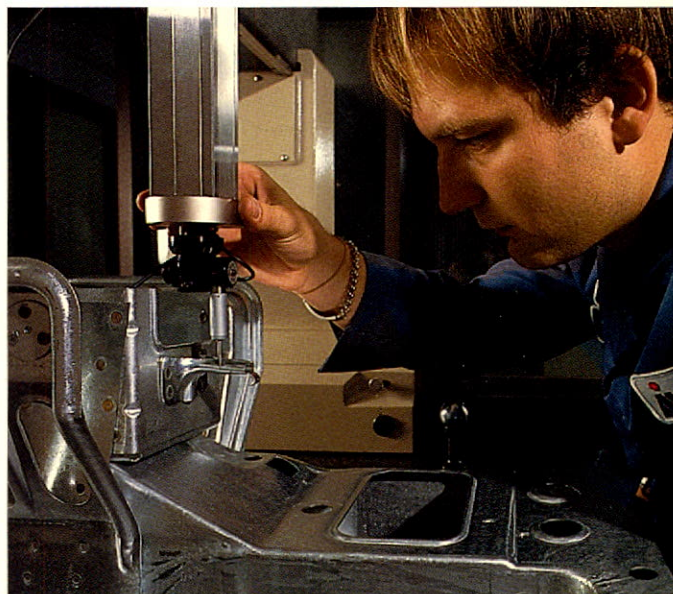
For 1986, Magna Manufacturing projects continued strong growth in sales, improved earnings and the continuation of its record as a quality supplier.







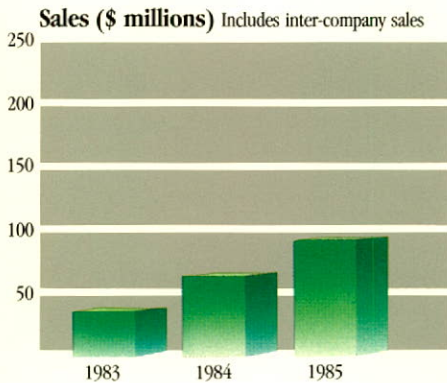
*Opposite page: Employees actively participate in the SPC process during production.*  
**Left:** Statistical process control (SPC) fixture for large chassis stamping panel.  
**Right:** Co-ordinate measurement of rear crossmember assembly.  
**Lower:** Robotic welding lines are designed and built by our new MTE Group.





# Maple Group

***The Maple Group concentrates on accessory drive systems. Using in-house custom designed forming equipment, this Group has built a reputation as one of the premier suppliers of high quality metal pulleys to the automotive market. The Group has also developed and patented automatic belt tensioning devices and other accessory drive products, which expanded its product base.***



## Operations Review

Sales of the Maple Group increased 44% to \$92 million in 1985 from \$64 million in 1984. This growth reflects the Group's increased market penetration for traditional pulley products, as well as the growth in sales of new products such as accessory drive systems and belt tensioners. Sales of stamped steel brackets, thermostat housings and oil strainers also increased substantially. Two facilities were opened during the year to provide capacity for this growth. In 1985, the Maple Group continued its efforts to provide an integrated range of powertrain-related products. Further progress was made in developing the capability to produce heat exchangers as the base for a complete cooling system module. Beginning in 1986, the heat exchanger component will be manufactured in a new plant operated as a joint-venture with Société Anonyme des Usines Chausson (France). Other components of the cooling system module (a fan, shroud and motor) are to be manufactured by various Magna facilities. The Maple Group is also developing hydraulic engine mounts, stainless steel exhaust manifolds and new engine power transmission devices.

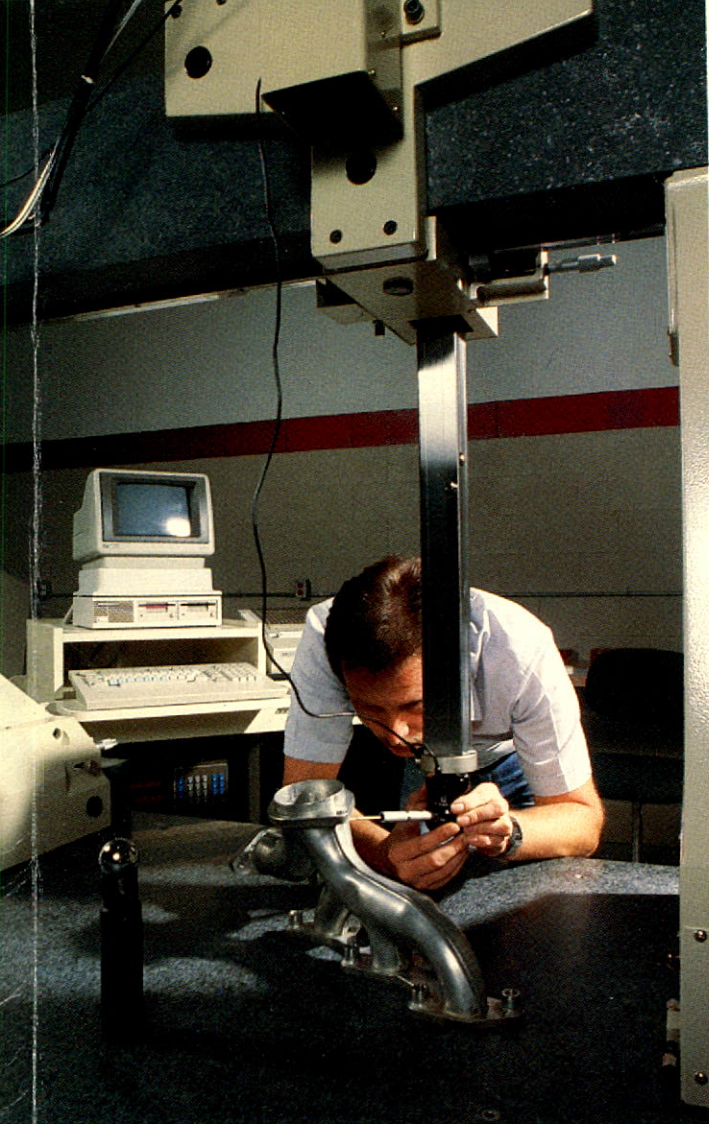
During the year, the Group moved its offices to larger premises, permitting the expansion of its engineering and development, quality control, and prototype building capabilities.

## Outlook

The Maple Group expects continued growth in sales and profits for 1986. The belt tensioner and heat exchanger products will provide the most significant portion of this growth.





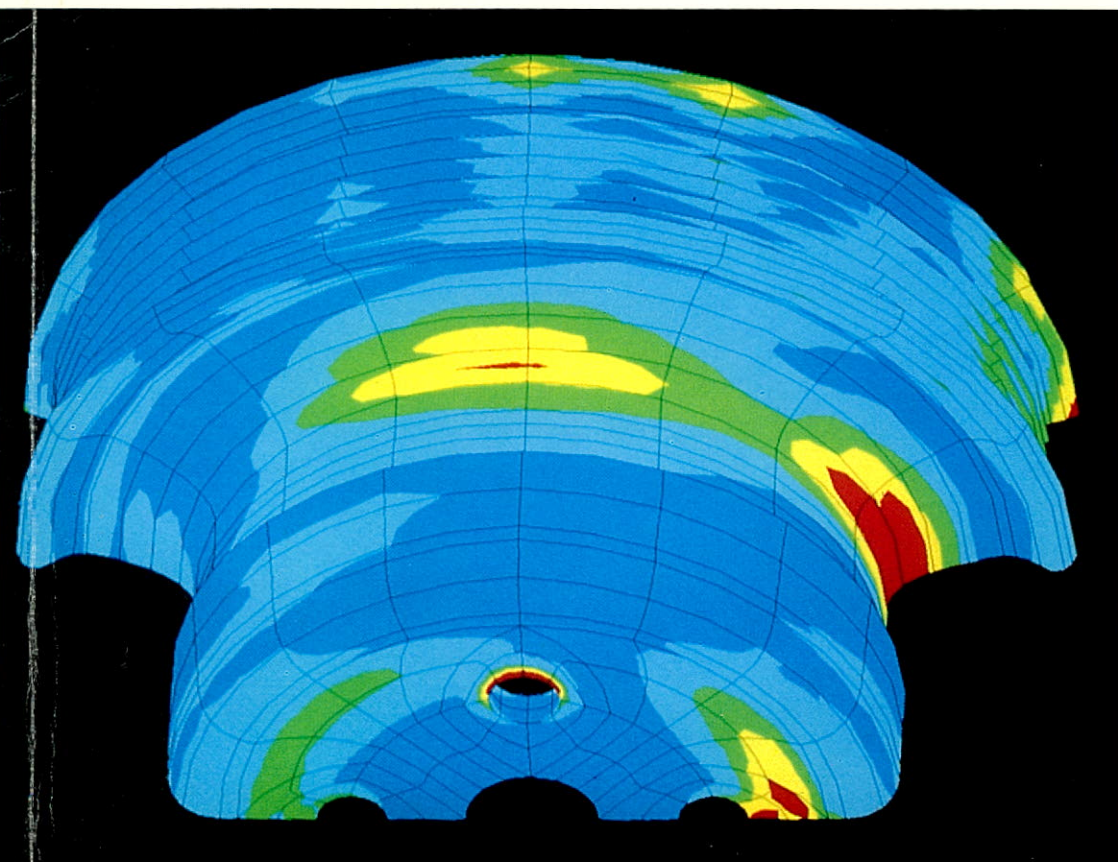
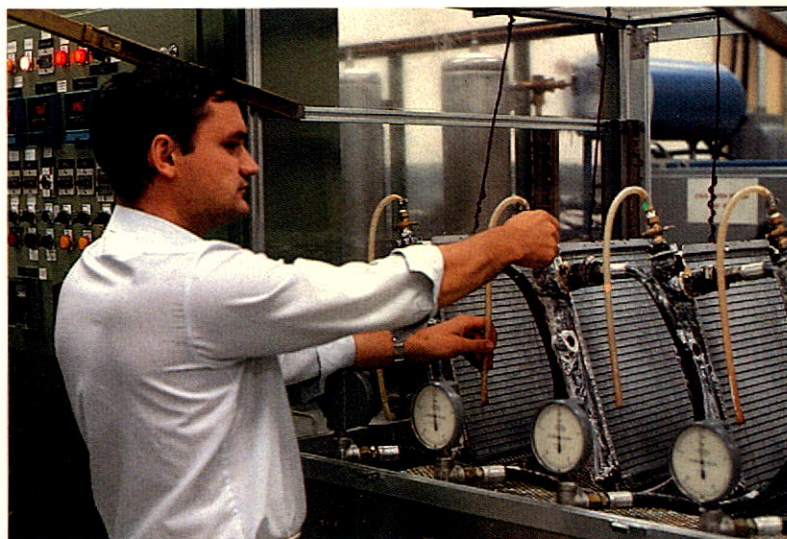


*Opposite page: Radial measurement of pulleys are part of our statistical process control (SPC) program.*

*Left: Prototype exhaust manifold being dimensionally reviewed on a co-ordinate measuring machine.*

*Right: Pressure testing of radiators at our joint venture facility with Chausson.*

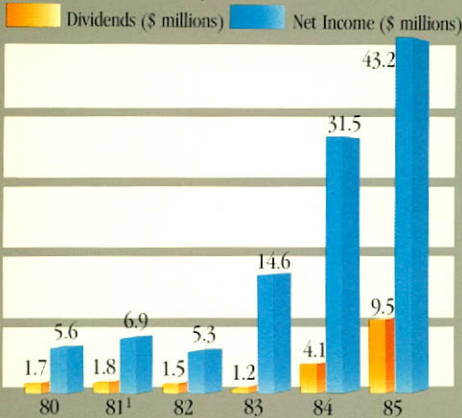
*Lower: Finite element modeling analysis of pulley showing high stress areas, reduces development time and costs.*



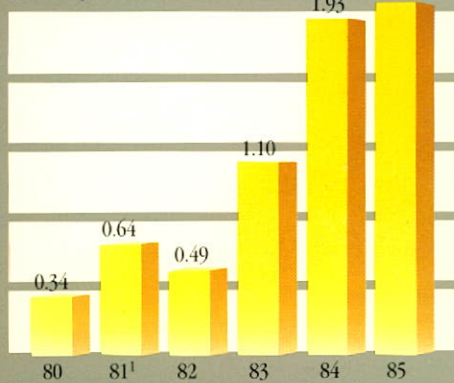


# Financial Review

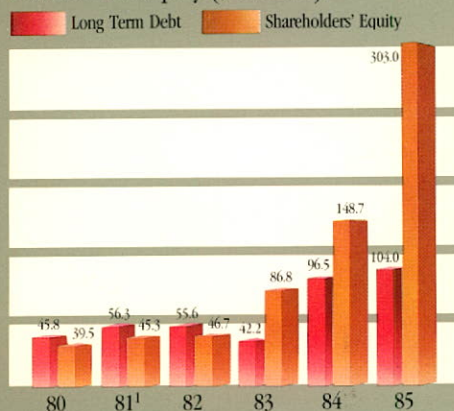
Net Income and Dividends Paid  
(Class A & B Shares)



Basic Earning Per Share, Class A & B <sup>3</sup>  
(dollars)



Long Term Debt and  
Shareholders' Equity (\$ millions)



## Results of Operations

Magna continued its record of growth in fiscal 1985. Sales for the year increased 40%, or a record \$197 million, to \$690.4 million, primarily due to the increased market penetration of a wide range of Magna's products. The average value of Magna manufactured products per unit of North American vehicle production increased to approximately \$49 dollars in 1985 from \$38 dollars in 1984.

Net income increased by \$11.7 million to \$43.2 million in 1985. Gross profit expressed as a percentage of sales declined slightly in 1985 compared to 1984. This decline resulted from the phasing in of several new facilities during the year and from an unusually high proportion of current revenue derived from lower margin tooling sales. Several of the new facilities are expected to make a positive contribution in 1986 while the tooling sales in 1985 will generate product sales in 1986 and beyond.

Selling, general and administrative expenses have increased as a percentage of sales. This increase results from the addition of management personnel at several levels to support the Company's growth and from the incentive-based remuneration which rose as a result of record earnings. These expenses, as a percentage of sales, should return to traditional levels next year.

Interest expense continued to decline in 1985 due to lower interest rates on floating rate loans and the increase in the portion of interest capitalized on fixed assets under construction.

This year's net income benefitted from investment tax credits earned on certain capital expenditures which, under the flow through method of accounting, reduced tax expense reported on the statement of income. As explained in note 4(e) to the financial statements, commencing with Magna's 1986 fiscal year, the Canadian Institute of Chartered Accountants requires that companies adhering to Canadian generally accepted accounting principles record the benefits of investment tax credits as a reduction of the cost of the fixed assets to which the investment tax credits apply. The elimination of the credit to tax expense recorded under the flow through method will be offset partially by the reduction in depreciation that results from applying the investment tax credit to the carrying value of the related fixed assets. This change in the method of accounting for investment tax credits has no impact on the amount or timing of the company's actual income tax payments.

The charge to income for minority interest in consolidated subsidiaries is our partners' share of the profits from these ventures.

Basic earnings per share reached a record of \$2.00, an increase of 4% compared to 1984. This improvement was achieved despite a 33% increase in the average number of shares outstanding.

## Financial Condition

Magna has continued to balance growth with sound financial policies.

Capital resources have been allocated to units managed by general managers with a record of profitable performance and a commitment to product quality, customer service and employees.

Toward the end of fiscal 1983 we began a capital expenditure program designed to increase our production capacity to meet the demand for existing and new products.



During 1985, \$125 million was invested in machinery and equipment to provide production capacity to satisfy existing contracts for new business in the current and future years. In addition \$17 million of expenditures incurred to prepare facilities for production were capitalized as deferred preproduction expenses.

Consistent with our desire to own production facilities of unique design and to ensure a safe and pleasant working environment for our employees, a further \$76 million was invested in land and buildings in 1985.

We continue to emphasize the use of equity in financing capital expenditures. During the year we had two successful share issues. The first in August, 1984 generated net proceeds of \$47 million (3.4 million shares) to reduce bank indebtedness incurred in connection with our 1984 capital expenditure program. The second, in March 1985 for \$71 million (3.25 million shares), together with internally generated funds and additional debt provided sufficient funds to finance 1985's requirements. At July 31, 1985 with shareholders equity of \$303 million, our long term debt to equity ratio stood at .34:1 providing sufficient capacity to take on additional debt as a means of financing our 1986 capital expenditure program.

Working capital at year-end stood at \$64 million and the ratio of current assets to current liabilities stood at 1.33:1. Current assets and liabilities increased in proportion to business activity. Accrued salaries and wages reflected the increase in incentive based remuneration, including the Employee Equity Participation and Profit Sharing Plan, as a result of higher profits and general increases arising from the addition of approximately 2,500 new employees during the year.

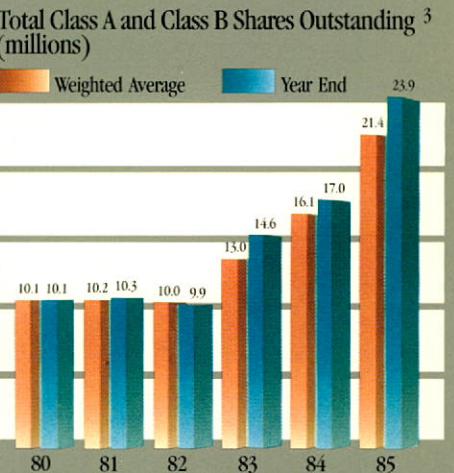
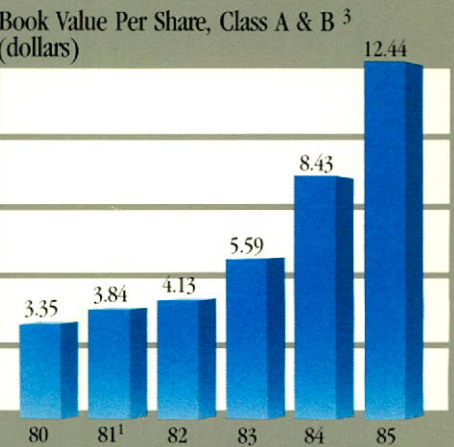
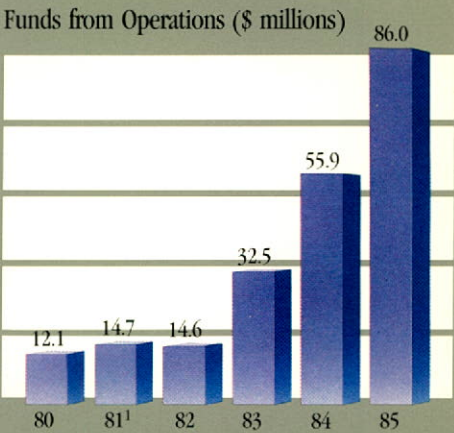
### Financial Controls

At Magna, financial control is maintained by accountants at each of the Group offices and operating units (over 70 operating units existed at year-end). Each operating unit is required to submit a business plan for the year outlining the operating and capital budget to Group management. These plans are assessed by the Groups and submitted to corporate executive officers for final approval.

Once approved, the Groups and operating units set out independently in pursuit of their defined business goals. Performance is monitored monthly using uniform financial reports comparing actual operating results to budget and measuring capital spending against plan.

### Conclusion

Magna's financial position is strong and provides the flexibility to respond to future growth opportunities which continue to be available in the automotive industry.



1. 1981 and prior include figures from Aerospace/ Defense operations sold effective August 1st, 1981.  
 2. Adjusted for years prior to 1979 to give effect to capital reorganization during 1979.  
 3. 1983 and prior years adjusted to give effect to stock dividend issued June 1983.



## *Management's Responsibility for Financial Reporting*

Magna's management is responsible for the integrity and fair presentation of the financial statements and all information in the Annual Report. The financial statements were prepared by management in accordance with generally accepted accounting principles as set out in note 1 of the notes to the financial statements. The financial statements have been reviewed by the Audit Committee and approved by the Board of Directors.

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

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

The consolidated financial statements have been examined by Clarkson Gordon, the independent auditors, in accordance with generally accepted auditing standards on behalf of the shareholders. Their report outlines the nature of their examination and their opinion on the consolidated financial statements of the Company.

## *Auditors' Report*



A MEMBER OF ARTHUR YOUNG INTERNATIONAL

## **Clarkson Gordon**

To the Shareholders of  
Magna International Inc.:

We have examined the consolidated balance sheets of Magna International Inc. as at July 31, 1985 and 1984 and the consolidated statements of income and retained earnings and changes in financial position for each of the years in the three-year period ended July 31, 1985. Our examinations were made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at July 31, 1985 and 1984 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, 1985 in accordance with accounting principles generally accepted in Canada applied on a consistent basis.

Toronto, Canada,  
September 20, 1985.

Chartered Accountants



# Consolidated Statements of Income & Retained Earnings

Magna International Inc.

Years Ended July 31,

(Canadian dollars in thousands except per share figures)

	1985	1984	1983
<b>Sales</b>	<b>\$690,400</b>	<b>\$493,559</b>	<b>\$302,451</b>
<b>Expenses:</b>			
Cost of goods sold	522,196	369,616	228,944
Depreciation	24,322	15,044	11,267
Selling, general and administrative	70,618	46,868	29,130
Interest (net of capitalized interest — notes 2 and 3)			
— on long term debt	3,582	3,839	4,230
— on other debt		683	3,010
Amortization of goodwill	252	385	397
	620,970	436,435	276,978
<b>Income from operations</b>	<b>69,430</b>	<b>57,124</b>	<b>25,473</b>
<b>Income taxes: (note 4) —</b>			
Current	7,400	16,204	3,789
Deferred	15,450	6,346	5,446
	22,850	22,550	9,235
Minority interest	3,389	3,094	1,591
	26,239	25,644	10,826
<b>Net income for the year</b>	<b>43,191</b>	<b>31,480</b>	<b>14,647</b>
<b>Retained earnings, beginning of year</b>	<b>72,143</b>	<b>45,658</b>	<b>32,633</b>
	115,334	77,138	47,280
<b>Deduct:</b>			
Dividends on and premium paid on redemption of 6½% preference shares		7	5
Dividends on 7% preference shares	357	357	383
Dividends on Class A Subordinate Voting and Class B shares — cash	9,532	4,184	1,227
— special stock dividend			7
Share issue expenses (net of taxes)	3,822	447	
	13,711	4,995	1,622
<b>Retained earnings, end of year</b>	<b>\$101,623</b>	<b>\$ 72,143</b>	<b>\$ 45,658</b>
<b>Earnings per share:</b>			
Basic — Class A Subordinate Voting and Class B shares	\$ 2.00	\$ 1.93	\$ 1.10
Fully diluted — Class A Subordinate Voting and Class B shares	\$ 1.93	\$ 1.85	\$ 1.07
<b>Cash dividends paid:</b>			
Per Class A Subordinate Voting and Class B share	\$ 0.46	\$ 0.26	\$ 0.10

(See accompanying notes)





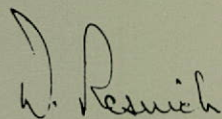


<b>Liabilities and Shareholders' Equity</b>	<b>1985</b>	<b>1984</b>
<b>Current liabilities:</b>		
Bank indebtedness (note 5)	\$ 75,098	\$ 3,160
Accounts payable and accrued charges	77,981	59,974
Accrued salaries and wages	29,428	17,765
Income and other taxes payable (recoverable)	(1,087)	8,882
Long-term debt due within one year	12,279	7,588
<b>Total current liabilities</b>	<b>193,699</b>	<b>97,369</b>
<b>Long-term debt (note 5)</b>	<b>103,997</b>	<b>96,497</b>
<b>Deferred income taxes</b>	<b>31,858</b>	<b>16,408</b>
<b>Minority interest in subsidiary companies</b>	<b>12,819</b>	<b>7,635</b>
<b>Shareholders' equity:</b>		
Capital stock (note 6)	201,412	76,523
Retained earnings	101,623	72,143
	<b>303,035</b>	<b>148,666</b>
	<b>\$645,408</b>	<b>\$366,575</b>

On behalf of the Board:



Director



Director

(See accompanying notes)



## *Consolidated Statements of Changes in Financial Position*

### **Magna International Inc.**

**Years Ended July 31,**

*(Canadian dollars in thousands)*

	1985	1984	1983
<b>Sources of working capital:</b>			
From operations —			
Net income for the year	\$ 43,191	\$ 31,480	\$ 14,647
Charges to net income which do not affect working capital, including depreciation, deferred income taxes, amortization and minority interest	42,783	24,465	17,875
	85,974	55,945	32,522
Class A Subordinate Voting shares issued for consideration of cash (net) (note 6)	117,717	35,044	19,791
Increase in long-term debt	73,959	65,571	5,372
Capital contribution by minority interest	1,795	35	113
Proceeds from disposal of fixed assets	3,657	2,796	1,809
	283,102	159,391	59,607
<b>Uses of working capital:</b>			
Additions to fixed assets	222,878	110,239	29,806
Reduction of long-term debt	63,109	11,291	10,867
Purchase and cancellation of 6½% preference shares		81	
Dividends	9,889	4,544	1,615
Purchase of goodwill (note 7)	1,406	1,234	33
Increase in investments and other assets	1,503	489	787
	298,785	127,878	43,108
Increase (decrease) in working capital	(15,683)	31,513	16,499
Working capital, beginning of year	79,804	48,291	31,792
<b>Working capital, end of year</b>	<b>\$ 64,121</b>	<b>\$ 79,804</b>	<b>\$48,291</b>
<b>Changes in components of working capital:</b>			
Accounts receivable	\$ 47,425	\$ 29,380	\$ 14,839
Inventories	33,248	37,180	3,946
Prepaid expenses	(26)	(1,112)	2,738
Bank indebtedness	(71,938)	4,361	15,926
Accounts payable and accrued charges	(29,670)	(33,412)	(21,109)
Income and other taxes payable	9,969	(4,926)	316
Long-term debt due within one year	(4,691)	42	(157)
<b>Increase (decrease) in working capital</b>	<b>\$(15,683)</b>	<b>\$31,513</b>	<b>\$16,499</b>

(See accompanying notes)



# Notes to the Consolidated Financial Statements

## Magna International Inc.

### Magna International Inc.

#### 1. Significant accounting policies

The consolidated financial statements are expressed 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.

#### Principles of consolidation —

The consolidated financial statements include the accounts of Magna International Inc. and its subsidiaries, some of which have a minority interest. All significant inter-company balances and transactions have been eliminated on consolidation.

The company accounts for its investments in which it has significant influence on the equity basis.

#### Foreign exchange —

Assets and liabilities stated in other currencies, together with the accounts of the company's foreign subsidiaries, are translated as follows:

Monetary assets and liabilities — at year-end rates.

Non-monetary assets and depreciation expense — at historic rates.

Revenues and expenses, other than depreciation — at average exchange rates for the year.

Foreign exchange gains and losses on transactions during the year and on the year-end translation of the accounts, are reflected in income.

Gains and losses on translation of foreign currency long-term liabilities, which were not significant, are deferred and amortized over the remaining life of the debt.

#### 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.

#### Revenue recognition —

Revenue from sales of manufactured products is recognized upon shipment to customers.

#### Research and development costs —

Research and development costs (except for capital assets) are charged against income in the year of expenditure. Such costs totalled approximately \$7.2 million in 1985 (\$3.6 million in 1984 and \$2.0 million in 1983).

#### Government assistance —

The company makes periodic applications for financial assistance under available government incentive programs. Assistance resulting from these applications is recorded in the accounts on the following basis:

Grants relating to capital expenditures are reflected as a reduction of the cost of such assets. Grants of \$2.1 million in 1985 (\$3.3 million in 1984 and 0.4 million in 1983) relating to current operating expenditures are recorded as a reduction of expense at the time the eligible expenses are incurred.

The company also receives assistance in the form of non-forgivable loans which are recorded as liabilities in amounts equal to the cash received.

#### 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 are accounted for as a reduction in the current year's tax provision, net of deferred income taxes where applicable (see note 4(c)).

The company does not provide for the potential tax liability on unremitted earnings of foreign subsidiaries as no dividends are anticipated in the foreseeable future.

#### Fixed assets —

Fixed assets are recorded at historical cost including, where appropriate, interest capitalized on construction-in-progress and land under development. Expenditures for maintenance and repairs are charged to income as incurred. Fixed assets retired or otherwise disposed of, and the related accumulated depreciation, are removed from the accounts with the net gain or loss being included in income.

Depreciation is provided on a straight-line basis over the estimated useful lives of fixed assets at annual rates of 5% for buildings, 10% for general purpose equipment, 10% to 30% for special purpose equipment, vehicles and aircraft and 7% for heavy machinery put into service after August 1, 1984 (approximately \$107 million).

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

**Goodwill** (excess of purchase price of interest in subsidiary companies over fair value of underlying net identifiable assets) —

Goodwill arising on acquisitions which occurred prior to April 1, 1974, has a value of \$1,911,000 and represents cost without amortization less amounts written off where, in the view of management, there has been an impairment in value. For acquisitions subsequent to April 1, 1974, goodwill, to the extent that there has been no impairment, is being amortized over such periods as is deemed appropriate for each acquisition (currently, 10 years in each case).

#### Earnings per share —

Earnings per share is calculated on the weighted average number of shares outstanding during the year. Fully diluted earnings per share is calculated on the weighted average number of shares that would have been outstanding during the year had all the 10% and 11% convertible notes and 7% convertible preference shares been converted into Class A Subordinate Voting shares at the beginning of the year. In making this calculation, the earnings applicable to the Class A Subordinate Voting and Class B shares have been increased by the amount of interest on the convertible notes, net of applicable income taxes and the dividends paid on the convertible preference shares.

### 2. Inventories

Inventories consist of:

	1985	1984
	(dollars in thousands)	
Raw materials and supplies	\$48,239	\$37,075
Work in process	52,649	34,553
Finished goods	19,746	15,758
	\$120,634	\$87,386

At July 31, 1985, work in process inventories included tooling of approximately \$27 million (July 31, 1984 — \$19 million) including interest capitalized while under construction of \$1 million (1984 — nil).

### 3. Fixed assets

Fixed assets consist of:

	1985	1984
	(dollars in thousands)	
Land	\$ 41,525	\$ 24,729
Buildings	99,953	41,193
Machinery and equipment	296,631	172,347
Deferred preproduction expenses	17,312	
	455,421	238,269
Less accumulated depreciation	80,738	58,452
	\$374,683	\$179,817

Fixed assets at July 31, 1985 include approximately \$38 million (1984 — \$15 million) of facilities under construction. In 1985, interest capitalized on fixed asset additions amounted to approximately \$8 million (\$1 million in 1984).



#### 4. Income taxes

- (a) The provisions for income tax expense, substantially all of which relates to income earned in Canada, differ from those that would be obtained by applying Canadian statutory rates as a result of the following:

	1985	1984	1983
Expected income tax rate	51.1%	51.3%	51.5%
Manufacturing and processing profits deduction	(6.4)	(6.7)	(6.6)
3% inventory allowance	(1.7)	(1.2)	(2.2)
Investment tax credits	(7.6)	(4.0)	(2.4)
Other	(2.5)	0.1	(4.0)
Effective tax rate	32.9%	39.5%	36.3%

- (b) In 1985, approximately 63% (68% in 1984 and 67% in 1983) of tax expense has been provided in respect of Canadian federal taxes. The balance of tax expense relates to provincial and other income taxes.
- (c) Deferred income taxes have been provided on timing differences which arise primarily from the claiming of capital cost allowance in excess of recorded depreciation and the expensing, for tax purposes, of preproduction expenses which have been capitalized in the accounts.
- (d) Consolidated retained earnings included approximately \$6.9 million at July 31, 1985 (\$2.6 million at July 31, 1984) 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.
- (e) Commencing in 1986, in accordance with new recommendations of the Canadian Institute of Chartered Accountants, the company will record the benefits of investment tax credits under the cost reduction method rather than the flow through method followed until July 31, 1985. This change will have the effect of reducing the cost (and related depreciation expense) of certain fixed assets and eliminate the credit to tax expense recorded under the flow through method.

#### 5. Long-term debt

- (a) Long-term debt consists of:

	1985	1984
	(dollars in thousands)	
6½% unsecured sinking fund debentures due December 1, 1987	\$ 121	\$ 121
10% unsecured convertible notes due 1989 — The 10% convertible notes are convertible into Class A Subordinate Voting shares at rates ranging from one share for each \$10.70 to \$14.50 face amount of debt, depending on the date of conversion until 1989 and subject to anti-dilution provisions	2,000	5,350
11% unsecured convertible subordinated note due 1996 (U.S. \$10 million) The 11% convertible subordinated note is convertible into Class A Subordinate Voting shares at the rate of one share for each \$19.88 face amount of debt and subject to anti-dilution provisions	13,150	13,115
Non-forgivable capital and operating assistance loans — non-interest bearing, principal payments commencing in fiscal 1986	14,254	13,261
Mortgages payable at interest rates from 5% to 14½% due 1985 to 2004 of which \$15 million (U.S. \$11 million) is denominated in U.S. dollars	29,720	11,250
Lien notes payable (mainly at the lending bank's prime interest rates) due 1985 to 1992	4,268	12,598
Bank term debt repayable in twelve equal quarterly instalments commencing December 31, 1986 (at the lending bank's prime interest rate)	50,000	
Capital lease obligations (of which \$2.3 million (U.S. \$1.6 million) is denominated in U.S. dollars) at their effective interest rates ranging from 5½% to 13% maturing over terms from five to twenty years with purchase options on termination of leases	2,763	1,601
	116,276	57,296
Less due within one year	12,279	7,588
	103,997	49,708
Bank indebtedness repaid from proceeds of share issue subsequent to year-end		46,789
	\$103,997	\$96,497

- (b) Required repayments are estimated to be approximately as follows:

	(dollars in thousands)
1986	\$12,279
1987	18,980
1988	22,488
1989	20,116
1990	11,740
Thereafter	30,673

- (c) At July 31, 1985, the company had unused bank lines of credit of approximately \$97 million generally available at the bankers' prime rate of interest.
- (d) At July 31, 1985, the company had commitments under operating leases requiring annual rental payments in each of the next five years as follows:

	(dollars in thousands)
1986	\$ 5,812
1987	4,850
1988	4,800
1989	2,043
1990	2,180
Thereafter	14,302

In 1985, payments under operating leases amounted to \$6.2 million (\$4.5 million in 1984 and \$3.9 million in 1983).

#### 6. Capital stock

The company's authorized and issued capital stock is as follows (dollars in thousands):

	Authorized	Issued and outstanding as at July 31			
		1985	1984		
		Number of shares	Stated value	Number of shares	Stated value
6½% preference shares	7,500				
7% preference shares (1979 Series)	220,000	204,000	\$ 5,100	204,000	\$ 5,100
Class A Subordinate Voting shares	Unlimited	22,594,475	194,722	15,588,987	69,783
Class B shares	1,412,506	1,362,374	1,590	1,435,924	1,640
			\$201,412		\$76,523

#### Preference shares — issuable in series —

The first such series was issued in 1979 as 7% non-voting, cumulative, convertible preference shares without par value with a stated value per share of \$25.00. At July 31, 1985, such shares were convertible into 2.64 Class A Subordinate Voting shares per preference share (subject to anti-dilution provisions) until 1986 after which they may be purchased for cancellation by the Company at their stated value. These shares are redeemable by the holder after 1989 (at their stated value). Under the rules and regulations of the United States Securities and Exchange Commission, these shares, because they are redeemable at the option of the holder after 1989, would not be included in shareholders' equity.

#### Class A Subordinate Voting shares and Class B shares —

Class A Subordinate Voting shares without par value have the following attributes:

- (a) Each share is entitled to one vote per share at all meetings of shareholders.
- (b) Each share shall participate equally as to dividends with each Class B share.

Class B shares without par value have the following attributes:

- (a) Each share is entitled to 500 votes per share at all meetings of shareholders.
- (b) Each share shall participate equally as to dividends with each Class A share.
- (c) 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.



Changes in the Class A Subordinate Voting and Class B shares for the years 1983, 1984 and 1985 are shown in the following table (dollars in thousands):

	Class A		Class B	
	Shares	Stated value	Shares	Stated value
Outstanding at July 31, 1982	3,161,218	\$ 6,325	1,803,368	\$2,059
Issued on conversion of notes, debentures and shares	1,006,115	7,750		
Issued for cash	1,345,000	19,791		
Issued in respect of a special stock dividend	7,289,210	7		
Conversion of Class B shares to Class A Subordinate Voting shares	367,444	419	(367,444)	(419)
Outstanding at July 31, 1983	13,168,987	34,292	1,435,924	1,640
Issued for cash	2,400,000	35,401		
Issued on exercise of option	20,000	90		
Outstanding at July 31, 1984	15,588,987	69,783	1,435,924	1,640
Issued for cash	6,606,900	121,449		
Issued on conversion of notes	305,038	3,350		
Issued on exercise of option	10,000	45	10,000	45
Conversion of Class B shares to Class A Subordinate Voting shares	83,550	95	(83,550)	(95)
Outstanding at July 31, 1985	22,594,475	\$194,722	1,362,374	\$1,590

## 7. Acquisitions

During the past three years, the company acquired for cash and notes, businesses and minority interests in subsidiaries and joint ventures as follows (dollars in thousands):

	Purchase price	Portion allocated to goodwill
1983	\$1,723	\$ 33
1984	1,820	1,234
1985	7,262	1,406

## 8. Segment information

The company's operations are related primarily to the automotive industry. Operations include the manufacture of automobile parts for the original equipment manufacturers as well as the after-market suppliers. Substantially all automotive revenue is derived from sales to the major North American automobile manufacturers. In 1985 sales to the company's three largest customers amounted to 35%, 32% and 17% of the total sales, respectively.

The following table shows certain information with respect to geographic segmentation (dollars in thousands):

	1985		
	Canada	United States	Total
Sales	\$592,634	\$97,766	\$690,400
Operating profit before the following	\$ 84,614	\$ 6,332	\$ 90,946
Deduct:			
Interest expense			3,582
Corporate expense			17,934
			21,516
Income before income taxes and minority interest			\$ 69,430
Assets	\$523,314	\$87,321	\$610,635
Corporate assets			34,773
Total assets			\$645,408
	1984		
	Canada	United States	Total
Sales	\$437,843	\$55,716	\$493,559
Operating profit before the following	\$ 72,648	\$ 367	\$ 73,015
Deduct:			
Interest expense			4,522
Corporate expense			11,369
			15,891
Income before income taxes and minority interest			\$ 57,124
Assets	\$302,053	\$41,061	\$343,114
Corporate assets			23,461
Total assets			\$366,575

	1983		
	Canada	United States	Total
Sales	\$267,414	\$35,037	\$302,451
Operating profit before the following	\$ 35,125	\$ 2,752	\$ 37,877
Deduct:			
Interest expense			7,240
Corporate expense			5,164
			12,404
Income before income taxes and minority interest			\$ 25,473
Assets	\$171,337	\$19,660	\$190,997
Corporate assets			15,932
Total assets			\$206,929

Canadian sales include export sales of \$454 million (\$307 million in 1984 and \$218 million in 1983). Income before income taxes from foreign operations amounted to \$4.3 million (\$0.2 million in 1984 and \$0.7 million in 1983).

## 9. Transactions with related parties

The company leases one (six in 1984 and 1983) of its manufacturing plants from companies in which certain officers of Magna are shareholders. Payments under these leases approximated \$171,000 in 1985 (\$615,000 in 1984 and \$594,000 in 1983).

During the year a Trust (which has as its trustees officers of Magna and which exists to make orderly purchases of Magna shares from time to time for employees, either for transfer to the employees' Deferred Profit Sharing Plan (the Plan) which invests exclusively in such shares, or to recipients of either bonuses or rights to purchase such shares from the Trust) borrowed up to \$4,125,000 (\$5,660,000 in 1984) from the company to facilitate the purchase during the year of 191,335 Class A Subordinate Voting shares of the company.

During the year the Trust sold to the Plan (at cost) 183,547 Class A Subordinate Voting shares. At the year-end the Trust's indebtedness to the company was \$948,000 (\$855,000 in 1984), and the Trust held 52,358 Class A Subordinate Voting shares and 200 Class B shares.

At the end of the year, officers were indebted to the Company in the aggregate amount of \$1,008,000 (\$731,000 in 1984) in connection with loans to assist them in the purchase of shares of the company and to assist in the purchase of houses following relocation. These amounts are included in accounts receivable.

## 10. Settlement of insurance claim

In 1985, an insurance claim outstanding since 1983 was settled with the result that the company received \$1.6 million in excess of amounts previously recorded in the accounts.

## 11. Comparative figures

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



## Other Financial Information

Magna International Inc.

### Quarterly Data (Unaudited)

(Canadian dollars in thousands, except per share figures)

	Quarter ended				
	October 31	January 31	April 30	July 31	Total
<b>Fiscal 1985</b>					
Sales	\$140,743	\$154,183	\$192,284	\$203,190	\$690,400
Gross Profit	26,422	32,305	40,722	48,033	147,482
Net Income	\$ 7,699	\$ 9,286	\$ 12,296	\$ 13,910	\$ 43,191
Earnings per share:					
Basic	\$ .40	\$ .44	\$ .57	\$ .59	\$2.00
Fully diluted	\$ .39	\$ .43	\$ .54	\$ .57	\$1.93
<b>Fiscal 1984</b>					
Sales	\$109,461	\$112,592	\$131,952	\$139,554	\$493,559
Gross Profit	24,540	27,462	32,869	24,028	108,899
Net Income	\$ 6,404	\$ 6,923	\$ 9,308	\$ 8,845 <sup>1</sup>	\$ 31,480
Earnings per share:					
Basic	\$ .43	\$ .43	\$ .54	\$ .53	\$1.93
Fully diluted	\$ .42	\$ .41	\$ .52	\$ .50	\$1.85

<sup>1</sup>The increased allocation to the Magna Employee Equity and Profit Sharing Plan of \$1.9 million for 1984 which was authorized by the Board of Directors in June has been charged to the fourth quarter of 1984.

### The Effects of Changing Prices (Unaudited)

The consolidated financial statements of Magna have been prepared on a historical cost basis in accordance with Canadian generally accepted accounting principles. The existence of continuing inflation, however, has increased the interest of financial statement readers in understanding the effects of this phenomenon on the financial results and position of affected companies. In an effort to meet this need the Canadian Institute of Chartered Accountants (CICA) has recommended the disclosure of certain supplementary information based on current costs which is disclosed below. This information attempts to quantify certain effects of specific and general price changes.

Caution must be exercised in evaluating and comparing this information because the methods are experimental and inherently subjective.

The accounting policies used in the preparation of the current cost disclosures were the same as those used in the historical statements. However, in the accompanying figures fixed assets and depreciation reflect their current cost using specific external price indices for machinery and equipment and internally developed estimates for reproduction cost of buildings and replacement cost for land.

Substantially all of the company's inventories are built-to-order under fixed price contracts. Consequently, such inventories are considered monetary assets and no current cost adjustment is suggested.

The depreciation adjustment of \$2.9 million represents the increase in depreciation expense caused by using the current cost amounts of fixed assets rather than the historical cost amounts.

During the year, the company's monetary liabilities exceeded its monetary assets resulting in a purchasing power gain of approximately \$1.0 million. In 1984 the company's monetary assets and liabilities were approximately equal, consequently no general purchasing power gain or loss resulted. The amount of the financing adjustment was not significant.

The comparative figures for 1984 have been restated to reflect the change in general purchasing power as measured by the Consumer Price Index.

The current cost information disclosed should not be interpreted to indicate the total current value of the Company. In particular, the current cost amounts of fixed assets should not be assumed to be the same as the net realizable value of these assets.

### Consolidated Statement of Income on a Current Cost Basis (Unaudited)

	1985	1984
	(Canadian dollars in thousands)	
Income before income taxes and minority interest (historical cost)	\$ 69,430	\$ 59,409
Less current cost adjustment for depreciation expense	2,933	1,187
Current cost income before income taxes and minority interest	\$ 66,497	\$ 58,222
Deduct:		
Income taxes	22,850	23,452
Minority interest	3,389	3,218
Current cost net income	\$ 40,258	\$ 31,552

### Other supplementary information

The following represents the change in current cost of fixed assets during 1985.

Increase in the current cost amounts of fixed assets	\$ 2,718	\$ 1,378
Effect of general inflation	11,347	7,162
Shortfall of increase in current cost over the effect of general inflation	\$ 8,629	\$ 5,784

### Schedule of assets on a current basis

	As reported in the historical cost statements July 31, 1985	Current cost basis July 31, 1985	Current cost basis July 31, 1984
Land	\$ 41,525	\$ 64,304	\$ 48,406
Buildings	99,953	103,846	42,768
Machinery and equipment	296,631	329,347	204,772
Deferred pre-production expenses	17,312	17,485	
	455,421	514,982	295,946
Less:			
Accumulated depreciation	80,738	107,711	73,167
Net fixed assets	\$374,683	\$407,271	\$222,779



# 10-Year Financial Summary

## Magna International Inc.

(Canadian dollars in thousands except per share figures)

	1985	1984	1983	1982	1981 <sup>1</sup>	1980	1979	1978	1977	1976
<b>Operations Data</b>										
Sales	\$690,400	\$493,559	\$302,451	\$226,534	\$232,114	\$183,456	\$165,738	\$128,189	\$80,953	\$55,010
Income from operations	69,430	57,124	25,473	9,055	12,054	9,249	15,924	12,899	8,185	5,734
Net income <sup>4</sup>	43,191	31,480	14,647	5,265	6,911	5,640	8,455	6,595	4,093	2,786
Extraordinary items						(1,922)	272	795		
Basic earnings per Class A and Class B share <sup>2,3</sup>	\$2.00	\$1.93	\$1.10	\$0.49	\$0.64	\$0.34	\$0.89	\$0.80	\$0.48	\$0.36
Fully diluted earnings per Class A and Class B share	\$1.93	\$1.85	\$1.07	\$0.44	\$0.57	\$0.33	\$0.78	\$0.68	\$0.47	\$0.32
Depreciation	24,322	15,044	11,267	9,325	9,188	6,154	4,506	3,349	2,210	1,416
Cash flow from operations	85,974	55,945	32,522	14,604	14,672	12,052	15,275	13,160	7,542	5,171
Dividends declared per Class A and Class B share <sup>2,3</sup>	\$0.48	\$0.31	\$0.13 <sup>5</sup>	\$0.13	\$0.18	\$0.18	\$0.14	\$0.10	\$0.06	\$0.03
<b>Financial Position</b>										
Working capital	64,121	79,804	48,291	31,792	30,792	28,223	19,174	15,351	7,412	4,925
Capital expenditures	222,878	110,239	29,806	17,434	21,052	23,630	23,085	16,231	8,584	3,456
Fixed assets (Less accumulated depreciation)	357,371	179,817	87,388	70,553	74,074	62,629	47,089	30,269	19,387	8,940
Long-term debt	103,997	96,497	42,159	55,554	56,308	45,830	30,441	19,588	10,238	4,627
Equity relating to Class A and Class B shares	297,935	143,566	81,590	41,071	39,631	33,792	32,086	23,270	15,226	9,646
Equity per Class A and Class B share <sup>2,3</sup>	\$12.44	\$8.43	\$5.59	\$4.13	\$3.84	\$3.35	\$3.18	\$2.41	\$1.68	\$1.25

<sup>1</sup> 1981 and prior figures include sales and income from Aerospace/Defence operations sold effective August 1, 1981.

<sup>2</sup> Adjusted for years prior to 1979 to give effect to the capital reorganization during 1979.

<sup>3</sup> 1983 and prior figures adjusted to give effect to the stock dividend issued June 1983.

<sup>4</sup> Before extraordinary items.

<sup>5</sup> In addition, stockholders received a special stock dividend issued June 1983.

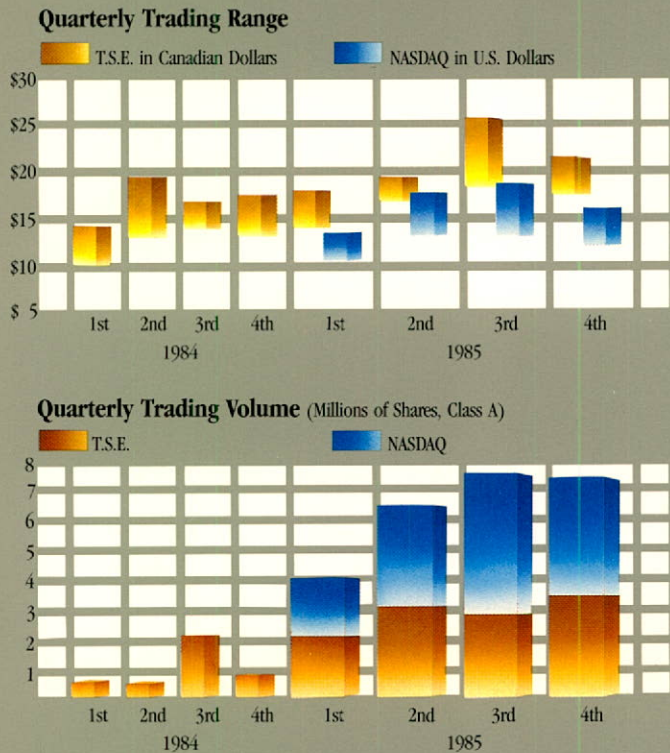


# Shareholders' Information

## Magna International Inc.

### Trading Range of Class A Subordinate Voting Shares

The Class A Subordinate Voting shares are traded on the Toronto Stock Exchange in Canada and on NASDAQ in the United States. As of October 1, 1985 there were 1,992 registered holders of Class A shares and 22,594,475 shares outstanding. The following is the trading range, as reported by each of these exchanges during the past two fiscal years:



- 1. Trading ranges for the T.S.E. and NASDAQ reflect the difference between the market value of the Canadian and U.S. dollar.
- 2. The Class A Shares were first quoted on NASDAQ in August 1984.

### Class A Shares

Transfer Agents and Registrars  
The Canada Trust Company,  
Toronto, Calgary, Halifax, Montreal, Regina,  
Vancouver and Winnipeg  
Bank of Nova Scotia Trust Company of New York, New York,  
New York

### Listed

Toronto Stock Exchange  
Symbol MGA  
NASDAQ  
Symbol MAGAF

### Class B Shares

Transfer Agent and Registrar  
The Canada Trust Company  
Toronto, Calgary, Halifax, Montreal, Regina, Vancouver and  
Winnipeg

### Listed

Toronto Stock Exchange  
Symbol MGB

### Corporate Office

Magna International Inc.  
36 Apple Creek Boulevard  
Markham, Ontario  
L3R 4Y4  
Telephone: (416) 477-7766  
Telex: 06-966856

### Annual Meeting

The Annual General Meeting of the Shareholders will be held  
at Roy Thompson Hall, Toronto, Ontario, Canada on  
Thursday, December 5, 1985 at 11:00 a.m. local time.

### Form 10-K

Magna files an annual report on Form 10-K with the  
Securities and Exchange Commission of the United States.  
A copy of the report will be sent without charge to any  
shareholder upon request in writing addressed to the  
Secretary at the Corporate Office.

### Distribution of Shares

	Class A	Class B
Canada	65.7%	98.2%
U.S.	34.2%	1.7%
Other	.1%	.1%



## Directors:

### **William B. Boggs**

*Chairman, The de Havilland Aircraft  
Company of Canada Limited*

### **William J. Corcoran\***

*Vice-President and Director, McLeod Young  
Weir Limited*

### **The Honourable**

### **William G. Davis**

*Special Envoy on Acid Rain and Corporate  
Director*

### **Manfred Gingl\***

### **George C. Hitchman**

*Corporate Director*

### **Michael R. Hottinger**

### **Jack L. Lawrence**

*Chairman, Burns Fry Limited*

### **James R. McAlpine**

### **James F. McCallum**

*Partner, Blake, Cassels & Graydon*

### **Heather Reisman**

*Managing Director, The Nesbitt Consulting  
Group*

### **Donald Resnick\***

*Partner, Resnick Wintraub & Co.*

### **Lionel H. Schipper**

*President, Schipper Enterprises Inc.*

### **D. Robin Sloan**

### **Frank Stronach**

*\*Audit Committee*

## Executive Management:

### **Frank Stronach**

*Chairman and Chief Executive Officer*

### **Manfred Gingl**

*President and Chief Operating Officer*

### **Michael R. Hottinger**

*Executive Vice-President and  
Chief Marketing Officer*

### **James R. McAlpine**

*Executive Vice-President and  
Chief Financial Officer*

## Corporate Officers:

### **D. Robin Sloan**

*Senior Vice-President*

### **J. Brian Colburn**

*Vice-President, Secretary and General  
Counsel*

### **Robert M. Jones**

*Vice-President, Sales*

### **Dennis Mills**

*Vice-President, Corporate Affairs*

### **Stephen M. Richards**

*Controller*

### **Keith H. Wettlaufer**

*Treasurer*

## Group Operating Executives:

### **Harry J. Bytzek**

*Maple Group*

### **Werner Ertl**

*Decorative Products Group*

### **Richard G. Hrga**

*MACI Group*

### **Wolfgang Ruhland**

*CMT Group*

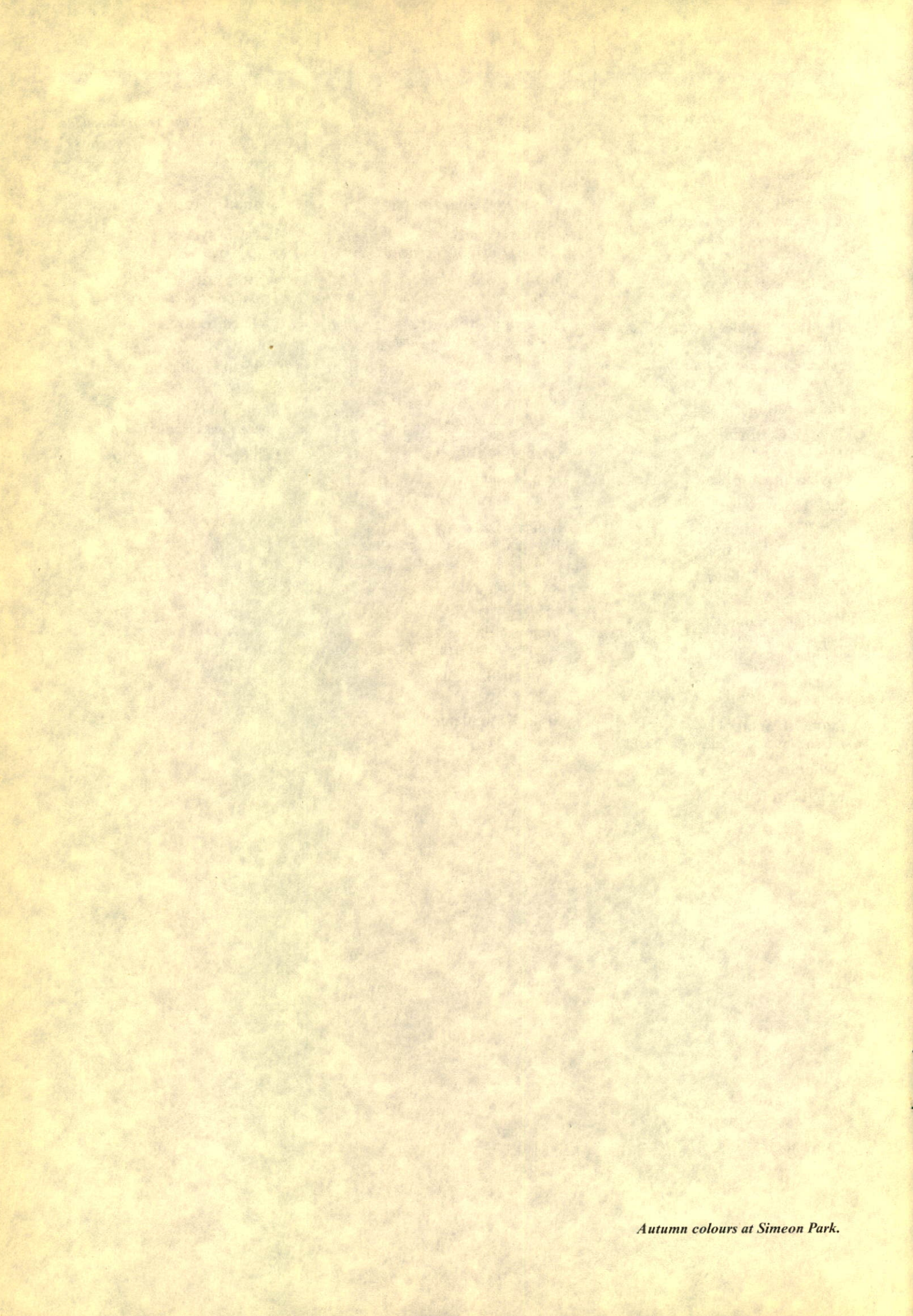
### **Georg Schacht**

*Magna Manufacturing Group*

### **Ueli Spring**

*Sheet Metal Group*





*Autumn colours at Simeon Park.*







# Product Directory

## Magna Manufacturing Group

### Product Applications:

- Bumpers, bright and painted
- Bumper reinforcements
- Rear cross members
- Door opening frames
- Shock absorber towers
- Scuff plates
- Headlamp retainers
- Motor mounts
- Cannister support brackets
- Frame rail assemblies

- Glove box doors
- Seat belt anchors
- Heat shields
- Catalytic convertors
- Instrument panel supports
- Headrests
- Underbody components
- Class I body sheet metal
- Chassis stampings
- High quality precision stampings

### Processes:

- Medium/heavy stamping
- Automated welding
- Heavy roll forming
- Chrome plating
- Phosphate coating
- Precision machining
- Toolmaking — dies
- Toolmaking — molds
- Toolmaking — rolling dies

## Decorative Products Group

### Product Applications:

- Front bumper and grill fascia
- Rear bumper fascia
- Rocker panels
- Wheel house opening moldings
- Window channels
- Weather strip channels
- Headlamp retainers
- Centre hood moldings

- Windshield moldings
- Rear window moldings
- Drain trough moldings
- Exterior window moldings
- Tail light bezels
- Rocker panel moldings
- Body side moldings
- Interior plastic components

### Processes:

- Roll forming
- Co-extrusion
- RIM
- Thermoplastic injection molding
- Anodizing
- Chrome flashing
- Metal painting
- Plastic painting
- Toolmaking — dies

## CMT Group

### Product Applications:

- Seat tracks
- Seat hardware
- Window regulators
- Hand brake assemblies
- Hood latches
- Hood hinges
- Hood hinge assist rod assembly
- Trunk latches
- Deck lid hinges
- Fuel filler door assemblies

- Fuel filler door release mechanisms
- Clutch and brake pedal assemblies
- Integrally molded seat cushions and backs
- Seat frames
- Door latch and release mechanisms
- Door hinges
- Screw machine parts
- Cold headed parts
- Spring products

### Processes:

- Fine blanking
- Roll forming
- Stamping
- Heat treating
- Phosphate coating
- Bright zinc and zinc dichromate coatings
- Spot and projection welding
- Mig welding — robotic
- Automated assembly
- Precision machining
- Cold heading
- Spring winding
- Integral Urethane molding
- Toolmaking — dies

## Maple Group

### Product Applications:

- Poly V and V belt pulleys
- Power steering pulleys
- Alternator pulleys
- Automatic poly V belt tensioners
- Water pump pulleys
- Compressor pump pulleys
- Air pump pulleys
- Idler pulleys
- Power train bracketry
- Two-speed accessory drive systems
- Oil strainers
- Oil pick-up tubes
- Dip-stick tubes

- Aluminum radiators
- Thermostat housings
- Stainless steel manifolds
- Transmission oil strainers
- Aluminum heater cores
- Aluminum oil coolers
- Fabricated intake manifolds
- Radiator inlet/outlet housing
- Timing belt sprockets
- Air conditioning condensers
- Air conditioning evaporators
- Air coolers, aluminum (turbo-charger)

### Processes:

- Metal stamping
- Spin forming
- Split forming
- Fine blanking
- Brazing
- Cathodic Elpo coating
- Automated assembly
- Toolmaking — dies

## MACI Group

### Product Applications:

- Cooling fan motors
- Heating fan motors
- Instrument clusters (electronic and electro-mechanical)
- Magnetic capsule switches
- High-quality, precision stampings
- Electronic modules and printed circuit board assemblies

- Fuel control devices
- Electronic tone, chime and voice synthesized alarms
- Fuel level devices (electronic and electro-mechanical)
- Mirrors
- Relays
- Switches

### Processes:

- Printed circuit board fabrication
- Automated assembly
- Fine blanking
- Heat treating
- Stamping
- Toolmaking — dies

## Webasto

### Product Applications:

- Sunroofs —
  - Glass sliding
  - Glass sliding/tilting
  - Steel sliding
  - Steel sliding/tilting
  - Pop-up

- Lift-out
- Manual
- Electric

### Processes:

- Automated assembly
- Light stamping
- Toolmaking — dies

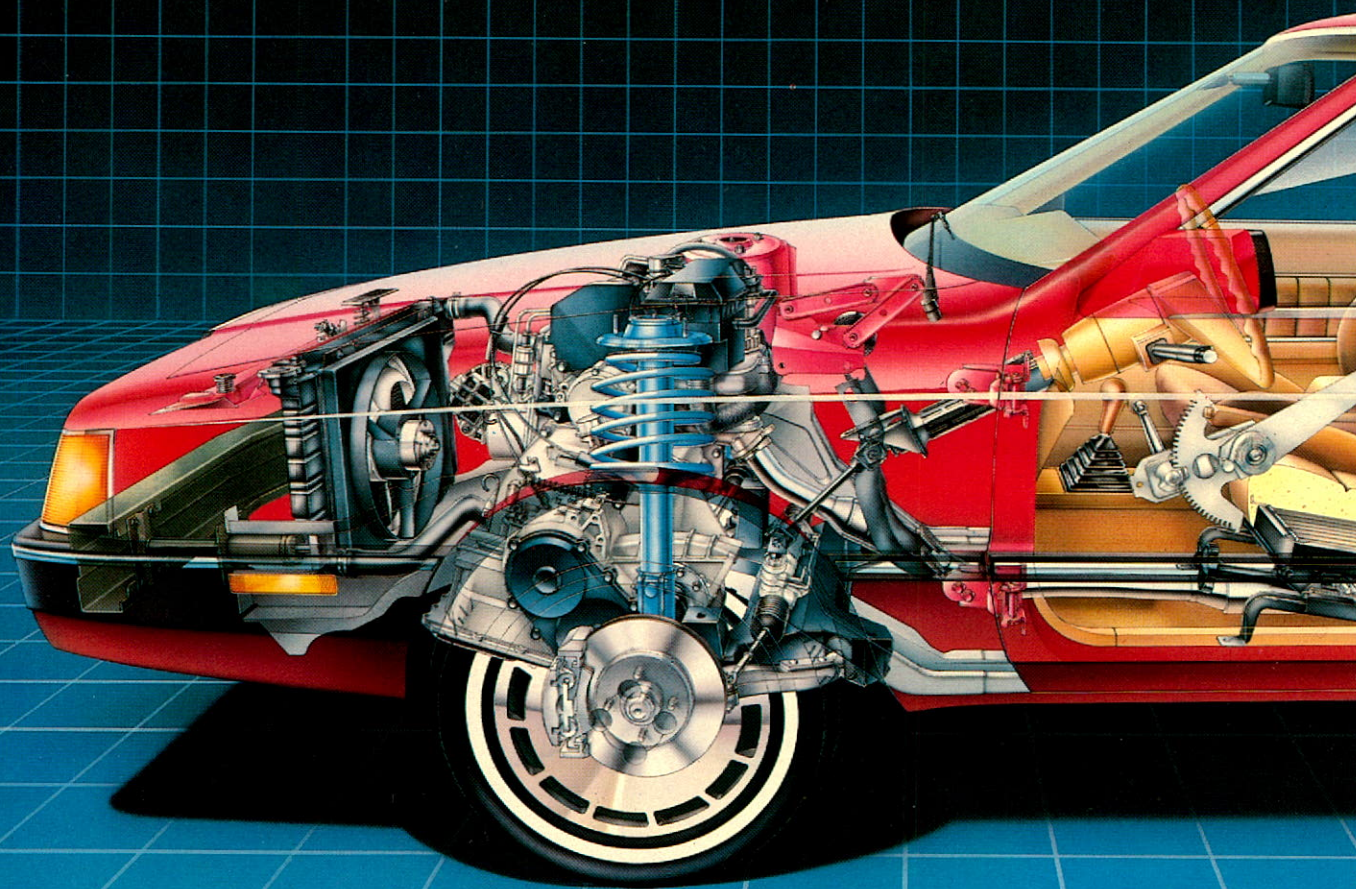
## Sheet Metal Group

- Exterior class I sheet metal components



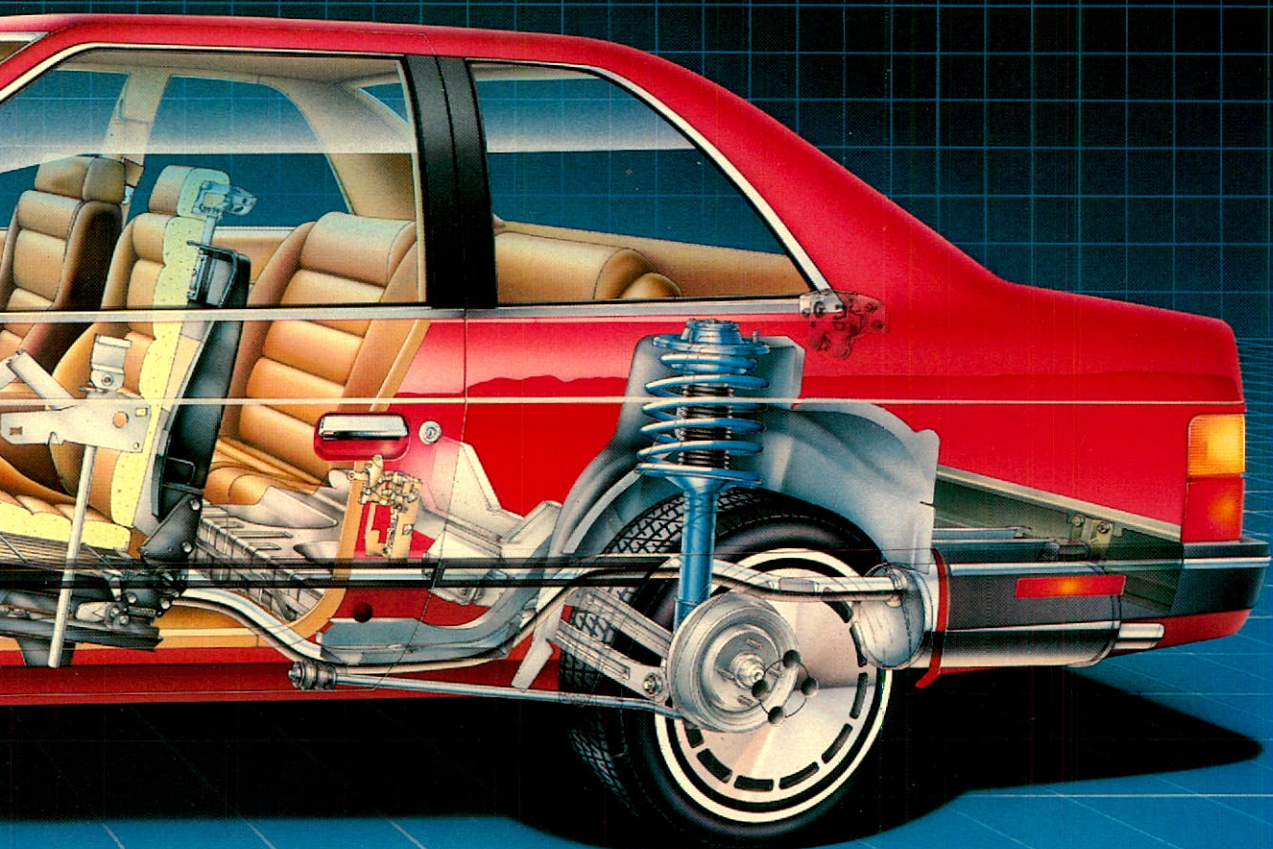






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