MAGNA INTERNATIONAL INC
Form 11-K
June 24, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

x ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the fiscal year ended December 31, 2010

OR

o TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from to

Commission File No. 001-11444

THE MAGNA GROUP OF COMPANIES RETIREMENT SAVINGS PLANS

MAGNA INTERNATIONAL INC.

337 Magna Drive

Aurora, Ontario, Canada L4G 7K1

The Magna Group of Companies Retirement Savings Plans

Financial Statements

Years Ended December 31, 2010 and 2009

The Magna Group of Companies Retirement Savings Plans

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Report of Independent Registered Public Accounting Firm

To the Pension Committee of

The Magna Group of Companies

Retirement Savings Plans

Aurora, Ontario, Canada

We have audited the accompanying statements of net assets available for benefits of The Magna Group of Companies Retirement Savings Plans (the Plan) as of December 31, 2010 and 2009, and the related statement of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2010 and 2009, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming opinions on the basic financial statements taken as a whole. The accompanying supplemental schedules of Assets (Held at End of Year), Reportable Transactions and Delinquent Participant Contributions as of and for the year ended December 31, 2010 are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan s management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The information presented in the Schedule of Reportable Transactions does not disclose the historical cost of certain sales transactions and the related gain or loss. Disclosure of this information is required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

/s/ BDO USA, LLP

Grand Rapids, Michigan

June 24, 2011

The Magna Group of Companies Retirement Savings Plans

Statements of Net Assets Available for Benefits

December 31,	2010	2009
Assets		
Investments, at fair value		
Guaranteed investment contracts (Note 5)	**$ 115,127,074**	$ 114,496,363
Pooled separate accounts	**327,350,335**	287,788,685
Employer securities (Note 4)	**178,813,514**	93,501,519
Mutual funds	**106,447,438**	93,237,431
Life insurance policies	**42,501**	39,425
Total investments	**727,780,862**	589,063,423
Receivables		
Employer	**17,116,667**	1,865,138
Participants	**111,003**	125,116
Notes receivable from participants	**21,015,409**	20,002,452
Total receivables	**38,243,079**	21,992,706
Net assets reflecting all investments at fair value	**766,023,941**	611,056,129
Adjustment from fair value to contract value for fully benefit- responsive investment contracts (Note 2)	**1,446,907**	
Net Assets Available for Benefits	**$ 767,470,848**	$ 611,056,129

See accompanying notes to financial statements.

The Magna Group of Companies Retirement Savings Plans

Statements of Net Assets Available for Benefits

Year ended December 31,		**2010**		**2009**
Additions				
Investment income				
Interest and dividends	**$**	**6,064,074**	$	5,878,032
Net appreciation in fair value of investments (Note 3)		**151,141,884**		106,261,470
Contributions				
Non-cash:				
Employer stock		**839,859**		
Cash:				
Employer		**26,315,472**		7,676,355
Participants		**38,761,409**		33,173,530
Interest from notes receivable from participants		**1,230,502**		1,479,863
Total Additions		**224,353,200**		154,469,250
Deductions				
Benefits paid to terminated employees		**49,525,900**		63,534,248
Benefits paid to participating employees		**18,148,787**		21,956,108
Loan expenses and other fees		**263,794**		144,775
Total Deductions		**67,938,481**		85,635,131
Net increase		**156,414,719**		68,834,119
Net Assets Available for Benefits, beginning of year		**611,056,129**		542,222,010
Net Assets Available for Benefits, end of year	**$**	**767,470,848**	$	611,056,129

See accompanying notes to financial statements.

The Magna Group of Companies Retirement Savings Plans

Notes to Financial Statements

1. Description of the Plan

The following description of The Magna Group of Companies Retirement Savings Plans (the Plan) provides only general information. Participants should refer to the restated Plan Agreement or Summary Plan Description for a more complete description of the Plan s provisions.

General

Certain employees of Magna International of America, Inc. (the Primary Employer) and other participating subsidiaries and affiliates of the Primary Employer (collectively the Employer) are eligible to participate in the Plan.

The Plan was established by the Primary Employer as the Magna International of America 401(k) Plan on August 1, 1992. The Primary Employer restated the Plan s terms, provisions and conditions effective January 1, 2006.

The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Plan agreement provides that the Plan may invest in Common Stock (previously Class A Subordinate Voting Shares) of Magna International Inc. (Magna), the parent company of the Primary Employer.

The Plan is administered by Magna and individuals (Trustees) appointed by the Board of Directors of Magna. Principal Trust Company (Principal) is the appointed Trustee of the Plan.

401(k) Eligibility

An employee is eligible to participate on the first day of employment, and shall be eligible for matching contributions on the first day of the month following six months of service and attainment of 18 years of age.

Deferred Profit Sharing Eligibility

An employee is eligible to participate in the Plan if the employee is employed at a participating employer on the last day of the Plan year and the employee has completed 1,000 hours of service in the Plan year.

Contributions

The 401(k) portion of the Plan is funded by contributions from employees who may elect to contribute from 2% to 50% of wages, as defined, subject to the maximum amount permitted under the Internal Revenue Code (the Code). The Employer may make a discretionary matching contribution. For the 2010 plan year and for the period January 1 through July 31, 2009, the employer matching contribution was 50% of the first 6% of base earnings contributed by a participant. For the period of August 1, 2009 to December 31, 2009, the discretionary employer match was suspended. The employer match was reinstated effective January 1, 2010. Employees may also defer 2% to 100% of their bonus for a given year, which is not eligible for a matching contribution by the Employer.

Employees are automatically enrolled after a 30-day opt out period. The Employer withholds an amount equal to 3% of employee compensation (other than bonus pay), until such time as the

The Magna Group of Companies Retirement Savings Plans

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employee changes or stops the contribution. Participants in the Plan may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans.

The deferred profit sharing portion of the Plan is a non-contributory, defined contribution plan funded by discretionary Employer contributions as determined under the provisions of the Plan, which are generally based on a portion of profits as determined by the Employer. During the 2009 fiscal year, the profit sharing contribution continued, but any allocation paid was based solely on consolidated profits. The allocation to a minimum percentage of participating employee base earnings was suspended on a temporary basis for existing employees, with the exception of employees covered under a collective bargaining agreement, which specified a minimum contribution formula.

Anyone classified as a new employee through the deferred profit sharing portion of the Plan, on or after August 1, 2009 will no longer be eligible to receive allocation to a minimum percentage of participating employee base earnings.

Participant Accounts

Individual participant accounts are maintained by Principal and are credited with employee contributions, Employer contributions, and Plan earnings in the case of the 401(k) portion of the Plan and allocations of Employer contributions, Plan earnings, and forfeitures of former participants non-vested amounts in the case of the deferred profit sharing portion of the Plan. Allocations of contributions and forfeitures in the deferred profit sharing portion of the Plan are based upon compensation and years of service, as defined, while allocations of earnings are recognized by changes in the unit value. Such accounts are valued periodically in accordance with the provisions of the Plan.

Vesting

Vesting for the deferred profit sharing portion of the Plan occurs on the following schedule:

Number of full years of service	Vested Percentage
Less than 1	0%
1	30
2	40
3	60
4	80
5 and after	100

Notwithstanding the foregoing, all amounts allocated or re-allocated to a participant shall vest irrevocably to that participant not later than five years after the end of the Plan year in which the amounts are allocated or re-allocated unless the participant has ceased before that time to be an employee. Immediate full vesting also occurs upon a participant s death, total and permanent disability, permanent layoff, or attainment of normal retirement age of 60.

For the 401(k) portion of the Plan, participants are 100% vested immediately in Employer and employee contributions and allocated earnings thereon.

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Forfeitures

For the deferred profit sharing portion of the Plan, the non-vested portion of a terminated participant s account balance is allocated to other Plan participants after the former participant has five consecutive one-year service breaks. During 2010, allocated forfeitures were $460,746 and unallocated forfeitures as of December 31, 2010 were $1,111,706. During 2009, allocated forfeitures were $119,947 and unallocated forfeitures as of December 31, 2009 were $1,241,709.

Plan Benefits

For the deferred profit sharing portion of the Plan, participants are eligible to receive vested benefits based upon the most recent valuation of their account upon termination of service with the Employer. Under certain provisions of the Plan, a percentage of vested benefits may also be distributed after 10 continuous years of service and/or upon reaching age 55. Distributions of Plan benefits are made to eligible participants in one lump-sum payment. Only vested balances of a participant s profit sharing contribution account as of December 31, 2007 are eligible for in-service withdrawals.

For the 401(k) portion of the Plan, upon retirement, death, disability or termination of service, benefits will be paid in the form of a lump-sum distribution. Certain other withdrawals are permitted in the event of financial hardship, as defined in the Plan agreement.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of $1,000 up to a maximum equal to the lesser of $50,000 or 50% of their vested account balance excluding amounts related to the participant s deferred profit sharing account. Participant note terms range from one to five years or up to 10 years for the purchase of a primary residence. The notes are secured by the balance in the participant s account and bear interest at the then current prime plus 2% as determined by the Plan Administrator. Principal and interest is paid ratably through payroll deductions, not less frequently than quarterly. As of December 31, 2010 outstanding notes receivable had interest rates ranging from 4.25% to 10.25%.

Plan Termination

Although it has not expressed any intent to do so, the Employer has the right to terminate the Plan in whole or in part at any time subject to the provisions of ERISA. In the event the Plan is terminated, all participant accounts will become 100% vested and non-forfeitable.

Participant and Non-Participant Directed Investments

Participants may invest in Magna International Inc. Common Stock. For the deferred profit sharing portion of the Plan, 4/7th of the annual profit sharing contribution, as defined, is invested in Magna International Inc. Common Stock, referred to as the non-participant-directed portion of the Plan. The remaining portion of the annual profit sharing contribution is directed by the employee and may include investments in Magna International Inc. Common Stock. Participants with a minimum of 3 years of service may diversify up to 100% of Employer Securities held in their account. Voting rights are all retained by the trust per the direction of the Employer.

The Magna Group of Companies Retirement Savings Plans

Notes to Financial Statements

Administrative Expenses

The Employer administers the Plan. The Employer pays certain administrative expenses of the Plan and the Employer also provides certain administrative services, which have not been charged to the Plan. The amount of such expenses and cost of such services have not been determined. Certain administrative expenses not paid directly by the Employer may be paid from the Plan in accordance with ERISA provisions.

2. Significant Accounting Policies

Basis of Financial Statements

The accompanying financial statements have been prepared under the accrual basis of accounting.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants account balances and the amounts reported in the statements of net assets available for benefits.

Investment Valuation and Income Recognition

The Plan s investments are stated at fair value. Fair value is the price that would be received to sell an asset (an exit price) in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date.

Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset. The Plan utilizes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). A financial instrument s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The three levels of the fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets.

Level 2 - Inputs to the valuation methodology include quoted prices for similar assets in active markets, quoted prices for identical or similar assets in inactive markets, other inputs that are observable or can be corroborated by observable market data.

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Level 3 - Inputs to the valuation methodology are both significant to the fair value measurement and unobservable.

The following valuation methodologies were used to measure the fair value of the Plan s investments:

Guaranteed Investment Contracts (GICs): Valued at fair value by discounting the related cash flows based on current market rates for similar contracts with comparable durations. See Note 5 for additional information related to the GICs.

Pooled Separate Accounts (PSAs): Valued based on the underlying investments (i.e., common stock, mutual funds, short term securities). While the majority of the underlying assets values are based on quoted prices, the net asset value (NAV) of the pooled separate account is not publicly quoted. The NAV is reported by the fund managers as of the financial statement date based on recent transaction prices. With the exception of the U.S. Property Separate Account, the PSAs held by the Plan provide for daily redemptions by the Plan at reported NAV with no advance notice requirement. The Plan is permitted to redeem investment units at NAV on the measurement date.

On September 26, 2008, a contractual limitation was put into place on the Principal U.S. Property Separate Account. The limitation delayed the payment of most withdrawal requests, and was implemented to protect the interests of all investors in the separate account and to satisfy withdrawal requests over time among all those who request a withdrawal. Timing of pending withdrawal requests was dependent on the economic environment and its impact on the real estate markets. As such, it was not possible to determine a specific date when distributions would be made nor when requests would be fully satisfied. Distributions were made on a pro-rata basis to all investors subject to the limitation, regardless of when the distribution requests were submitted. This limitation was removed on March 24, 2011.

Employer Securities: Valued at the closing price quoted on a recognized securities exchange on the last business day of the Plan year.

Mutual Funds: Valued at quoted market prices of shares held by the Plan.

Life Insurance Policies: Valued at the cash surrender value of the individual policies

The Plan s valuation methods may result in a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Although Plan management believes the valuation methods are appropriate and consistent with the market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Purchases and sales of securities are recorded on a trade date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Concentration of Investments

Included in investments at December 31, 2010 and 2009 are shares of the Employer s securities amounting to $178,813,514 and $93,501,519, respectively. This investment represents 25% and 16% of total investments at December 31, 2010 and 2009, respectively. A significant decline in the

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market value of the Employer s securities would significantly affect the net assets available for benefits.

Stock Split

In 2010, the Employer approved a two-for-one stock split on its common stock which was implemented through a stock dividend paid on November 24, 2010. The Employer ascribed no monetary value to the stock dividend. The accounts of Plan participants were adjusted to reflect the issuance of additional shares due to the stock split.

Payment of Benefits

Benefits are recorded when paid.

Reclassifications

Certain reclassifications of prior year amounts have been made to conform to the current year presentation.

New Accounting Pronouncements

In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2010-06, *Improving Disclosures about Fair Value Measurements*. This standard requires new disclosures on the amount and reason for transfers in and out of Level 1 and 2 recurring fair value measurements. The standard also requires disclosure of activities, on a gross basis, including purchases, sales, issuances and settlements, in the reconciliation of Level 3 fair value recurring measurements. The standard clarifies existing disclosure requirements on levels of disaggregation and disclosures about inputs and valuation techniques. The new disclosures regarding Level 1 and 2 fair value measurements and clarification of existing disclosures became effective for periods beginning after December 15, 2009 and did not have a material impact on the Plan s financial statements. The disclosures regarding the reconciliation of information in Level 3 recurring fair value measurements are required for periods beginning after December 15, 2010 and are not expected to have a significant impact on the Plan s current fair value disclosures.

In September 2010, the FASB issued ASU 2010-25, *Plan Accounting - Defined Contribution Pension Plans (Topic 962): Reporting Loans to Participants by Defined Contribution Pension Plans*, which requires participant loans to be segregated from plan investments subject to fair value measurement, classified as notes receivable and measured at their unpaid principal balance plus accrued interest. The ASU requires retrospective application and applies to reporting periods ending after December 15, 2010. Accordingly, the Plan s participant loans have been reported as notes receivable in the statements of net assets available for benefits as of December 31, 2010 and 2009, and participant loan interest has been excluded from investment income in the related statements of changes in net assets available for benefits for the year ended December 31, 2010 and 2009. In addition, participant loans are now excluded from the fair value disclosures in Note 3. Adoption of the ASU represents a reclassification within the financial statements and had no impact on net assets available for benefits or changes therein.

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In May 2011, the FASB issued ASU 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and International Financial Reporting Standards (IFRSs)* (ASU 2011-04). ASU 2011-04 amended ASC 820, *Fair Value Measurements and Disclosures,* to provide a consistent definition of fair value and improve the comparability of fair value measurements presented and disclosed in financial statements prepared in accordance with U.S. GAAP and IFRSs. Some of the amendments clarify the application of existing fair value measurement requirements, while other amendments change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The ASU is effective for annual periods beginning after December 15, 2011. Plan management is evaluating the impact of the adoption of the ASU on the Plan s financial statements.

3. Investments

The following tables set forth by level within the fair value hierarchy the Plan s investments.

		Fair Value Measurements		
December 31, 2010	**Level 1**	**Level 2**	**Level 3**	**Total**
Guaranteed investment contracts	$	$	$ 115,127,074	$ 115,127,074
Pooled separate accounts				
Large U.S. equity		68,031,185		68,031,185
Small/mid U.S. equity		48,320,249		48,320,249
International equity		58,615,745		58,615,745
Balanced		88,774,147		88,774,147
Fixed income		42,715,923	18,693,368	61,409,291
Other		2,199,718		2,199,718
Total pooled separate accounts		308,656,967	18,693,368	327,350,335
Employer securities	178,813,514			178,813,514
Mutual funds				
Large U.S. equity	65,199,494			65,199,494
Small/mid U.S. equity	26,860,378			26,860,378
Balanced	14,387,566			14,387,566
Total mutual funds	106,447,438			106,447,438
Life insurance policies			42,501	42,501
Investments, at fair value	$ 285,260,952	$ 308,656,967	$ 133,862,943	$ 727,780,862

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Notes to Financial Statements

	Fair Value Measurements			
December 31, 2009	**Level 1**	**Level 2**	**Level 3**	**Total**
Guaranteed investment contracts	$	$	$ 114,496,363	$ 114,496,363
Pooled separate accounts				
Large U.S. equity		61,329,787		61,329,787
Small/mid U.S. equity		37,283,366		37,283,366
International equity		53,657,354		53,657,354
Balanced		70,440,755		70,440,755
Fixed income		37,577,578	25,643,529	63,221,107
Other		1,856,316		1,856,316
Total pooled separate accounts		262,145,156	25,643,529	287,788,685
Employer securities	93,501,519			93,501,519
Mutual funds				
Large U.S. equity	60,938,491			60,938,491
Small/mid U.S. equity	20,434,347			20,434,347
Balanced	11,864,593			11,864,593
Total mutual funds	93,237,431			93,237,431
Life insurance policies			39,425	39,425
Investments, at fair value	$ 186,738,950	$ 262,145,156	$ 140,179,317	$ 589,063,423

Investments classified within Level 3 consist of guaranteed investment contracts, the Principal U.S. Property pooled separate account, and life insurance policies. The tables below set forth a summary of changes in the fair values of the Plan s Level 3 investments for the years ended December 31, 2010 and 2009.

	Level 3 Investments		
Year ended December 31, 2010	**Guaranteed Investment Contracts**	**Pooled Separate Account**	**Life Insurance Policies**
Balance, beginning of year	$ 114,496,363	$ 25,643,529	$ 39,425
Realized gains (losses)		(1,232,000)	
Unrealized gains (losses) relating to instruments still held at the reporting date		4,249,411	
Interest credited	4,115,354		
Purchases, issuances and settlements	(3,484,643)	(9,967,572)	3,076
Transfers in and/or out of Level 3			
Balance, end of year	$ 115,127,074	$ 18,693,368	$ 42,501

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Year ended December 31, 2009		**Level 3 Investments**	
	Guaranteed Investment Contracts	**Pooled Separate Account**	**Life Insurance Policies**
Balance, beginning of year	$ 120,183,121	$ 36,168,270	$ 46,312
Realized gains (losses)		227,584	
Unrealized gains (losses) relating to instruments still held at the reporting date	(1)	(11,768,704)	
Interest credited	4,514,645		
Purchases, issuances and settlements	(10,201,402)	1,016,379	(6,887)
Transfers in and/or out of Level 3			
Balance, end of year	$ 114,496,363	$ 25,643,529	$ 39,425

During 2010 and 2009, the Plan s investments (including investments bought, sold, as well as held during the year) appreciated (depreciated) in fair value as follows:

Year ended December 31,	**2010**	**2009**
Guaranteed Investment Contracts	**$ (3,825)**	$ 6,373
Pooled Separate Accounts	**44,552,734**	43,811,765
Employer Securities	**93,685,863**	41,348,415
Mutual Funds	**12,904,036**	21,101,804
Life Insurance Policies	**3,076**	(6,887)
	$ 151,141,884	$ 106,261,470

The fair value of investments that represent 5% or more of the Plan s net assets available for benefits are as follows:

December 31,	**2010**	**2009**
Guaranteed Fixed Income Option Fund	**$ 115,127,074**	$ 114,496,363
Magna International Inc. Common Stock/Class A Subordinate Voting Shares	**178,813,514**	55,247,616
Large Cap Stock Index Separate Account	**68,031,185**	61,329,787
Diversified International Separate Account	**49,235,690**	45,665,192
Magna International Diversified Stock Fund	*****	38,253,903
Bond and Mortgage Separate Account	**42,715,923**	37,577,578

* *Below 5% of net assets available for benefits*

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Notes to Financial Statements

4. Non-Participant-Directed Investments

The Magna International Inc. Common Stock includes both participant and non-participant-directed investments, which are co-mingled. Substantially all contributions and associated appreciation, income and dividends are non-participant-directed until amounts are available for transfer as described in the Plan agreement. Information about the net assets available for benefits and the significant components of the changes in net assets available for benefits for non-participant-directed investments is as follows:

December 31,		**2010**		**2009**
Magna International Diversified Stock Fund*	**$**		$	38,253,903
Magna International Inc. Common Stock/Class A Subordinate Voting Shares		**178,813,514**		55,247,616
Net Assets Available for Benefits	**$**	**178,813,514**	$	93,501,519

**Effective December 21, 2010, the balance in the Magna Diversified Stock Fund was transferred to Magna International Inc. Common Stock.*

Year ended December 31,		**2010**		**2009**
Changes in Net Assets Available For Benefits				
Dividend income	**$**	**788,860**	$	120,020
Net appreciation on fair value of investments		**93,685,864**		41,348,416
Employer contributions		**1,365,809**		12,367,088
Participant contributions		**1,624,106**		959,890
Net inter-fund transfers		**314,212**		(1,895,041)
Distributions to terminated employees		**(9,586,544)**		(9,413,688)
Distributions to participating employees		**(2,880,312)**		(1,978,912)
Increase in Net Assets Available for Benefits	**$**	**85,311,995**	$	41,507,773

5. Guaranteed investment contracts

The Plan invests in the Guaranteed Fixed Income Option Fund Contract (GFIO), a guaranteed investment contract. The GFIO is a benefit responsive contract entered into with Principal Life Insurance Company (Principal). Principal maintains the contributions in a general account. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses.

The GFIO is valued at fair value for presentation in the Plan s assets and is then adjusted to contract value in the statement of net assets available for benefits. Contract value is the relevant measurement attribute for that portion of the net assets available for benefits attributable to fully benefit-responsive investment contracts because contract value is that amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. Certain events that may limit the ability of the Plan to transact at contract value are not probable of occurring.

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The fair value of the GFIO represents contract value adjusted to reflect current market interest rates only to the extent such market rates exceed crediting interest rates. As of December 31, 2009, the market rates did not exceed the contract s crediting rate. Therefore, contract value approximated fair value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The crediting interest rate is a blended rate determined using a dollar-weighted average of all the Guaranteed Interest Rates of the Guaranteed Interest Funds under this contract. Under the terms of the existing contract, the interest rate can be reset on an annual or semiannual basis. The GFIO is a single group annuity contract with a fixed rate of interest. The average yield earned by the plan and credited to participants was 3.58% and 3.94% during 2010 and 2009, respectively.

6. Related Party Transactions

Certain Plan investments are shares of guaranteed investment contracts, pooled separate accounts and mutual funds managed by Principal. Principal is the trustee as defined by the Plan and qualifies as a party-in-interest. The Plan also invests in the stock of the Employer.

7. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated December 23, 2009 stating that the Plan is qualified under Section 401(a) of the Code and, therefore, the related trust is exempt from taxation. The Plan is required to operate in conformity with the Code to maintain its qualification. The Plan Administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes the Plan, as amended and restated, is qualified and the related trust is tax exempt.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. The Plan administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2010, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to 2008.

8. Delinquent Participant Contributions

During 2010, the Employer failed to remit certain employee deferrals and loan repayments to the Plan aggregating $163,534 in a timely manner according to DOL regulations. During 2009, the Employer failed to remit certain employee deferrals and loan repayments to the Plan aggregating $1,482,942 in a timely manner according to DOL regulations. The Employer has calculated lost earnings and deposited the lost earnings into the Plan.

The Magna Group of Companies Retirement Savings Plans

Notes to Financial Statements

9. Reconciliation of Financial Statements to Form 5500

The following is a reconciliation of net assets available for plan benefits per the financial statements to the Form 5500:

December 31,		**2010**		**2009**
Net assets available for benefits per the financial statements	**$**	**767,470,848**	$	611,056,129
Adjustment from fair value to contract value for fully benefit-responsive investment contracts		**(1,446,907)**		
Benefits payable to participants		**(676,055)**		
Net Assets Available for Benefits per the Form 5500	**$**	**765,347,886**	$	611,056,129

The following is a reconciliation of the net increase in net assets per the financial statements to total income per the Form 5500:

Year ended December 31,		**2010**		**2009**
Net increase in net assets per the financial statements	**$**	**156,414,719**	$	68,834,119
Adjustment from fair value to contract value for fully benefit-responsive investment contracts		**(1,446,907)**		
Benefits payable to participants - end of year		**(676,055)**		
Benefits payable to participants - prior year				262,981
Total Income per the Form 5500	**$**	**154,291,757**	$	69,097,100

The Magna Group of Companies Retirement Savings Plans

Schedule H, Line 4i - Schedule of Assets (Held at End of Year)

EIN: 98-0095901

Plan Number: 002

December 31, 2010

(a)	**Identity of Issuer, Borrower, Lessor or Similar Party (b)**	**Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value (c)**	**Cost (d)**		**Current Value (e)**
	Guaranteed Investment Contracts with Principal Life Insurance Company:				
*	Guaranteed Fixed Income Option	9,249,904units	**	$	115,127,074
	Pooled Separate Accounts:				
	Principal Life Insurance Company:				
*	U.S. Property Separate Account	37,597units	**		18,693,368
*	Bond and Mortgage Separate Account	43,493units	**		42,715,923
*	Large Cap Stock Index Separate Account	1,273,204units	**		68,031,185
*	Small Cap Value II Separate Account	495,647units	**		7,173,999
*	Principal Financial Group, Inc. Stock Separate Account	276,514units	**		9,380,055
*	Small-Cap Stock Index Separate Account	1,152,610units	**		28,821,637
*	LifeTime Strategic Income Separate Account	210,846units	**		3,268,281
*	LifeTime 2010 Separate Account	682,893units	**		10,943,426
*	LifeTime 2020 Separate Account	1,758,342units	**		29,286,000
*	LifeTime 2030 Separate Account	1,658,324units	**		27,246,714
*	LifeTime 2040 Separate Account	854,825units	**		14,067,293
*	LifeTime 2050 Separate Account	250,591units	**		3,962,433
*	Mid Cap Stock Index Separate Account	491,435units	**		12,324,613
*	Diversified International Separate Account	778,366units	**		49,235,690
*	International Separate Account	111,341units	**		2,199,718
	Total Pooled Separate Accounts				327,350,335
	Employer Securities:				
*	Magna International Inc.	3,438,721 Common Stock shares			178,813,514
	Mutual Funds:				
	Munder Midcap Core Growth Fund	584,067shares	**		16,616,707
	The American Funds Growth Fund of American R4 Fund	748,024shares	**		22,582,834
	T. Rowe Price Capital Appreciation Fund	708,398shares	**		14,387,566

	Vanguard Windsor II ADM Fund	629,019shares	**	28,658,105
	Vanguard Prime Cap Admiral Fund	204,461shares	**	13,958,555
	Vanguard Explorer ADM Fund	150,997shares	**	10,243,671
	Total Mutual Funds			106,447,438
	Northwestern Mutual Life Insurance Company	Life insurance policies		42,501
*	Notes Receivable from Participants	Maturing at various dates at interest rates ranging from (4.25% to 10.25%)		21,015,409
	Total Investments per Form 5500		$	748,796,271

* *A party in interest as defined by ERISA.*

** *The cost of participant-directed investments is not required to be disclosed.*

The Magna Group of Companies Retirement Savings Plans

Schedule H, Line 4j - Schedule of Reportable Transactions

EIN: 98-0095901

Plan Number: 002

Year ended December 31, 2010

Identity of Party Involved (a)	**Description of Asset (number of transactions) (b)**	**Purchase Price (c)**	**Selling Price (d)**	**Lease Rental (e)**	**Expense Incurred With Transaction (f)**	**Cost of Asset (g)**	**Current Value of Asset on Transaction Date (h)**	**Net Gain or (Loss) (i)**
Magna Common Stock								
Purchase	1033	$ 186,901,846	$	N/A	N/A	$ 186,901,846	$ 186,901,846	$
Sale	1142		19,515,554	N/A	N/A	***	19,515,554	***
Magna Diversified Stock Fund - Class A Subordinate Voting Shares								
Purchase	49	3,651,851		N/A	N/A	3,651,851	3,651,851	
Sale	505		77,307,719	N/A	N/A	***	77,307,719	***

NOTES:

(1) Magna is a party-in-interest as defined by ERISA.

(2) Purchase and sale transactions include share exchanges and unitization through the Magna Diversified Stock Fund.

(3) The commissions and fees related to purchases and sales of investments are included in the cost of investments or proceeds from the sales and are not separately identified by the Trustee.

(4) Category (iii) - Series of transactions involving securities of the same issue which, when aggregated, involve an amount in excess of 5% of the current value of plan assets. There were no category (i), (ii), or (iv) reportable transactions.

***Historical cost information not available.

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The Magna Group of Companies Retirement Savings Plans

Schedule H, Line 4a - Schedule of Delinquent Participant Contributions

EIN: 98-0095901

Plan Number: 002

December 31, 2010

Participant Contributions Transferred Late to the Plan (including loan repayments)	**Totals that Constitute Nonexempt Prohibited Transactions**			
	Contributions Not Corrected	**Contributions Corrected Outside VFCP***	**Contributions Pending Correction in VFCP**	**Total Fully Corrected Under VFCP and PTE 2002-51**
2010 Contributions	$ 163,534			
2009 Contributions		$ 1,482,942		

* *Voluntary Fiduciary Correction Program (DOL)*

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

THE MAGNA GROUP OF COMPANIES
RETIREMENT SAVINGS PLANS by
MAGNA INTERNATIONAL INC.
in its capacity as Plan Administrator

	/s/ MARC NEEB
By:	Marc Neeb
Title:	Executive Vice-President, Global Human Resources
	/s/ ROBERT CECUTTI
By:	Robert Cecutti
Title:	Controller

Date: June 24, 2011

Exhibit to Report on Form 11-K:

Exhibit No.	**Exhibit Description**
23.1	Consent of Independent Registered Public Accounting Firm - BDO USA, LLP