

Linamar Delivers Another Outstanding Quarter of Strong Sales and Earnings Growth with Excellent Cash Generation

November 2, 2016, Guelph, Ontario, Canada (TSX: LNR)

- Sales increase 14.3% over the third quarter of 2015 (“Q3 2015”) to reach \$1.46 billion;
- Operating earnings increase 13.7% over Q3 2015 to reach \$163.9 million;
- Net earnings up 13.6% and earnings per share, on a diluted basis, up 13.4% over Q3 2015 reaching \$122.2 million and \$1.86 respectively;
- Continued business wins maintain strong launch book at nearly \$3.9 billion;
- Powertrain/Driveline delivers excellent sales and operating earnings growth with operating earnings up 15.8% to \$124.2 million from Q3 2015 on a sales increase of 15.4% on global light vehicle markets up 5.4%; and
- Industrial segment delivers sales and earnings growth on strong scissor sales and solid market share gains in telehandlers.

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2016	2015	2016	2015
(in millions of dollars, except earnings per share figures)	\$	\$	\$	\$
Sales	1,455.5	1,273.9	4,630.8	3,919.5
Operating Earnings (Loss) ¹				
Powertrain/Driveline	124.2	107.3	429.1	329.7
Industrial	39.7	36.9	120.6	135.9
Operating Earnings (Loss)	163.9	144.2	549.7	465.6
Net Earnings (Loss)	122.2	107.6	406.0	341.4
Net Earnings (Loss) per Share – Diluted	1.86	1.64	6.16	5.19

Operating Highlights

Sales for the third quarter of 2016 (“Q3 2016”) were \$1,455.5 million, up \$181.6 million from \$1,273.9 million in Q3 2015.

Sales for the Powertrain/Driveline segment (“Powertrain/Driveline”) increased by \$163.7 million, or 15.4% in Q3 2016 compared with Q3 2015. The sales increase in Q3 2016 was impacted by:

- the acquisition of Montupet S.A. in Q1 2016;
- significant levels of newly launched programs in Europe and Asia; and
- higher sales resulting from favourable changes in foreign exchange rates; partially offset by
- lower sales on commercial vehicles in North America and Europe.

The Industrial segment (“Industrial”) product sales increased 8.5%, or \$17.9 million, to \$228.1 million in Q3 2016 from Q3 2015. The sales increase was due to:

- strong scissor sales growth due to good market and market share growth in Asia and North America; and
- strong telehandler sales growth due to excellent market share growth despite a softer market in North America; partially offset by
- decreased booms sales due to very soft market conditions in North America, which overwhelmed the market share growth in the region; and
- lower sales resulting from unfavourable changes in foreign exchange rates.

The company’s operating earnings for Q3 2016 were \$163.9 million. This compares to \$144.2 million in Q3 2015, an increase of \$19.7 million.

Q3 2016 operating earnings for Powertrain/Driveline were higher by \$16.9 million, or 15.8% over Q3 2015. The Powertrain/Driveline segment experienced the following in Q3 2016:

- better margins as a result of productivity and efficiency improvements;
- earnings related to the acquisition of the Montupet S.A.;
- the net recovery related to the premature ending of customer contracts primarily related to off highway commercial vehicles;
- higher earnings resulting from favourable changes in foreign exchange rates across multiple currencies and Linamar’s growing global presence; and
- improved earnings as production volumes increased on launching programs; partially offset by
- lower earnings as production volumes decreased on commercial vehicles.

¹ For more information refer to the section entitled “Non-GAAP and Additional GAAP Measures” in the Company’s separately released Management’s Discussion and Analysis (“MD&A”).

Industrial segment operating earnings in Q3 2016 increased \$2.8 million or 7.6% over Q3 2015. The increase in Industrial operating earnings was predominantly driven by:

- better margins as a result of changes in product mix and productivity improvements;
- improved margins as a result of the net increase in volumes; partially offset by
- lower margins resulting from unfavourable changes in foreign exchange rates.

“2016 is shaping up to be another record year of double digit top and bottom line growth,” said Linamar CEO Linda Hasenfratz. “We saw another fantastic quarter in Q3 and we feel confident in our ability to continue to grow. Business wins are at a record level, we are rapidly delevering the balance sheet thanks to solid cash flow and we continue to see great growth opportunities globally.”

Dividends

The Board of Directors today declared an eligible dividend in respect to the quarter ended September 30, 2016 of CDN\$0.10 per share on the common shares of the company, payable on or after December 9, 2016 to shareholders of record on November 25, 2016.

Forward Looking Information, Risk and Uncertainties

Certain information provided by Linamar in this press release, MD&A, the consolidated financial statements and other documents published throughout the year which are not recitation of historical facts may constitute forward-looking statements. The words “may”, “would”, “could”, “will”, “likely”, “estimate”, “believe”, “expect”, “plan”, “forecast” and similar expressions are intended to identify forward-looking statements. Readers are cautioned that such statements are only predictions and the actual events or results may differ materially. In evaluating such forward-looking statements, readers should specifically consider the various factors that could cause actual events or results to differ materially from those indicated by such forward-looking statements.

Such forward-looking information may involve important risks and uncertainties that could materially alter results in the future from those expressed or implied in any forward-looking statements made by, or on behalf of, Linamar. Some of the factors and risks and uncertainties that cause results to differ from current expectations include, but are not limited to, changes in the various economies in which Linamar operates, fluctuations in interest rates, environmental emission and safety regulations, the extent of OEM outsourcing, industry cyclicalities, trade and labour disruptions, world political events, pricing concessions and cost absorptions, delays in program launches, the Company’s dependence on certain engine and transmission programs and major OEM customers, currency exposure, technological developments by Linamar’s competitors, governmental, environmental and regulatory policies and changes in the competitive environment in which Linamar operates.

The foregoing is not an exhaustive list of the factors that may affect Linamar’s forwarding looking statements. These and other factors should be considered carefully and readers should not place undue reliance on Linamar’s forward-looking statements. Linamar assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward-looking statements.

Conference Call Information

Q3 2016 Conference Call Information

Linamar will hold a conference call on November 2, 2016 at 5:00 p.m. EST to discuss its third quarter results. The numbers for this call are (647) 427-3383 (local/overseas) or (888) 424-9894 (North America) conference ID 3049804, with a call-in required 10 minutes prior to the start of the conference call. The conference call will be chaired by Linda Hasenfratz, Linamar's Chief Executive Officer. A copy of the company's quarterly financial statements, including the Management's Discussion & Analysis will be available on the company's website after 4 p.m. EST on November 2, 2016 and at www.sedar.com by the start of business on November 3, 2016. A taped replay of the conference call will also be made available starting at 8:00 p.m. on November 2, 2016 for ten days. The number for replay is (855) 859-2056, Conference ID 3049804.

Q4 2016 Conference Call Information

Linamar will hold a conference call on March 8, 2017 at 5:00 p.m. EST to discuss its fourth quarter/year end results. The numbers for this call are (647) 427-3383 (local/overseas) or (888) 424-9894 (North America) conference ID 3093797, with a call-in required 10 minutes prior to the start of the conference call. The conference call will be chaired by Linda Hasenfratz, Linamar's Chief Executive Officer. A copy of the company's quarterly financial statements, including the Management's Discussion & Analysis will be available on the company's website after 4 p.m. EST on March 8, 2017 and at www.sedar.com by the start of business on March 9, 2017. A taped replay of the conference call will also be made available starting at 8:00 p.m. on March 8, 2017 for ten days. The number for replay is (855) 859-2056, Conference ID 3093797.

Linamar Corporation (TSX:LNR) is a diversified global manufacturing company of highly engineered products powering vehicles, motion, work and lives. The Company is made up of 2 operating segments – the Powertrain/Driveline segment and the Industrial segment, which are further divided into 4 operating groups – Machining & Assembly, Light Metal Casting, Forging and Skyjack, all world leaders in the design, development and production of highly engineered products. The Company's Machining and Assembly, Casting and Forging operating groups focus on precision metallic components, modules and systems for engine, transmission, driveline and body systems designed for global vehicle and industrial markets. The Company's Skyjack operating group is noted for its innovative, high quality mobile industrial equipment, notably its class-leading aerial work platforms and telehandlers. With more than 24,500 employees in 57 manufacturing locations, 6 R&D centers and 21 sales offices in 17 countries in North and South America, Europe and Asia, Linamar generated sales of \$5.2 billion in 2015. For more information about Linamar Corporation and its industry leading products and services, visit www.linamar.com or follow us on Twitter at [@LinamarCorp](https://twitter.com/LinamarCorp).

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For further information regarding this release please contact Linda Hasenfratz at (519) 836-7550.

Guelph, Ontario
November 2, 2016