Linamar Delivers 23rd Consecutive Quarter of Double Digit Operating Earnings Growth

May 10, 2017, Guelph, Ontario, Canada (TSX: LNR)

- Sales increase 9.1% over the first quarter of 2016 ("Q1 2016") to reach $1.66 billion;
- Operating earnings increase 11.7% over Q1 2016 to reach $192.2 million;
- Net earnings up 14.8% and earnings per share, on a diluted basis, up 14.6% over Q1 2016 reaching $145.1 million and $2.20 respectively;
- Continued business wins maintain strong launch book at over $4.4 billion and include several highly strategic component wins;
- Powertrain/Driveline delivers strong results with sales and operating earnings growth despite flat markets; and
- Industrial segment delivers excellent sales and operating earnings growth thanks to market share gains for all of its products in North America, Europe and Asia along with solid market growth in all three regions.

	Three Months Ended March 31	
	2017	2016
(in millions of dollars, except earnings per share figures)	$	$
Sales	1,656.0	1,518.1
Operating Earnings (Loss)[1]		
Powertrain/Driveline	146.4	144.0
Industrial	45.8	28.1
Operating Earnings (Loss)	192.2	172.1
Net Earnings (Loss)	145.1	126.4
Net Earnings (Loss) per Share – Diluted	2.20	1.92

Operating Highlights

Sales for the first quarter of 2017 ("Q1 2017") were $1,656.0 million, up $137.9 million from $1,518.1 million in Q1 2016.

Sales for the Powertrain/Driveline segment ("Powertrain/Driveline") increased by $54.6 million, or 4.2% in Q1 2017 compared with Q1 2016. The sales increase in Q1 2017 was impacted by:

- the acquisition of Montupet S.A. in Q1 2016;
- launching programs in North America, Europe and Asia;
- higher production volumes on certain automotive programs; partially offset by
- lower sales for off-highway vehicles globally; and
- lower sales resulting from unfavourable changes in foreign exchange rates.

The Industrial segment ("Industrial") product sales increased 40.9%, or $83.3 million, to $286.9 million in Q1 2017 from Q1 2016. The sales increase was due to:

- strong market share gains in scissors, booms and telehandlers in North America, Europe and Asia;
- increased access equipment volumes as a result of solid market growth in all three regions; partially offset by
- lower sales resulting from unfavourable changes in foreign exchange rates.

The Company's operating earnings for Q1 2017 were $192.2 million. This compares to $172.1 million in Q1 2016, an increase of $20.1 million.

Q1 2017 operating earnings for Powertrain/Driveline were higher by $2.4 million, or 1.7% over Q1 2016. The Powertrain/Driveline segment experienced the following in Q1 2017:

- earnings related to the acquisition of Montupet S.A.;
- higher earnings related to increased production volumes on certain automotive programs; and
- improved earnings as production volumes increased on launching programs; partially offset by
- lower earnings as production volumes decreased for off-highway vehicles;
- lower earnings as a result of a loss on the foreign exchange revaluation of the operating balances, in contrast to a large gain in Q1 2016; and
- lower margins as a result of changes in product mix.

[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 Q1 2017 increased $17.7 million or 63.0% over Q1 2016. The increase in Industrial operating earnings was predominantly driven by:

- improved margins as a result of the net increase in volumes;
- higher earnings as a result of a gain on the foreign exchange revaluation of the operating balances, in contrast to a large loss in Q1 2016; and
- a specific Q1 2016 bad debt expense related to a Canadian customer operating primarily in the oil and gas industry that did not reoccur; partially offset by
- lower margins as a result of changes in product mix and launching products; and
- increased management and sales costs supporting growth.

"We have had another solid start to the year at Linamar with strong results in both segments," said Linamar CEO Linda Hasenfratz. "This is our 23rd consecutive quarter of double digit operating earnings growth which is fantastic. We are also excited about the outsourcing opportunities we are seeing in non-traditional areas of the powertrain which we feel are indicative of future OEM plans."

Dividends

The Board of Directors today declared an eligible dividend in respect to the quarter ended March 31, 2017 of CDN$0.12 per share on the common shares of the Company, payable on or after June 2, 2017 to shareholders of record on May 23, 2017.

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 competitive environment in which Linamar operates, OEM outsourcing and insourcing; sources and availability of raw materials; labour markets and dependence on key personnel; dependence on certain customers and product programs; technological change in the sectors in which the Company operates and by Linamar's competitors; delays in or operational issues with product launches; foreign currency risk; long-term contracts that are not guaranteed; acquisition and expansion risk; foreign business risk; cyclicality and seasonality; capital and liquidity risk; legal proceedings and insurance coverage; credit risk; emission standards; tax laws; securities laws compliance and corporate governance standards; fluctuations in interest rates; environmental emissions and safety regulations; trade and labour disruptions; world political events; pricing concessions to customers; and governmental, environmental and regulatory policies.

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

Q1 2017 Conference Call Information

Linamar will hold a conference call on May 10, 2017 at 5:00 p.m. EST to discuss its first quarter results. The numbers for this call are (647) 427-3383 (local/overseas) or (888) 424-9894 (North America) conference ID 74537341, 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 May 10, 2017 and at www.sedar.com by the start of business on May 11, 2017. A taped replay of the conference call will also be made available starting at 8:00 p.m. on May 10, 2017 for ten days. The number for replay is (855) 859-2056, Conference ID 74537341.

Q2 2017 Conference Call Information

Linamar will hold a conference call on August 2, 2017 at 5:00 p.m. EST to discuss its second quarter results. The numbers for this call are (647) 427-3383 (local/overseas) or (888) 424-9894 (North America) conference ID 74609681, 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 August 2, 2017 and at www.sedar.com by the start of business on August 3, 2017. A taped replay of the conference call will also be made available starting at 8:00 p.m. on August 2, 2017 for ten days. The number for replay is (855) 859-2056, Conference ID 74609681.

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 5 operating groups – Machining & Assembly, Light Metal Casting, Forging, Skyjack and Agriculture, 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 and Agriculture operating groups are noted for their innovative, high quality mobile industrial equipment, notably its class-leading aerial work platforms, telehandlers and agricultural equipment. With more than 25,500 employees in 58 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 $6.0 billion in 2016. For more information about Linamar Corporation and its industry leading products and services, visit www.linamar.com or follow us on Twitter at @LinamarCorp.

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

Guelph, Ontario
May 10, 2017

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") of Linamar Corporation ("Linamar" or the "Company") should be read in conjunction with its consolidated financial statements for the year ended December 31, 2016. This MD&A has been prepared as at May 10, 2017. The financial information presented herein has been prepared on the basis of International Financial Reporting Standards ("IFRS"). References to the term generally accepted accounting principles ("GAAP") refer to information contained herein being prepared under IFRS as adopted. All amounts in this MD&A are in millions of Canadian dollars, unless otherwise noted.

Additional information regarding Linamar, including copies of its continuous disclosure materials such as its annual information form, is available on its website at www.linamar.com or through the SEDAR website at www.sedar.com.

OVERALL CORPORATE PERFORMANCE

Overview of the Business

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 5 operating groups – Machining & Assembly, Light Metal Casting, Forging, Skyjack and Agriculture, 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 and Agriculture operating groups are noted for their innovative, high quality mobile industrial equipment, notably its class-leading aerial work platforms, telehandlers and agricultural equipment. With more than 25,500 employees in 58 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 $6.0 billion in 2016. For more information about Linamar Corporation and its industry leading products and services, visit www.linamar.com or follow us on Twitter at @LinamarCorp.

Overall Corporate Results

The following table sets out certain highlights of the Company's performance in the first quarter of 2017 ("Q1 2017") and 2016 ("Q1 2016"):

			Three Months Ended March 31	
(in millions of dollars, except content per vehicle figures)	2017 $	2016 $	+/- $	+/- %
Sales	1,656.0	1,518.1	137.9	9.1%
Gross Margin	284.0	254.8	29.2	11.5%
Operating Earnings (Loss)[1]	192.2	172.1	20.1	11.7%
Attributable to Shareholders of the Company:				
Net Earnings (Loss)	145.1	126.4	18.7	14.8%
Net Earnings (Loss) per Share – Diluted	2.20	1.92	0.28	14.6%
Content per Vehicle – North America	153.33	164.90	(11.57)	(7.0%)
Content per Vehicle – Europe	65.69	60.86	4.83	7.9%
Content per Vehicle – Asia Pacific	10.02	8.20	1.82	22.2%

The changes in these financial highlights are discussed in detail in the following sections of this analysis.

[1] For more information refer to the "Non-GAAP and Additional GAAP Measures" section of this MD&A.

BUSINESS SEGMENT REVIEW

The Company reports its results of operations in two business segments: Powertrain/Driveline and Industrial. The segments are differentiated by the products that each produces and reflects how the chief operating decision makers of the Company manage the business. The following should be read in conjunction with the Company's consolidated financial statements for the quarter ended March 31, 2017.

	Three Months Ended March 31 2017			Three Months Ended March 31 2016		
(in millions of dollars)	Powertrain /Driveline $	Industrial $	Linamar $	Powertrain /Driveline $	Industrial $	Linamar $
Sales	1,369.1	286.9	1,656.0	1,314.5	203.6	1,518.1
Operating Earnings (Loss)	146.4	45.8	192.2	144.0	28.1	172.1

Powertrain/Driveline Highlights

	Three Months Ended March 31			
(in millions of dollars)	2017 $	2016 $	+/- $	+/- %
Sales	1,369.1	1,314.5	54.6	4.2%
Operating Earnings (Loss)	146.4	144.0	2.4	1.7%

Sales for the Powertrain/Driveline segment ("Powertrain/Driveline") increased by $54.6 million, or 4.2% in Q1 2017 compared with Q1 2016. The sales increase in Q1 2017 was impacted by:

- the acquisition of Montupet S.A. in Q1 2016;
- launching programs in North America, Europe and Asia;
- higher production volumes on certain automotive programs; partially offset by
- lower sales on off-highway vehicles globally; and
- lower sales resulting from unfavourable changes in foreign exchange rates.

Q1 2017 operating earnings for Powertrain/Driveline were higher by $2.4 million, or 1.7% over Q1 2016. The Powertrain/Driveline segment experienced the following in Q1 2017:

- earnings related to the acquisition of Montupet S.A.;
- higher earnings related to increased production volumes on certain automotive programs; and
- improved earnings as production volumes increased on launching programs; partially offset by
- lower earnings as production volumes decreased on off-highway vehicles;
- lower earnings as a result of a loss on the foreign exchange revaluation of the operating balances, in contrast to a large gain in Q1 2016; and
- lower margins as a result of changes in product mix.

Industrial Highlights

	Three Months Ended March 31			
(in millions of dollars)	2017 $	2016 $	+/- $	+/- %
Sales	286.9	203.6	83.3	40.9%
Operating Earnings (Loss)	45.8	28.1	17.7	63.0%

The Industrial segment ("Industrial") product sales increased 40.9%, or $83.3 million, to $286.9 million in Q1 2017 from Q1 2016. The sales increase was due to:

- strong market share gains in scissors, booms and telehandlers in North America, Europe and Asia;
- increased access equipment volumes as a result of solid market growth in all three regions; partially offset by
- lower sales resulting from unfavourable changes in foreign exchange rates.

Industrial segment operating earnings in Q1 2017 increased $17.7 million or 63.0% over Q1 2016. The increase in Industrial operating earnings was predominantly driven by:

- improved margins as a result of the net increase in volumes;

- higher earnings as a result of a gain on the foreign exchange revaluation of the operating balances, in contrast to a large loss in Q1 2016; and
- a specific Q1 2016 bad debt expense related to a Canadian customer operating primarily in the oil and gas industry that did not reoccur; partially offset by
- lower margins as a result of changes in product mix and launching products; and
- increased management and sales costs supporting growth.

AUTOMOTIVE SALES AND CONTENT PER VEHICLE[1]

Automotive sales by region in the following discussion are determined by the final vehicle production location and, as such, there are differences between these figures and those reported under the geographic segment disclosure, which are based primarily on the Company's location of manufacturing and include both automotive and non-automotive sales. These differences are the result of products being sold directly to one continent, and the final vehicle being assembled on another continent. It is necessary to show the sales based on the vehicle build location to provide accurate comparisons to the production vehicle units for each continent.

In addition to automotive Original Equipment Manufacturers ("OEMs"), the Company sells powertrain parts to a mix of automotive and non-automotive manufacturers that service various industries such as power generation, construction equipment, marine and automotive. The final application of some parts sold to these manufacturers is not always clear; however the Company estimates the automotive portion of the sales for inclusion in its content per vehicle ("CPV") calculations. The allocation of sales to regions is based on vehicle production volume estimates from industry sources, published closest to the quarter end date. As these estimates are updated, the Company's sales classifications can be impacted.

			Three Months Ended March 31	
North America	2017	2016	+/-	%
Vehicle Production Units [2]	4.65	4.56	0.09	2.0%
Automotive Sales [1]	$ 712.3	$ 751.8	$ (39.5)	(5.3%)
Content Per Vehicle [1]	$ 153.33	$ 164.90	$ (11.57)	(7.0%)
Europe				
Vehicle Production Units	5.89	5.52	0.37	6.7%
Automotive Sales	$ 386.8	$ 335.8	$ 51.0	15.2%
Content Per Vehicle	$ 65.69	$ 60.86	$ 4.83	7.9%
Asia Pacific				
Vehicle Production Units	12.26	11.90	0.36	3.0%
Automotive Sales	$ 122.9	$ 97.6	$ 25.3	25.9%
Content Per Vehicle	$ 10.02	$ 8.20	$ 1.82	22.2%

North American automotive sales for Q1 2017 decreased 5.3% from Q1 2016 in a market that saw an increase of 2.0% in production volumes for the same period. As a result, CPV in Q1 2017 decreased 7.0% from $164.90 to $153.33. The decrease in North American CPV was a result of certain OEM's Linamar is more heavily weighted to reducing production levels in contrast to the overall market as they were managing their inventory levels and product change over plans. Additionally, the North American CPV was impacted by an increase in market production for OEM's that the Company does not have significant business with. These decreases in CPV were partially offset by added sales from the acquisition of our Light Metal Castings business and new business launching in the region.

European automotive sales for Q1 2017 increased 15.2% from Q1 2016 in a market that saw an increase of 6.7% in production volumes for the same period. As a result, CPV in Q1 2017 increased 7.9% from $60.86 to $65.69. The increase in CPV was a result of added sales from the acquisition of our Light Metal Casting business, launching programs and increased production volumes on certain automotive programs.

Asia Pacific automotive sales for Q1 2017 increased 25.9% from Q1 2016 in a market that saw an increase of 3.0% in production volumes for the same period. As a result, CPV in Q1 2017 increased 22.2% from $8.20 to $10.02. The increase in CPV was a result of added sales from increased program launches and the acquisition of our Light Metal Casting business.

[1] Automotive Sales are measured as the amount of the Company's automotive sales dollars per vehicle, not including tooling sales. CPV does not have a standardized meaning and therefore is unlikely to be comparable to similar measures presented by other issuers. CPV is an indicator of the Company's market share for the automotive markets that it operates in.

[2] Vehicle production units are derived from industry sources and are shown in millions of units. North American vehicle production units used by the Company for the determination of the Company's CPV include medium and heavy truck volumes. European and Asia Pacific vehicle production units exclude medium and heavy trucks. All vehicle production volume information is as regularly reported by industry sources. Industry sources release vehicle production volume estimates based on the latest information from the Automotive Manufacturers and update these estimates as more accurate information is obtained. The Company will, on a quarterly basis, update CPV for the current fiscal year in its MD&A as these volume estimates are revised by the industry sources. The CPV figures in this MD&A reflect the volume estimates that were published closest to the quarter end date by the industry sources. These updates to vehicle production units have no effect on the Company's financial statements for those periods.

RESULTS OF OPERATIONS

Gross Margin

(in millions of dollars)	Three Months Ended March 31 2017	2016
Sales	$ 1,656.0	$ 1,518.1
Cost of Sales before Amortization	1,290.6	1,181.5
Amortization	81.4	81.8
Cost of Sales	1,372.0	1,263.3
Gross Margin	$ 284.0	$ 254.8
Gross Margin Percentage	17.1%	16.8%

Gross margin percentage increased to 17.1% in Q1 2017 from 16.8% in Q1 2016. Cost of sales before amortization as a percentage of sales remained flat in Q1 2017 at 77.9%. The improved gross margin between Q1 2017 and Q1 2016 is a result of the items discussed earlier in this analysis such as:

- increased earnings as a result of increased volumes in both segments;
- earnings related to the acquisition of Montupet S.A. in Q1 2016; partially offset by
- lower margins as a result of changes in product mix.

Q1 2017 amortization remained flat at $81.4 million. Amortization as a percentage of sales decreased to 4.9% of sales as compared to 5.4% in Q1 2016. Included in amortization for the quarter were the following impacts:

- lower amortization as a result of redeployment of existing assets on launching programs; offset by
- additional amortization associated with Montupet S.A.

Selling, General and Administration

(in millions of dollars)	Three Months Ended March 31 2017	2016
Selling, general and administrative	$ 91.1	$ 84.8
SG&A Percentage	5.5%	5.6%

Selling, general and administrative (“SG&A”) costs increased to $91.1 million from $84.8 million in Q1 2016, but decreased as a percentage of sales to 5.5% from 5.6% when compared to Q1 2016. Included in SG&A costs for the quarter were the following impacts:

- increased management and sales costs supporting growth; offset by
- a specific Q1 2016 bad debt expense related to a Canadian customer operating primarily in the oil and gas industry that did not reoccur.

Finance Expense and Income Taxes

(in millions of dollars)	Three Months Ended March 31 2017 $	2016 $
Operating Earnings (Loss)	192.2	172.1
Share of Net Earnings (Loss) of Investments Accounted for Using the Equity Method	(1.3)	-
Finance Expenses	2.9	5.0
Provision for (Recovery of) Income Taxes	42.9	40.3
Net Earnings (Loss)	145.1	126.8
Net Earnings (Loss) Attributable to:		
Shareholders of the Company	145.1	126.4
Non-Controlling Interests	-	0.4

Finance Expenses

Finance expenses decreased $2.1 million in Q1 2017 from Q1 2016 to $2.9 million due to:

- higher interest earned on the investment of excess cash balances; partially offset by
- the foreign exchange impact on short term borrowing positions in the quarter.

The consolidated effective interest rate for Q1 2017 decreased to 2.2% compared to 2.3% in Q1 2016. The effective interest rate was lower in 2017 versus 2016 as the total debt in 2017 was heavily weighted to Euro denominated debt and the Euro borrowing rates are lower than both the Canadian dollar borrowing rates and U.S. Private Placement Note borrowing rates.

Provision for Income Taxes

The effective tax rate for Q1 2017 was 22.8%, a decrease from the 24.1% rate in the same quarter of 2016. The effective tax rate in Q1 2017 was:

- reduced due to non-deductible business acquisition expenses incurred in Q1 2016 not recurring in Q1 2017;
- reduced due to net adjustments recognized in Q1 2017 in relation to the current tax of prior years; partially offset by
- an increase based on a less favourable mix of foreign tax rates in Q1 2017 compared to Q1 2016.

TOTAL EQUITY

Book value per share[1] increased to $42.25 per share at March 31, 2017 as compared to $39.69 per share at December 31, 2016.

During the quarter no options expired unexercised, no options were forfeited and 17,200 options were exercised.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares, of which 65,275,626 common shares were outstanding as of May 10, 2017. The Company's common shares constitute its only class of voting securities. As of May 10, 2017, there were 1,576,145 options to acquire common shares outstanding and 4,250,000 options still available to be granted under the Company's share option plan.

SELECTED FINANCIAL INFORMATION

QUARTERLY RESULTS

The following table sets forth unaudited information for each of the eight quarters ended June 30, 2015 through March 31, 2017. This information has been derived from the Company's unaudited consolidated interim financial statements which, in the opinion of management, have been prepared on a basis consistent with the audited consolidated financial statements and include all adjustments, consisting only of normal recurring adjustments, necessary for fair presentation of the financial position and results of operations for those periods.

(in millions of dollars, except per share figures)	Mar 31 2017 $	Dec 31 2016 $	Sep 30 2016 $	Jun 30 2016 $	Mar 31 2016 $	Dec 31 2015 $	Sep 30 2015 $	Jun 30 2015 $
Sales	1,656.0	1,374.8	1,455.5	1,657.2	1,518.1	1,243.0	1,273.9	1,368.1
Net Earnings (Loss) Attributable to Shareholders of the Company	145.1	116.1	122.2	157.3	126.4	95.3	107.6	120.1
Net Earnings (Loss) per Share Attributable to Shareholders of the Company:								
Basic	2.22	1.78	1.88	2.41	1.94	1.46	1.65	1.84
Diluted	2.20	1.76	1.86	2.39	1.92	1.45	1.64	1.83

The quarterly results of the Company are impacted by the seasonality of certain operational units. Historically, earnings in the second quarter, for the Industrial segment, are positively impacted by the high selling season for both the access equipment and agricultural businesses. For the Powertrain/Driveline segment, vehicle production is typically at its lowest level during the months of July and August due to model changeovers by the OEMs and in December for maintenance shut-down periods. The Company takes advantage of summer and winter shutdowns for maintenance activities that would otherwise disrupt normal production schedules.

[1] For more information refer to the "Non-GAAP and Additional GAAP Measures" section of this MD&A.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

(in millions of dollars)	Three Months Ended March 31 2017 $	2016 $
Cash generated from (used in):		
Operating Activities	110.0	174.5
Financing Activities	57.0	1,156.6
Investing Activities	(147.0)	(1,239.0)
Effect of Translation Adjustment	13.2	(22.8)
Net Increase (Decrease) in Cash Position	33.2	69.3
Cash and Cash Equivalents – Beginning of Period	405.0	339.1
Cash and Cash Equivalents – End of Period	438.2	408.4
Comprised of:		
Cash in bank	251.1	390.3
Short-term deposits	204.2	28.3
Unpresented Cheques	(17.1)	(10.2)
	438.2	408.4

The Company's cash and cash equivalents (net of unpresented cheques) at March 31, 2017 were $438.2 million, an increase of $29.8 million compared to March 31, 2016.

Cash generated from operating activities was $110.0 million, a decrease of $64.5 million from Q1 2016 due to more cash being used to fund non-cash working capital partially offset by an increase in earnings over Q1 2016.

During the quarter, financing activities generated $57.0 million of cash compared to $1,156.6 million generated in Q1 2016. In Q1 2016 proceeds from long-term debt were primarily used to fund the purchase of Montupet S.A.

Investing activities used $147.0 million in Q1 2017 mainly for the purchase of property, plant and equipment and an increase in long-term receivables. Investing activities used $1,239.0 million in Q1 2016 mainly for the acquisition of Montupet S.A. and the purchase of property, plant and equipment.

Operating Activities

(in millions of dollars)	Three Months Ended March 31 2017 $	2016 $
Net earnings (loss) for the period attributable to shareholders of the Company	145.1	126.4
Adjustments to earnings	88.3	88.0
	233.4	214.4
Changes in non-cash working capital	(123.4)	(39.9)
Cash generated from (used in) operating activities	110.0	174.5

Cash generated by operations before the effect of changes in non-cash working capital increased $19.0 million in Q1 2017 to $233.4 million, compared to $214.4 million in Q1 2016.

Non-cash working capital increased $123.4 million primarily due to increases in accounts receivable during Q1 2017.

Financing Activities

(in millions of dollars)	Three Months Ended March 31 2017 $	2016 $
Proceeds from (repayments of) short term bank borrowings	1.3	5.8
Proceeds from (repayments of) long-term debt	63.6	1,159.2
Proceeds from exercise of stock options	0.2	0.1
Interest received (paid)	(8.1)	(8.5)
Cash generated from (used in) financing activities	57.0	1,156.6

Financing activities for Q1 2017 provided $57.0 million of cash compared to $1,156.6 million provided in Q1 2016. The $1,159.2 in proceeds from long-term debt provided in Q1 2016 was primarily used to fund the purchase of Montupet S.A.

Investing Activities

(in millions of dollars)	Three Months Ended March 31 2017 $	2016 $
Payments for purchase of property, plant and equipment	(93.5)	(82.7)
Proceeds on disposal of property, plant and equipment	2.2	0.4
Payments for purchase of intangible assets	(3.2)	(11.3)
Business acquisitions, net of cash acquired	(1.1)	(1,133.9)
(Increase) decrease in long-term receivables	(51.4)	(11.5)
Cash generated from (used in) investing activities	(147.0)	(1,239.0)

Cash spent on investing activities for Q1 2017 was $147.0 million compared to $1,239.0 million used in Q1 2016. Cash spent for investing activities in Q1 2017 were mainly for the purchase of property, plant and equipment and an increase in long-term receivables whereas the majority of cash spent on investing activities in Q1 2016 was for the acquisition of Montupet S.A.

Capital Resources

The Company's financial condition remains solid given its strong balance sheet, which can be attributed to the Company's low cost structure, reasonable level of debt, prospects for growth and significant new program launches. Management expects that all future capital expenditures will be financed by cash flow from operations or utilization of existing financing facilities.

At March 31, 2017, cash including short-term deposits (net of unpresented cheques) was $438.2 million, and the Company's credit facilities had available credit of $665.5 million.

Commitments and Contingencies

Please see the Company's December 31, 2016 annual MD&A for a table summarizing the contractual obligations by category. Also certain guarantees and legal claims are described in the notes to the Company's consolidated financial statements for the year ended December 31, 2016.

Foreign Currency Activities

The Company pursues a strategy of balancing its foreign currency cash flows, to the largest extent possible, in each region in which it operates. The Company's foreign currency outflows for the purchases of materials and capital equipment denominated in foreign currencies are naturally hedged when contracts to sell products are denominated in those same foreign currencies. To manage the residual exposure, if material, the Company employs hedging programs, where rate-appropriate, through the use of forward exchange contracts. The contracts are purchased based on the projected net foreign cash flows from operations.

The amount and timing of forward contracts is dependent upon a number of factors, including anticipated production delivery schedules, anticipated customer payment dates, anticipated foreign currency costs, and expectations with respect to future foreign exchange rates. The Company is exposed to credit risk from potential default by counterparties on its foreign exchange contracts and attempts to mitigate this risk by dealing only with relationship banks in our credit facility. Despite these measures, significant long-term movements in relative currency values could affect the Company's results of operations. The Company does not currently hedge all the cash flow activities of its foreign subsidiaries and, accordingly, results of operations could be further affected by a significant change in the relative values of the currencies in which the Company operates.

The Company is committed to long-dated forward contracts to buy U.S. dollars to hedge the changes in exchange rates on the principal portion of the U.S. $130 million Private Placement Notes due 2017 ("2017 Notes") that were placed during 2010 and the U.S. $130 million Private Placement Notes due 2021 ("2021 Notes") that were placed during 2011. These forward exchange contracts qualify as cash flow hedges for accounting purposes and any fair value unrealized gains and losses are included in other comprehensive earnings with reclassifications to net earnings for the effective portion to match the net earnings impact of the principal portion.

The Company is committed to a series of forward contracts to lock in the exchange rate on the semi-annual coupon payments related to the 2017 Notes and the 2021 Notes. These forward contracts qualify as cash flow hedges for accounting purposes and any fair value unrealized gains and losses are included in other comprehensive earnings with reclassifications to net earnings for the effective portion to match the net earnings impact of the coupon portion.

During the first quarter of 2016, the Euro denominated debt used to purchase Montupet S.A. was designated as a net investment hedge. Hedges of net investments are accounted for similarly to cash flow hedges with amounts accumulated in other comprehensive earnings. The amounts accumulated in other comprehensive earnings are reclassified to net earnings in the period in which the foreign operation is partially disposed of or sold.

For more information regarding the Company's long-term debt and forward contracts including related risks please see the notes to the Company's consolidated financial statements for the year ended December 31, 2016.

Off Balance Sheet Arrangements

The Company leases various land and buildings under cancellable and non-cancellable operating lease arrangements. The lease terms are between 1 and 11 years, and the majority of lease arrangements are renewable at the end of the lease period at market rates. The Company also leases various machinery and transportation equipment under non-cancellable operating lease arrangements. The lease terms are between 1 and 7 years and require notice for termination of the agreements. The Company expects that existing leases will either be renewed or replaced, or alternatively, capital expenditures will be incurred to acquire equivalent capacity.

For a summary of these lease commitments please see the notes to the Company's consolidated financial statements for the year ended December 31, 2016. Such obligations have not changed significantly during 2017.

TRANSACTIONS WITH RELATED PARTIES

Included in the cost of property, plant and equipment is the construction of buildings, building additions and building improvements performed by related parties in the aggregate amount of $0.7 million at March 31, 2017 ($1.5 million for 2016). Related party transactions included in the cost of sales are expenses such as rent, maintenance and transportation costs of $0.4 million for Q1 2017 ($0.4 million for Q1 2016). The maintenance and construction costs represent general contracting and construction activities related to plant construction, improvements, additions and maintenance for a number of facilities. Amounts owed to related parties at March 31, 2017 were $0.6 million ($1.9 million at March 31, 2016).

The Company has designed an independent process to ensure all related party transactions are transacted at estimated fair value.

CURRENT AND PROPOSED TRANSACTIONS

There are no current or proposed transactions to report for the quarter ended March 31, 2017.

RISK MANAGEMENT

The Company is exposed to a number of risks in the normal course of business that have the potential to affect its operating results. These include, but are not limited to Competition, Outsourcing and Insourcing; Sources and Availability of Raw Materials; Labour Markets and Dependence on Key Personnel; Dependence on Certain Customers; Technological Change and Product Launches; Foreign Currency Risk; Long-term Contracts; Acquisition and Expansion Risk; Foreign Business Risk; Cyclicality and Seasonality; Capital and Liquidity Risk; Legal Proceedings and Insurance Coverage; Credit Risk; Emission Standards; Tax Laws; Securities Laws Compliance and Corporate Governance Standards; and Environmental Matters. These risk factors remain substantially unchanged during the quarter ended March 31, 2017. These risk factors, as well as the other information contained in this MD&A, the Company's December 31, 2016 annual MD&A, and the Company's December 31, 2016 Annual Information Form or otherwise, should be considered carefully. These risk factors could materially and adversely affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements related to the Company.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

There were no changes in the Company's internal control over financial reporting during the quarter ended March 31, 2017, which have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and judgements about the future. Estimates and judgements are continually evaluated and are based on the historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates under different assumptions or conditions. Please refer to the "Critical Accounting Estimates and Judgements" section of the Company's December 31, 2016 consolidated annual financial statements and March 31, 2017 consolidated interim financial statements for additional information.

RECENT ACCOUNTING CHANGES AND EFFECTIVE DATES

Please see the notes to the Company's consolidated financial statements for the year ended December 31, 2016 for information pertaining to accounting changes effective in 2016 and for future fiscal years.

NON-GAAP AND ADDITIONAL GAAP MEASURES

Non-GAAP Measures

The Company uses certain non-GAAP financial measures including book value per share. The Company believes this non-GAAP financial measure provides useful information to both management and investors in assessing the financial performance and financial condition of the Company.

Non-GAAP financial measures do not have a standardized meaning prescribed by GAAP and therefore they are unlikely to be comparable to similarly titled measures presented by other publicly traded companies, and they should not be construed as an alternative to other financial measures determined in accordance with GAAP.

Book Value per Share

This measure, as used by the chief operating decision makers and management, indicates the value of the Company based on the carrying value of the Company's net assets. Book value per share is calculated by the Company as total equity divided by shares outstanding at the end of the period.

(in millions of dollars except share and per share figures)	March 31 2017	December 31 2016
Total equity	$ 2,757.9	$ 2,590.3
Shares outstanding at the end of the period	65,275,626	65,258,426
Book value per share	$ 42.25	$ 39.69

Additional GAAP Measures

IFRS mandates certain minimum line items for financial statements and requires presentation of additional line items, headings and subtotals when such presentation is relevant to an understanding of an entity's financial position and performance. The Company presents the following additional GAAP measures in the Company's consolidated financial statements.

Operating Earnings

Operating earnings (loss) is calculated as net earnings (loss) before income taxes, finance expenses and share of net earnings (loss) of investments accounted for using the equity method, as presented on the Company's consolidated statements of earnings. This measure, along with other GAAP and non-GAAP measures are used by the chief operating decision makers and management to assess operating performance and the effective use and allocation of resources and to provide more meaningful comparisons of operating results.

FORWARD LOOKING INFORMATION

Certain information provided by Linamar in this MD&A, the Annual Report 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 competitive environment in which Linamar operates, OEM outsourcing and insourcing; sources and availability of raw materials; labour markets and dependence on key personnel; dependence on certain customers and product programs; technological change in the sectors in which the Company operates and by Linamar's competitors; delays in or operational issues with product launches; foreign currency risk; long-term contracts that are not guaranteed; acquisition and expansion risk; foreign business risk; cyclicality and seasonality; capital and liquidity risk; legal proceedings and insurance coverage; credit risk; emission standards; tax laws; securities laws compliance and corporate governance standards; fluctuations in interest rates; environmental emissions and safety regulations; trade and labour disruptions; world political events; pricing concessions to customers; and governmental, environmental and regulatory policies.

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.

LINAMAR CORPORATION

Consolidated Interim Statements of Financial Position

As at March 31, 2017 with comparatives as at December 31, 2016 (Unaudited)
(in thousands of Canadian dollars)

	March 31 2017 $	December 31 2016 $
ASSETS		
Cash and cash equivalents	438,184	404,966
Accounts and other receivables	1,166,249	898,445
Inventories	707,431	691,385
Income taxes recoverable	18,258	11,466
Current portion of long-term receivables (Note 5)	84,378	74,557
Current portion of derivative financial instruments (Note 5)	42,266	44,904
Other current assets	15,670	17,177
Current Assets	2,472,436	2,142,900
Long-term receivables (Note 5)	239,867	199,369
Property, plant and equipment	2,100,341	2,052,055
Investments accounted for using the equity method	4,664	5,881
Intangible assets	277,426	279,587
Goodwill	458,329	456,791
Derivative financial instruments (Note 5)	34,168	37,134
Deferred tax assets	52,151	53,453
Assets	5,639,382	5,227,170
LIABILITIES		
Short-term borrowings	9,335	7,972
Accounts payable and accrued liabilities	1,179,347	974,612
Provisions	33,042	31,713
Income taxes payable	31,348	54,836
Current portion of long-term debt (Notes 5, 6)	194,552	197,157
Current Liabilities	1,447,624	1,266,290
Long-term debt (Notes 5, 6)	1,292,440	1,228,035
Deferred tax liabilities	141,455	142,584
Liabilities	2,881,519	2,636,909
EQUITY		
Capital stock	120,744	120,385
Retained earnings	2,531,635	2,386,524
Contributed surplus	23,798	23,332
Accumulated other comprehensive earnings (loss)	81,686	60,020
Equity	2,757,863	2,590,261
Liabilities and Equity	5,639,382	5,227,170

The accompanying notes are an integral part of these consolidated interim financial statements.

On behalf of the Board of Directors:

Frank Hasenfratz
Director

Linda Hasenfratz
Director

LINAMAR CORPORATION

Consolidated Interim Statements of Earnings

For the three months ended March 31, 2017 and March 31, 2016 (Unaudited)
(in thousands of Canadian dollars, except per share figures)

	Three Months Ended March 31 2017 $	Three Months Ended March 31 2016 $
Sales	1,655,988	1,518,051
Cost of sales	1,372,037	1,263,224
Gross Margin	283,951	254,827
Selling, general and administrative	91,097	84,797
Other income and (expenses)	(693)	2,057
Operating Earnings (Loss)	192,161	172,087
Share of net earnings (loss) of investments accounted for using the equity method	(1,233)	-
Finance expenses (Note 7)	2,885	4,995
Net Earnings (Loss) before Income Taxes	188,043	167,092
Provision for (recovery of) income taxes	42,932	40,247
Net Earnings (Loss) for the Period	145,111	126,845
Net Earnings (Loss) Attributable to:		
Shareholders of the Company	145,111	126,444
Non-Controlling Interests	-	401
	145,111	126,845
Net Earnings (Loss) Per Share Attributable to Shareholders of the Company:		
Basic	2.22	1.94
Diluted	2.20	1.92

The accompanying notes are an integral part of these consolidated interim financial statements.

LINAMAR CORPORATION
Consolidated Interim Statements of Comprehensive Earnings
For the three months ended March 31, 2017 and March 31, 2016 (Unaudited)
(in thousands of Canadian dollars)

	Three Months Ended March 31 2017 $	Three Months Ended March 31 2016 $
Net Earnings (Loss) for the Period	145,111	126,845
Items that may be reclassified subsequently to net income		
Unrealized gains (losses) on translating financial statements of foreign operations	25,435	(104,191)
Change in foreign exchange gains (losses) on long-term debt designated as a net investment hedge	(3,014)	19,391
Change in unrealized gains (losses) on derivative instruments designated as cash flow hedges	(4,153)	(20,631)
Tax impact of change in unrealized gains (losses) on derivative instruments designated as cash flow hedges	1,038	5,158
Reclassification to earnings of gains (losses) on cash flow hedges	3,146	22,022
Tax impact of reclassification to earnings of gains (losses) on cash flow hedges	(786)	(5,506)
Other Comprehensive Earnings (Loss)	21,666	(83,757)
Comprehensive Earnings (Loss) for the Period	166,777	43,088
Comprehensive Earnings (Loss) Attributable to:		
Shareholders of the Company	166,777	42,687
Non-Controlling Interests	-	401
	166,777	43,088

The accompanying notes are an integral part of these consolidated interim financial statements.

LINAMAR CORPORATION

Consolidated Interim Statements of Changes in Equity

For the three months ended March 31, 2017 and March 31, 2016 (Unaudited)
(in thousands of Canadian dollars)

	Capital stock $	Retained earnings $	Contributed surplus $	Cumulative translation adjustment $	Hedging reserves $	Equity Attributable to Shareholders $	Non-Controlling Interests $	Total Equity $
Balance at January 1, 2017	120,385	2,386,524	23,332	61,097	(1,077)	2,590,261	-	2,590,261
Net Earnings (Loss)	-	145,111	-	-	-	145,111	-	145,111
Other comprehensive earnings (loss)	-	-	-	22,421	(755)	21,666	-	21,666
Comprehensive Earnings (Loss)	-	145,111	-	22,421	(755)	166,777	-	166,777
Share-based compensation	-	-	572	-	-	572	-	572
Shares issued on exercise of options	359	-	(106)	-	-	253	-	253
Balance at March 31, 2017	120,744	2,531,635	23,798	83,518	(1,832)	2,757,863	-	2,757,863

	Capital stock $	Retained earnings $	Contributed surplus $	Cumulative translation adjustment $	Hedging reserves $	Equity Attributable to Shareholders $	Non-Controlling Interests $	Total Equity $
Balance at January 1, 2016	118,609	1,890,473	21,094	228,306	185	2,258,667	-	2,258,667
Net Earnings (Loss)	-	126,444	-	-	-	126,444	401	126,845
Other comprehensive earnings (loss)	-	-	-	(84,800)	1,043	(83,757)	-	(83,757)
Comprehensive Earnings (Loss)	-	126,444	-	(84,800)	1,043	42,687	401	43,088
Share-based compensation	-	-	606	-	-	606	-	606
Shares issued on exercise of options	173	-	(51)	-	-	122	-	122
Acquisition of non-controlling interests	-	-	-	-	-	-	(401)	(401)
Balance at March 31, 2016	118,782	2,016,917	21,649	143,506	1,228	2,302,082	-	2,302,082

The accompanying notes are an integral part of these consolidated interim financial statements.

LINAMAR CORPORATION
Consolidated Interim Statements of Cash Flows
For the three months ended March 31, 2017 and March 31, 2016 (Unaudited)
(in thousands of Canadian dollars)

	Three Months Ended March 31 2017 $	2016 $
Cash generated from (used in)		
Operating Activities		
Net Earnings (Loss) for the Period Attributable to Shareholders of the Company	145,111	126,444
Adjustments for:		
Amortization of property, plant and equipment	76,067	79,948
Amortization of other intangible assets	6,290	2,582
Deferred income taxes	300	3,019
Share-based compensation	572	606
Finance expense	2,885	4,995
Other	2,095	(3,120)
	233,320	214,474
Changes in non-cash working capital		
(Increase) decrease in accounts and other receivables	(239,152)	(116,037)
(Increase) decrease in inventories	(13,157)	(57,317)
(Increase) decrease in other current assets	1,621	(1,479)
Increase (decrease) in income taxes	(30,805)	(24,496)
Increase (decrease) in accounts payable and accrued liabilities	156,809	158,870
Increase (decrease) in provisions	1,315	476
	(123,369)	(39,983)
Cash generated from (used in) operating activities	109,951	174,491
Financing Activities		
Proceeds from (repayments of) short-term borrowings	1,347	5,832
Proceeds from (repayments of) long-term debt	63,588	1,159,174
Proceeds from exercise of stock options	253	122
Interest received (paid)	(8,125)	(8,545)
Cash generated from (used in) financing activities	57,063	1,156,583
Investing Activities		
Payments for purchase of property, plant and equipment	(93,450)	(82,673)
Proceeds on disposal of property, plant and equipment	2,157	401
Payments for purchase of intangible assets	(3,232)	(11,303)
Business acquisitions, net of cash acquired	(1,060)	(1,133,945)
(Increase) decrease in long-term receivables	(51,380)	(11,455)
Cash generated from (used in) investing activities	(146,965)	(1,238,975)
	20,049	92,099
Effect of translation adjustment on cash	13,169	(22,771)
Increase (decrease) in cash and cash equivalents	33,218	69,328
Cash and cash equivalents - Beginning of Period	404,966	339,079
Cash and cash equivalents - End of Period	438,184	408,407
Comprised of:		
Cash in bank	251,072	390,273
Short-term deposits	204,260	28,321
Unpresented cheques	(17,148)	(10,187)
	438,184	408,407

The accompanying notes are an integral part of these consolidated interim financial statements.

1 General Information

Linamar Corporation and its subsidiaries, including jointly controlled entities, (together, the "Company") is a diversified global manufacturing company of highly engineered products. The Company is incorporated in Ontario, Canada with common shares listed on the Toronto Stock Exchange. The Company is domiciled in Canada and its registered office is 287 Speedvale Avenue West, Guelph, Ontario, Canada.

The consolidated interim financial statements of the Company for the period ended March 31, 2017 were authorized for issue in accordance with a resolution of the Company's Board of Directors on May 10, 2017.

2 Significant Accounting Policies

The Company has prepared these unaudited consolidated interim financial statements ("interim financial statements") using the same accounting policies and methods as those used in the Company's audited consolidated annual financial statements ("annual financial statements") for the year ended December 31, 2016. These policies have been consistently applied to all periods presented, unless otherwise stated.

Basis of Presentation
The Company has prepared its interim financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and with interpretations of the International Financial Reporting Issues Committee.

These interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting. Accordingly, certain information and footnotes as required in the annual financial statements have been omitted or condensed and as such these interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2016. These interim financial statements and the notes thereto have not been reviewed by the Company's external auditors pursuant to a review engagement applying review standards set out in the Canadian Chartered Professional Accountants handbook.

These interim financial statements were prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value.

3 Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make estimates and judgements about the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates under different assumptions or conditions. Management's most critical estimates and assumptions in determining the value of assets and liabilities and most critical judgements in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year have been set out in Note 5 of the Company's annual financial statements for the year ended December 31, 2016.

4 Seasonality

Historically, earnings in the second quarter, for the Industrial segment, are positively impacted by the high selling season for both the access equipment and agricultural businesses. For the Powertrain/Driveline segment, vehicle production is typically at its lowest level during the months of July and August due to model changeovers by the original equipment manufacturers and in December for maintenance shut-down periods. The Company takes advantage of summer and winter shutdowns for maintenance activities that would otherwise disrupt normal production schedules.

(in thousands of Canadian dollars, except where otherwise noted)

5 Fair Value of Financial Instruments

The comparison of fair values to carrying amounts of financial assets and financial liabilities along with the fair value hierarchy for financial assets and financial liabilities carried at fair value on a recurring basis is as follows:

		March 31, 2017		December 31, 2016	
	Subsequent Measurement	Carrying Value Asset (Liability) $	Fair Value $	Carrying Value Asset (Liability) $	Fair Value $
Long-term receivables	Amortized cost (Level 2)	324,245	333,403	273,926	280,265
Derivative financial instruments					
US dollar interest payment forward contracts	Fair value (Level 2)	8,521	8,521	10,952	10,952
US dollar debt principal forward contracts	Fair value (Level 2)	67,913	67,913	71,086	71,086
Long-term debt designated as net investment hedge	Amortized cost (Level 2)	(872,439)	(801,590)	(927,529)	(848,309)
Long-term debt, other	Amortized cost (Level 2)	(614,553)	(608,883)	(497,663)	(508,018)

6 Long-Term Debt

	March 31 2017 $	December 31 2016 $
Senior unsecured notes	346,133	349,244
Bank borrowings	1,058,993	998,527
Obligations under finance leases	16,734	18,074
Government borrowings	65,132	58,287
Other financing	-	1,060
	1,486,992	1,425,192
Less: current portion	194,552	197,157
	1,292,440	1,228,035

As of March 31, 2017, $665,533 was available under the credit facilities.

7 Finance Expenses

	Three Months Ended March 31	
	2017 $	2016 $
Interest on long-term debt	9,118	9,269
Other	(6,233)	(4,274)
	2,885	4,995

8 Commitments

As at March 31, 2017, outstanding commitments for capital expenditures under purchase orders and contracts amounted to $172,068 (March 31, 2016 - $116,460). Of this amount, $166,390 (March 31, 2016 - $111,421) relates to the purchase of manufacturing equipment and $5,678 (March 31, 2016 - $5,039) relates to general contracting and construction costs in respect of plant construction. The majority of these commitments are due within the next twelve months. $76 of the outstanding construction commitments (March 31, 2016 - $2,532) represents amounts committed to a related party.

(in thousands of Canadian dollars, except where otherwise noted)

9 Related Party Transactions

Included in the cost of property, plant and equipment is the construction of buildings, building additions and building improvements performed by related parties in the aggregate amount of $695 at March 31, 2017 (March 31, 2016 - $1,524). Related party transactions included in the cost of sales are expenses such as rent, maintenance and transportation costs of $447 for the three months ended March 31, 2017 ($400 for three months ended March 31, 2016). The maintenance and construction costs represent general contracting and construction activities related to plant construction, improvements, additions and maintenance for a number of facilities. Amounts owed to related parties at March 31, 2017 were $574 (March 31, 2016 - $1,880).

10 Segmented Information

Management has determined the operating segments based on the reports reviewed by the Senior Executive Group that are used to make strategic decisions.

Powertrain/Driveline: The Powertrain/Driveline segment derives revenues primarily from the collaborative design, development and manufacture of precision metallic components, modules and systems for global vehicle and power generation markets.

Industrial: The Industrial segment is a world leader in the design and production of innovative mobile industrial equipment, notably its class-leading aerial work platforms, telehandlers and agricultural equipment.

The segments are differentiated by the products that each produces and reflects how the Senior Executive Group manages the business. Corporate headquarters and other small operating entities are allocated to the Powertrain/Driveline and Industrial operating segments accordingly.

The Company accounts for inter-segment sales and transfers as arm's length transactions at current market rates. The Company ensures that the measurement and policies are consistently followed among the Company's reportable segments for sales, operating earnings, net earnings and assets.

	Three Months Ended March 31, 2017			
	Sales to external customers $	Inter-segment sales $	Operating earnings (loss) $	Total identifiable assets $
Powertrain/Driveline	1,369,092	11,691	146,362	4,859,296
Industrial	286,896	215	45,799	780,086
Total	1,655,988	11,906	192,161	5,639,382

	Three Months Ended March 31, 2016			
	Sales to external customers $	Inter-segment sales $	Operating earnings (loss) $	Total identifiable assets $
Powertrain/Driveline	1,314,500	11,954	144,014	4,802,081
Industrial	203,551	128	28,073	619,119
Total	1,518,051	12,082	172,087	5,421,200

11 Comparative Figures

Certain comparative figures have been reclassified in accordance with the period's presentation.