

Linamar's Earnings Improvement Accelerating with Continued Cash Generation and Dividends Restored to \$0.06 per Share

- Sales increase 7.3% over the third quarter of 2009 ("Q3 2009");
- Reported adjusted net earnings of \$10.7 million or \$0.17 per share;
- Powertrain/Driveline segment adjusted operating earnings increased \$11.7 million from the third quarter of 2009 and \$17.5 million from the fourth quarter of 2008 ("Q4 2008");
- New business wins YTD with start of production by the end of 2010 now more than \$375 million;
- Annual North American content per vehicle up 28.8% in 2009 from 2008; and
- Debt net of cash reduced by a further \$46.1 million from September 30, 2009 for a total annual reduction of \$161.7 million in 2009.

	Three Months Ended		
	Dec 31 2009	Sep 30 2009	Dec 31 2008
(in millions of dollars, except earnings per share figures)	\$	\$	\$
Sales	\$ 451.9	\$ 421.1	\$ 476.7
Operating Earnings (Loss)			
Powertrain/Driveline	28.8	12.0	(6.9)
Industrial	(21.0)	(8.5)	1.0
Operating Earnings (Loss)	\$ 7.8	\$ 3.5	\$ (5.9)
Unusual Items	5.4	2.3	15.9
Operating Earnings (Loss) – Adjusted	\$ 13.2	\$ 5.8	\$ 10.0
Net Earnings (Loss)	\$ 14.6	\$ (0.5)	\$ (2.6)
Unusual Items	(3.9)	1.6	19.4
Net Earnings (Loss) – Adjusted	10.7	1.1	16.8
Extraordinary Items	-	-	10.9
Net Earnings (Loss) – Adjusted before Extraordinary Items	10.7	1.1	5.9
Earnings (Loss) per Share	0.22	(0.01)	(0.04)
Earnings (Loss) per Share - Adjusted	0.17	0.02	0.26
Extraordinary Items			0.17
Earnings (Loss) per Share - Adjusted before Extraordinary Items	0.17	0.02	0.09
Unusual Items			
Taxable Items before Tax			
1) Closure announcement of Invar	\$ 6.4	\$ -	\$ -
2) Inventory provision related to the global economic slow down	6.0	-	-
3) Capital asset impairments due to market conditions	2.8	-	6.7
4) Access equipment contract converted from previous period sale to a rental contract	2.5	-	-
5) Change in key accounting estimates	(12.3)	-	-
6) Severance related to the global economic slow down	-	2.3	9.2
	5.4	2.3	15.9
Tax Impact	(1.6)	(0.7)	(1.6)
	3.8	1.6	14.3
Non-Taxable Items			
7) Rate changes on future income taxes in Canada	\$ (3.7)	-	-
8) Utilization of previously unrecognized tax losses	\$ (4.0)	-	-
9) Goodwill impairments	-	-	5.1
Total Unusual Items after Tax	\$ (3.9)	\$ 1.6	\$ 19.4

Operating Highlights

Sales for the fourth quarter of 2009 ("Q4 2009") were \$451.9 million, up \$30.8 million from \$421.1 million from Q3 2009:

- Sales for the Powertrain/Driveline segment increased by \$58.4 million, or 15.4% in the fourth quarter to \$437.6 million compared to \$379.2 million in Q3 2009. The increase was a result of improved Powertrain volumes driven from Ford, General Motors and Chrysler;
- Industrial segment sales decreased 65.9% or \$27.6 million for the quarter from \$41.9 million in Q3 2009 to \$14.3 million in Q4 2009. Taking in account, a one time contract change from a sale to rental, sales would have been \$23.8 million or a 43.2% reduction from Q3 2009. The sales decrease in Q4 2009 was due to the seasonality of the Consumer Products, the Industrial Fabrication and the Access Equipment Divisions and continued weaker demand as a result of the economic slow down in 2009.

The company's operating earnings for Q4 2009 were \$13.2 million after adjusting for unusual items in the quarter. This compares to \$5.8 million adjusted operating earnings for Q3 2009, an increase of \$7.4 million:

- The increase was driven by the better absorption of fixed costs due to the improved volume in global markets in Powertrain/Driveline and by the continued overhead and fixed cost reduction program executed in the quarter in both segments;
- Fourth quarter adjusted operating earnings of \$25.4 million for the Powertrain/Driveline segment were higher by \$11.7 million from \$13.7 million in Q3 2009;
- The adjusted operating losses for the Industrial segment were \$12.2 million in Q4 2009, an increase of \$4.3 million over Q3 2009.

Taking into account the unusual items in the respective quarters, adjusted net earnings for Q4 2009 was \$10.7 million or \$0.17 net earnings per share versus \$1.1 million or \$0.02 per share in Q3 2009.

The company generated \$72.5 million in operational cash flow, \$12.5 million of which was from reductions in non-cash working capital in Q4 2009. The company generated \$40.2 million in Free Cashflow¹ in Q4 2009 and \$159.7 million for the full year 2009.

At December 31, 2009 the amount available under the company's syndicated revolving credit facility was \$263.1 million, up \$55.7 million from September 30, 2009.

"Q4 ends a very challenging year for Linamar and the industries in which we operate. But we have ended it on a very positive note with a strong fourth quarter and another excellent quarter of cash generation. This allows us to enter the new year with a strong balance sheet, poised to take advantage of opportunities as they arise." said Linamar CEO Linda Hasenfratz.

Dividends

The Board of Directors today declared an eligible dividend in respect to the year ended December 31, 2009 of CDN\$0.06 per share on the common shares of the company, payable on or after April 15, 2010 to shareholders of record on April 1, 2010.

¹ "Free Cashflow" is defined as Cash from Operating Activities, Payments for purchase of property, plant and equipment and Dividends to shareholders as present on the company's Consolidated Statements of Cash Flows

Risk and Uncertainties (forward looking statements)

Linamar no longer provides a financial outlook.

Certain information provided by Linamar in these unaudited interim financial statements, MD&A and other documents published throughout the year that are not recitation of historical facts may constitute forward-looking statements. The words “estimate”, “believe”, “expect” and similar expressions are intended to identify forward-looking statements. Persons reading this report 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 risks and uncertainties may cause results to differ from current expectations. The factors which are expected to have the greatest impact on Linamar include but are not limited to (in the various economies in which Linamar operates): the extent of OEM outsourcing, industry cyclicality, trade and labour disruptions, 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, and technological developments by Linamar's competitors.

A large proportion of the company's cash flows are denominated in foreign currencies. The movement of foreign currency exchange rates against the Canadian dollar has the potential to have a negative impact on financial results. The company has employed a hedging strategy as appropriate to attempt to mitigate the impact but cannot be completely assured that the entire exchange effect has been offset.

Other factors and risks and uncertainties that could cause results to differ from current expectations are discussed in the MD&A and include, but are not limited to: fluctuations in interest rates, environmental emission and safety regulations, governmental, environmental and regulatory policies, and changes in the competitive environment in which Linamar operates. 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

Q4 Conference Call Information

Linamar will hold a conference call on March 4, 2010 at 5:00 p.m. EST to discuss its fourth quarter results. The numbers for this call are (647) 427-3420 (local/overseas) or (888) 300-0053 (North America) confirmation number 38693646, 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 full quarterly financial statements, including the Management's Discussion & Analysis will be available on the company's website after 4 p.m. EST on March 4, 2010 and at www.sedar.com by the start of business on March 5, 2010. A taped replay of the conference call will also be made available starting at 11:00 p.m. on March 4, 2010 for seven days. The number for replay is (800) 642-1687, Conference ID 38693646. The conference call can also be accessed by web cast at www.linamar.com, by accessing the investor relations/events menu, and will be available for a 7 day period.

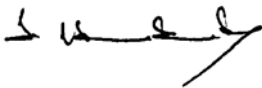
Q1 Conference Call Information

Linamar will hold a conference call on May 5, 2010 at 5:00 p.m. EST to discuss its first quarter results. The numbers for this call are (647) 427-3420 (local/overseas) or (888) 300-0053 (North America) confirmation number 55076381, 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 full quarterly financial statements, including the Management's Discussion & Analysis will be available on the company's website after 4 p.m. EST on May 5, 2010 and at www.sedar.com by the start of business on May 6, 2010. A taped replay of the conference call will also be made available starting at 11:00 p.m. on May 5, 2010 for seven days. The number for replay is (800) 642-1687, Conference ID 55076381. The conference call can also be accessed by web cast at www.linamar.com, by accessing the investor relations/events menu, and will be available for a 7 day period.

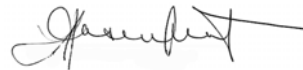
Linamar Corporation (TSX:LNR) is a diversified global manufacturing company of highly engineered products powering vehicles, motion, work and lives. The company's Powertrain and Driveline focused divisions are world leaders in the collaborative design, development and manufacture of precision metallic components, modules and systems for global vehicle and power generation markets. The company's Industrial division is a world leader in the design and production of innovative mobile industrial equipment, notably its class-leading aerial work platforms and telehandlers. With more than 9,400 employees in 37 manufacturing locations, 5 R&D centers and 11 sales offices in Canada, the US, Mexico, Germany, Hungary, the UK, China, Korea and Japan, Linamar generated sales of close to \$1.7 Billion in 2009. For more information about Linamar Corporation and its industry leading products and services, visit www.linamar.com.

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



Frank Hasenfratz
Chairman of the Board



Linda Hasenfratz
Chief Executive Officer

Guelph, Ontario
March 4, 2010