



Scope

AUTOMOTIVE



Transmission




Chassis




Engine

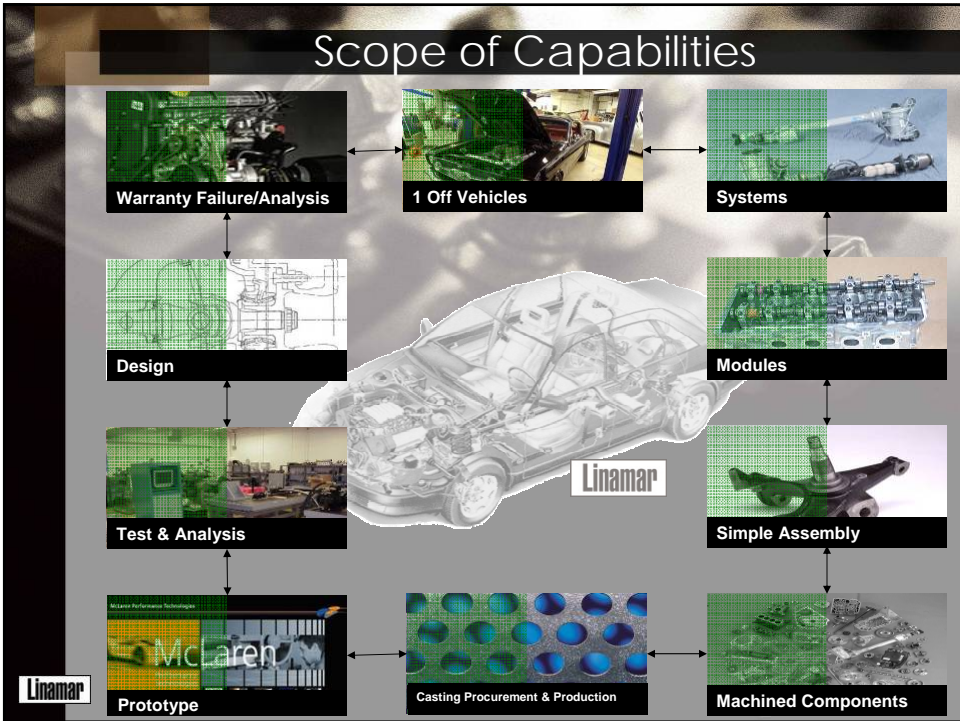
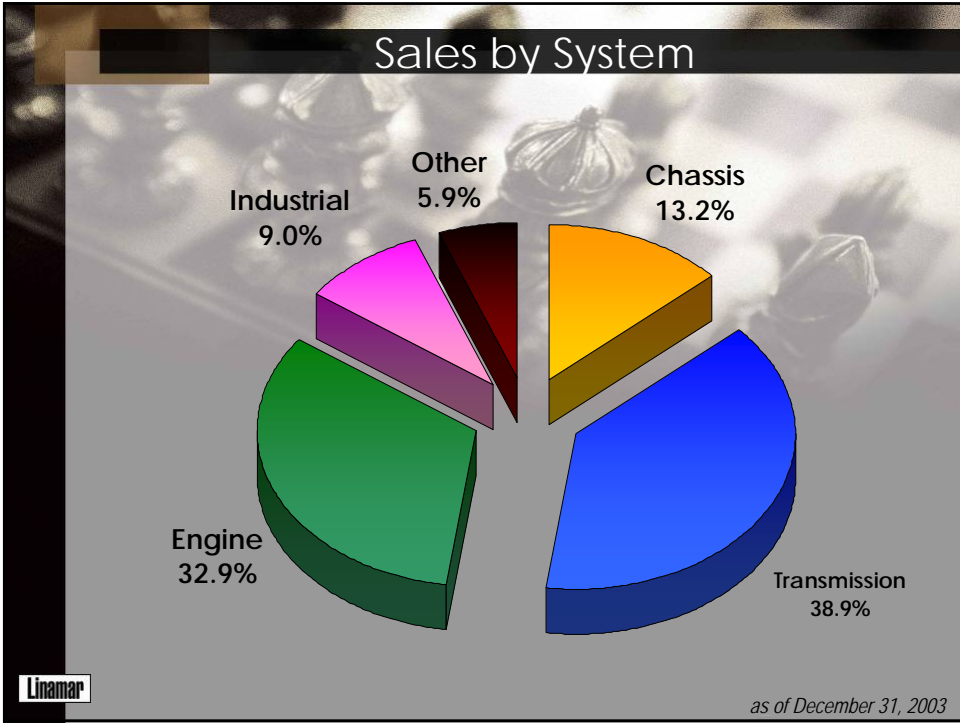
Automotive
 Linamar manufactures every precision machined component in the vehicle.



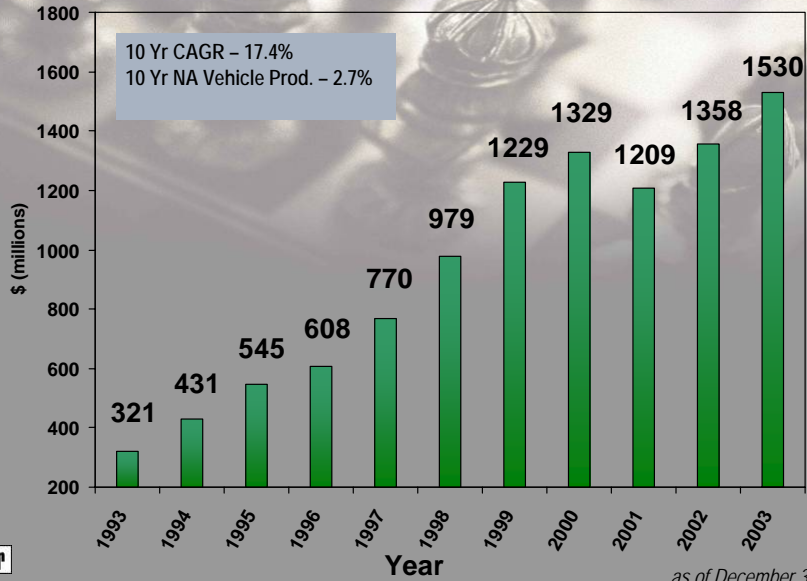
Industrial

Linamar's Skyjack division is an industry leader in innovative high quality aerial work platforms.





Sales - 2003



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as of December 31, 2003

Operating Earnings- 2003

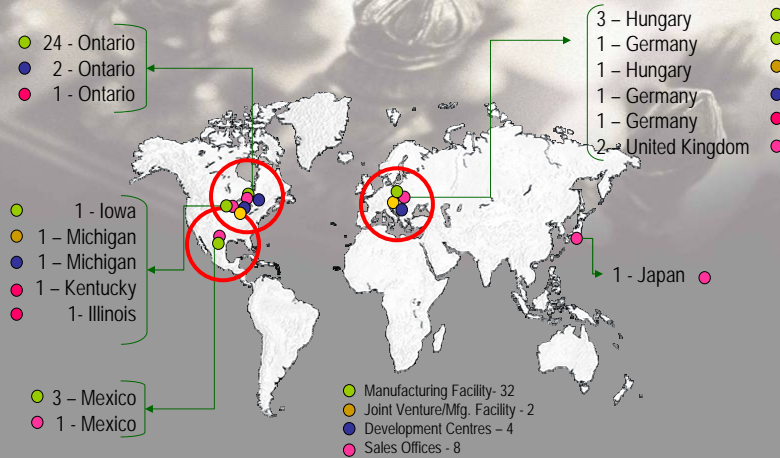


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Operating Earnings is calculated as gross margin less selling, general & administrative expenses and equity loss.

as of March 31, 2004

Globalization – 34 Manufacturing Locations Worldwide



24 Facilities ISO 9000
10 Facilities QS 9000
14 Facilities ISO 14000



Low Cost Locations
Strategic to Customers Sites

People

Employees

- 9441 employees
- 25 % technical workforce
- Non union

Management Depth & Stability

- Senior Executive Group – average tenure 14 years.
- 4 Group Presidents - average tenure 10 years.
- Over 150 plant management team members - more than 10 years average tenure.
- Stable/Motivated Teams



Industry Overview

Vehicle Trends NA Production - 2003 to 2009

- In the vehicle trends period 2002 to 2009:
 - Cars decline from 43.9% to 37.5%
 - Trucks increase from 56.1% to 62.5%
 - Cross-over (multi-activity “tall – cars”) increase from 8.2% of total NA production to 20.5% whether they are car or truck-based
 - Any change creates an opportunity

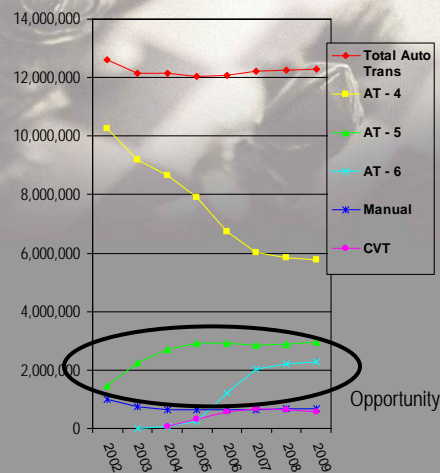


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Industry Overview

Transmission Technology Trends NA Production 2003 to 2009

- Mid term transmissions trends:
 - 3 & 4 speed automatics & manuals continue to decline
 - The promise of CVT's is overshadowed by the cheaper and more reliable 5 & 6 speed Automatics
 - Any change creates an opportunity.



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Industry Overview

Engine Technology Trends NA Production 2003 to 2009

- During the vehicle trends period '03 – '09 there will be a large increase in the market share of multi-valve engines in NA production
- The last bastion of 2-valve & push-rod technology is GM for non-premium V-6 and most V-8 applications
- 4-Valve is the most prevalent with wide usage by all OEM's
- Any change creates an opportunity.

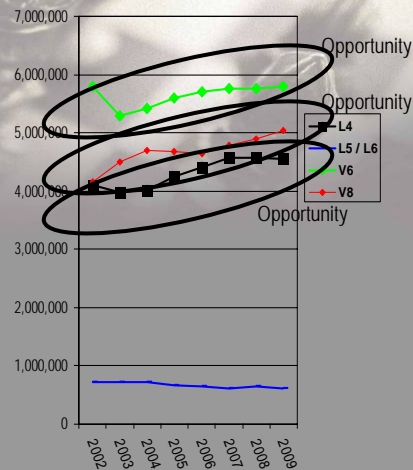


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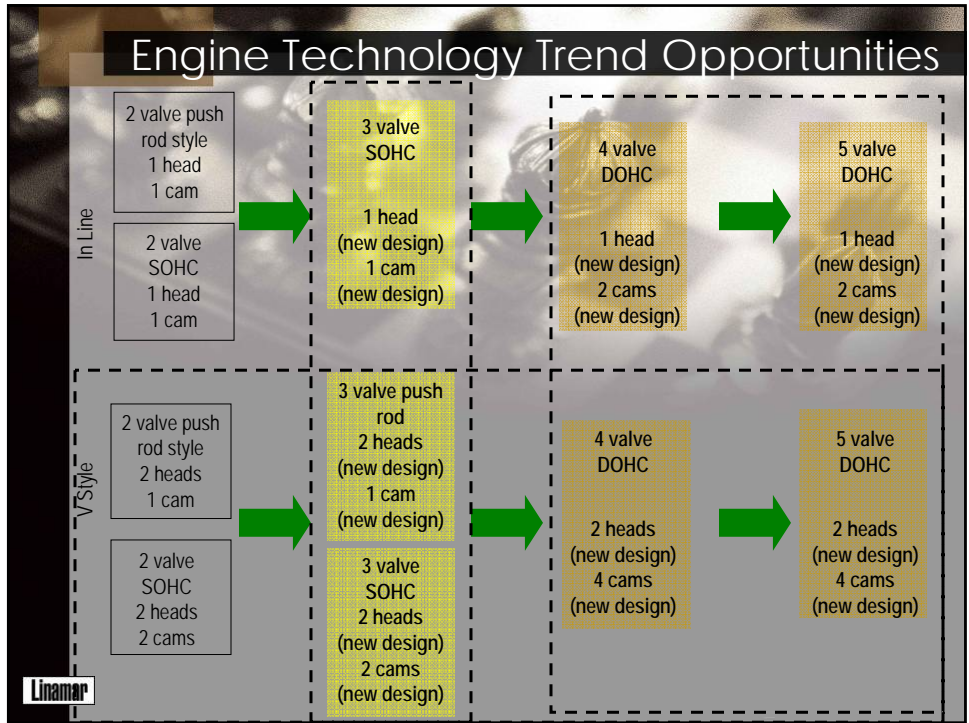
Industry Overview

Engine Trends NA Production 2003 to 2009 Cont'd...

- During the vehicle trends period '02 – '09 V6's dominate but there will be large increases in the market penetration of both Inline 4 cyl. and V8 engines
- The Big-3 OEM's continue to increase their production of light trucks and the Japanese OEM's (excluding Honda) offer more Lt truck product offerings with V8 engines.
- More I4's come from Honda, Toyota, Global Engine Alliance, Volkswagen
- Any change creates an opportunity



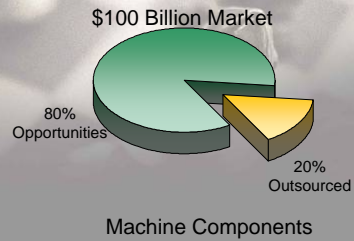
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Strategic Direction – Financial Perspective

2004 update of 2003:

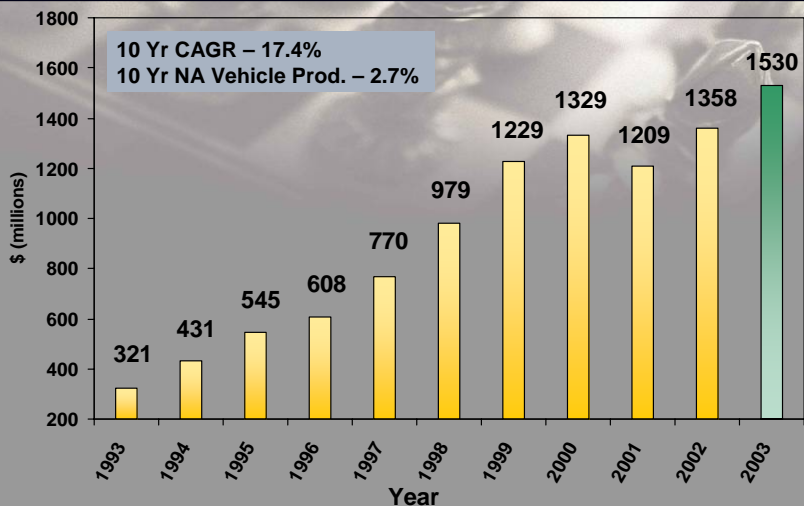
- Positioned to grow - \$10 Billion in sales (target)
- 6 Point Strategy to capitalize on outsourcing trend
- Maintain financial strength
 - » EPS ↑
 - » Return on Assets ↑
 - » Strong balance sheet



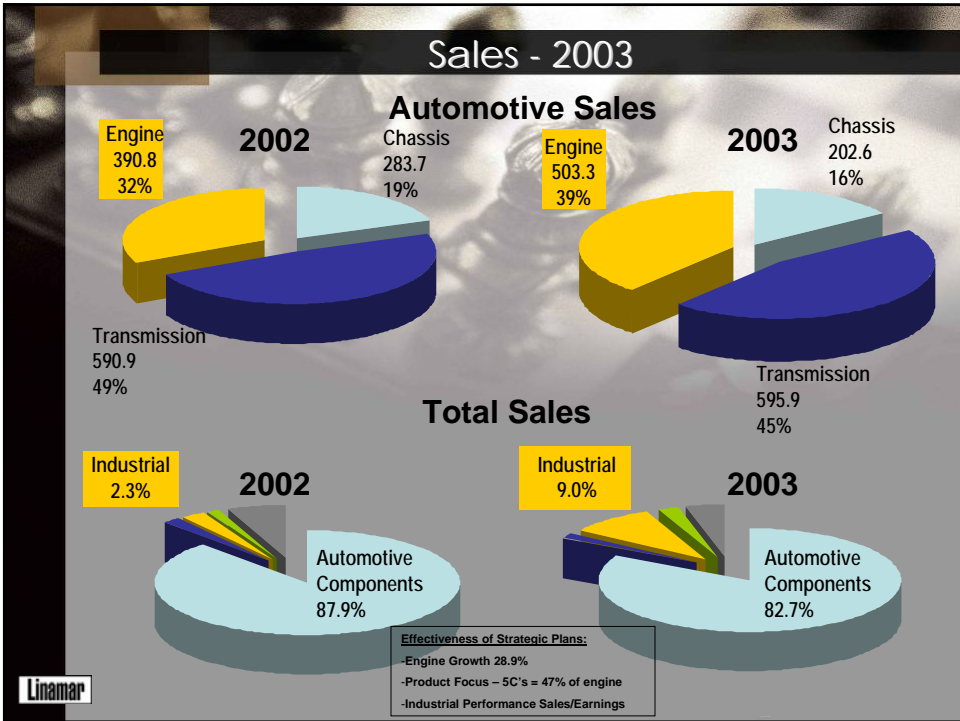
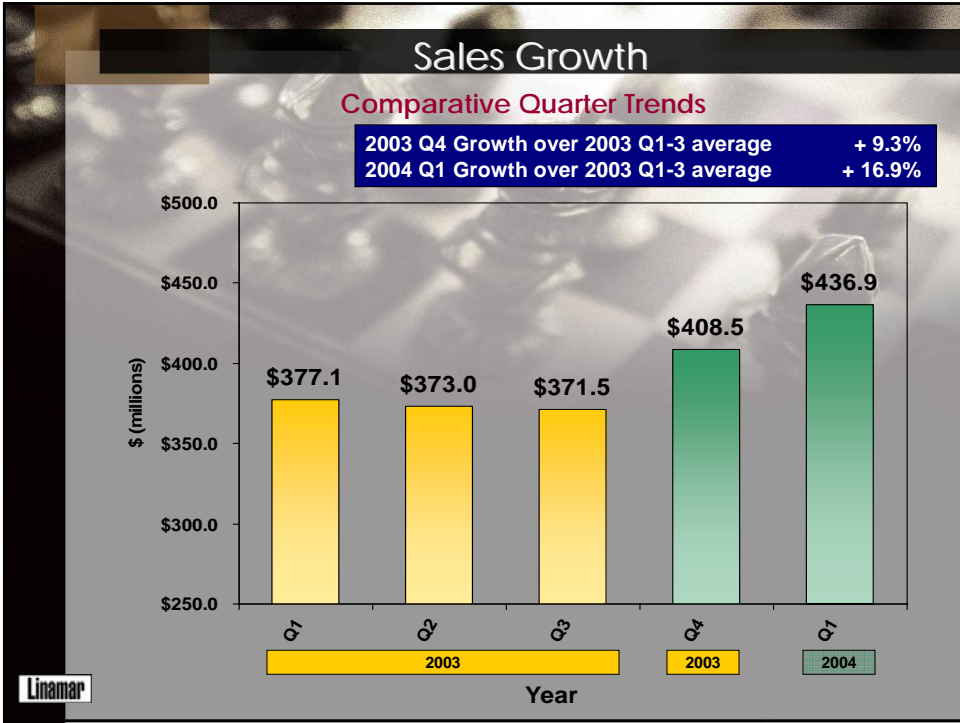
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Sales - 2003

Sales	+ 12.7%			
excl. FX	+ 17.2%			
N.A. Auto content	+ 7.4%	N.A. Auto	+ 4.3%	market - 2.8%
European Auto content	+ 22.7%	European Auto	+ 19.7%	market - 2.4%

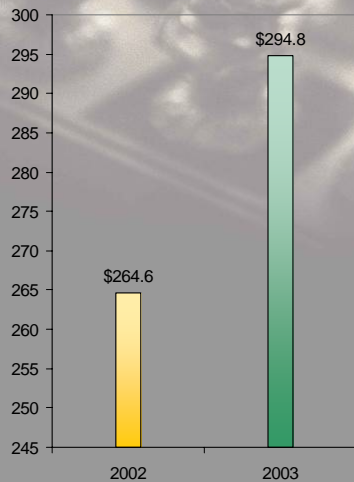


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Earnings Analysis

Gross Margin Before Depreciation



Absolute \$ Growth + 11.4%
% 19.5% 19.3%

Operating Margin

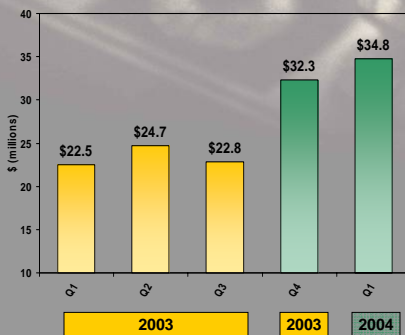


Absolute \$ Growth + 6.9%
% 7.1% 6.7%

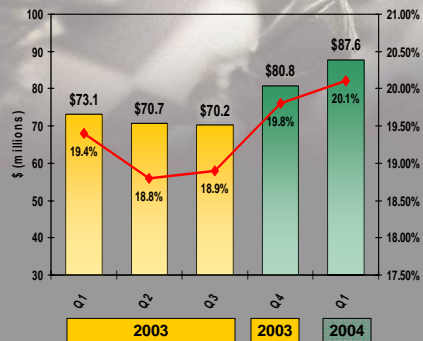
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Comparative Quarter Trends

Operating Margin Growth



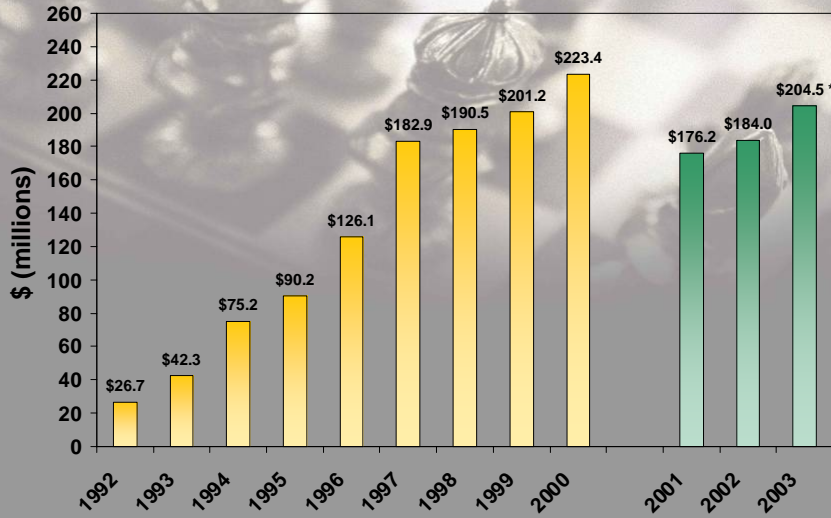
Gross Margin Growth Before Depreciation



Operating Margin Growth:
2003 Q4 Growth over 2003 Q1-3 average +38.6%
2004 Q1 Growth over 2003 Q1-3 average +49.4%

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Operating Cash Flows - EBITDA



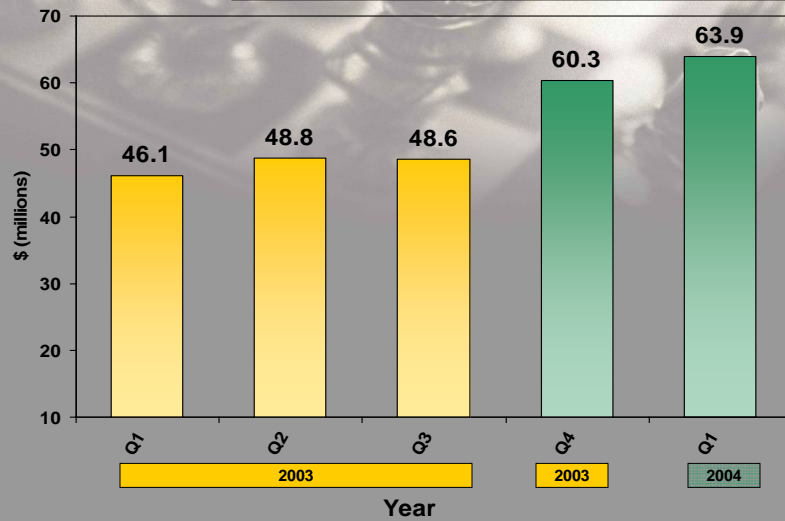
* Adjusted for one-time expense item

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EBITDA Growth

Comparative Quarter Trends

2003 Q4 Growth over 2003 Q1-3 average +26.2%
 2004 Q1 Growth over 2003 Q1-3 average +33.7%



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Return on Invested Capital - UPDATE

2002	12.4%
2003	11.0%

ROIC Trend

Q4 2003	14.3%
Q1 2004	14.0%

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Financial Strength - 2003

	LINAMAR	Industry
(a) LTD Debt/Equity Ratio	0.28:1	>1:1
(b) Current Ratio (excluding borrowings)	1.8	
(c) Interest Coverage	8.4 times	
(d) Operating Cash Flow to Long Term Debt	1.2 times LTD	

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2004 Q1 Recap



Sales Growth **+15.8%**

	2002	2003
EPS	\$0.17	\$0.29

Net Earnings Growth **+63.5%**

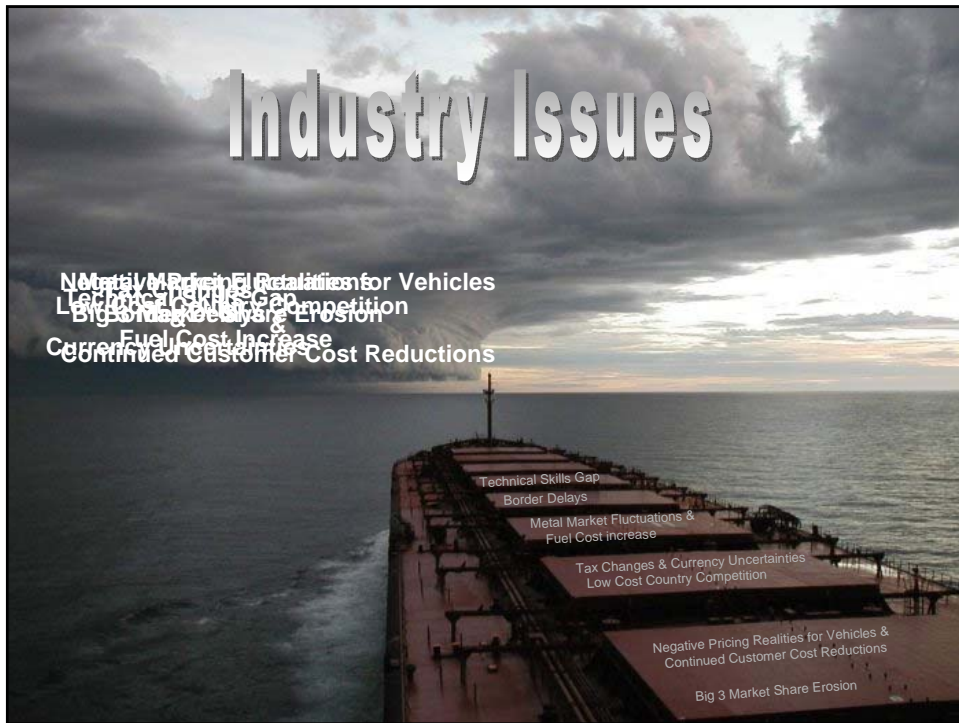
Earnings Before Interest & Taxes Growth **+53.8%**



Summary







- Sales growth.
- Greater earnings growth.
- Great improvement in ROIC.
- Powertrain last major area of vehicle to be outsourced.
- Linamar right combination of technical expertise and financial capacity to handle powertrain component, module and system outsourcing.









Execution of Core Ideas

	Flawless Project / Plant Launches	Competent Capable Organization	
	Lean Cost Effective Organization	Sales Growth	
	Effective Communication	Stepping Stool Optimization	

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Steering A Winning Strategy!!

Execution of Core Ideas



Flawless Project /
Plant Launches →



Customer Focus Plans
"APQP"



Effective Supplier
Management System



Right People / Right
Place / Right Time

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Steering A Winning Strategy!!



Execution of Core Ideas

Competent
Capable
Organization



Leadership Training



Technical Training



Globalization of HR Systems




Performance Measurement
System

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Steering A Winning Strategy!!

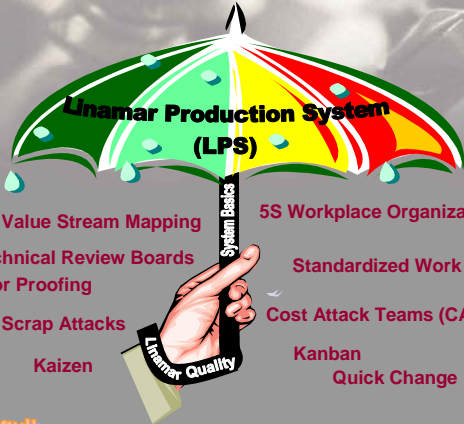


Execution of Core Ideas



Lean Cost
Effective
Organization





Linamar Production System (LPS)

Value Stream Mapping

Technical Review Boards

Error Proofing

Scrap Attacks

Kaizen

5S Workplace Organization


Standardized Work Flow

Cost Attack Teams (CAT)

Kanban

Quick Change

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Steering A Winning Strategy!!

Execution of Core Ideas

Sales Growth



→



New Sales Organization



**Transplant Penetration
(Honda, Nissan, Toyota)**



Opportunities in Asia

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Steering A Winning Strategy!!

Execution of Core Ideas

Sales Growth



New Sales Organization



Transplant Penetration
(Honda, Nissan, Toyota)



Opportunities in Asia



Strategic Acquisitions



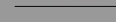
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Execution of Core Ideas



Effective Communication



Linamar Brand



Communication Tools

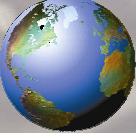


Remote Location Tie In





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Execution of Core Ideas

Stepping Stool
Optimization



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A world apart.



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