INTERIM REPORT

Linamar Announces First Quarter Results

May 8, 2008, Guelph, Ontario, Canada –Linamar Corporation (TSX:LNR), a diversified global manufacturing company of highly engineered products, today announced its financial results for the first quarter ended March 31, 2008. The company's Powertrain and Driveline divisions ("Powertrain/Driveline") are world leaders in the collaborative design, development and manufacture of precision metallic components, modules and systems for global vehicle markets. The company's Industrial division ("Industrial") is a world leader in the design and production of innovative mobile industrial products, notably its class-leading aerial work platforms. With over 12,000 employees in 37 manufacturing locations, 5 R&D centres and 12 sales offices in Canada, the US, Mexico, Germany, Hungary, China, Korea and Japan, Linamar generated sales of close to $2.3 billion in 2007. For more information about Linamar Corporation and its industry leading products and services, visit www.linamar.com.

(CDN dollars in thousands except per share figures)

	Three Months Ended March 31	
	2008	2007
	$	$
Sales	**614,516**	579,419
Gross Margin	**80,378**	70,763
Operating Earnings[1]	**49,937**	44,827
Earnings from Continuing Operations	**29,487**	26,742
Net Earnings	**29,487**	26,742
Diluted Earnings per Share from Continuing Operations	**0.43**	0.38
Diluted Earnings per Share	**0.43**	0.38

First Quarter Operating Highlights

Sales for the first quarter of 2008 at $614.5 million were up $35.1 million compared to $579.4 million for the first quarter of 2007. Powertrain/Driveline sales were up 7.6% to $484.1 million compared to $449.8 million in the same quarter last year. The major contributor to the sales increase was the ramping up of key programs that were in the start up phase in the first quarter of 2007, our acquisition of the driveline plant in Mexico in late 2007, the strong growth in Europe, and the continuing ramp of our Asian operations. Industrial sales remained stable at $130.4 million for the quarter compared to $129.6 million for the same quarter in 2007.

[1] **"Operating earnings"**, as used by the chief operating decision makers and management, monitors the performance of the business specifically at the segmented level. Operating earnings is calculated by the company as gross margin less selling, general and administrative expenses.

	Three Months Ended March 31	
	2008	2007
	$	$
Gross margin	**80,378**	70,763
Selling, general and administrative	**30,441**	25,936
Operating earnings	**49,937**	44,827

Under Canadian generally accepted accounting principles ("GAAP"), this financial measure does not have a standardized meaning and is unlikely to be comparable to similar measures presented by other issuers.

The company's operating earnings increased to $49.9 million for the first quarter of 2008 compared to $44.8 million for the first quarter of 2007, an increase of $5.1 million. Significant growth in Powertrain/Driveline sales with strong gross margins led to operating earnings of $31.1 million for the quarter compared to $21.1 million for the same quarter last year, an increase of 47.4%. Operating earnings for Industrial were lower in the first quarter of 2008 at $18.8 million as compared to $23.7 million for the same quarter of 2007. Industrial operating earnings decline were largely attributable to increased sales, marketing and research and development costs related to the new Booms and Telehandler product offerings, continued startup costs for Linamar Consumer Products, increased research & development costs and increased raw material component and outsourcing costs.

Earnings from continuing operations for the quarter were $29.5 million (4.8% of sales) versus $26.7 million (4.6% of sales) in 2007, an increase of 10.5%.

Dividends

The Board of Directors today declared an eligible dividend in respect to the quarter ended March 31, 2008 of CDN$0.06 per share on the common shares of the company, payable on or after June 6, 2008 to shareholders of record on May 26, 2008.

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 sales are denominated in U.S. dollars and the company also purchases a significant amount of raw materials, supplies and equipment in U.S. dollars. The strengthening of 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

Q1 Conference Call Information:

Linamar will hold a conference call on May 8, 2008 at 5:00 p.m. EST to discuss its first quarter results. The numbers for this call are (416) 642-5212 (local/overseas) or (866) 321-6651 (North America), 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 Thursday, May 8, 2008 and at www.sedar.com by the start of business on May 9, 2008. A taped replay of the conference call will also be made available starting at 11:00 p.m. on May 8, 2008 for seven days. The number for replay is (647) 436-0148 or (888) 203-1112, Conference ID 1944408. 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.

Q2 Conference Call Information

Linamar will hold a conference call on August 14, 2008 at 5:00 p.m. EST to discuss its second quarter results. The numbers for this call are (416) 642-5212 (local/overseas) or (866) 321-6651 (North America), 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 August 14, 2008 and at www.sedar.com by the start of business on August 15, 2008. A taped replay of the conference call will also be made available starting at 11:00 p.m. on August 14, 2008 for seven days. The number for replay is (647) 436-0148 or (888) 203-1112, Conference ID 3473280. 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.

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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
May 8, 2008

LINAMAR CORPORATION
CONSOLIDATED BALANCE SHEETS
As at March 31, 2008 with comparatives as at December 31, 2007 (Unaudited)
(in thousands of dollars)

	March 31 2008	December 31 2007
	$	$
ASSETS		
Current Assets		
Cash	48,314	120,319
Accounts receivable	471,179	389,811
Inventories	291,002	279,299
Prepaid expenses	9,466	7,156
Income taxes recoverable	10,192	-
Current portion of long-term receivables	721	691
Future income taxes	6,280	6,726
Derivative financial instruments (note 10)	-	4,265
Current assets – discontinued operations (note 6)	1,694	1,726
	838,848	809,993
Deferred Charges	1,782	2,128
Long-Term Receivables	433	1,564
Goodwill and Other Intangibles	65,441	64,613
Property, Plant and Equipment	893,522	899,944
Future Income Taxes	33,743	32,303
Property, Plant and Equipment – Discontinued Operations (note 6)	1,087	1,438
Future Income Taxes – Discontinued Operations (note 6)	1,684	1,836
	1,836,540	1,813,819
LIABILITIES		
Current Liabilities		
Unpresented cheques	24,756	16,574
Short-term bank borrowings	110,862	143,778
Accounts payable and accrued liabilities	368,650	329,857
Income taxes payable	-	3,739
Derivative financial instruments (note 10)	546	-
Current portion of long-term debt	3,872	4,756
Current liabilities – discontinued operations (note 6)	3,619	4,195
	512,305	502,899
Long-Term Debt	323,675	324,380
Derivative Financial Instruments (note 10)	6,072	1,235
Future Income Taxes	60,020	62,785
Non-Controlling Interests	35,488	31,962
	937,560	923,261
SHAREHOLDERS' EQUITY		
Capital Stock (note 4)	112,401	116,782
Retained Earnings	843,465	851,515
Contributed Surplus	2,808	2,246
Accumulated Other Comprehensive Loss (note 5)	(59,694)	(79,985)
	898,980	890,558
	1,836,540	1,813,819

On behalf of the Board of Directors:

Frank Hasenfratz
Director

Linda Hasenfratz
Director

LINAMAR CORPORATION
CONSOLIDATED STATEMENTS OF EARNINGS
For the three months ended March 31, 2008 and March 31, 2007 (Unaudited)
(in thousands of dollars, except per share figures)

	Three Months Ended March 31	
	2008	2007
	$	$
Sales	614,516	579,419
Cost of Sales	488,318	467,464
Amortization	45,820	41,192
Gross Margin	80,378	70,763
Selling, general and administrative	30,441	25,936
Earnings Before the Following:	49,937	44,827
Other Income (Expense)		
Interest on long-term debt	(4,023)	(3,632)
Other interest expense	(1,465)	(819)
Interest earned	812	810
Other income	170	1,278
	45,431	42,464
Provision for Income Taxes		
Current	15,865	15,070
Future	(654)	(470)
	15,211	14,600
	30,220	27,864
Non-Controlling Interests	733	1,122
Earnings from Continuing Operations	29,487	26,742
Discontinued Operations (note 6)	-	-
Net Earnings for the Period	29,487	26,742
Basic Earnings per Share from Continuing Operations (note 12)	0.43	0.38
Diluted Earnings per Share from Continuing Operations (note 12)	0.43	0.38
Basic Earnings per Share (note 12)	0.43	0.38
Diluted Earnings per Share (note 12)	0.43	0.38

LINAMAR CORPORATION
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

For the three months ended March 31, 2008 and March 31, 2007 (Unaudited)
(in thousands of dollars)

	Three Months Ended March 31 2008	2007
	$	$
Balance – Beginning of Period, as Previously Reported	851,515	762,833
Change in accounting policies (note 1)	-	(3,706)
Balance – Beginning of Period	851,515	759,127
Net Earnings for the Period	29,487	26,742
Dividends	(4,084)	(4,190)
Excess over assigned value of common shares purchased and cancelled (note 4)	(33,453)	(185)
Balance – End of Period	843,465	781,494

LINAMAR CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE EARNINGS

For the three months ended March 31, 2008 and March 31, 2007 (Unaudited)
(in thousands of dollars)

	Three Months Ended March 31 2008	2007
	$	$
Net Earnings for the Period	29,487	26,742
Other Comprehensive Earnings (Loss)		
Unrealized gains (losses) on translating financial statements of self-sustaining foreign operations (Note 5)	26,859	(3,137)
Change in unrealized gains (losses) of derivative instruments designated as cash flow hedges (net of income taxes of $2,605, 2007 - $922) (notes 5 and 10)	(5,583)	1,832
Reclassification to earnings of gains (losses) on cash flow hedges (net of income taxes of $474, 2007 - $87) (notes 5 and 10)	(985)	(172)
	20,291	(1,477)
Comprehensive Earnings for the Period	49,778	25,265

LINAMAR CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the three months ended March 31, 2008 and March 31, 2007 (Unaudited)
(in thousands of dollars)

	Three Months Ended March 31	
	2008	2007
Cash Provided By (Used In)	$	$
Operating Activities		
Earnings from continuing operations	29,487	26,742
Non-cash charges (credits) to earnings:		
Amortization of property, plant and equipment	44,376	40,619
Amortization of other intangible assets	1,444	573
Future income taxes	(654)	(470)
Non-controlling interests	733	1,122
Unrealized exchange (gain) loss on debt	(677)	(1,331)
Net loss on disposal of property, plant and equipment	5,125	2,328
Stock-based compensation	562	-
Other	972	(508)
	81,368	69,075
Changes in non-cash working capital:		
(Increase) decrease in accounts receivable	(63,349)	(78,947)
(Increase) decrease in inventories	(6,645)	(10,129)
(Increase) decrease in prepaid expenses	(2,180)	1,603
Increase (decrease) increase in income taxes payable	(14,124)	(863)
Increase (decrease) in accounts payable and accrued liabilities	33,561	19,255
Cash flow – continuing operations	28,631	(6)
Cash flow – discontinued operations (note 6)	(41)	(812)
	28,590	(818)
Financing Activities		
Proceeds from (repayments of) short-term bank borrowings	(32,916)	84,661
Repayment of long-term debt	(2,004)	(2,217)
Repurchase of shares (note 4)	(37,834)	(209)
Decrease (increase) in long-term receivables	1,095	180
Dividends to shareholders	(4,084)	(4,190)
	(75,743)	78,225
Investing Activities		
Payments for purchase of property, plant and equipment	(35,722)	(36,256)
Proceeds of disposal of property, plant and equipment	883	457
	(34,839)	(35,799)
	(81,992)	41,608
Effect of Translation Adjustment	1,805	(400)
Increase (Decrease) in Cash Position	(80,187)	41,208
Cash Position - Beginning of Period	103,745	38,287
Cash Position - End of Period	23,558	79,495
Comprised of:		
Cash	48,314	115,924
Unpresented cheques	(24,756)	(36,429)
	23,558	79,495

LINAMAR CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2008 and March 31, 2007 (Unaudited)

1. Significant Accounting Policies

Management prepared these interim consolidated financial statements in accordance with Canadian Generally Accepted Accounting Principles (“GAAP”) using the same accounting policies and methods of their application as the most recent annual consolidated financial statements, except as noted below. These interim consolidated financial statements do not include all the information and footnotes as required in the annual consolidated financial statements and as such should be read in conjunction with the company's most recent audited annual consolidated financial statements. These interim consolidated 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 Institute of Chartered Accountants (“CICA”) Handbook.

Changes in accounting policies
Effective January 1, 2008, the company adopted the CICA Handbook Section 3862, Financial Instruments – Disclosures (“CICA 3862”), Section 3863, Financial Instruments – Presentation (“CICA 3863”), Section 1535, Capital Disclosures (“CICA 1535) and Section 3031, Inventory (“CICA 3031).

CICA 3862 and CICA 3863 replace Section 3861, Financial Instruments – Disclosure and Presentation. CICA 3862 emphasizes disclosure on the significance of financial instruments, including hedging instruments, and the nature and extent of risks arising from those financial instruments and how management manages such exposures. CICA 3863 carries forward, unchanged from CICA Section 3861, Standards for presentation of financial instruments and non financial instruments.

CICA 1535 requires supplementary disclosure regarding the company’s capital management and compliance with any externally imposed capital requirements.

CICA 3031, Inventory, of the CICA handbook replaces section 3030 and establishes standards for the measurement of inventories, allocation of overhead, accounting for write-downs and disclosures.

The adoption of these new accounting standards did not impact the company’s net earnings or financial position.

2. Foreign Exchange (in thousands of dollars)

Included as part of selling, general and administrative expenses is a gain resulting from foreign exchange as follows:

	Three Months Ended March 31	
	2008	2007
	$	$
Foreign Exchange Gain	3,710	3,238

3. Inventories

Inventories are valued at the lower of cost, determined on a first-in, first-out basis, and market. For raw materials, market is defined as replacement cost; for work-in-process and finished goods, market is defined as net realizable value.

Section 3031, Inventory, of the CICA Handbook replaces Section 3030 and established standards for the measurement of inventories, allocation of overhead, accounting for write-downs and disclosures. The new recommendations were adopted effective January 1, 2008, and had no material impact on the financial statements.

4. Capital Stock (in thousands of dollars except for per share figures)

During the first quarter of 2007, the company purchased 14,000 common shares for cancellation under its normal course issuer bid, for total consideration of $209. The company repurchased 37,800 shares for total consideration of $640 subsequent to December 31, 2007 until January 30, 2008. The normal course issuer bid, which permitted the company to acquire up to 5,083,839 of its outstanding common shares, expired on January 30, 2008.

On January 29, 2008, the company renewed its normal course issuer bid. The current bid permits the company to acquire up to 5,084,699 of its outstanding common shares and expires on January 30, 2009. The company has repurchased 2,581,600 shares for total consideration of $37,194 subsequent to January 31, 2008.

5. Accumulated Other Comprehensive Loss (in thousands of dollars)

	Three Months Ended March 31 2008	2007
	$	$
Balance – Beginning of Period, as Previously Reported	(79,985)	(39,896)
Change in accounting policies	-	(3,513)
Balance – Beginning of Period, as after changes in accounting policies	(79,985)	(43,409)
Other comprehensive earnings (loss) for the period	20,291	(1,477)
Balance – End of Period	(59,694)	(44,886)

6. Discontinued operations

During the quarter, management reviewed the original estimates made with respect to the wind-up and closure of the company's in-house casting operation, and the expected results of operations until closure as appropriate. The results from discontinued operations have been reported separately within these interim financial statements.

7. Pension Costs (in thousands of dollars)

The company has various contributory and non-contributory defined contribution pension plans which cover most employees. Current service pension costs are charged to earnings as they accrue. The following was expensed during the quarter:

	Three Months Ended March 31 2008	2007
	$	$
Government sponsored	5,887	5,652
Company sponsored	2,977	2,519

8. Contingent Liabilities and Commitments (in thousands of dollars)

The company is involved in certain lawsuits and claims. Management believes that adequate provisions have been recorded in the accounts. Although it is not possible to estimate the potential costs and losses, if any, management is of the opinion that there will not be any significant additional liability other than amounts already provided for in these financial statements.

As at March 31, 2008, outstanding commitments for capital expenditures under purchase orders and contracts amounted to approximately $79,594. Of this amount, $69,407 relates to the purchase of manufacturing equipment and $10,187 is to a related party and relates to general contracting and construction costs in respect of plant construction in Ontario. All of these commitments are due in 2008.

9. Related Party Transactions (in thousands of dollars)

Included in the purchase of property, plant and equipment are the construction of buildings, building additions and building improvements in the aggregate amount of $830 paid to a company owned by the spouse of an officer and director. In addition, the company has a commitment of $10,187 to the same entity. Included in cost of sales, are maintenance costs of $172 paid to the same company. The maintenance and construction costs and the commitment represent general contracting and construction activities related to plant construction, improvements, additions and maintenance for a number of facilities. Included in selling, general and administrative expenses, is a recovery of $10 related to equipment and services sold to the same company.

The company has designed an independent process to ensure building construction and improvements are transacted at fair value. Other transactions have been recorded at the exchange amount.

10. Financial Instruments (in thousands of dollars)

Classification and fair value of financial instruments

i) Cash is classified as "Assets held for trading". Cash is measured at fair value and the gains or losses resulting from the re-measurement at the end of each period are recognized in net income.
ii) Accounts receivable and long-term receivables are classified as "Loans and receivables". They are recorded at cost, which upon their initial measurement is equal to their fair value. The carrying amounts of accounts receivable approximate their fair values due to the relatively short periods to maturity. Subsequent measurements on long-term receivables are recorded at amortized cost using the effective interest method.

iii) Short-term bank borrowings, accounts payable and accrued liabilities and long-term debt are classified as “Financial liabilities”. They are recorded at cost, which upon their initial measurement is equal to their fair value. The carrying amounts of short-term bank borrowings, accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity. Subsequent measurements of the long-term debt are recorded at amortized cost using the effective interest method.

iv) Derviative financial instruments designated as cash flow hedges are classified as “held for trading” and are measured at fair value at the end of each period with the gains or losses resulting from re-measurement recognized in other comprehensive income, any ineffective portion is recognized in net income. Derivative financial instruments designated as fair value hedges are classified as “held for trading” and are measured at fair value at the end of each period with the gains or losses resulting from the re-measurement recognized in net income. The fair values are determined based on observable market data.

As at March 31, 2008 the carrying value of the derivative financial instruments designated as hedges are as follows:

	Liabilities $
Derivative financial instruments designated as cash flow hedges	6,618
Derivative financial instruments designated as fair value hedges	1,846

Financial risk management

Foreign exchange risk

The company operates in several different geographical regions in the world and has many business arrangements with customers and suppliers based in different geographical regions in the world; the company therefore experiences changes in foreign exchange rates. These foreign exchange rate changes will impact the net sales and expenses based in foreign currencies and the translation of foreign currency monetary balances in relation to functional currencies. The highest concentration of foreign exchange impact comes from approximately 73% of the company’s exposure on U.S. dollar activity and 21% based on Euro activity in Canadian dollar, Hungarian forint and Mexican peso functional currency reporting entities.

The company enters into forward exchange contracts to manage exposure to currency rate fluctuations related primarily to its future cash inflows and outflows of U.S. dollars, Euros, and British pounds from operations. The company uses forecasted future cash flows of foreign currencies to determine the level of hedges required. As at March 31, 2008 there are contracts in place with maturity dates out to 2010. The company elected to apply hedge accounting for foreign exchange forward contracts as cash flow hedges. The reclassification of gains and losses that are reported in accumulated other comprehensive earnings, net of taxes, will be recognized in net earnings in the same period as the transactions which generate the cash flows. In addition, the company elected to apply hedge accounting for its long-dated foreign exchange forwards which are accounted for as fair value hedges. These derivatives are measured at fair value at the end of each period and the gains or losses resulting from the re-measurement are recognized in net earnings. As at March 31, 2008 there are contracts in place with maturity dates in 2009 and 2014.

The company does not hold or issue derivative financial instruments for trading or speculative purposes, and controls are in place to detect and prevent these activities.

For the three month periods ending March 31, 2008 and March 31, 2007, the company recognized an unrealized loss of $2,940, net of $1,399 in income taxes and an unrealized gain of $1,604, net of $814 in incomes taxes respectively, under other comprehensive earnings, representing the effective portion of the change in fair value of foreign exchange forward contract designated as cash flow hedges. A reclassification from accumulated other comprehensive loss to sales and selling, general and administrative expenses netting to $985 in losses, net of $474 in income taxes and a net loss of $172, net of $87 in income taxes were made in March 31, 2008 and 2007 quarters respectively. An estimated loss of $368 net of tax of $178, is anticipated to be included in net earnings over the next twelve months.

For the three month periods ending March 31, 2008 and March 31, 2007, the company recognized a gain of $479, net of $215 in related income taxes and a gain of $796, net of $410 in related income taxes respectively, in net earnings representing the change in the fair value of the derivatives designated as fair value hedges.

Holding all other variables constant, at March 31, 2008, a 5% increase or decrease in the U.S. dollar and Euro foreign exchange rates against the functional currency of the company and its self-sustained foreign subsidiaries would result in a change of $530 in net earnings and $4,786 in other comprehensive earnings on U.S. based financial instruments and $360 in net earnings and $Nil on Euro based financial instruments for the quarter.

Interest rate risk

Due to the company’s capital structure, there is some degree of exposure to changes in the market rate of interest. The company does invest excess funds at times to maximize interest income earned. The investment quality must meet internal standards for ratings and liquidity to safeguard our cash and cash equivalents. Interest rate swap agreements are used as part of the company’s program to manage the fixed and floating interest rate mix of the company’s total debt portfolio and related overall cost of borrowing. The company elected to apply hedge accounting for interest rate swaps as cash flow hedges.

For the three month periods ending March 31, 2008 and March 31, 2007, the company recognized an unrealized loss of $2,643, net of $1,207 in income taxes and an unrealized gain of $228, net of $108 in incomes taxes respectively, under other comprehensive earnings representing the effective portion of the change in fair value of the interest rate swaps designated as cash flow hedges. There were no reclassifications to net earnings made in either the March 31, 2008 or 2007 quarters. There is no impact on earnings anticipated over the next twelve months.

As at March 31, 2008, an interest rate change of 50 basis points (all other variables held constant) would result in a $74 increase or decrease in net earnings for the quarter. An interest rate change of 50 basis points would impact other comprehensive earnings by $1,445.

Liquidity risk

Liquidity risk is the company's ability to meet its financial obligations when they come due. With Senior Management involvement, the company manages the liquidity risk of forecasted anticipated cash flows from operations, by ensuring that there are available cash resources to meet these needs. As at March 31, 2008, the company's syndicated revolving bank facility had available credit of $243,899. The facility does not mature until 2011.

The undiscounted contractual maturities of the company's financial liabilities as at March 31, 2008 are as follows:

	Current Year	Maturing in 1 to 2 Years	Maturing after 2 Years	Total
	$	$	$	$
Short-term bank borrowings	110,862	-	-	110,862
Long-term debt	4,918	146,595	146,392	297,905
Derivative financial instruments designated as fair value hedge	-	22,112	13,078	35,190
Derivative financial instruments designated as cash flow hedge	(284)	335	907	958
	115,496	169,042	160,377	444,915

Credit risk

The maximum exposure to credit risk at the balance sheet date is best represented by the carrying amount of the company's cash, accounts receivable, derivative financial instruments and financial guarantees (see note 14) the company has provided. The company is exposed to credit risk from potential default by counterparties that carry the company's cash and cash equivalents and derivative financial instruments and attempts to mitigate this risk by dealing only with large financial institutions with good credit ratings. All of the financial institutions within the bank syndicate providing the company's credit facility meet these qualifications. Any short term investments are made in products rated R1 Mid or higher.

Credit risk also arises from the inability of customers to discharge their obligation to the company. A substantial portion of the company's accounts receivables are with large customers in the automotive, truck and industrial sectors and are subject to normal industry credit risks. At March 31, 2008, the accounts receivable from the company's three largest customers amounted to 11.9%, 7.8% and 6.8% (March 31, 2007 – 14.1%, 10.0%, and 8.2%). The level of accounts receivable that are past due as at March 31, 2008 are part of normal payment patterns within the industry and the allowance for doubtful accounts remains at historical low levels at approximately 0.7% of total trade receivables. The company does not believe it is exposed to a significant concentration of credit risk.

11. Capital Risk Management

The company's capital management objectives are to ensure the stability of its capital so as to support continued operations, provide an adequate return to shareholders and generate benefits for other stakeholders. The company's capital is composed of shareholders' equity, and is not subject to any capital requirements imposed by a regulator.

The company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the company may attempt to issue or re-acquire shares, acquire or dispose of assets, and adjust the amount of cash and cash equivalents balances. There were no changes in the company's capital risk management strategy during the period.

12. Earnings Per Share (in thousands of dollars except for per share figures)

	Three Months Ended March 31 2008	2007
	$	$
Earnings from Continuing Operations	29,487	26,742
Net Earnings for the Period	29,487	26,742
Weighted average common shares	69,081,003	69,836,632
Incremental shares from assumed conversion of stock options	-	-
Adjusted weighted average shares for diluted earnings per share	69,081,003	69,836,632
Earnings Per Share from Continuing Operations		
Basic	0.43	0.38
Diluted	0.43	0.38
Earnings Per Share from Net Earnings		
Basic	0.43	0.38
Diluted	0.43	0.38

Earnings per share are calculated using the weighted daily average number of shares outstanding during the period.

13. Segmented Sales and Earnings Information (from Continuing Operations in thousands of dollars)

Effective with the second quarter of 2007, the company has determined that the corporate headquarters and other small operating entities are allocated to both the Powertrain/Driveline and Industrial operational segments. Previously these costs were included in the Powertrain/Driveline operational segment. This new method to allocate the corporate headquarters and other small operating entities best matches how the chief operating decision makers monitor the business segments. Operational segment reporting for 2007 has been adjusted to reflect this change.

The company operates in five geographic segments – Canada, United States, Mexico, Europe and Asia Pacific.

The company accounts for inter-segment sales and transfers at current market rates. The company ensures that the measurement and policies are consistently followed among the company's reportable segments for earnings from continuing operations, net earnings and assets. The company's three largest customers account for 14.1%, 11.8% and 10.0% (2007 – 22.5%, 13.1%, and 8.3%) of total segmented sales and are all part of the Powertrain/Driveline segment.

Geographic	Three Months Ended March 31 2008	2007
Sales to external customers	$	$
Canada	411,605	402,546
United States	68,214	48,920
Asia Pacific	5,315	1,007
Mexico	52,078	55,835
Europe	77,304	71,111
Total	614,516	579,419

Operational

For the Three Months Ended March 31, 2008

	Sales to external customers	Inter-segment sales	Operating earnings (loss)	Assets from Continuing Operations
	$	$	$	$
Powertrain/Driveline	484,148	10,528	31,177	1,471,378
Industrial	130,368	109	18,760	360,697
Total	614,516		49,937	1,832,075

For the Three Months Ended March 31, 2007

	Sales to external customers	Inter-segment sales	Operating earnings (loss)	Assets from Continuing Operations
	$	$	$	$
Powertrain/Driveline	449,809	5,637	21,148	1,464,622
Industrial	129,610	68	23,679	276,581
Total	579,419		44,827	1,741,203

14. Guarantees (in thousands of dollars)

The company has guaranteed the lease payments of Eagle Manufacturing LLC, a joint venture, for the full term of the lease which ends in 2011. The company is receiving a guarantee fee during the lease term. As at the quarter end, the maximum potential amount of future payments is $15,472 over the remaining lease term, of which $8,227 is recorded in capital leases.

The company has various other guarantees for a maximum potential future payment of $24,555 over various terms of 4 to 5 years. The company has estimated recourse, in the form of equipment, in the amount of $13,224.

15. Subsequent Events

On April 25, 2008, the company announced the finalization of a purchase agreement to acquire the assets of Volvo's Material Handling Equipment (MHE) business based in Shippensburg, PA. MHE's business further expands the company's Telehandler product offering, adds a Rough Terrain Straight Mast Fork lift product, and provides additional manufacturing capacity to further the company's growth potential.

16. Comparative Figures

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

LINAMAR CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Quarter Ended March 31, 2008

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 and related notes thereto as well as the annual MD&A for the year ended December 31, 2007.

This MD&A has been prepared as at May 8, 2008.

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. The company's Powertrain/Driveline divisions are world leaders in the collaborative design, development and manufacture of precision metallic components, modules and systems for global vehicle markets. The company's Industrial division is a world leader in the design and production of innovative mobile industrial products, notably its class-leading aerial work platforms. With over 12,000 employees in 37 manufacturing locations, 5 R&D centres and 12 sales offices in Canada, the US, Mexico, Germany, Hungary, China, Korea and Japan, Linamar generated sales of close to $2.3 billion in 2007. For more information about Linamar Corporation and its industry leading products and services, visit www.linamar.com.

Overall Corporate Results

The following table sets out certain highlights of the company's performance in the first quarter of 2008 and 2007:

	Three Months Ended March 31			
(in millions of dollars, except content per vehicle numbers)	2008	2007	+/-	%
Sales	$614.5	$579.4	$35.1	6.1%
Gross Margin	80.3	70.7	9.6	13.6%
Operating Earnings	49.9	44.8	5.1	11.4%
Earnings from Continuing Operations	29.5	26.7	2.8	10.5%
Net Earnings	29.5	26.7	2.8	10.5%
Content per Vehicle – North America	$105.28	$94.25	$11.03	11.7%
Content per Vehicle – Europe	$8.80	$6.96	$1.84	26.4%
Content per Vehicle – Asia Pacific	$1.10	$0.43	$0.67	155.8%

The changes in these financial highlights are discussed in detail in the following sections of the MD&A.

Sales and Operating Earnings are discussed in the Business Segment Review Section

Gross Margin, Earnings from Continuing Operations, Net Earnings and Content per Vehicle are discussed in their respective sections below.

Certain unusual items affected earnings in both 2008 and 2007 as noted in the table below:

(in millions of dollars, except per share figures)	Three Months Ended March 31 2008	2007
Earnings from Continuing Operations	$ 29.5	$ 26.7
Adjustments due to one-time items (after tax)		
1) Foreign Exchange loss (gain) on Hungarian Forints held in Escrow	(2.0)	(2.2)
2) Ontario Capital Tax - eliminated retroactively to Jan 1, 2007	(3.0)	-
3) Program specific asset write down	3.2	-
Adjusted Earnings From Continuing Operations	$ 27.7	$ 24.5
As a percentage of Sales	4.5%	4.2%
Change over Prior Year	13.1%	
Earnings per Share	0.40	0.35

1) On February 26, 2007, the company announced its public purchase offer for the balance of the outstanding shares of its consolidated subsidiary Linamar Hungary Nyrt. The offer expired in May of 2007. During the offer period, the company purchased 981,727 of the shares that it did not already own for $16.7 million to bring its ownership total to 70.1%. On January 22, 2008, the company announced the repatriation of the remaining funds that were held in escrow in Hungary that were intended for the purchase. The money was repatriated at the same exchange rate at which it was placed in escrow which resulted in a foreign exchange gain in the first quarter of 2008.

2) In the 2007 Economic Outlook and Fiscal Review, the Government of Ontario proposed to eliminate the Capital Tax effective January 1, 2008, for Ontario companies primarily engaged in manufacturing and resource activities. In the March 2008 Budget, the Government committed to retroactively eliminate the Capital Tax one year earlier, effective January 1, 2007, for Ontario companies primarily engaged in manufacturing and resource activities.

3) In the first quarter of 2008, the company re-assessed the fair value of a specific asset that was not meeting performance requirements as committed to by the vendor. The company's attempts to correct the performance issues have had limited success. The company was required to invest in additional equipment to ensure customer delivery and quality was not compromised. Accordingly, the original equipment has been written down to its fair value.

BUSINESS SEGMENT REVIEW

The company reports it results of operations in two business segments: Powertrain/Driveline and Industrial. The segments are different by the products that each produced and reflect how the chief decision makers of the company manage the business. The following should be read in conjunction with note 22 to Linamar's consolidated financial statements for the financial year ended December 31, 2007.

	Three Months Ended March 31					
	2008			2007		
(in millions of dollars, except %'s)	Powertrain/ Driveline	Industrial	Linamar	Powertrain/ Driveline	Industrial	Linamar
Sales	$ 484.1	$ 130.4	$ 614.5	$ 449.8	$ 129.6	$ 579.4
Operating Earnings	31.1	18.8	49.9	21.1	23.7	44.8

Powertrain/Driveline Highlights

(in millions of dollars, except %'s)	Three Months Ended March 31 2008	2007	+/-	%
Sales	$ 484.1	$ 449.8	$ 34.3	7.6%
Operating Earnings	31.1	21.1	10.0	47.4%

Sales for the Powertrain/Driveline Segment ("Powertrain/Driveline") increased by $34.3 million, or 7.6%. The sales increase was expected and largely due to:

- the acquisition of the driveline plant in Mexico in late 2007;
- the ramping up of key programs that were in the start up phase in the first quarter of 2007;
- the strong growth in Europe; and
- the continuing ramp up of our Asian operations.

The growth in the Powertrain/Driveline sales were limited by:

- plant shutdowns and production reductions by North American OEMs including the impact of the strike at American Axle & Manufacturing Holdings, Inc.;
- increased pricing pressure from these same customers; and
- the maturation or re-sourcing of some contracts.

First quarter operating earnings for Powertrain/Driveline were higher by $10.0 million (47.4%) over the same quarter of 2007.

The segment did experience:

- improved margins as key programs exited the start up phase;
- improved margins as a result of increased focus on cost reductions;
- improved results in Europe particularly in the medium/heavy truck products;
- improved results in our Asian operations as volumes continue to ramp up;
- elimination of the Ontario capital tax; and
- the segment's portion of the foreign exchange gain on the Hungarian Forints held in Escrow.

But these improvements were limited by:

- significant operating earnings pressures due to non-variable cost burdens in North America,
- increased pricing pressure from North American OEM's;
- program specific asset write down as previously discussed;
- increased raw material cost; and
- ncreased engineering with the addition of the Driveline Systems Engineering Group.

Industrial Highlights

(in millions of dollars, except %'s)	Three Months Ended March 31 2008	2007	+/-	%
Sales	$ 130.4	$ 129.6	$ 0.8	0.6%
Operating Earnings	18.8	23.7	(4.9)	(20.7%)

The Industrial Segment ("Industrial") product sales remained relatively stable with an increase of 0.6% or $0.8 million for the quarter. The product mix for the first quarter of 2008 differed from 2007 due to:

- added sales due to the introduction of the Boom and Telehandler product lines;
- decreased reconditioned equipment revenues; and.
- decreased sales in the European market.

Operating Earnings decreased $4.9 million (20.7%) over first quarter of 2007 to $18.8 million. The decrease in Industrial operating earnings has been predominantly driven by:

- increased sales and marketing costs related to the marketing of the new product offerings of Booms and Telehandlers;
- continued start up costs for Linamar Consumer Products;
- increased research & development ("R&D") costs related to the new product offerings.
- increased raw material component and outsourcing costs; and
- the first quarter of 2007 operating earnings included a mix of higher margin products.

But the segment benefited by:

- the elimination of the Ontario capital tax; and
- the segment's portion of the foreign exchange gain on the Hungarian Forints held in Escrow.

Automotive Sales and Content per Vehicle [1]

Automotive sales in the following discussion are determined by the final vehicle production location and, as such, there are differences in the figures as reported under the geographic segment disclosure, which is based primarily on the company's location of manufacturing and includes 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.

As vehicle production continues to expand in Eastern Europe, the company has decided to state European content per vehicle based on all European production effective March 2008. In prior years, content per vehicle was expressed in terms of Western European production only. 2007 comparative figures have been updated accordingly.

	Three Months Ended March 31		
North America	2008	2007	% Change
Vehicle Production Units [3]	3.58	3.96	(9.6%)
Automotive Sales [4]	$ 377.1	$ 373.2	1.0%
Content Per Vehicle	$ 105.28	$ 94.25	11.7%
Europe			
Vehicle Production Units [3]	5.70	5.52	3.3%
Automotive Sales [4]	$ 50.2	$ 38.3	31.1%
Content Per Vehicle	$ 8.80	$ 6.96	26.4%
Asia Pacific			
Vehicle Production Units [3]	5.48	4.93	11.2%
Automotive Sales [4]	$ 6.0	$ 2.1	185.7%
Content Per Vehicle	$ 1.10	$ 0.43	155.8%

North American automotive sales increased $3.9 million or 1.0% to $377.1 million in a market which saw the overall decrease in vehicle production of 9.6%. As a result, content per vehicle increased by 11.7% to $105.28 from $94.25 a year earlier.

European automotive sales improved by $11.9 million to $50.2 million as compared to first quarter of 2007. Vehicle production volumes increased 3.3% and content per vehicle improved to $8.80 from $6.96 in 2007.

Content per vehicle for Asia Pacific continues at its anticipated low level, during the start-up phase

[1] Measured as the amount of Linamar automotive sales dollars per vehicle, not including tooling sales
[3] Vehicle production units are shown in millions of units. North American vehicle production units used by Linamar for the determination of the company's content per vehicle (see table following) include medium and heavy truck volumes. European and Asia Pacific vehicle production units exclude medium and heavy trucks. Both measures exclude the off-road (heavy equipment) market. Volume information is as regularly reported by industry sources.
[4] Automotive sales are shown in millions of dollars.

Gross Margin

(in millions of dollars)	Three Months Ended March 31 2008	2007
Sales	$614.5	$579.4
Cost of sales	488.4	467.5
Amortization	45.8	41.2
Gross Margin	$80.3	$70.7
Gross Margin Percentage	13.1%	12.2%

Gross margin percentage increased to 13.1% for the quarter from 12.2% for the same quarter in 2007. Cost of sales as a percentage of sales improved by 1.2% to 79.5% for the first quarter of 2008 compared to 80.7% for 2007. The improved gross margin is mainly driven from automotive programs such as 6 speed that were still incurring start up costs in first quarter of 2007. Amortization increased $4.6 million over the same quarter in 2007, and increased to 7.5% of sales as compared to 7.1% in the same quarter in 2007. This increase relates mainly to the capital burden of machinery for the 6-speed transmission program where the volumes have not reached anticipated levels.

Selling, General and Administration

(in millions of dollars)	Three Months Ended March 31 2008	2007
Selling, general and administrative ("SG&A")	$30.4	$25.9
SG&A Percent	4.9%	4.5%

Selling, general and administrative (“SG&A”) costs were $30.4 million in the first quarter of 2008, compared to $25.9 million in the same quarter of 2007, an increase of $4.5 million. As a percentage of sales, SG&A costs were 4.9% in the quarter as compared to 4.5% in 2007.

This is primarily due:

- to increases in engineering with the addition of the Driveline Systems Engineering Group;
- increased sales and marketing costs related to the marketing of the new product offerings of Booms and Telehandlers; and
- increased investment in R&D in the Industrial segment.

Expenses and Other Income

(in millions of dollars)	Three Months Ended March 31 2008	2007
Operating Earnings	$ 49.9	$ 44.8
Other Income (Expense)		
Net Interest Expense	(4.7)	(3.7)
Other Income	0.2	1.3
Provision for (Recovery of) Income Taxes	(15.2)	(14.6)
Non-Controlling Interests	(0.7)	(1.1)
Earnings from Continuing Operations	$ 29.5	$ 26.7
Net Earnings	$ 29.5	$ 26.7

Interest

Interest on long-term debt increased $0.3 million over the same quarter 2007, to $4.0 million. The increase is the net result of the increase made to our long-term debt during the fourth quarter of 2007 offset by the benefit of the strengthening Canadian dollar on the company's U.S. dollar interest expense. The increase in debt was the result of acquisitions that took place during 2007. Although the expense has increased, the consolidated effective interest rate was lower in the first quarter of 2008 at 4.9% as compared to 5.2% in 2007 due to the effect of the strengthening Canadian dollar on U.S. dollar payments.

Other interest expense increased by $0.7 million for the quarter as compared with the same quarter in 2007. Average short-term borrowings are higher in the current quarter due to acquisition activity that took place throughout 2007 and share repurchases made in 2008 under the normal course issuer bid. The increased level of short-term borrowings has benefited from lower interest rates in the current quarter compared to rates in the same quarter in 2007.

Provision for Income Taxes

The effective tax rate for the first quarter of 2008 was 33.5%, a decrease from 34.4% in the same quarter of 2007. This reduction in the effective rate is due primarily to the decrease in the Canadian federal income tax rate effective January 1, 2008.

Note 13 to the consolidated financial statements for the year ended December 31, 2007 provides additional information on the company's overall tax position.

Non-Controlling Interests

Non-Controlling Interests declined by $0.4 million from $1.1 million in the first quarter of 2007 to $0.7 million in the same quarter of 2008.

SUMMARY OF QUARTERLY RESULTS OF OPERATIONS

The following table sets forth unaudited information for each of the eight quarters ended June 30, 2006 through March 31, 2008. This information has been derived from our unaudited consolidated 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 our financial position and results of operations for those periods.

(in millions of dollars, except per share amounts)	Jun 30, 2006	Sep 30, 2006	Dec 31, 2006	Mar 31, 2007	Jun 30, 2007	Sep 30, 2007	Dec 31, 2007	Mar 31, 2008
Sales	$607.1	$528.1	$543.6	$579.4	$624.4	$581.6	$528.2	$614.5
Earnings from Continuing Operations	32.3	15.1	31.9	26.7	31.3	25.9	25.1	29.5
Net Earnings	32.3	14.6	26.8	26.7	31.3	25.9	25.4	29.5
Earnings per Share from Continuing Operations								
Basic	0.45	0.21	0.46	0.38	0.45	0.37	0.36	0.43
Diluted	0.45	0.21	0.46	0.38	0.45	0.37	0.36	0.43
Net Earnings per Share								
Basic	0.45	0.20	0.38	0.38	0.45	0.37	0.36	0.43
Diluted	0.45	0.20	0.38	0.38	0.45	0.37	0.36	0.43

The quarterly results of the company are impacted by the seasonality of certain operational units. Earnings in the second quarter are positively impacted by the high selling season for both the aerial work platform, other industrial and agricultural businesses. The third quarter is generally negatively impacted by the scheduled summer shutdowns at automotive customers. The company takes advantage of summer shutdowns for internal maintenance activities that would otherwise disrupt normal production schedules.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

(in millions of dollars)	Three Months Ended March 31 2008	2007
Cash provided by (used in):		
Operating Activities	$ 28.6	$ (0.8)
Financing Activities	(75.7)	78.2
Investing Activities	(34.8)	(35.8)
Effect of Translation Adjustment	1.8	(0.4)
Net Increase in Cash Position	(80.1)	41.2
Cash Position – Beginning of Period	103.7	38.3
Cash Position – End of Period	$ 23.6	$ 79.5
Comprised of:		
Cash	$ 48.3	$ 115.9
Unpresented Cheques	(24.8)	(36.4)
	$ 23.5	$ 79.5

Linamar's cash position (net of unpresented cheques) at March 31, 2008 was $23.6 million, a decrease of $55.9 compared to the same period in 2007. Cash provided by operating activities was $28.6 million compared to cash used of $0.8 million in the same period in 2007.

During the quarter, financing activities used $75.7 million primarily to repay short-term borrowings and repurchase of shares under Linamar's normal course issuer bids.

Investing activities continue to be dominated by payments for the purchase of property, plant and equipment in the first quarter.

Operating Activities

(in millions of dollars)	Three Months Ended March 31 2008	2007
Earnings from continuing operations	$ 29.5	$ 26.7
Non-cash charges to earnings	51.9	42.4
	$ 81.4	$ 69.1
Changes in non-cash working capital	(52.8)	(69.1)
Cash flow – continuing operations	$ 28.6	$ -
Cash flow – discontinued operations	-	(0.8)
Cash provided (used) from operating activities	$ 28.6	$ (0.8)

Cash provided by continuing operations, before the effect of changes in non-cash working capital was a 17.8% increase at $12.3 million in the first quarter of 2008 compared to $3.9 million in the same quarter in 2006.

Incremental investment in non-cash working capital was $52.8 million, compared to $69.1 million in 2007.

Financing Activities

(in millions of dollars)	Three Months Ended March 31 2008	2007
Proceeds from (repayments of) short-term bank borrowings	$ (32.9)	$ 84.6
Repayment of long-term debt	(2.0)	(2.2)
Proceeds from common share issuance	-	-
Repurchase of shares	(37.8)	(0.2)
Decrease in long-term receivables	1.1	0.2
Dividends to shareholders	(4.1)	(4.2)
Cash provided (used) from financing activities	$ (75.7)	$ 78.2

At the end of the first quarter of 2008, there was $243.9 million in credit available in the revolving term facility under the Canadian syndicated credit agreement.

During the quarter the company purchased 37,800 common shares for cancellation under its normal course issuer bid, for total consideration of $0.6 million. The normal course issuer bid which permitted the company to acquire up to 5,083,839 of its outstanding common shares expired on January 30, 2008.

On January 29, 2008, the company renewed its normal course issuer bid. The current bid permits the company to acquire up to 5,084,699 of its outstanding common shares and expires on January 30, 2009. The company has repurchased 2,581,600 shares for total consideration of $37.2 million subsequent to January 29, 2008.

The company continued its dividend policy at a quarterly rate of $0.06 per share.

Long-term receivables regularly arise in the industrial products marketplace. In order to manage the associated cash flow, the company periodically securitizes portions of the receivable balance. During the first quarter of 2008 the company's long-term receivables declined from December 31, 2007 by $1.1 million.

Investing Activities

(in millions of dollars)	Three Months Ended March 31 2008	2007
Payments for purchase of property, plant and equipment	$ (33.9)	$ (36.3)
Proceeds from disposal of property, plant and equipment	(0.9)	0.5
Payments for purchase of intangible assets subject to amortization	-	-
Business acquisitions	-	-
Cash used for investing activities	$ (34.8)	$ (35.8)

Cash spent on investing activities for the first quarter was $34.8 million while during the same period last year the total spent was $35.8 million.

At March 31, 2008, outstanding commitments for capital expenditures under purchase orders and contracts amounted to $79.6 million (March 31, 2007 - $75.6 million).

Financing Resources

At March 31, 2008, cash was $48.3 million, with unpresented cheques and short-term bank borrowings of $135.6 million. At this time, the company's syndicated revolving facility had available credit of $243.9 million.

Contractual Obligations

Please see the December 31, 2007 annual MD&A for a table summarizing contractual obligations by category; such obligations have not changed significantly during the quarter.

Shareholders' Equity

Book value per share[2] grew to $13.38 per share at March 31, 2008, as compared to $12.75 per share at December 31, 2007. Earnings net of dividends contributed $25.4 million for the quarter to retained earnings. During the quarter, the company repurchased shares under a normal course issuer bid resulting in a charge for excess purchase over book cost to retained earnings of $33.4 million.

Foreign Currency Activities

Linamar 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, Linamar 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 company does not hold or issue derivative financial instruments for trading or speculative purposes, and controls are in place to detect and prevent these activities.

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,

[2] **"Book Value Per Share"**, 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. For more information refer to the Non-GAAP Measures section of this Analysis

and expectations with respect to future foreign exchange rates. Linamar 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. Linamar does not hedge the business activities of its self-sustaining foreign subsidiaries and, accordingly, results of operations could be further affected by a significant change in the relative values of the Canadian dollar, U.S. dollar, Euro, Hungarian forint and Mexican peso.

At March 31, 2008, the company was committed to a series of forward contracts to sell U.S. dollars and British pounds. These forward contracts qualify for accounting as cash flow hedges and the fair value unrealized gains and losses are included in other comprehensive earnings, net of taxes. The gains and losses will be recognized in net earnings in the same period as the sales which generate the cash flows. The gains and losses will be recognized in net earnings in the same period as the transaction which generate the cash flows.

The company was also committed to two long-dated forward contracts to buy U.S. dollars. These forward exchange contracts qualify for accounting as fair value hedges and under the new standards, any fair value unrealized gains and losses are included in net earnings.

Off Balance Sheet Arrangements

The company leases transport trucks and trailers through its subsidiaries Linamar Transportation Inc. and Linamar Transportation USA, Inc. These subsidiaries are ISO 9001-2000 registered companies, providing the best possible delivery service to their customers. The company currently leases approximately 125 trucks and 194 trailers from Penske Truck Leasing and Ryder Truck Rental Canada, Ltd. The amount due under these operating leases are reflected under the heading "Operating Leases" in the table set out in the "Contractual Obligations" section of the December 31, 2007 annual financial statements. The company is allowed to return up to 20% of the fleet at any time without incurring any charges. Should the entire arrangement be terminated, the company would be responsible for the balance of the amount owing under the leases.

The company also has various operating leases for office equipment, computers, fork trucks, and other such items.

Please see note 9 of the interim consolidated financial statements that are hereby incorporated by reference herein.

Under a portfolio purchase agreement signed in 2004, the company regularly sells certain long-term receivables. Although title is transferred and no entitlement or obligated repurchase agreement is in place before maturity, the company remains exposed to certain risks of default on the amount of proceeds from the receivables under securitization, less recourse in the form of the underlying physical asset. Under the agreement, receivables are sold on a fully serviced basis so that the company continues to administer the collection of such receivables. The company receives no fee for administration of the collection of such receivables.

Guarantees

Linamar is a party to certain financial guarantees and contingent liabilities with respect to government assistance as discussed in notes 14, 16, 23, and 24 of the December 31, 2007 consolidated financial statements.

Transactions with Related Parties

Linamar is a party to certain transactions with related parties as discussed in note 10 of the interim consolidated financial statements that are hereby incorporated by reference herein.

PROPOSED TRANSACTIONS

On April 25, 2008, Skyjack Inc., a Linamar Company (LNR:TSX), announced the finalization of a purchase agreement to acquire the assets of Volvo's Material Handling Equipment ("MHE") business based in Shippensburg, PA. Early in March, Linamar announced it had an interest in acquiring Volvo's material handling equipment business by entering into discussions relating to the purchase of selected assets of Volvo's MHE Business purchase agreement. The MHE's business further expands the company's Telehandler product offering, adds a Rough Terrain Straight Mast Fork lift product, and provides additional manufacturing capacity to further the company's growth potential.

On October 18, 2007, Linamar Corporation announced that it had signed a non-binding Memorandum of Understanding setting forth a preliminary understanding regarding the purchase by Linamar of Visteon Corporation's Swansea plant located in Wales, United Kingdom. Visteon's Swansea Plant currently produces power transfer units, transfer cases and axles, which would extend Linamar's presence in the driveline business and complement Linamar's recent acquisition of Ford's PTU business in Nuevo Laredo, Mexico, finalized in August 2007. Ford is the key customer of the Swansea operations.

RISK MANAGEMENT

Please see the December 31, 2008 annual MD&A for a listing of the company's various risks and how these risks are managed. There were no significant changes during the quarter of the risks described in the December 31, 2007 annual MD&A.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

As of January 31, 2008 all deficiencies have been remediated, please see the December 31, 2007 annual MD&A for more details.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and the related disclosure of contingent assets and liabilities. The company bases its estimates on historical experience and various other assumptions that are believed to be reasonable in the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities. On an ongoing basis, the company evaluates its estimates. However, actual results may differ from these estimates under different assumptions or conditions.

Please see the annual MD&A for the year ended December 31, 2007 for a discussion of critical accounting estimates for the Impairment of Goodwill and Other Intangibles, Future Income Tax Assets and Liabilities, Impairment of Long-Lived Assets, and Stock-Based Compensation. There were no significant changes in the assumptions used and balances of these critical accounting estimates during the quarter.

RECENT ACCOUNTING CHANGES AND EFFECTIVE DATES

Refer to Note 1 to the interim consolidated financial statements that are hereby incorporated by reference herein for information pertaining to accounting changes effective in 2008 and for information on issued accounting pronouncements that will be effective in future fiscal years.

OUTSTANDING SHARE DATA

Linamar is authorized to issue an unlimited number of common shares, of which 67,204,876 common shares were outstanding as of May 8, 2008. As of May 8, 2008, there were no options outstanding under Linamar's share option plan.

NON-GAAP MEASURES

The following measures used by the company do not have a standardized meaning under Canadian generally accepted accounting principles and, therefore are unlikely to be comparable to similar measures presented by other issuers. Refer to the Non-GAAP measures section of the Annual MD&A for December 31, 2007 for more information.

Operating Earnings

Operating earnings, as used by the chief operating decision makers and management, monitors the performance of the business specifically at the segmented level. Operating earnings is calculated by the company as gross margin less selling, general and administrative expenses and equity loss, if any.

	Three Months Ended March 31	
(in thousands of dollars)	2008	2007
Gross Margin	$80.3	$70.7
Selling, general and administrative	30.4	25.9
Operating Earnings	$49.9	$44.8

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 Shareholders' Equity divided by shares outstanding at the end of the period.

	Three Months Ended March 31	
(in thousands of dollars)	2008	2007
Shareholders' Equity	$899.0	$890.6
Shares outstanding at the end of the period	67,204,876	69,824,276
Book value per share	$13.38	12.75

OUTLOOK

Effective the second quarter of 2006, the company determined it was not appropriate to provide outlook guidance.

FORWARD LOOKING INFORMATION

Certain information provided by Linamar in this MD&A in 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 discussed in this MD&A and elsewhere in the Annual Report 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 cyclicality, 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.