



**LINAMAR CORPORATION ANNOUNCES COMPLETION OF PLAN TO ESTABLISH
INTERNAL SALES ORGANIZATION
PRESS RELEASE**

January 19, 2004 – Guelph, ON - Linamar is announcing the finalization of the transaction to terminate the Representation Agreements with its two remaining sales agents in Detroit, effective December 31, 2003, and proceed with the establishment of its own sales organization.

Under the termination of these agreements, Linamar agreed to pay a total of \$18.2 million U.S. as final settlement of all future commissions otherwise payable. This buyout will be accounted as a one-time financial cost in Q4 of 2003.

The total value of annual commission that Linamar would otherwise pay is estimated to average \$8.9 million U.S. in each of the next three years, based on the existing base of business. These commission costs under the Representation Agreements would have extended beyond the three-year period and estimated costs would depend on new programs added less programs terminating.

In addition, Linamar has the right under the termination agreement to recruit certain key staff of those firms to provide continuity in relationship with automotive customers.

It is expected that the addition of new sales staff will add \$4.4 million U.S. to Linamar's cost in 2004 and beyond.

Linda Hasenfratz, CEO, stated, "We appreciate the excellent service provided by our sales agent organizations over the years. However, we believed the time was right to change to a more direct relationship with our customers to better establish the Linamar brand. From a financial perspective, the transaction is also beneficial to Linamar in that it will reduce our overall expenditures in the sales and marketing area and, at the same time, improve the level of direct contact that we will have with our customers."

Of the \$18.2 million settlement, \$8.7 million has been paid and the remainder will be paid out over 36 months.

Except for historical information contained herein, statements set forth in this document, including management's assessment of Linamar's future plans and operations, constitute forward-looking statements. These statements are based on current expectations that are subject to significant risks and uncertainties that are difficult to predict, including statements regarding the intent, belief or current expectations of Linamar regarding strategic directions, prospects and future results. Actual results may differ materially from those anticipated in the forward-looking statements due to factors such as customer demand and timing of buying decisions, product mix, competitive products and pricing pressure. In addition, uncertainties and difficulties in domestic and foreign financial markets and economies could adversely affect demand from customers. These factors, as well as general economic and political conditions, may in turn have a material adverse effect on Linamar's financial results. 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.

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