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LINAMAR CORPORATION ANNOUNCES THE CLOSURE OF ITS LOST FOAM FACILITY

December 12, 2005, GUELPH, Ontario - Linamar Corporation (TSX:LNR) announced that its Board of Directors today approved the orderly closure of its Diversacast manufacturing operations. Diversacast is the company's lost foam casting facility located in Guelph, Ontario.

After reviewing all of its options, the Corporation has concluded that a controlled exit of the lost foam casting operations best fits Linamar's long term goals. The Diversacast operations are expected to report a pretax operating loss in the current year of approximately CDN\$800,000, before an anticipated write down of capital assets of approximately CDN\$500,000.

Plans are in place to find alternative sources of castings to supply our end customers with our traditional quality through a timely exit. Additionally, all employees at Diversacast will be offered employment in other Linamar operations, where our core business continues to grow.

"We have been frustrated by the inability to grow the lost foam casting business at an acceptable rate," said CEO, Linda Hasenfratz. "Widespread acceptance of this technology is just not taking hold as we had hoped it would."

Linamar designs, develops and manufactures precision machined components, modules and systems for engine, transmission and chassis systems primarily for the North American and European automotive marketplace. The company's industrial division is a world leader in aerial lift platform products. The company has over 10,000 employees in 36 manufacturing locations, five research and development centers and nine sales offices in Canada, United States, Mexico, Germany, Hungary, China, Korea and Japan.

Certain information regarding Linamar set forth in this document, including management's assessment of the Company's future plans and operations may constitute forward-looking statements. This information is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict. Actual results may differ materially from these 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 the Company's financial results. The Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward-looking statements.

LINAMAR CORPORATION
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