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LINAMAR CORPORATION RECEIVES \$44.5 MILLION GRANT FROM ONTARIO GOVERNMENT

Investment to Provide Training, Create 3,000 New Jobs in Five Years

GUELPH, Ontario, May 12, 2006 – Linamar Corporation and members of the Ontario government today announced a partnership to invest in people and technology development critical to the company's success. The investment will include significant contributions for training, leading edge process and product technology development. Linamar plans to build an advanced manufacturing technology centre in Guelph, Ontario to house training and R&D efforts. This investment will help create 3,000 jobs at Linamar over the next five years. The Ontario government will contribute a grant of \$44.5 million to the project.

"With the support of the Ontario government, we will build the much-required skills and education for our current employees – as well as the 3,000 team members we'll add in the next five years – in a fiscally responsible manner," said Linda Hasenfratz, CEO, Linamar Corporation. "We have a responsibility to our employees and customers to provide the best technology, products and skills – this agreement will ensure that we continue to achieve these goals long into the future."

Part of the government grant will be used to establish a new Linamar Technology and Training Centre dedicated to innovation in the engineering and production of automotive powertrains and chassis systems and the development of people critical to the company's success. The new centre will strengthen the competitiveness of Linamar's 22 Guelph-area plants and expand the knowledge base for the company.

"The auto sector is one of the pillars of our economy. By investing in leading-edge manufacturing, we're making sure that Ontario remains one of the most competitive locations in the world for investment," said Ontario Premier Dalton McGuinty. "In today's economy, the best jobs go to the places with the most highly skilled people and our government will continue working with manufacturers to make Ontario the place to be."

Based in Guelph, Ontario, Canada, Linamar is a global manufacturer and supplier of leading edge solutions to the automotive industry and beyond. In 2005, Linamar's sales topped \$2.1 billion CDN and the company is focused on growing business to \$10 billion in sales by the year 2020.

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.

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