

Linamar Delivers Record 2013 Sales & Earnings Driving Significant Cash Generation and Solid Margin Expansion

March 5, 2014, Guelph, Ontario, Canada (TSX: LNR)

- Sales increase 11.6% over 2012 to reach \$3.6 billion;
- Operating earnings up 46.5% over 2012 to reach \$320.1 million;
- Net earnings up 57.3% over 2012 and earnings per share up 57.1% over 2012 reaching record levels of \$229.8 million and \$3.55 respectively;
- Net margins reach 6.4%;
- Record level of new business wins in 2013, launch book at nearly \$2.8 billion;
- Industrial segment showed significant margin improvements from 2012 with operating earnings up 129.1% to \$52.0 million on a sales increase of 16.8%;
- Powertrain/Driveline showed strong margin improvements with operating earnings up 36.9% to \$268.1 million from 2012 on a sales increase of 10.7%;
- Return on Capital Employed reached 18.3% continuing our trend of solid improvements for the last 10 quarters;
- Return on Equity improved 28.2% from 2012 to reach 19.1%; and
- Positive cash flow reduces Net Debt by \$223.8 million from 2013 to \$413.7 million and total debt to capital continues to improve reaching 29.6%.

	Three Months Ended December 31		Twelve Months Ended December 31	
	2013	2012	2013	2012
(in millions of dollars, except earnings per share figures)	\$	\$	\$	\$
Sales	926.1	756.5	3,595.5	3,221.9
Operating Earnings (Loss)				
Powertrain/Driveline	79.6	48.0	268.1	195.8
Industrial	5.2	0.3	52.0	22.7
Operating Earnings (Loss)	84.8	48.3	320.1	218.5
Unusual items	(15.1)	-	(15.1)	-
Operating Earnings (Loss) - Adjusted	69.7	48.3	305.0	218.5
Net Earnings (Loss) Attributable to Shareholders of the Company	68.7	30.7	229.8	146.1
Unusual items	(13.7)	-	(13.7)	(1.2)
Net Earnings (Loss) - Adjusted	55.0	30.7	216.1	144.9
Net Earnings (Loss) per Share	1.06	0.47	3.55	2.26
Net Earnings (Loss) per Share - Adjusted	0.85	0.47	3.34	2.24
Unusual items				
Taxable items before tax				
1) Exchange loss (gain) on the Private Placement Notes	-	-	-	(1.6)
2) Customer program cancellation	(6.3)	-	(6.3)	-
Tax impact	1.4	-	1.4	0.4
Non-Taxable Items				
3) Bargain purchase gain on acquisition of MMKG's business	(8.8)	-	(8.8)	-
Total unusual items	(13.7)	-	(13.7)	(1.2)

Operating Highlights

Sales for the fourth quarter of 2013 ("Q4 2013") were \$926.1 million, up \$169.6 million from \$756.5 million in Q4 2012.

Sales for the Powertrain/Driveline segment ("Powertrain/Driveline") increased by \$144.8 million, or 21.7% in Q4 2013 compared with Q4 2012. The sales increase in Q4 2013 was impacted by:

- increased North American sales as a result of the significant levels of newly launched programs;
- increased Asian sales as a result of the ramp up of programs in launch and higher volumes on mature programs; and
- increased European sales due to substantial levels of programs launching and increases in volumes from our on and off highway commercial vehicle customers.

The Industrial segment ("Industrial") product sales increased 27.9% or \$24.8 million to \$113.6 million in Q4 2013 from Q4 2012. The sales increase was due to:

- increases in demand in the access equipment markets in both North America and Europe;
- increased market share particularly in boom products at Skyjack; and
- higher sales from emerging global markets such as Brazil.

The company's adjusted earnings for Q4 2013 were \$69.7 million. This compares to \$48.3 million in Q4 2012, an increase of \$21.4 million.

Q4 2013 operating earnings for Powertrain/Driveline were higher by \$31.6 million or 65.8% over Q4 2012. The Powertrain/Driveline segment experienced the following in Q4 2013:

- improved margins as production volumes increased on launching and mature programs;
- the bargain purchase gain recognized as a result of acquiring MMKG's business of manufacturing and distributing assembled camshafts;
- the recovery related to premature ending of a customer program;
- better margins as a result of productivity and efficiency improvements; and
- a lower amount of start-up costs in comparison to the level of start-up activity in Q4 2012.

Industrial segment operating earnings in Q4 2013 increased \$4.9 million or 1,633.3% over Q4 2012. The increase in Industrial operating earnings was predominantly driven by:

- market share growth and increased demand in the access equipment market; and
- productivity and efficiency improvements driven by higher volumes on new products and cost savings initiatives on mature products.

"We are thrilled to register another fantastic quarter to close out a record year in sales and earnings for Linamar," said Linamar CEO Linda Hasenfratz. "Financially we saw double digit sales growth, driven by market share growth in both our vehicle and access markets, eclipsed by excellent earnings growth to drive margins to above target levels, all of which drove massive cash generation to allow us to dramatically reduce debt levels. At the same time we registered record levels of new business wins to solidify our growth over the next several years. We have an excellent team that is firing on all cylinders right now, we feel great about where we are and where we are headed at Linamar."

Dividends

The Board of Directors today declared an eligible dividend in respect to the quarter ended December 31, 2013 of CDN\$0.10 per share on the common shares of the company, payable on or after April 16, 2014 to shareholders of record on April 2, 2014.

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 cash flows are denominated in foreign currencies. The movement of foreign currency exchange rates against 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

Q4 2013 Conference Call Information

Linamar will hold a conference call on March 5, 2014 at 5:00 p.m. EST to discuss its fourth quarter/year end results. The numbers for this call are (647) 427-3383 (local/overseas) or (888) 424-9894 (North America) confirmation number 26291572, 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 quarterly financial statements, including the Management's Discussion & Analysis will be available on the company's website after 4 p.m. EST on March 5, 2014 and at www.sedar.com by the start of business on March 6, 2014. A taped replay of the conference call will also be made available starting at 11:00 p.m. on March 5, 2013 for seven days. The number for replay is (855) 859-2056, Conference ID 26291572. 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.

Audio only streaming of the conference call available. Follow this link to connect <http://www.media-server.com/m/p/nbc5squw>

Q1 2014 Conference Call Information

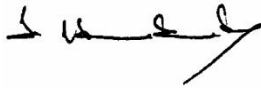
Linamar will hold a conference call on May 7, 2014 at 5:00 p.m. EST to discuss its first quarter results. The numbers for this call are (647) 427-3383 (local/overseas) or (888) 424-9894 (North America) confirmation number 3087972, with a call-in required 10 minutes prior to the start of the conference call. The conference call will be chaired by Linda Hasenfratz, Linamar's Chief Executive Officer. A copy of the company's quarterly financial statements, including the Management's Discussion & Analysis will be available on the company's website after 4 p.m. EST on May 7, 2014 and at www.sedar.com by the start of business on May 8, 2014. A taped replay of the conference call will also be made available starting at 11:00 p.m. on May 7, 2013 for seven days. The number for replay is (855) 859-2056, Conference ID 3087972. 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.

Audio only streaming of the conference call available at <http://www.media-server.com/m/p/edy3x8h7>

Linamar Corporation (TSX:LNR) is a diversified global manufacturing Company of highly engineered products powering vehicles, motion, work and lives. The Company is made up of 2 operating segments – the Powertrain/Driveline segment and the Industrial segments which are further divided into 4 key divisions – Manufacturing, Driveline, Industrial Commercial Energy (“ICE”) and Skyjack, all world leaders in the design, development and production of highly engineered products. The Company’s Manufacturing and Driveline divisions focus on precision metallic components, modules and systems for engine, transmission and driveline systems designed for passenger vehicle markets. The ICE group concentrates on similar products for on and off highway vehicle, energy and other industrial markets. The Company’s Skyjack division is noted for its innovative, high quality mobile industrial equipment, notably its class-leading aerial work platforms and telehandlers. With more than 18,000 employees in 42 manufacturing locations, 5 R&D centers and 15 sales offices in 12 countries in North America, Europe and Asia, Linamar generated sales of more than \$3.5 Billion in 2013. For more information about Linamar Corporation and its industry leading products and services, visit www.linamar.com

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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
March 5, 2014