

Linamar Posts Another Record Quarter in Sales & Earnings and Generates Significant Free Cash Flow

August 14, 2013, Guelph, Ontario, Canada (TSX: LNR)

- Sales increase 9.0% over the second quarter of 2012 (“Q2 2012”) to reach \$929.4 million;
- Operating earnings up 39.3% over Q2 2012 to reach \$90.1 million;
- EPS is up 44.6% over Q2 2012 to reach \$0.94;
- New business wins continue to be strong, launch book at more than \$2.2 billion;
- Industrial segment showed significant margin improvements from Q2 2012 with operating earnings up 66.7% to \$25.0 million on a sales increase of 23.1%;
- Powertrain/Driveline showed strong margin improvements with operating earnings up 31.0% to \$65.1 million from Q2 2012 on a sales increase of 6.1%;
- Return on Capital Employed reached 14.5% continuing our trend of solid improvements for the last several quarters;
- Return on Equity improved 21.8% from Q2 2012 to reach 20.97% exceeding our 20% target for the first time in many years; and
- Positive cash flow reduces Net Debt by \$67 million from the first quarter of 2013 (“Q1 2013”)

	Three Months Ended		Six Months Ended	
	2013	June 30 2012	2013	June 30 2012
(in millions of dollars, except earnings per share figures)	\$	\$	\$	\$
Sales	929.4	852.3	1,776.0	1,692.1
Operating Earnings (Loss)				
Powertrain/Driveline	65.1	49.7	122.5	100.8
Industrial	25.0	15.0	39.3	21.5
Operating Earnings (Loss)	90.1	64.7	161.8	122.3
Net Earnings (Loss) Attributable to Shareholders of the Company	60.7	42.1	109.1	81.7
Unusual items	-	-	-	(1.2)
Net Earnings (Loss) - Adjusted	60.7	42.1	109.1	80.5
Net Earnings (Loss) per Share	0.94	0.65	1.69	1.26
Net Earnings (Loss) per Share - Adjusted	0.94	0.65	1.69	1.24
Unusual items				
Taxable items before tax				
1) Exchange loss (gain) on the 2021 Private Placement Notes	-	-	-	(1.6)
Tax impact	-	-	-	0.4
Total unusual items	-	-	-	(1.2)

Operating Highlights

Sales for the second quarter of 2013 (“Q2 2013”) were \$929.4 million, up \$77.1 million from \$852.3 million in Q2 2012.

Sales for the Powertrain/Driveline segment (“Powertrain/Driveline”) increased by \$42.8 million, or 6.1% in Q2 2013 compared with Q2 2012. The sales increase in Q2 2013 was impacted by:

- increased Asian sales as a result of the ramp up of programs in launch and higher volumes on mature programs;
- increased European sales due to substantial levels of programs launching, being partially offset by reductions in the on and off highway commercial vehicle markets; and
- increased North American sales as a result of the significant levels of newly launched programs being largely offset by reductions in the on and off highway commercial vehicle markets and expected levels of business ending.

The Industrial segment (“Industrial”) product sales increased 23.1% or \$34.3 million to \$182.9 million in Q2 2013 from Q2 2012. The sales increase was due to:

- increases in demand in the access equipment markets; and
- higher sales from emerging global markets such as Brazil; partially offset by
- decreases in demand in the agricultural equipment markets serviced by the European Fabrication Division.

The company's operating earnings for Q2 2013 were \$90.1 million. This compares to \$64.7 million in Q2 2012, an increase of \$25.4 million.

Q2 2013 operating earnings for Powertrain/Driveline were higher by \$15.4 million or 31.0% over Q2 2012. The Powertrain/Driveline segment experienced the following in Q2 2013:

- improved margins as production volumes increased on launching and mature programs;
- better margins as a result of productivity and efficiency improvements;
- lower amount of start-up costs in comparison to the level of start-up activity in Q2 2012; partially offset by:
- decreases due to the reduced volumes in the on and off highway commercial markets in Europe and North America; and
- investments in labour and overhead costs to support the future growth of the market.

Industrial operating earnings in Q2 2013 increased \$10.0 million or 66.7% over Q2 2012. The increase in Industrial operating earnings was:

- predominantly driven by margin improvements on product launches in the access equipment market; and
- increased due to productivity and efficiency improvements.

"We are thrilled to register another solid quarter of record sales and earnings and solid free cash flow," said Linamar CEO Linda Hasenfratz. "Margins and returns are at a high not seen for a decade, our order book remains strong with many more opportunities on the horizon and our international growth plans are evolving solidly as well. It was a great quarter delivered by a great team working hard to continually deliver great results."

Dividends

The Board of Directors today declared an eligible dividend in respect to the quarter ended June 30, 2013 of CDN\$0.08 per share on the common shares of the company, payable on or after September 13, 2013 to shareholders of record on August 26, 2013.

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

Q2 2013 Conference Call Information

Linamar will hold a conference call on August 14, 2013 at 5:00 p.m. EST to discuss its second quarter results. The numbers for this call are (647) 427-3383 (local/overseas) or (888) 424-9894 (North America) confirmation number 59537009, 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 August 14, 2013 and at www.sedar.com by the start of business on August 15, 2013. A taped replay of the conference call will also be made available starting at 11:00 p.m. on August 14, 2013 for seven days. The number for replay is (855) 859-2056, Conference ID 59537009. 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/zkhimd7j>

Q3 2013 Conference Call Information

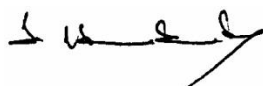
Linamar will hold a conference call on November 13, 2013 at 5:00 p.m. EST to discuss its third quarter results. The numbers for this call are (647) 427-3383 (local/overseas) or (888) 424-9894 (North America) confirmation number 26291572, with a call-in required 10 minutes prior to the start of the conference 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 November 13, 2013 and at www.sedar.com by the start of business on November 14, 2013. A taped replay of the conference call will also be made available starting at 11:00 p.m. on November 13, 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.

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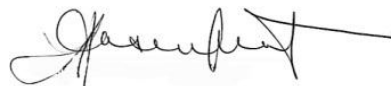
Linamar Corporation (TSX:LNR) is a diversified global manufacturing Company of highly engineered products powering vehicles, motion, work and lives. The Company is made up of 2 operating segments – the Powertrain/Driveline segment and the Industrial segments which are further divided into 4 key divisions – 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 17,600 employees in 40 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 \$3.22 Billion in 2012. 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
August 14, 2013