

Linamar Posts Record Highs in Quarterly Sales and Earnings, Industrial Segment Posts Strong Profit

May 9, 2012, Guelph, Ontario, Canada (TSX: LNR)

- Sales increase 24.4% over the first quarter of 2011 (“Q1 2011”) to reach \$840 million;
- Operating earnings up 58.8% over Q1 2011 to reach \$57.5 million;
- Adjusted EPS is up 55.3% over Q1 2011 to reach \$0.59;
- New business wins continue to be strong, launch book at nearly \$2.5 billion;
- Industrial segment sales up 113.1% over Q1 2011
- Industrial segment operating earnings return to profitability with a 4.6% operating margin; an improvement of 425% from Q1 2011;
- Powertrain/Driveline segment sales up 14.7% and operating earnings up 33.5%;
- Return on Capital Employed improved by 16.5% from Q1 2011; and
- Return on Equity reaches 16.9%

(in millions of dollars, except earnings per share figures)	Three Months Ended March 31	
	2012	2011
Sales	\$ 839.8	\$ 675.2
Operating Earnings (Loss)		
Powertrain/Driveline	51.0	38.2
Industrial	6.5	(2.0)
Operating Earnings (Loss)	\$ 57.5	\$ 36.2
Net Earnings Attributable to Shareholders of the Company	\$ 39.6	\$ 24.9
Unusual Items	(1.2)	-
Net Earnings (Loss) Attributable to Shareholders of the Company – Adjusted	\$ 38.4	\$ 24.9
Earnings per Share	\$ 0.61	\$ 0.38
Earnings (Loss) per Share - Adjusted	0.59	0.38
Unusual Items		
Taxable Items before Tax		
1) Exchange loss (gain) on the Private Placement Notes	(1.6)	-
Tax Impact	0.4	-
Total Unusual Items	(1.2)	-

Operating Highlights

Sales for the first quarter of 2012 (“Q1 2012”) were \$839.8 million, up \$164.6 million from \$675.2 million in Q1 2011.

Sales for the Powertrain/Driveline segment increased by \$89.6 million, or 14.7% in Q1 2012 to \$698.5 million compared to \$608.9 million in Q1 2011. The sales increase in the first quarter was impacted by:

- higher volumes on increased consumer demand in the US;
- significant levels of newly launched programs from the Company’s substantial book of launch business; and
- higher sales from new and expanded facilities such as the acquisition in France of the Famer Group, the Company’s new German facility and expanded facilities in Mexico and Hungary.

Industrial segment sales increased 113.1%, or \$75.0 million from Q1 2011 to \$141.3 million. The sales increase was:

- primarily due to significant increases in demand in the access equipment markets resulting from fleet replacement initiatives.

The company’s operating earnings for Q1 2012 were \$57.5 million. This compares to \$36.2 million in Q1 2011, an increase of \$21.3 million.

Q1 2012 operating earnings of \$51.0 million for the Powertrain/Driveline segment were higher by \$12.8 million from operating earnings of \$38.2 million in Q1 2011. The segment experienced the following in Q1 2012:

- improved margins as production volumes increased on launching and mature programs; and
- lower amount of start-up costs in comparison to the level of start-up activity in Q1 2011.

The Q1 2012 operating earnings for the Industrial segment was \$6.5 million, a 425% improvement from an operating loss of \$2.0 million in Q1 2011. The Industrial operating earnings were predominantly driven by:

- margin improvements on the increased volumes in the access equipment market; partially offset by
- launch costs associated with the energy programs.

“We are delighted with our first quarter results with new records hit on both sales and earnings,” said Linamar CEO Linda Hasenfratz. “Earnings growth is outpacing sales growth driving better margins, the industrial segment is solidly back into profit and all of that is driving great improvements in ROCE and ROE. We are in a great position at the moment to enjoy a period of sustained strong performance even as we continue to solidify longer term growth prospects.”

Dividends

The Board of Directors today declared an eligible dividend in respect to the quarter ended March 31, 2012 of CDN\$0.08 per share on the common shares of the company, payable on or after June 4, 2012 to shareholders of record on May 25, 2012.

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.

Q1 2012 Conference Call Information

Linamar will hold a conference call on May 9, 2012 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 47891230, 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 full quarterly/year end financial statements, including the Management's Discussion & Analysis will be available on the company's website after 4 p.m. EST on May 9, 2012 and at www.sedar.com by the start of business on May 10, 2012. A taped replay of the conference call will also be made available starting at 6:00 p.m. on May 9, 2012 for seven days. The number for replay is (855) 859-2056, Conference ID 47891230. 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. Please go to our website (www.linamar.com) and follow the link.

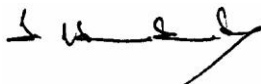
Q2 2012 Conference Call Information

Linamar will hold a conference call on August 8, 2012 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 76899563, 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 8, 2012 and at www.sedar.com by the start of business on August 9, 2012. A taped replay of the conference call will also be made available starting at 6:00 p.m. on August 8, 2012 for seven days. The number for replay is (855) 859-2056, Conference ID 76899563. 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.

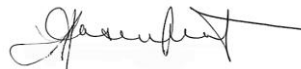
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For further information regarding this release please contact Linda Hasenfratz at (519) 836-7550.



Frank Hasenfratz
Chairman of the Board



Linda Hasenfratz
Chief Executive Officer

Guelph, Ontario
May 9, 2012