

Linamar Sales Continue to Grow Strongly, Launch Book Builds Further, Access Market Recovering

May 11, 2011, Guelph, Ontario, Canada

- Sales increase 32.2% over the first quarter of 2010 (“Q1 2010”);
- Gross margin \$68.7 million up 25.4% over Q1 2010
- Launch book accelerates to more than \$2.25 billion;
- Industrial segment sales up 94% over prior year, backlog continues to grow as market continues to show positive signs of recovery

	Three Months Ended	
	March 31	
	2011	2010
(in millions of dollars, except earnings per share figures)	\$	\$
Sales	\$ 675.2	\$ 510.7
Operating Earnings (Loss)		
Powertrain/Driveline	38.2	39.1
Industrial	(2.0)	(6.3)
Operating Earnings (Loss)	\$ 36.2	\$ 32.8
Net Earnings (Loss) attributable to shareholders of the company	24.9	23.4
Earnings (Loss) per Share	0.38	0.36

Operating Highlights

Sales for the first quarter of 2011 (“Q1 2011”) were \$675.2 million, up \$164.5 million from \$510.7 million from Q1 2010.

Sales for the Powertrain/Driveline segment increased by \$132.3 million, or 27.8% in Q1 2011 to \$608.9 million compared to \$476.6 million in Q1 2010. The sales increase in the first quarter was impacted by:

- significant levels of maturing volumes and newly launched programs from the company’s substantial book of launch business;
- higher sales driven by increased consumer demand in the US and to some extent in Europe; and
- higher sales from business related to the acquisition of the assets of the Famer Group in Q1 2011.

Industrial segment sales increased 94.4%, or \$32.2 million from Q1 2010 to \$66.3 million. The sales increase was due to:

- significant increases in demand in the access equipment markets resultant from fleet replacement initiatives.

The company’s operating earnings for Q1 2011 were \$36.2 million. This compares to \$32.8 million operating profit for Q1 2010, an increase of \$3.4 million.

Q1 2011 operating earnings of \$38.2 million for the Powertrain/Driveline segment were slightly lower by \$0.9 million from the operating earnings of \$39.1 million in Q1 2010. The segment experienced the following in Q1 2011:

- improved margins as production volumes increased on launching and mature programs;
- offset by increased start-up and program acceleration costs on the significant number of programs that were in launch during the quarter; and
- increased investment in labour and fixed overhead costs to support growth compared to Q1 2010 which was at the beginning of the recovery and as such the company had not yet begun this re-investment process.

The operating losses for the Industrial segment were \$2.0 million in Q1 2011, a decrease in loss of \$4.3 million from Q1 2010. The reduction in Industrial operating losses was predominantly driven by:

- margin improvements on the increased volumes in the access equipment market; partially offset by
- margin reductions as a result of continued investment in labour and fixed overhead costs at Skyjack to support the future growth in the market.

“We are very pleased with our first quarter results which have positioned 2011 well with a strong start,” said Linamar CEO Linda Hasenfratz. “Sales and earnings are up substantially again despite moderate vehicle market growth, content per vehicle is growing and we continue to see great opportunities in the vehicle market place both for short term and long term business as evidenced by our considerable launch book that just keeps growing. And of course we couldn’t be more pleased to see Skyjack performing very well on markets that are significantly up over last year.”

Dividends

The Board of Directors today declared an eligible dividend in respect to the quarter ended March 31, 2011 of CDN\$0.08 per share on the common shares of the company, payable on or after June 5, 2011 to shareholders of record on May 26, 2011.

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

Q1 Conference Call Information

Linamar will hold a conference call on May 11, 2011 at 5:00 p.m. EST to discuss its first quarter results. The numbers for this call are (647) 427-3420 (local/overseas) or (888) 300-0053 (North America) confirmation number 42722371, 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 financial statements, including the Management's Discussion & Analysis will be available on the company's website after 4 p.m. EST on May 11, 2011 and at www.sedar.com by the start of business on May 12, 2011. A taped replay of the conference call will also be made available starting at 11:00 p.m. on May 11, 2011 for seven days. The number for replay is (800) 642-1687, Conference ID 42722371. 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.

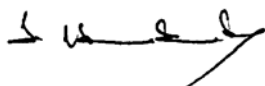
Q2 Conference Call Information

Linamar will hold a conference call on August 10, 2011 at 5:00 p.m. EST to discuss its second quarter results. The numbers for this call are (647) 427-3420 (local/overseas) or (888) 300-0053 (North America) confirmation number 64036479, 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 financial statements, including the Management's Discussion & Analysis will be available on the company's website after 4 p.m. EST on August 10, 2011 and at www.sedar.com by the start of business on August 11, 2011. A taped replay of the conference call will also be made available starting at 6:00 p.m. on August 10, 2011 for seven days. The number for replay is (800) 642-1687, Conference ID 64036479. 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.

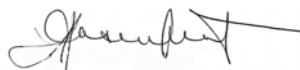
Linamar Corporation (TSX:LNR) is a diversified global manufacturing company of highly engineered products powering vehicles, motion, work and lives. The company is made up of 4 key divisions – Manufacturing, Driveline, Industrial Commercial Energy (ICE) and Skyjack, all world leaders in the design, development 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 their innovative, high quality mobile industrial equipment, notably its class-leading aerial work platforms and telehandlers. With more than 14,000 employees in 39 manufacturing locations, 5 R&D centers and 13 sales offices in 11 countries in North America, Europe and Asia, Linamar generated sales of more than \$2.2 Billion in 2010. 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
May 11, 2011