

## Linamar's Exceptional Performance Continues with Excellent Sales and Earnings Growth, Strong Margins, and Continued Cash Generation in Q3

November 4, 2014, Guelph, Ontario, Canada (TSX: LNR)

- Sales increase 14.3% and operating earnings increase 49.4% over the third quarter of 2013 ("Q3 2013");
- Net earnings up 52.7% over Q3 2013 and earnings per share up 53.8% over Q3 2013 reaching \$79.4 million and \$1.23 respectively;
- Net margins reach 7.8%;
- Launch book at more than \$3.3 billion;
- Industrial segment showed significant margin improvements from Q3 2013 with operating earnings up 265.3% to \$27.4 million on a sales increase of 32.0%;
- Powertrain/Driveline segment showed strong margin improvements as well with operating earnings up 24.8% to \$82.4 million from Q3 2013 on a sales increase of 11.3%;
- Return on Capital Employed reached 22.6% continuing our trend of solid improvements for the last 13 quarters;
- Completed the acquisition of Carolina Forge Company, LLC's ("CFC") business of high volume hot forged products, located in Wilson, North Carolina; and
- Continued cash generation of nearly \$20 million despite the acquisition of CFC to drive one of the strongest balance sheets in our peer group.

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2014	2013	2014	2013
(in millions of dollars, except earnings per share figures)	\$	\$	\$	\$
Sales	1,020.7	893.3	3,168.6	2,669.4
Operating Earnings (Loss)				
Powertrain/Driveline	82.4	66.0	250.5	188.5
Industrial	27.4	7.5	95.7	46.8
Operating Earnings (Loss)	109.8	73.5	346.2	235.3
Net Earnings (Loss)	79.4	52.0	248.8	161.1
Net Earnings (Loss) per Share	1.23	0.80	3.84	2.49

### Operating Highlights

Sales for the third quarter of 2014 ("Q3 2014") were \$1,020.7 million, up \$127.4 million from \$893.3 million in Q3 2013.

Sales for the Powertrain/Driveline segment ("Powertrain/Driveline") increased by \$86.6 million, or 11.3% in Q3 2014 compared with Q3 2013. The sales increase in Q3 2014 was impacted by:

- the significant levels of newly launched programs and volume increases on mature programs in North America;
- increased European sales due to substantial levels of programs launching and our new German camshaft business acquired in Q4 2013;
- increased volumes and launching business from the Company's on and off highway vehicle customers in all three regions; and
- the ramp up of launching programs and volume increases on mature programs in Asia.

The Industrial segment ("Industrial") product sales increased 32.0% or \$40.8 million to \$168.4 million in Q3 2014 from Q3 2013. The sales increase was due to:

- increased North American and European sales from higher market demand for access equipment;
- market share growth for scissor lifts in Europe; and
- market share growth for booms in North America.

The Company's operating earnings for Q3 2014 were \$109.8 million. This compares to \$73.5 million in Q3 2013, an increase of \$36.3 million.

Q3 2014 operating earnings for Powertrain/Driveline were higher by \$16.4 million or 24.8% over Q3 2013. The Powertrain/Driveline segment experienced the following in Q3 2014:

- improved margins as production volumes increased on launching and mature programs;
- higher margins as a result of a favourable sales mix to highly capital intensive programs, which inherently have higher margins to meet return expectations; and
- better margins as a result of productivity and efficiency improvements; partially offset by
- increased management and sales costs supporting growth.

Industrial segment operating earnings in Q3 2014 increased \$19.9 million or 265.3% over Q3 2013. The increase in Industrial operating earnings was predominantly driven by:

- increased demand and market share growth in the access equipment markets;
- productivity and efficiency improvements driven by higher volumes on new products and cost savings initiatives on mature products; partially offset by
- management and sales costs supporting growth.

“We are very pleased to report another outstanding quarter of double digit top and bottom line growth and margin expansion,” said Linamar CEO Linda Hasenfratz. “We have had an exceptional quarter on several fronts; financially of course, but also in terms of excellent new business wins to drive continued substantial growth over the next 5 years and execution on our strategic goals of vertically integrating into the forging field. We are delivering terrific results today and positioning for continued excellent performance in the long term.”

## **Dividends**

The Board of Directors today declared an eligible dividend in respect to the quarter ended September 30, 2014 of CDN\$0.10 per share on the common shares of the company, payable on or after December 12, 2014 to shareholders of record on November 26, 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, Management Discussion & Analysis (“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 Original Equipment Manufacturers (“OEMs”) outsourcing, industry cyclicity, 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

### Q3 2014 Conference Call Information

Linamar will hold a conference call on November 4, 2014 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 3096792, 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 MD&A will be available on the company's website after 4 p.m. EST on November 4, 2014 and at [www.sedar.com](http://www.sedar.com) by the start of business on November 5, 2014. A taped replay of the conference call will also be made available starting at 11:00 p.m. on November 4, 2014 for seven days. The number for replay is (855) 859-2056, Conference ID 30967921. The conference call can also be accessed by web cast at [www.linamar.com](http://www.linamar.com), by accessing the investor relations/events menu, and will be available for a seven day period.

Audio only streaming of the conference call available at <http://www.media-server.com/m/p/bssei47m>

### Q4 2014 Conference Call Information

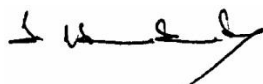
Linamar will hold a conference call on March 4th, 2015 at 5:00 p.m. EST to discuss its fourth quarter/year end results. The numbers for this call are (647) 427-3383 (local/overseas) or (888) 424-9894 (North America) confirmation number 12315094, with a call-in required 10 minutes prior to the start of the conference call. The conference call will be chaired by Linda Hasenfratz, Linamar's Chief Executive Officer. A copy of the company's quarterly/year-end financial statements, including the MD&A will be available on the company's website after 4 p.m. EST on March 4th, 2015 and at [www.sedar.com](http://www.sedar.com) by the start of business on March 5th, 2015. A taped replay of the conference call will also be made available starting at 7:45 p.m. on March 4th, 2015 for ten days. The number for replay is (855) 859-2056, Conference ID 12315094. The conference call can also be accessed by web cast at [www.linamar.com](http://www.linamar.com), by accessing the investor relations/events menu.

Audio only streaming of the conference call available at <http://www.media-server.com/m/p/tfvcrbw3>

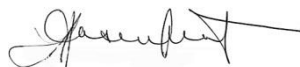
Linamar Corporation (TSX:LNR) is a diversified global manufacturing Company of highly engineered products powering vehicles, motion, work and lives. The Company is made up of 2 operating segments – the Powertrain/Driveline segment and the Industrial segment which are further divided into 3 operating groups – Machining & Assembly, Forging, and Skyjack, all world leaders in the design, development and production of highly engineered products. The Company's Machining & Assembly and Forging operating groups focus on precision metallic components, modules and systems for engine, transmission and driveline systems designed for global vehicle and industrial markets. The Company's Skyjack operating group is noted for its innovative, high quality mobile industrial equipment, notably its class-leading aerial work platforms and telehandlers. With more than 19,000 employees in 45 manufacturing locations, 5 R&D centers and 15 sales offices in 14 countries in North and South America, Europe and Asia, Linamar generated sales of \$3.6 billion in 2013. For more information about Linamar Corporation and its industry leading products and services, visit [www.linamar.com](http://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  
November 4, 2014