

Linamar Delivers Record 2014 Sales & Earnings on Nearly 50% Earnings Growth

March 4, 2015, Guelph, Ontario, Canada (TSX: LNR)

- Sales increase 16.0% over 2013 to reach \$4.2 billion;
- Adjusted operating earnings up 47% over 2013 to reach \$447.4 million;
- Adjusted net earnings and earnings per share up 48% over 2013 reaching record levels of \$320.6 million and \$4.95 respectively;
- Net margins reach 7.7%;
- Excellent level of new business wins in 2014, launch book at more than \$3.4 billion;
- Industrial segment delivers excellent growth and significant margin improvements from 2013 with operating earnings up 111.0% to \$109.7 million on a sales increase of 23.3%;
- Powertrain/Driveline delivers excellent growth and strong margin improvements with adjusted operating earnings up 33.5% to \$337.7 million from 2013 on a sales increase of 14.7%;
- Return on Capital Employed reaches 23.4% continuing our trend of solid improvements for the last 14 quarters;
- Return on Equity improves 11.0% from 2013 to reach 21.2%; and
- Positive cash flow reduces Net Debt by \$170.6 million from 2013 to \$243.1 million and total debt to capital continues to improve reaching 21.5%.

	Three Months Ended December 31		Twelve Months Ended December 31	
	2014	2013	2014	2013
(in millions of dollars, except earnings per share figures)	\$	\$	\$	\$
Sales	1,003.0	926.1	4,171.6	3,595.5
Operating Earnings (Loss)				
Powertrain/Driveline	87.1	79.6	337.7	268.1
Industrial	14.0	5.2	109.7	52.0
Operating Earnings (Loss)	101.1	84.8	447.4	320.1
Net Earnings (Loss)	71.8	68.7	320.6	229.8
Net Earnings (Loss) per Share	1.11	1.06	4.95	3.55
Unusual items	-	(13.7)	-	(13.7)
Operating Earnings (Loss) - Adjusted	101.1	69.7	447.4	305.0
Net Earnings (Loss) - Adjusted	71.8	55.0	320.6	216.1
Net Earnings (Loss) per Share - Adjusted	1.11	0.85	4.95	3.34
Unusual items				
Taxable items before tax				
1) Customer program cancellation	-	(6.3)	-	(6.3)
Tax impact	-	1.4	-	1.4
Non-Taxable Items				
2) Bargain purchase gain on acquisition of MMKG's business	-	(8.8)	-	(8.8)
Total unusual items	-	(13.7)	-	(13.7)

- 1) In 2013, a customer program ended prematurely and an appropriate settlement for the sale of certain capital assets back to the customer and recovery of certain start-up costs previously incurred was negotiated. As a result, the company recorded a recovery of \$6.3 million related to start-up costs previously incurred on the program.
- 2) During the fourth quarter of 2013 ("Q4 2013"), Linamar acquired certain assets from Muhr und Bender KG ("MKG") and Mubea Motorkomponenten GmbH ("MMKG") for MMKG's business of manufacturing and distributing assembled camshafts, in Germany, which resulted in a bargain purchase gain that was recognized during the quarter. The purchase price allocation method used for accounting determined that the fair value of assets were in excess of the purchase price. This difference is considered to be a bargain purchase gain which is required to be reported in the income statement under IFRS. See the "Current and Proposed Transactions" section of this document for additional information.

Operating Highlights

Sales for the fourth quarter of 2014 ("Q4 2014") were \$1,003.0 million, up \$76.9 million from \$926.1 million in Q4 2013.

Sales for the Powertrain/Driveline segment ("Powertrain/Driveline") increased by \$67.4 million, or 8.3% in Q4 2014 compared with Q4 2013. The sales increase in Q4 2014 was impacted by:

- higher sales resulting from favourable changes in foreign exchange rates;
- the significant levels of newly launched programs in North America;
- the acquisition of our new forging business in North Carolina acquired in Q4 2014;
- the ramp up of launching programs in Europe;
- the ramp up of launching programs and volume increases on mature programs in Asia; and
- increased volumes from the Company's commercial vehicle and power generation business in Europe.

The Industrial segment ("Industrial") product sales increased 8.4% or \$9.5 million to \$123.1 million in Q4 2014 from Q4 2013. The sales increase was due to:

- higher sales resulting from favourable changes in foreign exchange rates;
- increased North American, Asian and European sales from higher market demand for access equipment;
- market share growth for booms in Europe; and
- market share growth for scissor lifts in Asia; partially offset by
- lower demand for agricultural equipment in Europe.

The company's adjusted earnings for Q4 2014 were \$101.1 million. This compares to \$69.7 million in Q4 2013, an increase of \$31.4 million.

Q4 2014 adjusted operating earnings for Powertrain/Driveline were higher by \$22.6 million or 35.0% over Q4 2013. The Powertrain/Driveline segment experienced the following in Q4 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.

The changes in foreign exchange rates increased both sales and costs, which when combined, had an immaterial impact to operating earnings.

Industrial segment operating earnings in Q4 2014 increased \$8.8 million or 169.2% over Q4 2013. The increase in Industrial operating earnings was predominantly driven by:

- higher margins resulting from favourable changes in foreign exchange rates;
- increased demand and market share growth in the access equipment markets; and
- favourable product mix to higher margin products; partially offset by
- increased management and sales costs supporting growth.

"We are thrilled to register a fantastic fourth quarter to close out another record year in sales and earnings for Linamar," said Linamar CEO Linda Hasenfratz. "Financially we saw double digit sales and earnings growth, driven by market share growth in both our vehicle and access markets, taking margins to record levels, all of which drove great cash generation to allow us to significantly reduce debt levels. Strategically, we executed on a global forging expansion poised to add significantly to our growth and at the same time saw tremendous levels of new business wins in our core business. We have an outstanding team at Linamar which is performing at optimum levels, with an excellent outlook for continued growth over the next several years."

Dividends

The Board of Directors today declared an eligible dividend in respect to the quarter ended December 31, 2014 of CDN\$0.10 per share on the common shares of the company, payable on or after April 16, 2015 to shareholders of record on April 2, 2015.

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 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 Management's Discussion & Analysis will be available on the company's website after 4 p.m. EST on March 4th, 2015 and at 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, by accessing the investor relations/events menu.

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

Q1 2015 Conference Call Information

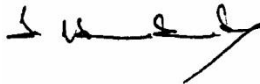
Linamar will hold a conference call on May 6, 2015 at 5:00 p.m. EST to discuss its first quarter results. The numbers for this call are (647) 427-3383 (local/overseas) or (888) 424-9894 (North America) confirmation number 12319956, with a call-in required 10 minutes prior to the start of the conference 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 6, 2015 and at www.sedar.com by the start of business on May 7, 2015. A taped replay of the conference call will also be made available starting at 7:45 p.m. on May 6, 2015 for ten days. The number for replay is (855) 859-2056, Conference ID 12319956. The conference call can also be accessed by web cast at 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/q3vqizmu>

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 and 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 19,500 employees in 48 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 \$4.2 billion in 2014. 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 4, 2015