

## Linamar Records Substantial Improvement Over 2009 Results, Adds to Launch Backlog

November 11, 2010, Guelph, Ontario, Canada

- Sales increase 32.1% over the third quarter of 2009 (“Q3 2009”);
- Reported net earnings of \$21.0 million or \$0.32 per share;
- Adjusted operating earnings up almost \$24.2 million or over 400% over Q3 2009.
- Launch backlog accelerates to nearly \$2.1 billion
- Access market showing positive signs

	Three Months Ended September 30	
	2010	2009
(in millions of dollars, except earnings per share figures)	\$	\$
Sales	\$ 556.3	\$ 421.1
Operating Earnings (Loss)		
Powertrain/Driveline	36.8	12.0
Industrial	(6.8)	(8.5)
Operating Earnings (Loss)	\$ 30.0	\$ 3.5
Unusual Items	\$ -	\$ 2.3
<b>Operating Earnings (Loss) – Adjusted</b>	<b>\$ 30.0</b>	<b>\$ 5.8</b>
Net Earnings (Loss) attributable to shareholders of the company	21.0	(0.5)
Unusual Items	-	1.6
<b>Net Earnings (Loss) attributable to shareholders of the company – Adjusted</b>	<b>21.0</b>	<b>1.1</b>
Earnings (Loss) per Share	21.0	1.1
<b>Earnings (Loss) per Share - Adjusted</b>	<b>0.32</b>	<b>0.02</b>
Unusual Items		
Taxable Items before Tax		
1) Severance related to the global economic slow down	-	2.3
2) Capital asset impairments due to market conditions	-	-
	-	2.3
Tax Impact	-	(0.7)
	-	1.6
Non-Taxable Items		
3) Goodwill impairments	-	-
4) Intangible asset impairments	-	-
Total Unusual Items	-	1.6

## **Operating Highlights**

Sales for the third quarter of 2010 ("Q3 2010") were \$556.3 million, up \$135.2 million from \$421.1 million from Q3 2009:

Sales for the Powertrain/Driveline segment increased by \$137.1 million, or 36.2% in Q3 2010 to \$516.3 million compared to \$379.2 million in Q3 2009. The sales increase in the second quarter was impacted by the vehicle volumes starting to recover in the global vehicle markets and specifically by:

- higher sales driven by increased consumer demand in the US;
- maturing volumes of key programs that were in the start-up phase in 2008/2009 including 6 speed transmissions; and
- significant number of new business programs awarded in 2009/2010 that have started to launch in 2010

Industrial segment sales decreased 4.5%, or \$1.9 million from Q3 2009 to \$40.0 million. The sales decrease was due to:

- significant declines in demand in the agricultural equipment markets serviced by the European Fabrication Division; and partially offset by
- increases in the access equipment markets.

The company's adjusted operating earnings for Q3 2010 were \$30.0 million. This compares to \$5.8 million adjusted operating profit for Q3 2009, an increase of \$24.2 million:

- The increase was driven primarily by the better absorption of fixed costs due to the improved volume in global markets and on launch programs in the Powertrain/Driveline segments;
- Q3 2010 adjusted operating earnings of \$36.8 million for the Powertrain/Driveline segment were higher by \$23.1 million from the adjusted operating earnings of \$13.7 million in Q3 2009;
- The adjusted operating losses for the Industrial segment were \$6.8 million in Q3 2010, a decrease in loss of \$1.1 million from Q3 2009.

"We are thrilled with our triple digit year over year earnings improvements in the quarter thanks to stabilized markets and new launches," said Linamar CEO Linda Hasenfratz, "We are successfully continuing to focus on adding to our launch book as evidenced by double digit content per vehicle growth in each global region and rebuilding the organization to execute on that launch."

## **Senior Management Change**

Linamar Corporation today announced the resignation of its Chief Financial Officer, Edward (Ted) Mahood, who has been the company's CFO since January 2008. Ted is leaving the company to pursue other opportunities.

"We value the significant contributions made by Ted in his time with us", said Linda Hasenfratz, CEO; "Ted is a respected executive, has been a valued member of our team and we wish him the very best in his future endeavors."

The resignation will take effect immediately. Linda Hasenfratz, Chief Executive Officer of Linamar has assumed the additional responsibilities of Interim Chief Financial Officer until a replacement is identified. Linamar will commence a search immediately for a new Chief Financial Officer considering both internal and external candidates.

## **Dividends**

The Board of Directors today declared an eligible dividend in respect to the quarter ended September 30, 2010 of CDN\$0.06 per share on the common shares of the company, payable on or after December 10, 2010 to shareholders of record on November 26, 2010.

## **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**

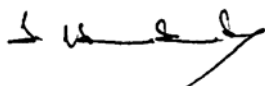
### *Q3 Conference Call Information*

Linamar will hold a conference call on November 11, 2010 at 5:00 p.m. EST to discuss its third quarter results. The numbers for this call are (647) 427-3420 (local/overseas) or (888) 300-0053 (North America) confirmation number 91337561, 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 November 11, 2010 and at [www.sedar.com](http://www.sedar.com) by the start of business on November 12, 2010. A taped replay of the conference call will also be made available starting at 11:00 p.m. on November 11, 2010 for seven days. The number for replay is (800) 642-1687, Conference ID 91337561. 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 7 day period.

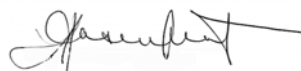
Linamar Corporation (TSX:LNR) is a diversified global manufacturing company of highly engineered products powering vehicles, motion, work and lives. The company's Powertrain and Driveline focused divisions are world leaders in the collaborative design, development and manufacture of precision metallic components, modules and systems for global vehicle and power generation markets. The company's Industrial division is a world leader in the design and production of innovative mobile industrial equipment, notably its class-leading aerial work platforms and telehandlers. With more than 11,100 employees in 38 manufacturing locations, 5 R&D centers and 11 sales offices in Canada, the US, Mexico, Germany, Hungary, the UK, China, Korea and Japan, Linamar generated sales of close to \$1.7 Billion in 2009. 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 11, 2010