

Powertrain Continues to Drive Strong Performance at Linamar

May 5, 2010 - Guelph, Ontario, Canada

- Sales increase 13.0% over the fourth quarter of 2009 ("Q4 2009") and 20.2% over the first quarter of 2009 ("Q1 2009");
- Reported net earnings of \$21.6 million or \$0.33 per share;
- Net Earnings as a % of sales is already back in the target zone of 4-6%
- Adjusted operating earnings more than double the level of Q4 2009
- Powertrain/Driveline segment adjusted operating earnings of \$39.5 million increased \$14.1 million from Q4 2009 and \$34.2 million from Q1 2009;

	Three Months Ended		
	Mar 31 2010	Dec 31 2009	Mar 31 2009
(in millions of dollars, except earnings per share figures)	\$	\$	\$
Sales	\$ 510.7	\$ 451.9	\$ 424.9
Operating Earnings (Loss)			
Powertrain/Driveline	39.5	28.8	1.7
Industrial	(7.9)	(21.0)	(0.5)
Operating Earnings (Loss)	\$ 31.6	\$ 7.8	\$ 1.2
Unusual Items	-	5.4	4.4
Operating Earnings (Loss) – Adjusted	\$ 31.6	\$ 13.2	\$ 5.6
Net Earnings (Loss)	\$ 21.6	\$ 14.6	\$ (12.6)
Unusual Items	-	(3.9)	12.0
Net Earnings (Loss) – Adjusted	21.6	10.7	(0.6)
Earnings (Loss) per Share	0.33	0.22	(0.19)
Earnings (Loss) per Share - Adjusted	0.33	0.17	(0.01)
Unusual Items			
Taxable Items before Tax			
1) Closure announcement of Invar	\$ -	\$ 6.4	\$ -
2) Inventory provision related to the global economic slow down	-	6.0	-
3) Capital asset impairments due to market conditions	-	2.8	-
4) Access equipment contract converted from previous period sale to a rental contract	-	2.5	-
5) Change in key accounting estimates	-	(12.3)	-
6) Severance related to the global economic slow down	-	-	4.4
	-	5.4	4.4
Tax Impact	-	(1.6)	(4.1)
	-	3.8	0.3
Non-Taxable Items			
7) Rate changes on future income taxes in Canada	-	(3.7)	-
8) Utilization of previously unrecognized tax losses	-	(4.0)	-
9) Goodwill impairments	-	-	11.7
Total Unusual Items after Tax	\$ -	\$ (3.9)	\$ 12.0

Operating Highlights

Sales for the first quarter of 2010 ("Q1 2010") were \$510.7 million, up \$58.8 million from \$451.9 million from Q4 2009:

- Sales for the Powertrain/Driveline segment increased by \$39.0 million, or 8.9% in Q1 2010 to \$476.6 million compared to \$437.8 million in Q4 2009. The increase was a result of improved Powertrain volumes driven from Ford, General Motors and Chrysler in North America and higher sales from launch programs;
- Industrial segment sales increased 138.4%, or \$19.8 million from Q4 2009 to \$34.1 million. This increase was due to the seasonality of the Consumer Products, the European Fabrication and the Access Equipment Divisions, as well as an unusual sales reversal in Q4 2009.

The company's operating earnings for Q1 2010 were \$31.6 million. This compares to \$13.2 million adjusted operating earnings for Q4 2009, an increase of \$18.4 million:

- The increase was driven by the better absorption of fixed costs due to the improved volume in global markets and on launch programs in both the Powertrain/Driveline and Industrial segments;
- Q1 2010 operating earnings of \$39.5 million for the Powertrain/Driveline segment were higher by \$14.1 million from adjusted operating earnings of \$25.4 million in Q4 2009;
- The adjusted operating losses for the Industrial segment were \$7.9 million in Q1 2010, a decrease in loss of \$4.3 million from adjusted Q4 2009.

Taking into account the unusual items in the respective quarters, adjusted net earnings for Q1 2010 was \$21.6 million or \$0.33 net earnings per share versus \$10.7 million or \$0.17 per share in Q4 2009.

At March 31, 2010 the amount available under the company's syndicated revolving credit facility was \$236.1 million.

"We have started off the year on a very positive note with continued sales and earnings growth both from Q1 a year ago and the fourth quarter of 2009," said Linamar CEO Linda Hasenfratz, "The combination of our strong backlog of new business coupled with market growth in key markets will be key drivers of our success in 2010."

Dividends

The Board of Directors today declared an eligible dividend in respect to the quarter ended March 31, 2010 of CDN\$0.06 per share on the common shares of the company, payable on or after June 8, 2010 to shareholders of record on May 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

Q1 Conference Call Information

Linamar will hold a conference call on May 5, 2010 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 55076381, 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 5, 2010 and at www.sedar.com by the start of business on May 6, 2010. A taped replay of the conference call will also be made available starting at 11:00 p.m. on May 5, 2010 for seven days. The number for replay is (800) 642-1687, Conference ID 55076381. 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 11, 2010 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 69714326, 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 11, 2010 and at www.sedar.com by the start of business on August 12, 2010. A taped replay of the conference call will also be made available starting at 11:00 p.m. on August 11, 2010 for seven days. The number for replay is (800) 642-1687, Conference ID 69714326. 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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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 10,400 employees in 37 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.

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