

Linamar Posts Record Year in Sales and Earnings, Sees Continued Margin Improvement

March 6, 2013, Guelph, Ontario, Canada (TSX: LNR)

- Sales increase 12.6% over 2011 to reach \$3.22 billion;
- Adjusted operating earnings up 32.7% over 2011 to reach a record level of \$218.5 million;
- Adjusted net earnings up 36.7% over 2011;
- Adjusted EPS is up 36.6% over 2011 to reach \$2.24;
- New business wins continue to be strong, launch book at more than \$2.3 billion;
- Industrial segment sales up 47.2% and operating earnings up 433.8%, ends year in the black;
- Powertrain/Driveline segment sales up 8.1% and adjusted operating earnings up 14.2% over 2011;
- Return on Capital Employed improved by 21% from Q4 2011 to reach 13.08%;
- Total Debt levels reduced further from the third quarter of 2012 (“Q3 2012”) and Debt to Total Capitalization continues to improve reaching 39.9%.

| (in millions of dollars, except earnings per share figures) | Three Months Ended December 31 | | Year Ended December 31 | |
|---|-----------------------------------|-------------|---------------------------|--------------|
| | 2012 \$ | 2011 \$ | 2012 \$ | 2011 \$ |
| Sales | 756.5 | 718.0 | 3,221.9 | 2,861.4 |
| Operating Earnings (Loss) | | | | |
| Powertrain/Driveline | 48.0 | 37.5 | 195.8 | 163.8 |
| Industrial | 0.3 | (3.9) | 22.7 | (6.8) |
| Operating Earnings (Loss) | 48.3 | 33.6 | 218.5 | 157.0 |
| Unusual Items | - | 9.8 | - | 7.6 |
| Operating Earnings (Loss) – Adjusted | 48.3 | 43.4 | 218.5 | 164.6 |
| Net Earnings Attributable to Shareholders of the Company | 30.7 | 27.0 | 146.1 | 101.4 |
| Unusual Items | - | 0.9 | (1.2) | 4.6 |
| Net Earnings (Loss) Attributable to Shareholders of the Company – Adjusted | 30.7 | 27.9 | 144.9 | 106.0 |
| Net Earnings per Share | 0.47 | 0.42 | 2.26 | 1.57 |
| Net Earnings (Loss) per Share – Adjusted | 0.47 | 0.43 | 2.24 | 1.64 |
| Unusual Items | | | | |
| Taxable Items before Tax | | | | |
| 1) Exchange loss (gain) on the 2017 and 2021 Private Placement Notes | - | (4.1) | (1.6) | 3.9 |
| 2) SES Cancellation | - | 9.8 | - | 9.8 |
| Tax Impact | - | (1.5) | 0.4 | (3.6) |
| Non-Taxable Items | | | | |
| 3) Bargain purchase gain on Famer acquisition | - | - | - | (2.2) |
| 4) Lower than expected effective tax rate | - | (3.3) | - | (3.3) |
| Total Unusual Items | - | 0.9 | (1.2) | 4.6 |

Operating Highlights

Sales for the fourth quarter of 2012 (“Q4 2012”) were \$756.5 million, up \$38.5 million from \$718.0 million in Q4 2011.

Sales for the Powertrain/Driveline segment increased by \$20.7 million, or 3.2% in Q4 2012 to \$667.7 million compared to \$647.0 million in the fourth quarter of 2011 (“Q4 2011”). The sales increase in the fourth quarter was impacted by:

- significant levels of newly launched programs from the Company’s substantial book of launch business; and
- higher volumes on increased consumer demand in the US and Asia; partially offset by:
- decreased demand in the on and off highway commercial vehicles markets primarily in Europe; and
- decreased demand in other European markets for mature programs.

Industrial segment sales increased 25.1%, or \$17.8 million from Q4 2011 to \$88.8 million. The sales increase was:

- primarily due to increases in demand in the access equipment markets resulting from fleet replacement initiatives.

The company's operating earnings for Q4 2012 were \$48.3 million. This compares to adjusted operating earnings of \$43.4 million in Q4 2011, an increase of \$4.9 million.

Q4 2012 operating earnings of \$48.0 million for the Powertrain/Driveline segment were higher by \$0.7 million from adjusted operating earnings of \$47.3 million in Q4 2011. The segment experienced the following in Q4 2012:

- improved margins as production volumes increased on launching and mature programs;
- the cancellation of the SES solar program recognized in Q4 2011 that did not recur in Q4 2012; and
- lower amount of start-up costs in comparison to the level of start-up activity in Q4 2011; partially offset by:
- investment in fixed labour and overhead costs to support the future growth of the market; and
- decreases due to the reduced volumes in the on and off highway commercial markets.

The Q4 2012 operating earnings for the Industrial segment were \$0.3 million, a 107.7% improvement from operating losses of \$3.9 million in Q4 2011. The Industrial operating earnings were predominantly driven by:

- margin improvements on the increased volumes in the access equipment market;
- the strengthening US dollar and EUR against other currencies in the quarter compared to the same period in 2011 that resulted in a foreign exchange gain in Q4 2012 as compared to a foreign exchange loss in Q4 2011; and
- decreased launch costs associated with the energy programs; partially offset by:
- continued investment in labour and fixed overhead costs at Skyjack to support the future growth in the market.

"We are very pleased to see 2013 close as a record year on all counts," said Linamar CEO Linda Hasenfratz. "Earnings growth continues to outpace sales growth by a significant factor, our balance sheet continues to strengthen positioning us well for continued growth and investment and we continue to see great improvements in ROCE and ROE. Our team has worked together to deliver fantastic results and the future looks great for us here at Linamar!"

Dividends

The Board of Directors today declared an eligible dividend in respect to the quarter ended December 31, 2012 of CDN\$0.08 per share on the common shares of the company, payable on or after April 16, 2013 to shareholders of record on April 2, 2013.

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 2012 Conference Call Information

Linamar will hold a conference call on March 6, 2013 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 61988753, 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 6, 2013 and at www.sedar.com by the start of business on March 7, 2013. A taped replay of the conference call will also be made available starting at 11:00 p.m. on March 6, 2013 for seven days. The number for replay is (855) 859-2056, Conference ID 61988753. 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.

Audio only streaming of the conference call available. Follow this link to connect <http://www.meetview.com/linamar20130306>

Q1 2013 Conference Call Information

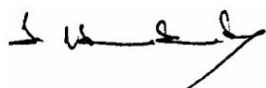
Linamar will hold a conference call on May 8, 2013 at 5:00 p.m. EST to discuss its first quarter results. The numbers for this call are (647) 427-3383 (local/overseas) or (888) 424-9894 (North America) confirmation number 98663569, with a call-in required 10 minutes prior to the start of the conference 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 8, 2013 and at www.sedar.com by the start of business on May 9, 2013. A taped replay of the conference call will also be made available starting at 11:00 p.m. on May 8, 2013 for seven days. The number for replay is (855) 859-2056, Conference ID 98663569. 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.

Audio only streaming of the conference call available. Follow this link to connect <http://www.media-server.com/m/p/9648w6ew>

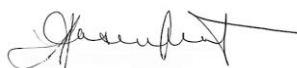
Linamar Corporation (TSX:LNR) is a diversified global manufacturing Company of highly engineered products powering vehicles, motion, work and lives. The Company is made up of 2 operating segments – the Powertrain/Driveline segment and the Industrial segments which are further divided into 4 key divisions – 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 its innovative, high quality mobile industrial equipment, notably its class-leading aerial work platforms and telehandlers. With more than 17,200 employees in 40 manufacturing locations, 5 R&D centers and 15 sales offices in 12 countries in North America, Europe and Asia, Linamar generated sales of more than \$3.22 Billion in 2012. For more information about Linamar Corporation and its industry leading products and services, visit www.linamar.com

* * * * *

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 6, 2013