

Linamar Posts Record Quarter in Earnings with Strong Margin Performance, Launch Book Grows

May 8, 2013, Guelph, Ontario, Canada (TSX: LNR)

- Operating earnings up 24.7% over the first quarter of 2012 (“Q1 2012”) to reach \$71.7 million;
- Adjusted net earnings up 26.0% over Q1 2012 to reach \$48.4 million;
- Adjusted EPS is up 27.1% over Q1 2012 to reach \$0.75;
- New business wins continue to be strong, launch book at nearly \$2.5 billion;
- Industrial segment operating earnings up 120.0% to \$14.3 million on slightly declining sales; showing significant margin improvements from Q1 2012;
- Powertrain/Driveline operating earnings up 12.5% from Q1 2012 on sales up 1.5% despite market declines; and
- Return on Equity reaches 17.9% and Return on Capital Employed improves to 13.3%.

	Three Months Ended	
	2013	2012
(in millions of dollars, except earnings per share figures)	\$	\$
Sales	846.6	839.8
Operating Earnings (Loss)		
Powertrain/Driveline	57.5	51.0
Industrial	14.2	6.5
Operating Earnings (Loss)	71.7	57.5
Net Earnings Attributable to Shareholders of the Company	48.4	39.6
Unusual Items	-	(1.2)
Net Earnings (Loss) Attributable to Shareholders of the Company – Adjusted	48.4	38.4
Net Earnings per Share	0.75	0.61
Net Earnings (Loss) per Share – Adjusted	0.75	0.59
Unusual Items		
Taxable Items before Tax		
1) Exchange loss (gain) on the 2021 Private Placement Notes	-	(1.6)
Tax Impact	-	0.4
Total Unusual Items	-	(1.2)

Operating Highlights

Sales for the first quarter of 2013 (“Q1 2013”) were \$846.6 million, up \$6.8 million from \$839.8 million in Q1 2012.

Sales for the Powertrain/Driveline segment increased by \$10.6 million, or 1.5% in Q1 2013 to \$709.1 million compared to \$698.5 million in Q1 2012. The sales increase in the first quarter was impacted by:

- increased North American sales as a result of the significant levels of newly launched programs being largely offset by reductions in the on and off highway commercial vehicle markets;
- increased European sales due to substantial levels of programs being launched being offset by the reduction in both the automotive vehicle and the on and off highway commercial vehicle markets; and
- increased Asian sales as a result of the ramp up of programs in launch and higher volumes on mature programs.

Industrial segment sales decreased slightly by 2.7% or \$3.8 million from Q1 2012 to \$137.5 million. The sales decrease was:

- due to decreases in demand in the access equipment markets in Europe; largely offset by:
- higher sales from newly established operations in emerging global markets such as Brazil.

The company's operating earnings for Q1 2013 were \$71.7 million, an increase of \$14.2 million or 24.7%.

Q1 2013 operating earnings of \$57.4 million for the Powertrain/Driveline segment were higher by \$6.4 million from operating earnings of \$51.0 million in Q1 2012. The segment experienced the following in Q1 2013:

- improved margins as production volumes increased on launching and mature programs;
- better margins as a result of productivity and efficiency improvements;
- higher margins as a result of a favourable sales mix to highly capital intensive programs which inherently have higher margins to meet return expectations;
- lower amount of start-up costs in comparison to the level of start-up activity in Q1 2012; partially offset by:
- decreases due to the reduced volumes in the on and off highway commercial markets in Europe and North America; and
- investments in fixed labour and overhead costs to support the future growth of the market.

The Q1 2013 operating earnings for the Industrial segment were \$14.3 million, a 120.0% improvement from operating earnings of \$6.5 million in Q1 2012. The Industrial operating earnings were predominantly driven by:

- the strengthening EUR against other currencies in the quarter compared to the same period in 2012 that resulted in a foreign exchange gain in Q1 2013 as compared to a foreign exchange loss in Q1 2012;
- margin improvements on product launches in the access equipment market;
- decreased launch costs associated with the energy programs; and
- favourable mix towards higher margin sales.

"We are thrilled with our first quarter results, notching another new record in earnings performance," said Linamar CEO Linda Hasenfratz. "Launches are performing extremely well, our launch book continues to grow and a strong focus on efficiency and productivity is driving fantastic margin improvement. Despite a reasonably flat outlook for global markets our outlook remains extremely positive for double digit earnings growth in 2013."

Dividends

The Board of Directors today declared an eligible dividend in respect to the quarter ended March 31, 2013 of CDN\$0.08 per share on the common shares of the company, payable on or after June 3, 2013 to shareholders of record on May 24, 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

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>

Q2 2013 Conference Call Information

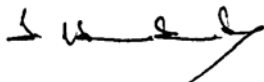
Linamar will hold a conference call on August 14, 2013 at 5:00 p.m. EST to discuss its second quarter results. The numbers for this call are (647) 427-3383 (local/overseas) or (888) 424-9894 (North America) confirmation number 59537009, with a call-in required 10 minutes prior to the start of the conference 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 August 14, 2013 and at www.sedar.com by the start of business on August 15, 2013. A taped replay of the conference call will also be made available starting at 11:00 p.m. on August 14, 2013 for seven days. The number for replay is (855) 859-2056, Conference ID 59537009. 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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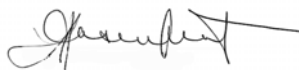
Linamar Corporation (TSX:LNR) is a diversified global manufacturing Company of highly engineered products powering vehicles, motion, work and lives. The Company is made up of 2 operating segments – the Powertrain/Driveline segment and the Industrial segments which are further divided into 4 key divisions – 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 17,400 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

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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
May 8, 2013