MANAGEMENT DISCUSSION & ANALYSIS

Linamar Corporation

December 31, 2013 and December 31, 2012
(in millions of dollars)

LINAMAR CORPORATION
Management's Discussion and Analysis
For the Year Ended December 31, 2013

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") of Linamar Corporation ("Linamar" or the "Company") should be read in conjunction with its consolidated financial statements for the year ended December 31, 2013. This MD&A has been prepared as at March 5, 2014. The financial information presented herein has been prepared on the basis of International Financial Reporting Standards ("IFRS"). All amounts in this MD&A are in millions of Canadian dollars, unless otherwise noted.

Additional information regarding Linamar, including copies of its continuous disclosure materials such as its annual information form, is available on its website at www.linamar.com or through the SEDAR website at www.sedar.com.

OVERALL CORPORATE PERFORMANCE

Overview of the Business

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 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 18,000 employees in 42 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 $3.5 billion in 2013. For more information about Linamar Corporation and its industry leading products and services, visit www.linamar.com.

Overall Corporate Results

The following table sets out certain highlights of the Company's performance in 2013 and 2012:

	Three Months Ended December 31				Year Ended December 31			
	2013	2012	+/-	+/-	2013	2012	+/-	+/-
(in millions of dollars, except content per vehicle numbers)	$	$	$	%	$	$	$	%
Sales	926.1	756.5	169.6	22.4%	3,595.5	3,221.9	373.6	11.6%
Gross Margin	136.7	91.9	44.8	48.7%	506.1	385.6	120.5	31.3%
Operating Earnings (Loss)[1]	84.8	48.3	36.5	75.6%	320.1	218.5	101.6	46.5%
Earnings (Loss) from Continuing Operations	68.7	30.7	38.0	123.8%	229.8	146.1	83.7	57.3%
Net Earnings (Loss)	68.7	30.7	38.0	123.8%	229.8	146.1	83.7	57.3%
Unusual items[1]	(13.7)	-	(13.7)		(13.7)	(1.2)	(12.5)	
Net Earnings (Loss) – Adjusted[1]	55.0	30.7	24.3	79.2%	216.1	144.9	71.2	49.1%
Net Earnings (Loss) per Share – Adjusted[1]	0.85	0.47	0.38	80.9%	3.34	2.24	1.10	49.1%
Net Earnings (Loss) per Share	1.06	0.47	0.59	125.5%	3.55	2.26	1.29	57.1%
Content per Vehicle – North America	129.91	116.87	13.04	11.2%	125.15	121.35	3.80	3.1%
Content per Vehicle – Europe	17.38	14.78	2.60	17.6%	14.45	12.24	2.21	18.1%
Content per Vehicle – Asia Pacific	6.12	4.65	1.47	31.6%	5.40	4.16	1.24	29.8%

The changes in these financial highlights are discussed in detail in the following sections of this analysis.

[1] For more information refer to the "Non-GAAP and Additional GAAP Measures" section of this MD&A

Certain unusual items affected earnings in 2013 and 2012 as noted in the table below:

	Three Months Ended December 31		Year Ended December 31	
	2013	2012	2013	2012
(in millions of dollars, except per share figures)	$	$	$	$
Net Earnings (Loss)	68.7	30.7	229.8	146.1
Earnings (Loss) per Share	1.06	0.47	3.55	2.26
Adjustments due to unusual items				
Taxable Items before Tax				
1) Exchange loss (gain) on the Private Placement Notes	-	-	-	(1.6)
2) Premature ending of a customer program	(6.3)	-	(6.3)	-
Tax Impact	1.4	-	1.4	0.4
	(4.9)	-	(4.9)	(1.2)
Non-Taxable Items				
3) Bargain purchase gain on the acquisition of MMKG's business	(8.8)	-	(8.8)	-
Adjusted Net Earnings (Loss)	55.0	30.7	216.1	144.9
As a percentage of Sales	6.0%	4.1%	6.0%	4.5%
Change over Prior Year	79.2%		49.1%	
Adjusted Earnings (Loss) per Share	0.85	0.47	3.34	2.24

1) The weakening US dollar against the Canadian dollar in the first quarter of 2012 ("Q1 2012") resulted in a foreign exchange gain on the translation of the USD $130 million of private placement senior unsecured notes ("2021 Notes") that were issued on September 15, 2011. During Q1 2012, the Company entered into a series of forward exchange contracts to lock in the exchange rate related to the 2021 Notes.

2) 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.

3) During the fourth quarter of 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.

BUSINESS SEGMENT REVIEW

The Company reports its results of operations in two business segments: Powertrain/Driveline and Industrial. The segments are differentiated by the products that each produces and reflects how the chief decision makers of the Company manage the business. The following should be read in conjunction with Note 28 to the Company's consolidated financial statements for the year ended December 31, 2013.

			Three Months Ended December 31 2013			Three Months Ended December 31 2012
(in millions of dollars)	Powertrain /Driveline $	Industrial $	Linamar $	Powertrain /Driveline $	Industrial $	Linamar $
Sales	812.5	113.6	926.1	667.7	88.8	756.5
Operating Earnings (Loss)	79.6	5.2	84.8	48.0	0.3	48.3
Unusual Items	(15.1)	-	(15.1)	-	-	-
Operating Earnings (Loss) – Adjusted	64.5	5.2	69.7	48.0	0.3	48.3

			Twelve Months Ended December 31 2013			Year Ended December 31 2012
(in millions of dollars)	Powertrain /Driveline $	Industrial $	Linamar $	Powertrain /Driveline $	Industrial $	Linamar $
Sales	3,034.0	561.5	3,595.5	2,741.2	480.7	3,221.9
Operating Earnings (Loss)	268.1	52.0	320.1	195.8	22.7	218.5
Unusual Items	(15.1)	-	(15.1)	-	-	-
Operating Earnings (Loss) – Adjusted	253.0	52.0	305.0	195.8	22.7	218.5

Powertrain/Driveline Highlights

				Three Months Ended December 31				Year Ended December 31
(in millions of dollars)	2013 $	2012 $	+/- $	+/- %	2013 $	2012 $	+/- $	+/- %
Sales	812.5	667.7	144.8	21.7%	3,034.0	2,741.2	292.8	10.7%
Operating Earnings (Loss)	79.6	48.0	31.6	65.8%	268.1	195.8	72.3	36.9%
Unusual Items:								
Customer Program Cancellation	(6.3)	-	(6.3)		(6.3)	-	(6.3)	
Bargain purchase gain on MMKG's business acquisition	(8.8)	-	(8.8)		(8.8)	-	(8.8)	
	(15.1)	-	(15.1)		(15.1)	-	(15.1)	
Operating Earnings (Loss) – Adjusted	64.5	48.0	16.5	34.4%	253.0	195.8	57.2	29.2%

Sales for the Powertrain/Driveline segment ("Powertrain/Driveline") increased by $144.8 million, or 21.7% in Q4 2013 compared with Q4 2012. The sales increase in Q4 2013 was impacted by:

- increased North American sales as a result of the significant levels of newly launched programs;
- increased Asian sales as a result of the ramp up of programs in launch and higher volumes on mature programs; and
- increased European sales due to substantial levels of programs launching and increases in volumes from our on and off highway commercial vehicle customers.

The 2013 sales for Powertrain/Driveline increased by $292.8 million, or 10.7% compared with 2012. The same factors that impacted Q4 2013 also impacted the annual results with the exception that on and off highway commercial vehicle customer volumes have decreased on a full year basis, specifically in North America and Europe.

Q4 2013 operating earnings for Powertrain/Driveline were higher by $31.6 million or 65.8% over Q4 2012. The Powertrain/Driveline segment experienced the following in Q4 2013:

- improved margins as production volumes increased on launching and mature programs;
- the bargain purchase gain recognized as a result of acquiring MMKG's business of manufacturing and distributing assembled camshafts;
- the recovery related to premature ending of a customer program;
- better margins as a result of productivity and efficiency improvements; and
- a lower amount of start-up costs in comparison to the level of start-up activity in Q4 2012.

The 2013 operating earnings increased by $72.3 million or 36.9% compared with 2012. 2013 was impacted by:

- improved margins as production volumes increased on launching and mature programs;
- a lower amount of start-up costs in comparison to the level of start-up activity in 2012;
- better margins as a result of productivity and efficiency improvements;
- the bargain purchase gain recognized as a result of acquiring MMKG's business of manufacturing and distributing assembled camshafts; and
- the recovery related to premature ending of a customer program; partially offset by:
- continued investments in labour and overhead costs to support the future growth of the market; and to a lesser extent
- decreases due to the reduced volumes in the on and off highway commercial vehicle markets in North America and Europe experienced earlier in the year.

Industrial Highlights

				Three Months Ended December 31				Year Ended December 31
	2013	2012	+/-	+/-	2013	2012	+/-	+/-
(in millions of dollars)	$	$	$	%	$	$	$	%
Sales	113.6	88.8	24.8	27.9%	561.5	480.7	80.8	16.8%
Operating Earnings (Loss)	5.2	0.3	4.9	1,633.3%	52.0	22.7	29.3	129.1%

The Industrial segment ("Industrial") product sales increased 27.9% or $24.8 million to $113.6 million in Q4 2013 from Q4 2012. The sales increase was due to:

- increases in demand in the access equipment markets in both North America and Europe;
- increased market share particularly in boom products at Skyjack; and
- higher sales from emerging global markets such as Brazil.

The 2013 sales for the Industrial segment increased by $80.8 million, or 16.8% compared with 2012. The same factors that impacted Q4 2013 also impacted 2013 with a greater weighting on the higher sales from emerging global markets experienced earlier in the year.

Industrial segment operating earnings in Q4 2013 increased $4.9 million or 1,633.3% over Q4 2012. The increase in Industrial operating earnings was predominantly driven by:

- market share growth and increased demand in the access equipment market; and
- productivity and efficiency improvements driven by higher volumes on new products and cost savings initiatives on mature products.

The 2013 operating earnings increased by $29.3 million or 129.1% compared with 2012. 2013 was impacted by the same factors as Q4 2013 with a heavier weighting on margin improvements in the access equipment market; partially offset by continued investment in labour and fixed overhead costs at Skyjack to support the future growth in the market.

AUTOMOTIVE SALES AND CONTENT PER VEHICLE[1]

Automotive sales by region in the following discussion are determined by the final vehicle production location and, as such, there are differences between these figures and those reported under the geographic segment disclosure, which are based primarily on the Company's location of manufacturing and include both automotive and non-automotive sales. These differences are the result of products being sold directly to one continent, and the final vehicle being assembled on another continent. It is necessary to show the sales based on the vehicle build location to provide accurate comparisons to the production vehicle units for each continent.

In addition to automotive Original Equipment Manufacturers ("OEMs"), the Company sells powertrain parts to a mix of automotive and non-automotive manufacturers that service various industries such as power generation, construction equipment, marine and automotive. The final application of some parts sold to these manufacturers is not always clear; however the Company estimates the automotive portion of the sales for inclusion in its content per vehicle calculations. The allocation of sales to regions is based on vehicle production volume estimates from industry sources, published closest to the quarter end date. As these estimates are updated, the Company's sales classifications can be impacted. For informational purposes, the tables below present content per vehicle calculations with the automotive sales allocations for 2013 and 2012, updated where applicable.

	Three Months Ended December 31				Year Ended December 31			
(in millions of dollars except Content Per Vehicle figures)	2013	2012	+/-	%	2013	2012	+/-	%
North America								
Vehicle Production Units[2]	4.14	3.89	0.25	6.4%	16.61	15.85	0.76	4.8%
Automotive Sales	$ 537.6	$ 454.2	$ 83.4	18.4%	$ 2,078.5	$ 1,923.8	$ 154.7	8.0%
Content Per Vehicle	$ 129.91	$ 116.87	$ 13.04	11.2%	$ 125.15	$ 121.35	$ 3.80	3.1%
Europe								
Vehicle Production Units[2]	4.77	4.63	0.14	3.0%	19.27	19.21	0.06	0.3%
Automotive Sales	$ 82.8	$ 68.4	$ 14.4	21.1%	$ 278.4	$ 235.2	$ 43.2	18.4%
Content Per Vehicle	$ 17.38	$ 14.78	$ 2.60	17.6%	$ 14.45	$ 12.24	$ 2.21	18.1%
Asia Pacific								
Vehicle Production Units[2]	11.15	9.90	1.25	12.6%	42.61	38.45	4.16	10.8%
Automotive Sales	$ 68.2	$ 46.1	$ 22.1	47.9%	$ 230.1	$ 159.8	$ 70.3	44.0%
Content Per Vehicle	$ 6.12	$ 4.65	$ 1.47	31.6%	$ 5.40	$ 4.16	$ 1.24	29.8%

North American automotive sales for Q4 2013 increased 18.4% from Q4 2012 in a market that saw an increase of 6.4% in production volumes for the same period. As a result, content per vehicle in Q4 2013 increased from $116.87 in Q4 2012 to $129.91. The increase in North American content per vehicle was a result of significant sales increases on launching programs which was partially offset by the market share gain for OEMs that the Company does not sell to.

European automotive sales increased 21.1% or $14.4 million in a market that increased 3.0% compared to Q4 2012. As a result, the content per vehicle increased 17.6% to $17.38 from $14.78 in Q4 2012. The increase in European content per vehicle is primarily due to significant sales increases on launching programs in Europe.

Asia Pacific automotive sales increased $22.1 million or 47.9% to $68.2 million as compared to Q4 2012. Vehicle production volumes increased 1.25 million to 11.15 million, a 12.6% increase, and as a result, content per vehicle increased 31.6% to $6.12 from $4.65 in Q4 2012. Asia Pacific content per vehicle increased due to higher sales from launching programs and increased volumes on existing programs.

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[1] Measured as the amount of the Company's automotive sales dollars per vehicle, not including tooling sales. Content per vehicle ("CPV") does not have a standardized meaning and therefore is unlikely to be comparable to similar measures presented by other issuers. CPV is an indicator of the Company's market share for the automotive markets that it operates in.

[2] Vehicle production units are derived from industry sources and are shown in millions of units. North American vehicle production units used by the Company for the determination of the Company's content per vehicle include medium and heavy truck volumes. European and Asia Pacific vehicle production units exclude medium and heavy trucks and the off-road (heavy equipment) market. All vehicle production volume information is as regularly reported by industry sources. Industry sources release vehicle production volume estimates based on the latest information from the Automotive Manufacturers and update these estimates as more accurate information is obtained. The Company will, on a quarterly basis, update Content per Vehicle for the current fiscal year in its MD&A as these volume estimates are revised by the industry sources. The Content per Vehicle figures in this MD&A reflect the volume estimates that were published closest to the quarter end date by the industry sources. These updates to vehicle production units have no effect on the Company's financial statements for those periods.

SELECTED ANNUAL INFORMATION

The following table sets out selected financial data relating to the Company's years ended December 31, 2013, 2012 and 2011. This financial data should be read in conjunction with the Company's audited consolidated financial statements for these years:

(in millions of dollars, except per share amounts)	2013 $	2012 $	2011 $
Sales	3,595.5	3,221.9	2,861.4
Earnings (Loss) from Continuing Operations attributable to Shareholders of the Company	229.8	146.1	101.4
Net Earnings (Loss) attributable to Shareholders of the Company	229.8	146.1	101.4
Unusual Items	(13.7)	(1.2)	4.6
Net Earnings (Loss) - Adjusted	216.1	144.9	106.0
Total Assets	2,629.1	2,411.8	2,221.2
Total Long-term Liabilities	567.2	789.8	711.7
Cash Dividends declared per share	0.32	0.32	0.32
Earnings Per Share From Continuing Operations:			
Basic	3.55	2.26	1.57
Diluted	3.52	2.25	1.56
Earnings Per Share From Net Earnings:			
Basic	3.55	2.26	1.57
Diluted	3.52	2.25	1.56

The unusual items in the above table were previously discussed in this analysis for 2013 and 2012. The unusual items for 2011 consisted of the following items:

1) In 2011, the Sterling Energy Systems ("SES") Solar program was on hold pending the outcome of SES's process to obtain additional financing. SES was not successful in obtaining the necessary financing and as a result on September 29, 2011, SES filed for Chapter 7 bankruptcy. As a result, the Company recorded a charge to income in Q4 2011 of $9.8 million which relates to costs to terminate supply contracts and impairment charges on certain fixed assets related to the SES program.

2) The weakening US dollar against the Canadian dollar in the fourth quarter of 2011 ("Q4 2011") and the first quarter of 2012 ("Q1 2012") resulted in a foreign exchange gain on the translation of the USD $130 million 2021 Notes that were issued on September 15, 2011. During Q1 2012, the Company entered into a series of forward exchange contracts to lock in the exchange rate related to the 2021 Notes.

3) The Company experienced a lower than expected tax rate during the fourth quarter of 2011 in comparison to the expected rate of 23%. The lower rate was primarily due to valuation allowance reversals in Q4 2011.

RESULTS OF OPERATIONS

Gross Margin

	Three Months Ended December 31		Year Ended December 31	
(in millions of dollars)	2013	2012	2013	2012
Sales	$926.1	$756.5	$3,595.5	$3,221.9
Cost of sales before amortization	731.5	615.3	2,874.1	2,647.0
Amortization	57.9	49.3	215.3	189.3
Cost of Sales	789.4	664.6	3,089.4	2,836.3
Gross Margin	$136.7	$91.9	$506.1	$385.6
Gross Margin Percentage	14.8%	12.1%	14.1%	12.0%

Gross margin percentage increased to 14.8% in Q4 2013 from 12.1% in Q4 2012. Cost of sales before amortization as a percentage of sales decreased in Q4 2013 to 79.0% compared to 81.3% for the same quarter of last year.

The decrease in cost of sales before amortization as a percentage of sales between Q4 2013 and Q4 2012 is a result of the items discussed earlier in this analysis such as:

- improved margins as production volumes increased on launching and mature programs;
- the bargain purchase gain;
- the customer program recovery;
- better margins as a result of productivity and efficiency improvements; and
- reduced launch costs.

Q4 2013 amortization increased to $57.9 million from $49.3 million in Q4 2012 due to the significant number of programs that have been launching over the past year. Amortization as a percentage of sales decreased to 6.3% of sales as compared to 6.5% in Q4 2012, which reflects the improved utilization of fixed assets.

2013 gross margin increased to 14.1% from 12.0% in 2012. The increase in the annual gross margin was a result of the items discussed earlier in this analysis such as:

- improved margins as production volumes increased on launching and mature programs;
- reduced launch costs;
- better margins as a result of productivity and efficiency improvements;
- the bargain purchase gain; and
- the customer program cancellation recovery; partially offset by:
- reduced volumes in the on and off highway commercial vehicle markets in North America and Europe experienced earlier in the year.

Selling, General and Administration

	Three Months Ended December 31		Year Ended December 31	
(in millions of dollars)	2013	2012	2013	2012
Selling, general and administrative	$51.2	$45.2	$183.2	$165.6
SG&A Percentage	5.5%	6.0%	5.1%	5.1%

Selling, general and administrative ("SG&A") costs increased to $51.2 million from $45.2 million in Q4 2012, and decreased as a percentage of sales to 5.5% in Q4 2013 from 6.0% when compared to Q4 2012. Included in SG&A costs for the quarter were the following impacts:

- increased management costs supporting growth; and
- additional costs from new and expanded facilities.

On an annual basis, SG&A costs reflected a similar pattern of higher dollar costs due to investments made to support launches, future growth and new facilities, driving consistent costs as a percent of sales from a year ago at 5.1%.

Finance Expense and Income Taxes

	Three Months Ended December 31		Year Ended December 31	
	2013	2012	2013	2012
(in millions of dollars)	$	$	$	$
Operating Earnings (Loss)	84.8	48.3	320.1	218.5
Finance Expenses	6.1	8.5	29.5	30.3
Provision for (Recovery of) Income Taxes	10.0	9.1	60.8	42.1
Earnings (Loss) from Continuing Operations	68.7	30.7	229.8	146.1
Net Earnings (Loss)	68.7	30.7	229.8	146.1

Finance Expenses

Finance costs during Q4 2013 decreased $2.4 million over Q4 2012 to $6.1 million due to the reduced rates with the amendment of the credit agreement during Q2 2013, reduced borrowing levels and increased interest earned. In 2013, finance costs decreased $0.8 million from 2012 to $29.5 million, as a result of the same factors as Q4 2013 which were offset by the foreign exchange impact on long-term debt and derivatives.

Interest on long-term debt during Q4 2013 decreased $1.3 million over Q4 2012 to $7.5 million. Interest on long-term debt in the quarter was:

- decreased due to lower borrowing rates with the amendment of the revolving credit facility in Q2 2013 and a further reduction in borrowing rates in Q3 2013 due to the Company's improved leverage ratio; and
- decreased due to lower borrowing levels.

Interest on long-term debt during 2013 decreased $2.3 million over 2012 to $30.6 million due to the same factors that impacted Q4 2013.

The consolidated effective interest rate for Q4 2013 decreased to 4.5% (4.5% in 2013) compared to 4.6% for Q4 2012 (4.6% in 2012). Without the impacts of the ineffective portion of interest rate swaps, the effective rate would have been 4.7% for Q4 2013 (4.6% in 2013) and 4.8% for Q4 2012 (4.7% in 2012).

The foreign exchange gain on debt and derivatives during Q4 2013 increased $0.8 million over Q4 2012 to a gain of $0.7 million. The primary factors were the foreign exchange impact on the hedges of the USD $130 million private placement notes (the "2017 Notes") that were placed during 2010 and the 2021 Notes.

The foreign exchange loss on debt and derivatives during 2013 increased $2.4 million over the gain in 2012 to a loss of $0.5 million. The primary factors were:

- a foreign exchange gain in Q1 2012 on the revaluation of the 2021 Notes before they were hedged in Q1 2012; and
- the marked to market adjustment on the 2014 Notes fair value hedge.

Provision for Income Taxes

The effective tax rate for Q4 2013 was 12.7%, a decrease from the 22.9% rate in the same quarter of 2012. The effective tax rate in Q4 2013 was:

- decreased due to the impact of a tax rate change in Mexico on deferred tax assets that occurred in Q4 2013;
- decreased based on increased valuation allowance reversals related to certain Mexico, Canadian and German operations over Q4 2012 levels;
- decreased due to downward adjustments recognized in Q4 2013 in relation to the tax of prior years that did not occur in Q4 2012;
- decreased because the bargain purchase gain added to income in Q4 2013 is not subject to income tax; and
- decreased based on a favourable mix of foreign tax rates in Q4 2013 compared to Q4 2012; partially offset by:
- an increase from the unrecognized benefit of losses experienced in Europe.

The effective tax rate for 2013 was 20.9% compared to 22.4% in 2012. The reduction is a result of the same factors that impacted the quarter.

EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE COMPANY

Book value per share[1] increased to $20.89 per share at December 31, 2013 as compared to $16.24 per share at December 31, 2012.

During the year no options expired unexercised, 23,434 options were forfeited and 55,852 options were exercised for proceeds of $0.8 million.

OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares, of which 64,775,348 common shares were outstanding as of March 5, 2014. The Company's common shares constitute its only class of voting securities. As of March 5, 2014, there were 1,790,096 options to acquire common shares outstanding and 4,550,000 options still available to be granted under the Company's share option plan.

[1] For more information refer to the "Non-GAAP and Additional GAAP Measures" section of this MD&A.

SUMMARY OF QUARTERLY RESULTS OF OPERATIONS

The following table sets forth unaudited information for each of the eight quarters ended March 31, 2012 through December 31, 2013. This information has been derived from the Company's unaudited consolidated financial statements which, in the opinion of management, have been prepared on a basis consistent with the audited consolidated financial statements and include all adjustments, consisting only of normal recurring adjustments, necessary for fair presentation of the financial position and results of operations for those periods.

(in millions of dollars, except per share figures)	Mar 31 2012 $	Jun 30 2012 $	Sep 30 2012 $	Dec 31 2012 $	Mar 31 2013 $	Jun 30 2013 $	Sep 30 2013 $	Dec 31 2013 $
Sales	839.8	852.3	773.4	756.5	846.6	929.4	893.3	926.1
Earnings (Loss) from Continuing Operations	39.6	42.1	33.7	30.7	48.4	60.7	52.0	68.7
Net Earnings (Loss)	39.6	42.1	33.7	30.7	48.4	60.7	52.0	68.7
Earnings (Loss) per Share from Continuing Operations:								
Basic	0.61	0.65	0.52	0.47	0.75	0.94	0.80	1.06
Diluted	0.61	0.65	0.52	0.47	0.74	0.93	0.80	1.05
Net Earnings (Loss) per Share:								
Basic	0.61	0.65	0.52	0.47	0.75	0.94	0.80	1.06
Diluted	0.61	0.65	0.52	0.47	0.74	0.93	0.80	1.05

The quarterly results of the Company are impacted by the seasonality of certain operational units. Earnings in the second quarter are generally positively impacted by the high selling season for the aerial work platform, other industrial and agricultural businesses. The third and fourth quarters are generally negatively impacted by the scheduled shutdowns at automotive customers and seasonal slowdowns in the aerial work platform and agricultural businesses. The Company takes advantage of shutdowns for maintenance activities that would otherwise disrupt normal production schedules.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

	Three Months Ended December 31		Year Ended December 31	
(in millions of dollars)	2013 $	2012 $	2013 $	2012 $
Cash provided by (used in):				
Operating Activities	251.2	113.9	583.7	352.8
Financing Activities	(150.9)	(11.0)	(272.3)	(6.2)
Investing Activities	(92.3)	(82.2)	(270.9)	(364.6)
Effect of Translation Adjustment	4.4	1.8	7.7	0.5
Net Increase/(Decrease) in Cash Position	12.4	22.5	48.2	(17.5)
Cash and Cash Equivalents – Beginning of Period	117.4	59.1	81.6	99.1
Cash and Cash Equivalents – End of Period	129.8	81.6	129.8	81.6
Comprised of:				
Cash and Cash Equivalents	145.0	93.9	145.0	93.9
Unpresented Cheques	(15.2)	(12.3)	(15.2)	(12.3)
	129.8	81.6	129.8	81.6

The Company's cash and cash equivalents (net of unpresented cheques) at December 31, 2013 were $129.8 million, an increase of $48.2 million compared to December 31, 2012.

Cash provided by operating activities was $251.2 million, $137.3 million more than was provided in Q4 2012 due to less cash being used to fund non-cash working capital than in Q4 2012, and the increase in net earnings over Q4 2012.

Cash provided by operating activities in 2013 was $583.7 million, $230.9 million more than was provided in 2012, due to the same factors that impacted the quarter.

During the quarter, financing activities used $150.9 million due to repayments on long-term debt, dividend payments and interest payments. Financing activities used $272.3 million in 2013 which was also used for the same purpose.

Investing activities used $92.3 million in Q4 2013 mainly for the purchase of property, plant and equipment. Investing activities in 2013 used $270.9 million for the same purpose.

Operating Activities

	Three Months Ended December 31		Year Ended December 31	
	2013	2012	2013	2012
(in millions of dollars)	$	$	$	$
Net earnings (loss) for the period	68.7	30.7	229.8	146.1
Adjustments to earnings	60.7	56.0	242.8	217.6
	129.4	86.7	472.6	363.7
Changes in non-cash working capital	121.8	27.2	111.1	(10.9)
Cash provided (used) from operating activities	251.2	113.9	583.7	352.8

Cash provided by continuing operations before the effect of changes in non-cash working capital increased $42.7 million in Q4 2013 to $129.4 million, compared to $86.7 million in Q4 2012. The annual cash provided by continuing operations before the effect of changes in non-cash working capital increased to $472.6 million in 2013 compared to $363.7 million in 2011.

Non-cash working capital for Q4 2013 decreased $121.8 million, compared to $27.2 million in Q4 2012. The decrease in Q4 2013 was due to significant decreases in accounts receivable and inventory, which were partially offset by increases in accounts payable.

Non-cash working capital decreased $111.1 million in 2013, compared to an increase of $10.9 million in 2012. 2013 experienced decreases in inventory along with increases in accounts and taxes payable. 2012 also experienced a significant improvement in non-cash working capital due to the sale of receivables agreement the Company entered into during the year.

Financing Activities

	Three Months Ended December 31		Year Ended December 31	
	2013	2012	2013	2012
(in millions of dollars)	$	$	$	$
Proceeds from (repayment of) long-term debt	(123.6)	9.3	(192.2)	69.1
Proceeds from exercise of stock options	0.4	0.1	0.8	0.1
(Increase) decrease in long-term receivables	(19.4)	(10.1)	(34.2)	(24.4)
Dividends to shareholders	(5.2)	(5.2)	(20.7)	(20.7)
Interest received (paid)	(3.1)	(5.1)	(26.0)	(30.3)
Cash provided (used) from financing activities	(150.9)	(11.0)	(272.3)	(6.2)

Financing activities for Q4 2013 used $150.9 million of cash compared to $11.0 million in Q4 2012. Financing activities in 2013 used $272.3 million of cash compared to $6.2 million in 2012.

In March 2012, the Company exercised the $100 million accordion feature on the revolving credit facility to increase the facility amount to $700 million. The exercise of this feature did not impact any other terms or conditions within the revolving credit facility including the term or covenant requirements of the agreement.

In April 2013, the Company amended and extended the revolving credit facility under substantially the same terms and conditions. The facility amount remains at $700 million with a new expiry date of April 2018.

Investing Activities

(in millions of dollars)	Three Months Ended December 31 2013 $	Three Months Ended December 31 2012 $	Year Ended December 31 2013 $	Year Ended December 31 2012 $
Payments for purchase of property, plant and equipment	(64.7)	(83.6)	(244.9)	(366.9)
Proceeds on disposal of property, plant and equipment	5.7	1.8	7.5	2.7
Payments for purchase of intangible assets	(15.0)	(0.4)	(15.2)	(0.4)
Business acquisition	(18.3)	-	(18.3)	-
Cash used for investing activities	(92.3)	(82.2)	(270.9)	(364.6)

Cash spent on investing activities for Q4 2013 was $92.3 million, down from Q4 2012 levels of $82.2 million, due to:

- the ramp curve timing of program launches and uplift program awards that occurred in Q4 2012 as compared to Q4 2013;
- the acquisition of the manufacturing and distributing assembled camshafts business; and
- expenditures related to technology development; partially offset by:
- the proceeds on the sale of assets related to the customer program recovery.

Cash spent on investing activities in 2013 was $270.9 million compared to $364.6 million in 2012. 2013 experienced the same factors as Q4 2013.

At December 31, 2013, outstanding commitments for capital expenditures under purchase orders and contracts amounted to $99.5 million ($151.5 million at December 31, 2012), which relates to the purchase of manufacturing equipment and buildings. All of these commitments are due within the next twelve months.

Capital Resources

The Company's financial condition remains solid given its strong balance sheet, which can be attributed to the Company's low cost structure, reasonable level of debt, prospects for growth and significant new programs launches. Management expects that all future capital expenditures will be financed by cash flow from operations or utilization of existing financing facilities.

At December 31, 2013, cash on hand was $129.8 million, and the Company's syndicated revolving facility had available credit of $504.8 million.

Contractual Obligations

The following table summarizes contractual obligations by category and the associated payments for the next five years:

(in millions of dollars)	Total $	Not later than 1 year $	Later than 1 year and not later than 5 years $	Later than 5 years $
Long-Term Debt Principal, excluding Capital Leases	540.9	56.0	331.2	153.7
Capital Lease Obligations[1]	2.7	0.3	1.3	1.1
Operating Leases	32.3	9.9	20.2	2.2
Purchase Obligations[2]	99.5	99.5	-	-
Total Contractual Obligations	675.4	165.7	352.7	157.0

Foreign Currency Activities

The Company pursues a strategy of balancing its foreign currency cash flows, to the largest extent possible, in each region in which it operates. The Company's foreign currency outflows for the purchases of materials and capital equipment denominated in foreign currencies are naturally hedged when contracts to sell products are denominated in those same foreign currencies. To manage the residual exposure, the Company employs hedging programs, where rate-appropriate, through the use of forward exchange contracts. The contracts are purchased based on the projected net foreign cash flows from operations.

[1] **"Capital Lease Obligations"** includes the interest component in accordance with the definition of minimum lease payments under IFRS.
[2] **"Purchase Obligations"** means an agreement to purchase goods or services that is enforceable and legally binding that specifies all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction.

The amount and timing of forward contracts is dependent upon a number of factors, including anticipated production delivery schedules, anticipated customer payment dates, anticipated foreign currency costs, and expectations with respect to future foreign exchange rates. The Company is exposed to credit risk from potential default by counterparties on its foreign exchange contracts and attempts to mitigate this risk by dealing only with relationship banks in our credit facility. Despite these measures, significant long-term movements in relative currency values could affect the Company's results of operations. The Company does not hedge the business activities of its foreign subsidiaries and, accordingly, results of operations could be further affected by a significant change in the relative values of the Canadian dollar, U.S. dollar, Euro, British pound, Hungarian forint, Mexican peso, Chinese renminbi, Japanese yen, Australian dollar, South Korean won, Swedish krona, Brazilian real and Indian rupee.

The Company is committed to long-dated forward contracts to buy U.S. dollars to hedge the changes in exchange rates on the principal portion of the U.S. $130 million Private Placement Notes ("2017 Notes") that were placed during 2010 and the U.S. $130 million 2021 Notes that were placed during 2011. These forward exchange contracts qualify as cash flow hedges for accounting purposes and any fair value unrealized gains and losses are included in other comprehensive earnings with reclassifications to net earnings for the effective portion to match the net earnings impact of the principal portion.

The Company is committed to a series of forward exchange contracts to lock in the exchange rate on the semi-annual coupon payments related to the 2017 Notes and the 2021 Notes that were placed during 2011. These forward exchange contracts qualify as cash flow hedges for accounting purposes and any fair value unrealized gains and losses are included in other comprehensive earnings with reclassifications to net earnings for the effective portion to match the net earnings impact of the coupon portion.

The Company is committed to long-dated forward contracts to buy U.S. dollars to hedge the changes in exchange rates on the principal portion of the U.S. $40 million Private Placement Notes ("2014 Notes") that were placed during 2004. These forward exchange contracts qualify as fair value hedges for accounting purposes and any fair value unrealized gains and losses are included in net earnings.

Off Balance Sheet Arrangements

The Company leases various land and buildings under cancellable and non-cancellable operating lease arrangements. The lease terms are between 1 and 20 years, and the majority of lease arrangements are renewable at the end of the lease period at market rates. The Company also leases various machinery and transportation equipment under non-cancellable operating lease arrangements. The lease terms are between 1 and 5 years and require notice for termination of the agreements. The Company expects that existing leases will either be renewed or replaced, or alternatively, capital expenditures will be incurred to acquire equivalent capacity.

Please see Note 26 of the December 31, 2013 consolidated financial statements.

Guarantees

The Company is a party to certain financial guarantees and contingent liabilities as discussed in Notes 3, 16, 17 and 26 of the December 31, 2013 consolidated financial statements.

TRANSACTIONS with RELATED PARTIES

Included in the costs of property, plant and equipment is the construction of buildings, building additions and building improvements in the aggregate amount of $4.3 million at December 31, 2013 ($13.4 million at December 31, 2012) paid to a company owned by the spouse of an officer and director. Included in the cost of sales is maintenance costs and rent of $0.4 million for Q4 2013 and $0.8 million for 2013 ($0.1 million for Q4 2012, and $0.7 million for 2012) paid to the same company. The maintenance and construction costs represent general contracting and construction activities related to plant construction, improvements, additions and maintenance for a number of facilities. Amounts owed to this company at December 31, 2013 were $1.3 million ($0.8 million as of December 31, 2012).

The Company has designed an independent process to ensure building construction and improvements are transacted at estimated fair value.

CURRENT and PROPOSED TRANSACTIONS

On October 1, 2013, the Company announced that it had completed its acquisition from MKG and MMKG of MMKG's business of manufacturing and distributing assembled camshafts, located in Hildburghausen, Thale and Thale-Warnstedt, Germany. The assets acquired consist of three facilities employing approximately 110 people. This acquisition will add lightweight and fuel efficient hydroformed and assembled camshaft technology to the Company's existing technology portfolio on camshafts. The purchase price of the assets acquired amounts to $25.4 million, with $18.3 million paid on the date of acquisition and the remainder paid over four years. The purchase price allocation method used for accounting determined fair value of assets in excess of the purchase price. This difference is considered a bargain purchase gain which is required to be reported in the income statement under IFRS.

RISK MANAGEMENT

The following risk factors, as well as the other information contained in this MD&A, and the Company's Annual Information Form for the year ended December 31, 2013 or otherwise incorporated herein by reference, should be considered carefully. These risk factors could materially and adversely affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements related to the Company.

Operational Risk

Dependence on Certain Customers
The Company's Powertrain/Driveline segment is a world leader in the collaborative design, development and manufacture of precision metallic components, modules and systems for global vehicle markets. As a result, the Company typically has a limited number of customers that individually account for more than 10% of its consolidated revenues or receivables at any given time. For 2013, the Company's four largest Powertrain/Driveline customers accounted for 59.4% of consolidated revenue (62.3% of revenue for the Powertrain/Driveline operational segment).

Typically, sales are similarly concentrated for the Industrial operational segment as product distribution is largely through major rental companies. In 2012, two major rental companies amalgamated and as a result, sales to these customers did not occur to the level anticipated in 2013. However, sales to other customers increased significantly due to the improvement in the market as the economy recovered from the economic slowdown that occurred in 2009. As a consequence, 2013 sales to the two largest Industrial customers were 3.6% of consolidated revenue (22.9% of revenue for the Industrial operational segment).

Any disruption in the Company's relationships with these major customers or any decrease in revenue from these major customers, as a consequence of current or future conditions or events in the economy or markets in general or in the automotive (including medium/heavy duty trucks) and industrial industries in particular, could have a material adverse effect on the Company's business, financial condition, or results of operations.

Sources and Availability of Raw Materials
The primary raw materials utilized by the precision machining operations are iron and aluminum castings and forgings, which are readily obtained from a variety of suppliers in North America for the Canadian, U.S. and Mexican operations. The Company is not dependent on any one supplier. Occasionally, raw material is consigned to the Company by its customers and any disruption in supply is the responsibility of that customer. The European segment sources its raw materials primarily from Europe. The Company is continuing its efforts to locate and develop strategic suppliers in Asia to deliver parts to the Company's North American facilities for further manufacturing and to create opportunities to supply the rapidly growing Asian automotive sector. During the year the Company continued to source some of its requirements from Asia. This effort will continue as the Company's presence in Asia increases.

Raw materials supply factors such as allocations, pricing, quality, timeliness of delivery, transportation and warehousing costs may affect the raw material sourcing decisions of the Company and its plants. When appropriate and available, the Company may negotiate long-term agreements with raw material suppliers to ensure continued availability of certain raw materials on favourable terms. In the event of significant unanticipated increase in demand for the Company's products and the supply of raw materials, the Company may in the future be unable to manufacture certain products in a quantity sufficient to meet its customers' demand in any particular period.

Technological Change and Product Launches
The automotive and non-automotive precision machining industry may encounter technological change, new product introductions, product abandonment, and evolving industry requirements and standards. Accordingly, the Company believes that its future success depends on its ability to launch new programs as well as enhance or develop current and future products at competitive prices and in a timely manner. The Company's inability, given technological or other reasons, to enhance, develop, or launch products in a timely

manner in response to changing market conditions or customer requirements could have a material adverse effect on the Company's results of operations. For the development and production of products, the ability for the Company to compete successfully will depend on its ability to acquire and retain competent trades people, management, and product development staff that allow the Company to quickly adapt to technological change and advances in processes. In addition, there can be no assurance that products or technologies developed by others will not render the Company's products uncompetitive or obsolete.

Financial and Capital Management Risk

Capital and Liquidity Risk

The Company is engaged in a capital-intensive business and it has fewer financial resources than some of its principal competitors. There is no assurance that the Company will be able to obtain additional debt or equity financing that may be required to successfully achieve its strategic plans.

The Company's current revolving credit facility, the 2014 Notes, the 2017 Notes and the 2021 Notes require the Company to comply with certain financial covenants, including the following:

Revolving credit facility key covenants:

(1) Net Funded Debt[1,6] ("NFD") to Earnings Before Interest, Taxes, Depreciation and Amortization[2,6] ("EBITDA") must be not more than 2.75 for the trailing four quarters on a rolling basis; and
(2) EBITDA must be not less than 3.0 times interest expense for the trailing four quarters on a rolling basis.

	Mar 31 2012	Jun 30 2012	Sep 30 2012	Dec 31 2012	Mar 31 2013	Jun 30 2013	Sep 30 2013	Dec 31 2013
NFD to EBITDA	1.9	1.7	1.7	1.6	1.5	1.3	1.2	0.9
Interest Coverage	11.8	12.0	12.6	12.5	12.9	14.1	15.5	17.6

The 2014 Notes key covenants:

(1) Book value of Consolidated Shareholders' Equity[3,6] must be not less than $450.0 million; and
(2) Consolidated Debt[4,6] to Consolidated Capitalization[5,6] must be not greater than 50%.

(in millions of dollars)	Mar 31 2012	Jun 30 2012	Sep 30 2012	Dec 31 2012	Mar 31 2013	Jun 30 2013	Sep 30 2013	Dec 31 2013
Consolidated Shareholders' Equity	$998.6	$1,030.3	$1,058.9	$1,084.5	$1,132.9	$1,183.6	$1,230.6	1,294.7
Consolidated Debt to Consolidated Capitalization	42.8%	42.1%	40.8%	40.6%	40.6%	37.4%	35.4%	30.7%

The 2017 Notes key covenants:

(1) NFD to EBITDA must be not more than 2.75 for the trailing four quarters on a rolling basis; and
(2) EBITDA must be not less than 2.5 times interest expense for the trailing four quarters on a rolling basis.

(in millions of dollars)	Mar 31 2012	Jun 30 2012	Sep 30 2012	Dec 31 2012	Mar 31 2013	Jun 30 2013	Sep 30 2013	Dec 31 2013
NFD to EBITDA	1.9	1.7	1.7	1.6	1.5	1.4	1.2	0.9
Interest Coverage	11.8	12.0	12.6	12.5	12.9	14.1	15.5	17.6

[1] "NFD" is defined in the respective agreement (the credit facility agreement or the 2017 and 2021 Notes agreements) as applicable and means, in summary, all indebtedness of the consolidated Company net of cash and cash equivalents of the Borrower and Guarantors.

[2] "EBITDA" is defined in the respective agreement (the credit facility agreement or the 2017 and 2021 Notes agreements) as applicable and means, in summary, Net Income of the consolidated Company before deduction of interest expense, taxes, depreciation, amortization and non-cash extraordinary items less any cash payments on previously provided extraordinary items made during such period, determined on a consolidated basis in accordance with GAAP.

[3] "Consolidated Shareholders' Equity" is defined in the 2014 Notes and means, in summary, the amount of the capital stock accounts plus the surplus in retained earnings of the Company and its designated Restricted Subsidiaries on a consolidated basis in accordance with GAAP.

[4] "Consolidated Debt" is defined in the 2014 Notes and means, in summary, all liabilities for borrowed money including capital leases, guarantees and letters of credit for the consolidated Company.

[5] "Consolidated Capitalization" is defined in the 2014 Notes and means, in summary, the Consolidated Debt plus Consolidated Shareholders' Equity less the capital of any unrestricted subsidiaries.

[6] The measures above do not have a standardized meaning and therefore are unlikely to be comparable to similar measures presented by other issuers.

The 2021 Notes key covenants:

(1) NFD[1,3] to EBITDA[2,3] must be not more than 2.75 for the trailing four quarters on a rolling basis; and

(2) EBITDA must be not less than 2.5 times interest expense for the trailing four quarters on a rolling basis.

(in millions of dollars)	Mar 31 2012	Jun 30 2012	Sep 30 2012	Dec 31 2012	Mar 31 2013	Jun 30 2013	Sep 30 2013	Dec 31 2013
NFD to EBITDA	1.9	1.7	1.7	1.6	1.5	1.4	1.2	0.9
Interest Coverage	11.8	12.0	12.6	12.5	12.9	14.1	15.5	17.6

Other Company credit facilities and instruments become due from time to time. There can be no assurance of the Company's ability to continue to comply with its financial covenants, to appropriately service its debt or to obtain continued commitments from debt providers or additional equity capital given current or future conditions or events in the economy or markets in general or in the Company's Powertrain/Driveline and Industrial segments in particular.

Acquisition and Expansion Risk

The Company may expand its operations, depending on certain conditions, by acquiring additional businesses, products or technologies. There can be no assurance that the Company will be able to identify, acquire or profitably manage additional businesses, or successfully integrate any acquired businesses, products or technologies into the Company without substantial expenses, delays or other operational or financial problems. Furthermore, acquisitions may involve a number of special risks, including diversion of management's attention, failure to retain key personnel, unanticipated events or circumstances, and legal liabilities, some or all of which could have a material adverse effect on the Company's business, results of operations and financial condition. In addition, there can be no assurance that acquired businesses, products or technologies, if any, will achieve anticipated revenues and income. The failure of the Company to manage its acquisition or expansion strategy successfully could have a material adverse effect on the Company's business, results of operations and financial condition.

Foreign Currency Risk

The Company's foreign currency cash flows for the purchases of materials and certain capital equipment denominated in foreign currencies are naturally hedged when contracts to sell products are denominated in those same foreign currencies. In an effort to manage the remaining exposure to foreign currency risk, the Company employs hedging programs as appropriate, primarily through the use of forward contracts. The contracts are purchased based on the projected foreign cash flows from operations.

The Company uses forecasted future cash flows of foreign currencies to determine the residual foreign exchange exposure. The purpose of the Company's foreign currency hedging activities is to minimize the effect of exchange rate fluctuations on business decisions and the resulting uncertainty on future financial results. The Company's financial instruments are referenced in Note 11 of the consolidated financial statements for the year ended December 31, 2013 which are hereby incorporated by reference herein.

Credit Risk

A substantial portion of the Company's accounts receivable are with large customers in the automotive, truck and industrial sectors and are subject to credit risks normal to those industries. At December 31, 2013, the accounts receivable from the Company's three largest customers amounted to 18.9%, 12.2% and 6.1% (December 31, 2012 – 25.3%, 13.6% and 7.5%).

Interest Rate Risk

Interest rate swap agreements are used as part of the Company's program to manage the fixed and floating interest rate mix of the Company's total debt portfolio and related overall cost of borrowing. The Company designates its interest rate hedge agreements as hedges of the underlying debt and reports any gains and losses in accumulated other comprehensive loss to the extent the swap is effective. The interest rate swap agreements involve the periodic exchange of payments without the exchange of the notional principal amount upon which the payments are based, and interest expense on the debt is adjusted to include the payments made or received under the interest rate swaps. Please see Note 11 of the consolidated financial statements for the year ended December 31, 2013 which are hereby incorporated by reference herein.

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[1] "NFD" is defined in the respective agreement (the credit facility agreement or the 2017 and 2021 Notes agreements) as applicable and means, in summary, all indebtedness of the consolidated Company net of cash and cash equivalents of the Borrower and Guarantors.

[2] "EBITDA" is defined in the respective agreement (the credit facility agreement or the 2017 and 2021 Notes agreements) as applicable and means, in summary, Net Income of the consolidated Company before deduction of interest expense, taxes, depreciation, amortization and non-cash extraordinary items less any cash payments on previously provided extraordinary items made during such period, determined on a consolidated basis in accordance with GAAP.

[3] The measures above do not have a standardized meaning and therefore are unlikely to be comparable to similar measures presented by other issuers.

Seasonality, Industry Growth, and Competition
Historically, earnings in the second quarter are positively impacted by the high selling season for both the general lift platform and agricultural businesses. Vehicle production is typically at its lowest level during the months of July and August due to model changeovers by the OEMs. Since the Company's working capital requirements are dependent upon industry production volumes, they are typically at their lowest level at this time. The Company takes advantage of summer shutdowns for maintenance activities that would otherwise disrupt normal production schedules. Production volumes in the month of December are usually negatively affected by the holiday season.

Through its Powertrain/Driveline businesses, the Company principally engages in machining and assembly for the automotive industry, which generally involves long-run processes for long-term contracts. Outsourcing of brake components and assemblies, engine components, and powertrain components by the OEMs has increased.

Management believes there is more powertrain and driveline work performed in-house by the OEMs than is currently outsourced, and therefore there is large potential for growth. However, because of various factors affecting the OEMs, such as the level of consumer spending on automobiles, labour contracts, and other economic factors, the OEMs are constantly facing volume changes and decisions on whether to outsource work or not; such changes and decisions are reflected in Linamar's results through reduced volume on some existing programs and the ability to bid on, and receive, new business.

Through its Skyjack subsidiary, the Company engages in the production and sale of aerial work platforms and telehandlers. There is a relatively defined sales cycle in this industry segment, as it is closely related to, and affected by, product life cycle and the construction sector. Therefore, the risks and fluctuations in the construction industry in the countries that Skyjack operates in also affect Skyjack's sales.

The precision machining industry in North America is characterized by a large number of manufacturers. As a result, manufacturers such as the Company tend to have a relatively small share of the North American market. Nonetheless, the Company believes that it is currently the sole supplier being used by its customers worldwide for products that represent more than half of the Company's consolidated sales.

The Company faces numerous sources of competition, including its OEM customers and their affiliated parts manufacturers, other direct competitors and product alternatives. In many product areas, the primary competition comes from in-house divisions of the OEMs. As Linamar's North American customers have faced increased cost pressures, some have decided to "outsource" some of their requirements. This outsourcing has continued to represent an additional source of new business for the Company.

Other competition in metal machining and assembly work comes from high precision machining companies which typically have several manufacturing locations and substantial capital resources to invest in equipment for high volume, high precision, and long-term contracts. Several of these companies are heavily involved in the automotive industry and are suppliers to major OEMs.

The Company believes that there are a large number of independent suppliers which have the capability to produce some or all of the components, modules and systems which the Company currently produces. In addition, some of these competitors are larger and may have access to greater resources than the Company, but the Company believes that none of them are dominant in the markets in which the Company operates. The basis for supplier selection by OEMs is not typically determined solely by price, but would also typically include such elements as quality, service, historical performance, timeliness of delivery, proprietary technologies, scope of in-house capabilities, existing agreements, responsiveness and the supplier's overall relationship with the OEM, as well as being influenced by the degree of available and unutilized capacity of resources in the OEMs' manufacturing facilities, labour relations issues and other factors. The number of competitors that OEMs solicit to bid on any individual product has, in certain circumstances, been significantly reduced and management expects that further reductions will occur as a result of the OEMs' stated intention to deal with fewer suppliers and to award those suppliers longer-term contracts.

Foreign Business Risk
The Company's operations in Europe, Mexico, and Asia, are subject to general business risks that do not exist in Canada or the United States. The political climate and government policies are less stable and less predictable in these countries. As well, Hungary, Mexico, and Asia do not currently have the same economic infrastructure as exists in Canada or the United States.

Operations outside the United States and Canada subject Linamar to other potential risks associated with international operations, including, but not limited to: complications in both compliance with and unexpected changes in foreign government laws and regulations, tariffs and other trade barriers, potential adverse tax consequences, fluctuations in currency exchange rates, difficulty in collecting accounts receivable, difficulty in staffing and managing foreign operations, events of international terrorism, economic effects of public health threats, recessionary environments in foreign economies, uncertainties in local commercial practices, and uncertainties in local

accepted business practices and standards which may not be similar to accepted business practices and standards in Canada and which may create unforeseen business or public relations situations.

Insurance

The Company's business subjects it to the risk that it may incur product liability claims, warranty or recall claims, as well as business interruption claims. No assurance can be given that the insurance coverage or insurance coverage limits of the Company would be adequate to protect it against any claims for product liability claims, warranty or recall claims, or business interruption claims that may arise. The Company may require additional insurance coverage in these areas as the Company advances its involvement with product design and development. This insurance is expensive and may not be available on acceptable terms, or at all. Any uninsured or underinsured product liability claims, warranty or recall claims, or business interruption claims could have a material adverse effect on the Company's financial condition, results of operations and prospects.

Dependence on Key Personnel

Loss of certain members of the executive team or key technical leaders of the Company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Competition for personnel throughout the industry is intense. The Company may be unable to retain its key employees or attract, assimilate, train or retain other necessary qualified employees, which may restrict its growth potential.

Regulatory Risk

Securities Laws Compliance and Corporate Governance Standards

The securities laws in Canada and abroad have been changing since the collapse of Enron Corporation in the United States and the subsequent introduction of strengthened securities and governance laws such as the Sarbanes-Oxley Act. Canada has implemented similar laws. The Company has complied with Canadian Securities Administrators ("CSA") National Instruments 52-109, and 52-110, among others.

Tax Laws

The tax laws in Canada and abroad are continuously changing. Over the past several years, the corporate tax rate in Canada has been decreasing. There is no assurance that the tax rate will continue to decrease in Canada or remain unchanged in other countries. The Company currently has tax losses and credits in Canada, Mexico, France, China, Germany and the U.S. that, given unforeseen changes in tax laws, may not continue indefinitely. Finally, the Company's expansion into emerging markets subjects the Company to a new tax regimes that may change based on political or social conditions.

Emission Standards

Recent changes in emission standards in the U.S. in certain states, such as California, may affect the future sale of certain automotive products. Even though the Company continues to implement changes to certain products via specifications from customers, there can be no assurance that the Company will be able to keep pace with these changes. The introduction of the experimental fuel cell automobile by all major automotive manufacturers may affect the products and processes the Company employs, the effect of which is currently undetermined. Some countries where the Company's products are sold, have implemented or intend to implement the Kyoto Protocol, which sets limits for emission standards. The effect of this standard has not been fully analyzed by the automotive industry and its full effect on the financial stability of the Company and its customers is as yet undetermined.

Environmental Matters

The Company's manufacturing operations are subject to a wide range of environmental laws and regulations imposed by governmental authority in the jurisdictions in which the Company conducts business. The Company has regular environmental compliance audits performed to check that wastes are disposed of in accordance with such laws. Thirty-five of the Company's manufacturing facilities meet the ISO 14001 standard. All other facilities are working towards qualifying under ISO 14001. To date, environmental laws and regulations have not had a material effect on the Company's operations or financial condition. The Company has made, and will continue to make, significant expenditures in connection with environmental matters. Changes in laws and regulations, however, and the enforcement of such laws and regulations, are ongoing and may make environmental compliance, such as emissions control, site clean-ups and waste disposal, increasingly expensive. Senior management regularly assesses the work and costs required to address environmental matters, but is not able to predict the future costs (whether or not material) that may be incurred to meet environmental obligations. Senior management is not aware of any material environmental liability facing the Company at this time.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

National Instrument 52-109, "Certification of Disclosure in Issuers' Annual and Interim Filings", issued by the CSA requires Chief Executive Officers ("CEOs") and Chief Financial Officers ("CFOs") to certify that they are responsible for establishing and maintaining disclosure controls and procedures for the issuer, that disclosure controls and procedures have been designed and are effective in providing reasonable assurance that material information relating to the issuer is made known to them, that they have evaluated the effectiveness of the issuer's disclosure controls and procedures, and that their conclusions about the effectiveness of those disclosure controls and procedures at the end of the period covered by the relevant annual filings have been disclosed by the issuer.

As of December 31, 2013, the Company's management evaluated the effectiveness of the Company's disclosure controls and procedures, as defined under rules adopted by the CSA. This evaluation was performed under the supervision of, and with the participation of, the CEO and the CFO.

The Company's management, inclusive of the CEO and the CFO, does not expect that the Company's disclosure controls and procedures will prevent or detect all error and all fraud. The inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any, within the Company have been detected.

Based on this evaluation, the CEO and the CFO have concluded that, subject to the inherent limitations noted above, the Company's disclosure controls and procedures are effective in providing reasonable, not absolute assurance that the objectives of our disclosure control system have been met.

Internal Control over Financial Reporting

National Instrument 52-109 also requires CEOs and CFOs to certify that they are responsible for establishing and maintaining internal controls over financial reporting for the issuer, that those internal controls have been designed and are effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian generally accepted accounting principles, and that the issuer has disclosed any changes in its internal controls during its most recent interim period that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

As of December 31, 2013, the Company's management evaluated the effectiveness of the Company's internal control over financial reporting, as defined under rules adopted by the CSA. This evaluation was performed under the supervision of, and with the participation of, the CEO and the CFO.

The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, internal control over financial reporting can provide only reasonable, not absolute assurance with respect to financial statement preparation and may not prevent or detect all misstatements.

Based on this evaluation, the CEO and the CFO have concluded that, subject to the inherent limitations noted above, the Company's internal control over financial reporting is effective in providing reasonable, not absolute assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Changes in Internal Controls over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the quarter ended December 31, 2013, which have materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting, except as outlined below. See "Limitation on Scope of Design" below.

Limitation on Scope of Design

The Company has limited the scope of design of our internal controls and procedures and internal controls over financial reporting to exclude controls, policies and procedures of MMKG's business of manufacturing and distributing assembled camshafts, which the Company acquired effective October 1, 2013. The chart below presents the summary financial information of MMKG's business of manufacturing and distributing assembled camshafts.

(in millions of dollars)	December 31 2013
Current assets	11.9
Long-term assets	24.1
Current liabilities	21.1
Long-term liabilities	8.1

(in millions of dollars)	Three Months Ended December 31, 2013	Year Ended December 31, 2013
Sales	6.4	6.4
Net Earnings (Loss)	6.7	6.7
Unusual item – bargain purchase gain	(8.8)	(8.8)
Net Earnings (Loss) - Adjusted	(2.1)	(2.1)

The scope limitation is in accordance with section 3.3(1) (b) of National Instrument 52-109 to which this MD&A relates, which allows an issuer to limit its design of disclosure controls and procedures and internal controls over financial reporting to exclude controls, policies and procedures of a business that the issuer acquired not more than 365 days prior to the end of the fiscal period.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make estimates and judgements about the future. Estimates and judgements are continually evaluated and are based on the historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates under different assumptions or conditions. The following discussion sets forth management's most critical estimates and assumptions in determining the value of assets and liabilities and most critical judgements in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year.

Impairment of Non-Financial Assets

Management assesses goodwill and non-financial assets for impairment based on the accounting policies stated in Note 3 of the consolidated financial statements for the year ended December 31, 2013, which are hereby incorporated by reference herein.

The Company believes that the estimate of impairment for goodwill and non-financial assets is a "critical accounting estimate" because management is required to make significant forward looking assumptions. The recoverable amounts of CGU's have been determined based on the higher of fair value less costs of disposal or value in use calculations, which require the use of estimates. Uncertain changes in the discount rate used, and forward looking assumptions regarding improvement plans, costing assumptions, timing of program launches, and production volumes may affect the fair value of estimates used. No known trends, commitments, events or other uncertainties are currently believed to materially affect the assumptions used with the exception of the length and extent of the current economic conditions that are impacting the overall global economy.

As at December 31, 2013, goodwill of $24.6 million (2012 - $23.4 million) was recorded on the consolidated balance sheet of the Company. The amount of goodwill acquired during the current year and prior year was nil. There were no impairment charges with respect to goodwill on the Company's consolidated statements of earnings for 2013 (2012 – nil).

During the year, the Company recorded an impairment of $1.3 million (2012 – nil) for plant, property and equipment related to powertrain/drivelines programs that had ended or were cancelled during the year.

Current Income Taxes

The Company is subject to income taxes in numerous jurisdictions where it has foreign operations. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred Income Tax Assets and Liabilities

Deferred income tax assets and liabilities result from timing differences between the financial reporting and tax bases of assets and liabilities. Loss carry forwards also comprise a portion of the temporary differences and result in a deferred income tax asset. Deferred income tax assets are only recognized to the extent that management considers it probable that a deferred income tax asset will be realized. The assessment for the recognition of a deferred tax asset requires significant judgement. The factors used to assess the likelihood of realization are the Company's forecast of future taxable income and available tax planning strategies that could be implemented to realize the deferred tax assets. The Company has and continues to use tax planning strategies to realize deferred tax assets in order to avoid the potential loss of benefits. Unknown future events and circumstances, such as changes in tax rates and laws, may materially affect the assumptions and estimates made from one period to the next. Any significant change in events, tax laws, and tax rates beyond the control of the Company may materially affect the consolidated financial statements.

As at December 31, 2013, the valuation allowance against the tax benefit of tax credits and loss carry forwards as well as other assets with tax value in excess of book value was $18.9 million (2012 - $12.2 million). The valuation allowance is reflected in the net deferred tax liability from continuing operations balance of $18.9 million (2012 - $17.0 million) on the Company's consolidated statement of financial position.

Useful Lives of Depreciable Assets

Due to the significance of property, plant and equipment on the Company's statement of financial position, the Company considers the amortization policy relating to property, plant and equipment to be a "critical accounting estimate". The Company considers the expected useful life of the assets, expected residual value, and contract length when setting the amortization rates of its assets. Judgement is involved when establishing these estimates as such factors as technological innovation, maintenance programs, and relevant market information must be taken into consideration. The assets' residual values, useful lives and amortization methods are reviewed at the end of each reporting period and are adjusted if expectations differ from previous estimates. If circumstances impacting these assumptions and estimates change, the change in accounting estimates may represent a material impact to the consolidated financial statements.

RECENT ACCOUNTING CHANGES AND EFFECTIVE DATES

Refer to Note 4 of the consolidated financial statements for the year ended December 31, 2013, that are hereby incorporated by reference herein for information pertaining to accounting changes effective in 2013 and for information on issued accounting pronouncements that will be effective in future fiscal years.

NON-GAAP AND ADDITIONAL GAAP MEASURES

Non-GAAP Measures

The Company uses the following non-GAAP financial measures: net earnings (loss) – adjusted, earnings (loss) per share – adjusted, book value per share, and debt to total capitalization. The Company believes these non-GAAP financial measures provide useful information to both management and investors in assessing the financial performance and financial condition of the Company.

Certain expenses and income that must be recognized under GAAP are not necessarily reflective of the Company's underlying operational performance. For this reason, management uses certain non-GAAP financial measures to exclude the impact of these items when analyzing consolidated and segment underlying operational performance, on a consistent basis. The exclusion of certain items does not imply that they are non-recurring.

These non-GAAP financial measures do not have a standardized meaning prescribed by GAAP and therefore they are unlikely to be

comparable to similarly titled measures presented by other publicly traded companies, and they should not be construed as an alternative to other financial measures determined in accordance with GAAP.

Net Earnings (Loss) – Adjusted

The Company believes net earnings (loss) – adjusted is useful in assessing the Company's underlying operational performance and in making decisions regarding the ongoing operations of the business. Net earnings (loss) – adjusted is calculated as net earnings (loss) as presented in the Company's consolidated financial statements less any unusual items that are considered not to be indicative of underlying operational performance. See the "Overall Corporate Results" section of this MD&A for a description of the unusual items impacting the operational performance discussed in this MD&A and a reconciliation of net earnings (loss) – adjusted to GAAP net earnings (loss).

Earnings (Loss) per Share - Adjusted

The Company believes net earnings (loss) per share – adjusted is useful in assessing the Company's underlying operational performance and in making decisions regarding the ongoing operations of the business. Net earnings (loss) per share – adjusted is calculated as net earnings (loss) - adjusted (as defined above) divided by the weighted average number of shares outstanding as at the period end date. See the "Overall Corporate Results" section of this MD&A for a description of the unusual items impacting the operational performance discussed in this MD&A and a reconciliation of net earnings (loss) per share – adjusted to GAAP net earnings (loss) per share.

Book Value per Share

This measure, as used by the chief operating decision makers and management, indicates the value of the Company based on the carrying value of the Company's net assets. Book value per share is calculated by the Company as equity attributable to shareholders of the Company divided by shares outstanding at the end of the period.

(in millions of dollars except share and per share figures)	December 31 2013	December 31 2012
Equity attributable to shareholders of the Company	$1,352.3	$1,050.6
Shares outstanding at the end of the period	64,762,148	64,706,296
Book value per share	$20.88	$16.24

Debt to Total Capitalization

This measure, as used by the chief operating decision makers and management, indicates the Company's reliance on debt and its financial flexibility. This measure is not the same as the measure previously discussed in terms of the Company's debt covenants. Debt to total capitalization is calculated by the Company as the sum of short-term bank borrowings, current portion of long-term debt, and long-term debt divided by the sum of this total, capital stock and retained earnings.

(in millions of dollars)	December 31 2013	December 31 2012
Current portion of long-term debt	56.3	1.4
Long-term debt	487.3	717.7
Total Debt	$543.6	$719.1
Capital Stock and Retained Earnings	$1,294.7	$1,084.5
Debt to Total Capitalization	29.6%	39.9%

Additional GAAP Measures

IFRS mandates certain minimum line items for financial statements and requires presentation of additional line items, headings and subtotals when such presentation is relevant to an understanding of an entity's financial position and performance. The Company presents the following additional GAAP measures in the Company's consolidated financial statements.

Operating Earnings

Operating earnings is calculated as net earnings (loss) before taxes and finance expenses, as presented on the Company's consolidated statements of earnings. This measure, along with other GAAP and non-GAAP measures are used by the chief operating decision makers and management to assess operating performance and the effective use and allocation of resources and to provide more meaningful comparisons of operating results.

SUMMARY OF CONTENT PER VEHICLE BY QUARTER

Estimates as of Dec. 31, 2013 (in millions of dollars except content per vehicle figures)	**Three Months Ended**				**Year to Date**			
North America	March 31 2013	June 30 2013	Sep 30 2013	Dec 31 2013	March 31 2013	June 30 2013	Sep 30 2013	Dec 31 2013
Vehicle Production Units	4.11	4.37	4.00	4.14	4.11	8.48	12.47	16.61
Automotive Sales	$ 503.4	$ 517.0	$ 520.6	$ 537.6	$ 503.4	$ 1,020.4	$ 1,540.9	$ 2,078.5
Content Per Vehicle	$ 122.60	$ 118.33	$ 130.29	$ 129.91	$ 122.60	$ 120.40	$ 123.57	$ 125.15
Europe								
Vehicle Production Units	4.82	5.14	4.54	4.77	4.82	9.96	14.50	19.27
Automotive Sales	$ 56.4	$ 68.3	$ 70.8	$ 82.8	$ 56.4	$ 124.8	$ 195.6	$ 278.4
Content Per Vehicle	$ 11.71	$ 13.29	$ 15.58	$ 17.38	$ 11.71	$ 12.53	$ 13.48	$ 14.45
Asia Pacific								
Vehicle Production Units	10.78	10.38	10.30	11.15	10.78	21.16	31.46	42.61
Automotive Sales	$ 45.1	$ 57.6	$ 59.1	$ 68.2	$ 45.1	$ 102.7	$ 161.9	$ 230.1
Content Per Vehicle	$ 4.19	$ 5.55	$ 5.74	$ 6.12	$ 4.19	$ 4.86	$ 5.15	$ 5.40

Estimates as of Sep 30, 2013	**Three Months Ended**			**Year to Date**		
North America	March 31 2013	June 30 2013	Sep 30 2013	March 31 2013	June 30 2013	Sep 30 2013
Vehicle Production Units	4.11	4.37	4.03	4.11	8.48	12.51
Automotive Sales	$ 500.9	$516.5	$ 522.7	$ 500.9	$ 1,017.4	$ 1,540.1
Content Per Vehicle	$ 121.97	$ 118.13	$ 129.62	$ 121.97	$ 119.99	$ 123.09
Europe						
Vehicle Production Units	4.82	5.15	4.31	4.82	9.96	14.28
Automotive Sales	$ 54.9	$ 65.3	$ 69.0	$ 54.9	$ 120.3	$ 189.3
Content Per Vehicle	$ 11.40	$ 12.70	$ 16.00	$ 11.40	$ 12.07	$ 13.26
Asia Pacific						
Vehicle Production Units	10.74	10.37	10.13	10.74	21.12	31.24
Automotive Sales	$ 47.0	$ 57.7	$ 57.2	$ 47.0	$ 104.6	$ 161.9
Content Per Vehicle	$ 4.37	$ 5.56	$ 5.65	$ 4.37	$ 4.95	$ 5.18

Change in Estimates from Prior Quarter	**Three Months Ended**			**Year to Date**		
North America	March 31 2013 +/-	June 30 2013 +/-	Sep 30 2013 +/-	March 31 2013 +/-	June 30 2013 +/-	Sep 30 2013 +/-
Vehicle Production Units	-	-	(0.03)	-	-	(0.04)
Automotive Sales	$ 2.5	$ 0.5	$ (2.1)	$ 2.5	$ 3.0	$ 0.8
Content Per Vehicle	$ 0.63	$ 0.20	$ 0.67	$ 0.63	$ 0.41	$ 0.48
Europe						
Vehicle Production Units	-	(0.01)	0.23	-	-	0.22
Automotive Sales	$ 1.5	$ 3.0	$ 1.8	$ 1.5	$ 4.5	$ 6.3
Content Per Vehicle	$ 0.31	$ 0.59	$ (0.42)	$ 0.31	$ 0.46	$ 0.22
Asia Pacific						
Vehicle Production Units	0.04	0.01	0.17	0.04	0.04	0.22
Automotive Sales	$ (1.9)	$ (0.01)	$ 1.9	$ (1.9)	$ (1.9)	-
Content Per Vehicle	$ (0.18)	$ (0.01)	$ 0.09	$ (0.18)	$ (0.09)	$ (0.03)

OUTLOOK

Since 2006, the Company determined it was not appropriate to provide outlook guidance.

FORWARD LOOKING INFORMATION

Certain information provided by Linamar in this MD&A, in the Annual Report and other documents published throughout the year which are not recitation of historical facts may constitute forward-looking statements. The words “may”, “would”, “could”, “will”, “likely”, “estimate”, “believe”, “expect”, “plan”, “forecast” and similar expressions are intended to identify forward-looking statements. Readers 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 of the factors and risks and uncertainties that cause results to differ from current expectations discussed in this MD&A and elsewhere in the Annual Report include, but are not limited to, changes in the various economies in which Linamar operates, fluctuations in interest rates, environmental emission and safety regulations, the extent of OEM outsourcing, industry cyclicality, trade and labour disruptions, world political events, 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, technological developments by Linamar’s competitors, governmental, environmental and regulatory policies and changes in the competitive environment in which Linamar operates.

The foregoing is not an exhaustive list of the factors that may affect Linamar’s forwarding looking statements. These and other factors should be considered carefully and readers should not place undue reliance on Linamar’s forward-looking statements. 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.