



## **LINAMAR ANNOUNCES THE COMPLETION OF A PURCHASE AGREEMENT TO ACQUIRE SALZGITTER SZAT**

*May 5, 2003, GUELPH, Ontario* - Linamar Corporation today announced the signing of a purchase agreement to acquire the assets and technology of Salzgitter Antriebstechnik GmbH & Co. KG ("SZAT") located in Crimmitschau, Germany. The purchase agreement was signed May 2, 2003 and is due to close May 30, 2003, conditional on the final approval of Salzgitter AG's Supervisory Board, which is expected in May. Terms of the sale were not released. The facility will be renamed Linamar Antriebstechnik GmbH ("LAT").

SZAT employs approximately 60 people in one manufacturing facility in Crimmitschau, a city located an hour outside Dresden, Germany. The facility currently manufactures camshafts for the Audi 2.5L and 3.0L engines. Linamar has also received a nomination letter from a prestigious German automobile manufacturer as a result of the acquisition to manufacture camshafts for a new engine, commencing in 2005. This camshaft program, when at full capacity, will manufacture 1 million camshafts annually.

SZAT produces camshaft blanks through a unique hydroforming process which produces lighter camshafts with superior technical capabilities.

"The acquisition is a major technological step for Linamar," said Linamar President and CEO Linda Hasenfratz. "It provides us with the opportunity to offer to our customers in North America this same innovative technology for hydroformed camshafts as well as the opportunity to expand the technology to other engine, transmission and chassis applications. The fact that European engine technology leaders have endorsed this technology is an excellent platform from which to build this business."

Linamar will be building a new facility in Crimmitschau to house new and existing camshaft programs. Sales for the facility at full volume will exceed €40 million or CDN\$60 million.

Linamar Corporation designs, develops and manufactures precision machined components, modules and systems for engine, transmission, chassis and industrial markets primarily for the North American and European automotive marketplace. The company has more than 8,900 employees in 33 manufacturing locations, two research and development centers and six sales offices in Canada, United States, Mexico, Germany, Hungary and Japan.

Certain information regarding Linamar set forth in this document, including management's assessment of the Company's future plans and operations may constitute forward-looking statements. This information is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict. Actual results may differ materially from those anticipated in the forward-looking statements due to factors such as customer demand and timing of buying decisions, product mix, competitive products and pricing pressure. In addition, uncertainties and difficulties in domestic and foreign financial markets and economies could adversely affect demand from customers. These factors, as well as general economic and political conditions, may in turn have a material adverse effect on the Company's financial results. The Company 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.

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