

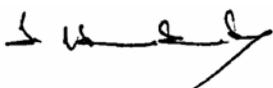
LINAMAR CORPORATION
Consolidated Interim Statements of Financial Position

As at September 30, 2017 with comparatives as at December 31, 2016 (Unaudited)
(in thousands of Canadian dollars)

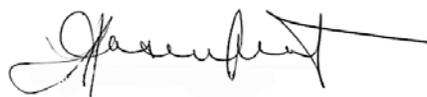
	September 30 2017 \$	December 31 2016 \$
ASSETS		
Cash and cash equivalents	524,938	404,966
Accounts and other receivables	1,150,422	898,445
Inventories	713,721	691,385
Income taxes recoverable	33,059	11,466
Current portion of long-term receivables (Note 6)	110,526	74,557
Current portion of derivative financial instruments (Note 6)	1,289	44,904
Other current assets	21,242	17,177
Current Assets	2,555,197	2,142,900
Long-term receivables (Note 6)	312,923	199,369
Property, plant and equipment	2,153,676	2,052,055
Investments accounted for using the equity method	5,696	5,881
Intangible assets	281,838	279,587
Goodwill	475,533	456,791
Derivative financial instruments (Note 6)	25,861	37,134
Deferred tax assets	54,346	53,453
Assets	5,865,070	5,227,170
LIABILITIES		
Short-term borrowings	10,254	7,972
Accounts payable and accrued liabilities	1,194,087	974,612
Provisions	34,412	31,713
Income taxes payable	46,795	54,836
Current portion of long-term debt (Notes 6, 7)	21,611	197,157
Current Liabilities	1,307,159	1,266,290
Long-term debt (Notes 6, 7)	1,440,787	1,228,035
Deferred tax liabilities	148,895	142,584
Liabilities	2,896,841	2,636,909
EQUITY		
Capital stock	121,904	120,385
Retained earnings	2,777,312	2,386,524
Contributed surplus	24,599	23,332
Accumulated other comprehensive earnings (loss)	44,414	60,020
Equity	2,968,229	2,590,261
Liabilities and Equity	5,865,070	5,227,170

The accompanying notes are an integral part of these consolidated interim financial statements.

On behalf of the Board of Directors:



Frank Hasenfratz
Director



Linda Hasenfratz
Director

LINAMAR CORPORATION

Consolidated Interim Statements of Earnings

For the nine months ended September 30, 2017 and September 30, 2016 (Unaudited)

(in thousands of Canadian dollars, except per share figures)

	Three Months Ended September 30		Nine Months Ended September 30	
	2017 \$	2016 \$	2017 \$	2016 \$
Sales	1,549,706	1,455,526	4,971,938	4,630,793
Cost of sales	1,318,871	1,221,144	4,144,318	3,849,240
Gross Margin	230,835	234,382	827,620	781,553
Selling, general and administrative	79,455	73,669	260,596	242,570
Other income and (expenses)	(9,514)	3,201	(17,395)	10,761
Operating Earnings (Loss)	141,866	163,914	549,629	549,744
Share of net earnings (loss) of investments accounted for using the equity method	(1,517)	(1,127)	(4,140)	(1,605)
Finance expenses (Note 8)	794	5,196	6,555	17,119
Net Earnings (Loss) before Income Taxes	139,555	157,591	538,934	531,020
Provision for (recovery of) income taxes	32,303	35,353	124,645	124,593
Net Earnings (Loss) for the Period	107,252	122,238	414,289	406,427
Net Earnings (Loss) Attributable to:				
Shareholders of the Company	107,252	122,238	414,289	406,026
Non-Controlling Interests	-	-	-	401
	107,252	122,238	414,289	406,427
Net Earnings (Loss) Per Share Attributable to Shareholders of the Company:				
Basic	1.64	1.88	6.35	6.23
Diluted	1.62	1.86	6.27	6.16

The accompanying notes are an integral part of these consolidated interim financial statements.

LINAMAR CORPORATION

Consolidated Interim Statements of Comprehensive Earnings

For the nine months ended September 30, 2017 and September 30, 2016 (Unaudited)

(in thousands of Canadian dollars)

	Three Months Ended September 30		Nine Months Ended September 30	
	2017 \$	2016 \$	2017 \$	2016 \$
Net Earnings (Loss) for the Period	107,252	122,238	414,289	406,427
Items that may be reclassified subsequently to net income				
Unrealized gains (losses) on translating financial statements of foreign operations	(55,757)	40,055	19,919	(156,895)
Change in foreign exchange gains (losses) on long-term debt designated as a net investment hedge	4,613	(27,928)	(36,715)	23,403
Change in unrealized gains (losses) on derivative instruments designated as cash flow hedges	(5,412)	2,073	(17,211)	(17,386)
Tax impact of change in unrealized gains (losses) on derivative instruments designated as cash flow hedges	1,353	(294)	4,303	4,347
Reclassification to earnings of gains (losses) on cash flow hedges	6,552	(3,692)	18,798	18,798
Tax impact of reclassification to earnings of gains (losses) on cash flow hedges	(1,638)	699	(4,700)	(4,700)
Other Comprehensive Earnings (Loss)	(50,289)	10,913	(15,606)	(132,433)
Comprehensive Earnings (Loss) for the Period	56,963	133,151	398,683	273,994
Comprehensive Earnings (Loss) Attributable to:				
Shareholders of the Company	56,963	133,151	398,683	273,593
Non-Controlling Interests	-	-	-	401
	56,963	133,151	398,603	273,994

The accompanying notes are an integral part of these consolidated interim financial statements.

LINAMAR CORPORATION

Consolidated Interim Statements of Changes in Equity

For the nine months ended September 30, 2017 and September 30, 2016 (Unaudited)
(in thousands of Canadian dollars)

	Capital stock \$	Retained earnings \$	Contributed surplus \$	Cumulative translation adjustment \$	Hedging reserves \$	Equity Attributable to Shareholders \$	Non- Controlling Interests \$	Total Equity \$
Balance at January 1, 2017	120,385	2,386,524	23,332	61,097	(1,077)	2,590,261	-	2,590,261
Net Earnings (Loss)	-	414,289	-	-	-	414,289	-	414,289
Other comprehensive earnings (loss)	-	-	-	(16,796)	1,190	(15,606)	-	(15,606)
Comprehensive Earnings (Loss)	-	414,289	-	(16,796)	1,190	398,683	-	398,683
Share-based compensation	-	-	1,717	-	-	1,717	-	1,717
Shares issued on exercise of options	1,519	-	(450)	-	-	1,069	-	1,069
Dividends	-	(23,501)	-	-	-	(23,501)	-	(23,501)
Balance at September 30, 2017	121,904	2,777,312	24,599	44,301	113	2,968,229	-	2,968,229

	Capital stock \$	Retained earnings \$	Contributed surplus \$	Cumulative translation adjustment \$	Hedging reserves \$	Equity Attributable to Shareholders \$	Non- Controlling Interests \$	Total Equity \$
Balance at January 1, 2016	118,609	1,890,473	21,094	228,306	185	2,258,667	-	2,258,667
Net Earnings (Loss)	-	406,026	-	-	-	406,026	401	406,427
Other comprehensive earnings (loss)	-	-	-	(133,492)	1,059	(132,433)	-	(132,433)
Comprehensive Earnings (Loss)	-	406,026	-	(133,492)	1,059	273,593	401	273,994
Share-based compensation	-	-	1,808	-	-	1,808	-	1,808
Shares issued on exercise of options	388	-	(115)	-	-	273	-	273
Acquisition of non-controlling interests	-	-	-	-	-	-	(401)	(401)
Dividends	-	(19,556)	-	-	-	(19,556)	-	(19,556)
Balance at September 30, 2016	118,997	2,276,943	22,787	94,814	1,244	2,514,785	-	2,514,785

The accompanying notes are an integral part of these consolidated interim financial statements.

LINAMAR CORPORATION

Consolidated Interim Statements of Cash Flows

For the nine months ended September 30, 2017 and September 30, 2016 (Unaudited)

(in thousands of Canadian dollars)

	Three Months Ended September 30		Nine Months Ended September 30	
	2017	2016	2017	2016
	\$	\$	\$	\$
Cash generated from (used in)				
Operating Activities				
Net Earnings (Loss) for the Period Attributable to Shareholders of the Company	107,252	122,238	414,289	406,026
Adjustments for:				
Amortization of property, plant and equipment	73,780	81,871	224,043	246,068
Amortization of other intangible assets	6,341	3,036	19,533	8,385
Deferred income taxes	836	(16,422)	3,654	(13,061)
Asset impairment	-	30,433	-	30,433
Share-based compensation	572	606	1,717	1,808
Finance expense	794	5,196	6,555	17,119
Other	(3,884)	1,001	(2,781)	446
	185,691	227,959	667,010	697,224
Changes in non-cash working capital				
(Increase) decrease in accounts and other receivables	20,111	40,041	(265,748)	(163,648)
(Increase) decrease in inventories	(39,819)	13,467	(17,997)	(21,930)
(Increase) decrease in other current assets	(6,624)	(5,210)	(3,972)	(4,854)
Increase (decrease) in income taxes	(6,035)	27,290	(29,867)	2,245
Increase (decrease) in accounts payable and accrued liabilities	41,365	(21,565)	227,879	113,012
Increase (decrease) in provisions	(476)	(1,385)	3,357	717
	8,522	52,638	(86,348)	(74,458)
Cash generated from (used in) operating activities	194,213	280,597	580,662	622,766
Financing Activities				
Proceeds from (repayments of) short-term borrowings	4,469	5,100	1,771	(7)
Proceeds from (repayments of) long-term debt	1,628	(126,886)	49,896	1,036,275
Proceeds from government borrowings	8,104	11,921	8,104	11,921
Proceeds from exercise of stock options	656	82	1,069	273
Dividends	(7,835)	(6,519)	(23,501)	(19,556)
Interest received (paid)	(3,918)	(12,533)	(8,701)	(22,566)
Cash generated from (used in) financing activities	3,104	(128,835)	28,638	1,006,340
Investing Activities				
Payments for purchase of property, plant and equipment	(114,892)	(85,381)	(309,165)	(253,522)
Proceeds on disposal of property, plant and equipment	2,750	460	9,544	1,765
Payments for purchase of intangible assets	(3,245)	(637)	(10,864)	(7,982)
Business acquisitions, net of cash acquired	-	-	(1,060)	(1,133,945)
(Increase) decrease in long-term receivables	(53,853)	(15,431)	(169,861)	(73,273)
Other	-	(478)	(3,834)	(656)
Cash generated from (used in) investing activities	(169,240)	(101,467)	(485,240)	(1,467,613)
	28,077	50,295	124,060	161,493
Effect of translation adjustment on cash	(13,716)	(2,888)	(4,088)	(38,426)
Increase (decrease) in cash and cash equivalents	14,361	47,407	119,972	123,067
Cash and cash equivalents - Beginning of Period	510,577	414,739	404,966	339,079
Cash and cash equivalents - End of Period	524,938	462,146	524,938	462,146
Comprised of:				
Cash in bank	339,107	315,909	339,107	315,909
Short-term deposits	197,633	155,821	197,633	155,821
Unpresented cheques	(11,802)	(9,584)	(11,802)	(9,584)
	524,938	462,146	524,938	462,146

The accompanying notes are an integral part of these consolidated interim financial statements.

LINAMAR CORPORATION

Notes to Consolidated Interim Financial Statements

For the nine months ended September 30, 2017 and September 30, 2016 (Unaudited)
(in thousands of Canadian dollars, except where otherwise noted)

1 General Information

Linamar Corporation and its subsidiaries, including jointly controlled entities, (together, the "Company") is a diversified global manufacturing company of highly engineered products. The Company is incorporated in Ontario, Canada with common shares listed on the Toronto Stock Exchange. The Company is domiciled in Canada and its registered office is 287 Speedvale Avenue West, Guelph, Ontario, Canada.

The consolidated interim financial statements of the Company for the period ended September 30, 2017 were authorized for issue in accordance with a resolution of the Company's Board of Directors on November 7, 2017.

2 Significant Accounting Policies

The Company has prepared these unaudited consolidated interim financial statements ("interim financial statements") using the same accounting policies and methods as those used in the Company's audited consolidated annual financial statements ("annual financial statements") for the year ended December 31, 2016. These policies have been consistently applied to all periods presented, unless otherwise stated.

Basis of Presentation

The Company has prepared its interim financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and with interpretations of the International Financial Reporting Issues Committee.

These interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting. Accordingly, certain information and footnotes as required in the annual financial statements have been omitted or condensed and as such these interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2016. These interim financial statements and the notes thereto have not been reviewed by the Company's external auditors pursuant to a review engagement applying review standards set out in the Canadian Chartered Professional Accountants handbook.

These interim financial statements were prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value.

3 Changes in Accounting Policies

New Standards and Interpretations Not Yet Adopted

At the date of authorization of these interim financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted by the Company.

All pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Company's financial statements is provided below. Certain other new standards, amendments and interpretations may have been issued but are not expected to have a material impact on the Company's financial statements.

IFRS 15 Revenue from Contracts with Customers

Effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2018, the IASB issued this new standard to replace *IAS 18 Revenue* and *IAS 11 Construction Contracts*. The core principle of the new standard is for companies to recognize revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the Company expects to be entitled in exchange for those goods or services. The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multiple-element arrangements.

Management has evaluated each of the five steps in the new revenue recognition model for majority of the Company's revenue streams. Through its evaluation, management does not expect the new revenue guidance will have a significant impact to the Company's consolidated statement of financial position or the consolidated statement of earnings in comparison to the current revenue recognition

LINAMAR CORPORATION

Notes to Consolidated Interim Financial Statements

For the nine months ended September 30, 2017 and September 30, 2016 (Unaudited)
(in thousands of Canadian dollars, except where otherwise noted)

guidance. The new standard will impact the nature and quantity of annual disclosures. Management is currently implementing the Company's revised revenue policies, reporting processes, and related controls.

The Company plans to adopt this guidance effective January 1, 2018 using the modified retrospective approach, resulting in an adjustment to opening retained earnings in the year of adoption, if applicable.

IFRS 9 Financial Instruments

Effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2018, the final version of IFRS 9 was issued in July 2014 and will replace *IAS 39 Financial Instruments: Recognition and Measurement*. IFRS 9 replaces the provisions of IAS 39 and introduces a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and an updated approach to hedge accounting. The new single, principle based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new standard also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. IFRS 9 also significantly amends other standards dealing with financial instruments such as *IFRS 7 Financial Instruments: Disclosures*.

Management has evaluated all the changes introduced by IFRS 9. Through its evaluation, management does not expect the new financial instruments guidance will have a significant impact to the Company's consolidated statement of financial position or the consolidated statement of earnings in comparison to the current financial instruments guidance. The new standard will impact the nature and quantity of annual disclosures. Management is currently implementing the Company's revised policies, reporting processes and related controls.

The Company plans to adopt this guidance effective January 1, 2018, resulting in an adjustment to opening retained earnings in the year of adoption, if applicable.

4 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 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. 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 have been set out in Note 5 of the Company's annual financial statements for the year ended December 31, 2016.

5 Seasonality

Historically, earnings in the second quarter, for the Industrial segment, are positively impacted by the high selling season for both the access equipment and agricultural businesses. For the Powertrain/Driveline segment, vehicle production is typically at its lowest level during the third and fourth quarters due to lower original equipment manufacturers production schedules resulting from shutdowns related to summer and winter maintenance, and model changeovers. The Company takes advantage of summer and winter shutdowns for maintenance activities that would otherwise disrupt normal production schedules.

LINAMAR CORPORATION

Notes to Consolidated Interim Financial Statements

For the nine months ended September 30, 2017 and September 30, 2016 (Unaudited)
(in thousands of Canadian dollars, except where otherwise noted)

6 Fair Value of Financial Instruments

The comparison of fair values to carrying amounts of financial assets and financial liabilities along with the fair value hierarchy for financial assets and financial liabilities carried at fair value on a recurring basis is as follows:

	Subsequent Measurement	September 30, 2017		December 31, 2016	
		Carrying Value Asset (Liability) \$	Fair Value \$	Carrying Value Asset (Liability) \$	Fair Value \$
Long-term receivables	Amortized cost (Level 2)	423,449	426,784	273,926	280,265
Derivative financial instruments					
US dollar interest payment forward contracts	Fair value (Level 2)	4,992	4,992	10,952	10,952
US dollar debt principal forward contracts	Fair value (Level 2)	22,158	22,158	71,086	71,086
Long-term debt designated as net investment hedge	Amortized cost (Level 2)	(906,141)	(829,525)	(927,529)	(848,309)
Long-term debt, other	Amortized cost (Level 2)	(556,257)	(527,556)	(497,663)	(508,018)

7 Long-Term Debt

	September 30 2017 \$	December 31 2016 \$
Senior unsecured notes	161,939	349,244
Bank borrowings	1,220,425	998,527
Obligations under finance leases	14,271	18,074
Government borrowings	65,763	58,287
Other financing	-	1,060
	1,462,398	1,425,192
Less: current portion	21,611	197,157
	1,440,787	1,228,035

As of September 30, 2017, \$518,670 was available under the credit facilities.

8 Finance Expenses

	Three Months Ended September 30		Nine Months Ended September 30	
	2017 \$	2016 \$	2017 \$	2016 \$
Interest on long-term debt	4,700	10,413	21,313	28,488
Other	(3,906)	(5,217)	(14,758)	(11,369)
	794	5,196	6,555	17,119

9 Commitments

As at September 30, 2017, outstanding commitments for capital expenditures under purchase orders and contracts amounted to \$202,843 (September 30, 2016 - \$169,258). Of this amount, \$200,135 (September 30, 2016 - \$167,769) relates to the purchase of manufacturing equipment and \$2,708 (September 30, 2016 - \$1,489) relates to general contracting and construction costs in respect of plant construction. The majority of these commitments are due within the next twelve months. There are no outstanding construction commitments (September 30, 2016 - \$976) committed to a related party.

LINAMAR CORPORATION

Notes to Consolidated Interim Financial Statements

For the nine months ended September 30, 2017 and September 30, 2016 (Unaudited)
(in thousands of Canadian dollars, except where otherwise noted)

10 Related Party Transactions

Included in the cost of property, plant and equipment is the construction of buildings, building additions and building improvements performed by related parties in the aggregate amount of \$1,298 at September 30, 2017 (September 30, 2016 - \$4,663). Related party transactions included in the cost of sales are expenses such as rent, maintenance and transportation costs of \$178 for the three months ended September 30, 2017 and \$1,005 for the nine months ended September 30, 2017 (\$247 for three months ended September 30, 2016 and \$1,158 for the nine months ended September 30, 2016). 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 related parties at September 30, 2017 were \$666 (September 30, 2016 - \$491).

11 Segmented Information

Management has determined the operating segments based on the reports reviewed by the Senior Executive Group that are used to make strategic decisions.

Powertrain/Driveline: The Powertrain/Driveline segment derives revenues primarily from the collaborative design, development and manufacture of precision metallic components, modules and systems for global vehicle and power generation markets.

Industrial: The Industrial segment is a world leader in the design and production of innovative mobile industrial equipment, notably its class-leading aerial work platforms, telehandlers and agricultural equipment.

The segments are differentiated by the products that each produces and reflects how the Senior Executive Group manages the business. Corporate headquarters and other small operating entities are allocated to the Powertrain/Driveline and Industrial operating segments accordingly.

The Company accounts for inter-segment sales and transfers as arm's length transactions at current market rates. The Company ensures that the measurement and policies are consistently followed among the Company's reportable segments for sales, operating earnings, net earnings and assets.

	Three Months Ended September 30, 2017			Nine Months Ended September 30, 2017			
	Sales to external customers	Inter-segment sales	Operating earnings (loss)	Sales to external customers	Inter-segment sales	Operating earnings (loss)	Total identifiable assets
	\$	\$	\$	\$	\$	\$	\$
Powertrain/Driveline	1,289,375	10,163	108,157	4,063,628	36,969	416,065	5,012,590
Industrial	260,331	665	33,709	908,310	1,307	133,564	852,480
Total	1,549,706	10,828	141,866	4,971,938	38,276	549,629	5,865,070

	Three Months Ended September 30, 2016			Nine Months Ended September 30, 2016			
	Sales to external customers	Inter-segment sales	Operating earnings (loss)	Sales to external customers	Inter-segment sales	Operating earnings (loss)	Total identifiable assets
	\$	\$	\$	\$	\$	\$	\$
Powertrain/Driveline	1,227,439	9,650	124,198	3,909,053	33,469	429,179	4,752,755
Industrial	228,087	141	39,716	721,740	336	120,565	706,286
Total	1,455,526	9,791	163,914	4,630,793	33,805	549,744	5,459,041

12 Business Acquisition Offers Withdrawn

On July 4, 2017, the Company announced that it filed conditional offers with the Commercial Court in Paris to acquire selected assets of Societe Aveyronnaise de Metallurgie S.A. ("SAM") and F.V.M. Technologies S.A. ("FVM") from their respective bankruptcy estates and 100% of the outstanding shares of Alfisa Technologies, S.L.U. ("Alfisa") a Spanish company. SAM, FVM and Alfisa are a part of Groupe Arche S.A., a French company specialized in the design, casting, and machining of high pressure die cast aluminum components for the

LINAMAR CORPORATION

Notes to Consolidated Interim Financial Statements

For the nine months ended September 30, 2017 and September 30, 2016 (Unaudited)
(in thousands of Canadian dollars, except where otherwise noted)

automotive industry. As a result of further due diligence and discussion with various interested parties, on September 29, 2017, the Company announced that it is not in a position to file final, binding, unconditional offers and has decided not to pursue these acquisitions.

13 Comparative Figures

Certain comparative figures have been reclassified in accordance with the period's presentation.