

MARTINREA INTERNATIONAL INC.

Releases Solid First Quarter Results

May 6, 2010 – For Immediate Release

Toronto, Ontario – Martinrea International Inc. (TSX:MRE), a leader in the production of quality metal parts, assemblies and modules and fluid management systems focused primarily on the automotive sector, announced today the release of its financial results for the first quarter ended March 31, 2010. Martinrea currently employs approximately 5,800 skilled and motivated people in 31 plants in Canada, the United States, Mexico and Slovakia. All amounts in this press release are in Canadian dollars, unless otherwise stated; and all tabular amounts are in thousands of Canadian dollars, except earnings per share and number of shares.

The Company reports its financial results in accordance with Canadian Generally Accepted Accounting Principles (“Canadian GAAP”). However, the Company has included certain non-GAAP financial measures and ratios in this analysis that the Company believes will provide useful information in measuring the financial performance and financial condition of the Company. These measures do not have a standardized meaning prescribed by Canadian GAAP and therefore may not be comparable to similarly titled measures presented by other publicly traded companies, nor should they be construed as an alternative to the other financial measures determined in accordance with Canadian GAAP. Non-GAAP measures referred to in the analysis include “adjusted net earnings”, “adjusted net loss”, “adjusted earnings per share on a basic and diluted basis” and “adjusted loss per share on a basic and diluted basis” and are defined in Tables A and B below under Adjustments to Net Income.

REVENUE

	Three months ended		Change	% Change
	March 31, 2010	March 31, 2009		
Revenue	381,480	205,072	176,408	86.0%

First Quarter 2010 to First Quarter 2009 comparison

The Company’s revenue for the first quarter of 2010 of \$381.5 million was higher than revenue for the first quarter of 2009 of \$205.1 million by \$176.4 million or 86.0% primarily due to improved production volumes in North American light vehicle platforms and additional revenue earned as a result of the acquisition of certain equipment and two facilities from the SKD Automotive Group. This increase in revenue would have been further enhanced had it not been offset by a reduction in the

translation of U.S. dollar denominated revenue of approximately \$36.4 million and a tooling revenue decline of \$2.3 million as compared to the first quarter of 2009.

First Quarter 2010 to Fourth Quarter 2009 comparison

The Company’s revenue for the first quarter of 2010 of \$381.5 million decreased by \$14.5 million or 3.7% as compared to the revenue of the fourth quarter of 2009 of \$396.0 million. This decrease is primarily due to a decline in tooling revenue of \$6.8 million and the strengthening of the Canadian dollar versus the U.S. dollar, which reduced revenue by \$3.5 million.

GROSS MARGIN

	Three months ended		Change	% Change
	March 31, 2010	March 31, 2009		
Gross margin	36,719	3,705	33,014	891.1%
% of revenue	9.6%	1.8%		

First Quarter 2010 to First Quarter 2009 comparison

The gross margin percentage for the first quarter of 2010 of 9.6% increased by 7.8% from the prior year comparable of 1.8% on account of better absorption of manufacturing overheads due to increased production volumes, and a reduction in one-time items. Excluding the one-time items primarily related to the closure of the Kitchener Frame facility as explained in Table A under Adjustments to Net Income, the gross margin for the first quarter of 2010 increased by 7.1% to 9.9% as compared to 2.8% for the same period in the prior year.

First Quarter 2010 to Fourth Quarter 2009 comparison

The gross margin percentage of 9.6% for the first quarter of 2010 increased by 2.4% as compared to the fourth quarter of 2009 gross margin percentage of 7.2%. Excluding the one-time items primarily related to the closure of the Kitchener Frame facility and development costs related to the SKD Automotive Group acquisition as explained in Table B under Adjustments to Net Income, the gross margin percentage for the first quarter of 2010 increased by 0.8% to 9.9% as compared to 9.1% in the fourth quarter of 2009.

The improvement in the gross margin percentage in the first quarter of 2010 compared to the fourth quarter of 2009 was primarily due to stabilizing production volumes and the significant reduction of employee retraining costs at several of the Company’s divisions during the first quarter of 2010.

ADJUSTMENTS TO NET INCOME

As a result of the economic recession in North America that caused significant production reduction by customers in 2008 and 2009 and a number of industry-related developments and risks, and the continued rationalization of the Company’s manufacturing facilities, the Company recorded a number of unusual items and other items primarily during the fourth quarter of 2008, the whole of the

financial year ended December 31, 2009 and the first quarter of 2010. The Company believes that it is useful to set out in detail these unusual and other items as they are non-recurring and thus the Company's financial results for the quarter ended March 31, 2010 may not be indicative of future results.

TABLE A

	Three months ended		Change
	March 31, 2010	March 31, 2009	
NET INCOME / (LOSS) (PER CANADIAN GAAP) (A)	9,714	(11,774)	21,488
Add back - Unusual Items:			
Employee Related Severance Costs (3)	245	1,195	(950)
Other Restructuring Costs (4)	125	3,202	(3,077)
Other Restructuring Costs – Kitchener period costs recorded as cost of sales (4)	890	2,015	(1,125)
Other Restructuring Costs – Kitchener period costs recorded as SG&A expenses (4)	38	1,030	(992)
Add back - Other Items:			
Development Costs (5)	1,283	-	1,283
Valuation Allowance on Future Tax Assets (6)	(179)	-	(179)
Gain on Sale of Land (7)	-	(3,963)	3,963
TOTAL UNUSUAL AND OTHER ITEMS BEFORE TAX	2,402	3,479	(1,077)
Tax Impact of above items	(740)	(2,243)	1,503
TOTAL UNUSUAL AND OTHER ITEMS AFTER TAX (B)	1,662	1,236	426
ADJUSTED NET EARNINGS / (LOSS) (NON CANADIAN GAAP) (A + B)	11,376	(10,538)	21,914
Number of Shares Outstanding – Basic ('000)	83,326	71,826	
Adjusted Basic Earnings /(Loss) Per Share	0.14	(0.15)	
Number of Shares Outstanding – Diluted ('000)	84,382	72,426	
Adjusted Diluted Earnings /(Loss) Per Share	0.14	(0.15)	

TABLE B

	Three months ended		Change
	March 31, 2010	December 31, 2009	
NET INCOME / (LOSS) (PER CANADIAN GAAP) (A)	9,714	(5,378)	15,092
Add back - Unusual Items:			
Property, Plant & Equipment Impairment (1)	-	7,322	(7,322)
Intangible Asset Impairment (2)	-	287	(287)
Employee Related Severance Costs (3)	245	349	(104)
Other Restructuring Costs (4)	125	459	(334)
Other Restructuring Costs – Kitchener period costs recorded as cost of sales (4)	890	1,774	(884)
Other Restructuring Costs – Kitchener period costs recorded as SG&A expenses (4)	38	102	(64)
Add back - Other Items:			
Development Costs (5)	1,283	5,358	(4,075)
Valuation Allowance in Future Tax Assets (6)	(179)	1,241	(1,420)
Settlement of Customer Contracts (8)	-	900	(900)
TOTAL UNUSUAL AND OTHER ITEMS BEFORE TAX	2,402	17,792	(15,390)
Tax impact of above items	(740)	(4,413)	3,673
TOTAL UNUSUAL AND OTHER ITEMS AFTER TAX (B)	1,662	13,379	(11,717)
ADJUSTED NET EARNINGS (NON CANADIAN GAAP) (A + B)	11,376	8,001	3,375
Number of Shares Outstanding – Basic ('000)	83,326	83,326	
Adjusted Basic Earnings / (Loss) Per Share	0.14	0.10	
Number of Shares Outstanding – Diluted ('000)	84,382	84,107	
Adjusted Diluted Earnings / (Loss) Per Share	0.14	0.10	

(1) Property, Plant and Equipment (“PP&E”) Impairment

During the fourth quarter of 2009, the Company determined that the carrying value of certain PP&E was impaired as a result of the accelerated and significant decline in production volumes of North American light vehicle platforms and excess available capacity at certain Company facilities.

As a result of its review during the fourth quarter of 2009, the Company assessed the recoverability of PP&E by determining whether the carrying value of such assets can be recovered through undiscounted future cash flows. As the undiscounted future cash flows were less than the carrying amount, the excess of the carrying amount over the estimated fair value was recorded as an impairment charge to the consolidated statement of operations of \$7.3 million. The PP&E impairment charge is non-cash in nature.

No PP&E impairment charge was recorded during the first quarter of 2010.

(2) Intangible Asset Impairment

During the fourth quarter of 2009, the Company determined that the carrying amount of certain intangible assets was impaired as a result of the deteriorating macro environment directly impacting the automotive industry.

As a result of its review during the fourth quarter of 2009, the Company assessed the recoverability of intangible assets by determining whether the carrying amount of such assets can be recovered through undiscounted future cash flows. As the undiscounted future cash flows were less than the carrying amount, the excess of the carrying amount over the estimated fair value was recorded as an impairment charge to the consolidated statement of operations of \$0.3 million for intangible assets. The intangible asset impairment charge is non-cash in nature.

No intangible asset impairment charge was recorded during the first quarter of 2010.

(3) Employee Related Severance Costs

During 2009 and the first quarter of 2010, the Company incurred severance costs resulting from the closure of the Kitchener Frame facility and the right sizing of the Company’s Windsor, Ontario and Shelbyville, Kentucky facilities. The net expense of these severance costs are reflected in Table A and B under Adjustments to Net Income.

(4) Other Restructuring Costs

During 2009 and the first quarter of 2010, the Company incurred restructuring costs associated with the Company’s initiatives of strict cost reduction measures across the entire organization, consolidation of certain facilities, closing of the Kitchener Frame facility and the rationalization of excess capacity at certain facilities by moving equipment and programs between facilities.

The Company expensed total restructuring costs of \$72.9 million (combining this item with Employee Related Severance Costs in Item 3 above) of which \$1.3 million were expensed in the first quarter of 2010 and \$21.4 million were recorded in 2009. The balance of \$50.2 million was expensed in 2008.

As at March 31, 2010, \$0.6 million of the total restructuring and employee related severance costs recorded were included in accounts payable and accrued liabilities.

(5) *Development Costs*

Development costs in the nature of product testing, employee training and other operational inefficiencies during the product launch period are expensed in accordance with Canadian GAAP and the Company's accounting policies. As a result of the uncertainty surrounding precise future production volumes, developmental costs of \$1.3 million and \$5.4 million were expensed as incurred in the first quarter of 2010 and the fourth quarter of 2009, respectively. These development costs were primarily in relation to takeover business from the SKD Automotive Group.

(6) *Valuation Allowance on Future Tax Assets*

During the first quarter of 2010, the Company's valuation allowance decreased by \$0.2 million against future tax assets primarily on account of changes in non-capital losses. The valuation allowance at March 31, 2010 includes \$8.6 million of U.S. non-capital loss carry forwards, \$4.6 million of European non-capital loss carry forwards, \$2.4 million of Mexican non-capital loss carry forwards and \$1.9 million of Canadian future tax assets relating primarily to capital losses.

(7) *Gain on Sale of Land*

In the first quarter of 2009, the Company sold a piece of land and recorded a gain of approximately \$4.0 million.

No significant gain or loss on sale of PP&E was recorded during the first quarter of 2010.

(8) *Settlement of Customer Contracts*

During the fourth quarter of 2009, the Company reached a settlement with a Russian customer which was in the process of restructuring operations. As a result of the customer restructuring and the cancellation of the customer contract, net expenses of approximately \$0.9 million were incurred during the fourth quarter of 2009.

No such costs were recorded during the first quarter of 2010.

NET EARNINGS / LOSS

	Three months ended		Change	% Change
	March 31, 2010	March 31, 2009		
Net Earnings / (Loss)	9,714	(11,774)	21,488	182.5%
Earnings / (Loss) per common share				
Basic	0.12	(0.16)		
Diluted	0.12	(0.16)		

First Quarter 2010 to First Quarter 2009 comparison

The net earnings for the first quarter of 2010 of \$9.7 million increased by \$21.5 million from a net loss of \$11.8 million in the first quarter of 2009 primarily on account of increased customer production volumes and lower one-time items as described in Table A under Adjustments to Net Income. Excluding one-time items, the adjusted net earnings in the first quarter of 2010 improved to \$11.4 million or \$0.14 per share, on a basic and diluted basis, in comparison to adjusted net loss of \$10.5 million or \$0.15 loss per share, on a basic and diluted basis, in the first quarter of 2009.

The increase in adjusted net earnings in the first quarter of 2010 as compared to the first quarter of 2009 was primarily attributable to an 86% increase in revenue resulting in better absorption of manufacturing overheads and better margins in the first quarter of 2010 as compared to the first quarter of 2009.

First Quarter 2010 to Fourth Quarter 2009 comparison

The net earnings for the first quarter of 2010 of \$9.7 million was higher than the net loss of \$5.4 million in the fourth quarter of 2009 largely due to higher one-time costs of \$11.7 million in the fourth quarter of 2009 as compared to the first quarter of 2010 as described in Table B under Adjustments to Net Income.

Excluding the one-time costs, the adjusted net earnings for the first quarter of 2010 increased to \$11.4 million or \$0.14 earnings per share, on a basic and diluted basis, as compared to adjusted net earnings for the fourth quarter of 2009 of \$8.0 million or \$0.10 per share, on a basic and diluted basis.

The increase in adjusted earnings in the first quarter of 2010 as compared to the fourth quarter of 2009 was mainly as a consequence of improved efficiencies resulting in better margins, as discussed under Gross Margin above, which was partially offset by a 4% decline in revenue.

CAPITAL EXPENDITURES

First Quarter 2010 to First Quarter 2009 comparison

In the first quarter of 2010, capital expenditures increased by \$8.2 million to \$13.1 million from \$4.9 million in the first quarter of 2009. The capital expenditures incurred in the first quarter of 2010 have

increased primarily due to building expansions at Jonesville, Michigan and Saltillo, Mexico and the purchase of new program equipment.

First Quarter 2010 to Fourth Quarter 2009 comparison

Capital expenditures decreased by \$3.5 million from \$16.6 million in the fourth quarter of 2009 as compared to \$13.1 million in the first quarter of 2010 mainly on account of timing of capital expenditures.

Fred Jaekel, Martinrea's Chief Executive Officer, stated: "I am very pleased that our first quarter results were good, showing strong revenue improvement over last year and the highest level of profitability we have had in two years. We continue to focus on making operational improvements, as we deal with the ramp up of production from historically low levels, and we continue to focus on meeting the needs of our customers. A highlight of the quarter was recognition from one of our customers, Honda, for awarding us its New Challenging Spirit award for our Jonesville facility, for the service and performance that we provided last year. I want to congratulate our people for their efforts here, and for their support of all our customers."

Mr. Jaekel continued: "We continue to quote new work and pursue opportunities that make sense to us. In our first quarter, we have won new incremental work of approximately \$25 million that launches primarily in 2012, but also won a significant amount of replacement business. The new work includes \$11 million from General Motors for some metallic assemblies on GM's next generation Cruze and the Buick variant and also some hot stamped door beams for its global small vehicle platform. We are seeing more hot stamping opportunities. We were also awarded work from Fiat and Chrysler totaling \$12 million, which includes the rear twist axle assembly for the Fiat 500 and our capless fuelling system for the next generation LX program; and some Honda work (\$1.3 million metallic work) and Volkswagen work (\$1.8 million metallic work). As you can see, we are seeing opportunities from both traditional customers and from those that are more recent. As for replacement business, we were confirmed on over \$70 million from a variety of customers. While we do not usually report replacement business, it is important and reassuring to keep work awarded by our customers, work which can often be market tested by the customer. We continue to grow business in multiple areas and grow our customer base, but we remain focused on winning carryover mandates also. We are seeing a great deal of quoting activity in the second quarter, and have been advised of over \$100 million in new business in the quarter to date. We will provide details in our next quarterly press release."

Nick Orlando, Martinrea's President and Chief Financial Officer, stated: "Our drive for efficiency in our operations continues, and was reflected in the quarter by our operating results. While our revenues were slightly lower in this quarter compared to the fourth quarter of 2009, our gross margin percentage was improved. We achieved a net income, on a basic and diluted basis, of \$0.12 per common share, and adjusted net income before unusual and other items of \$0.14 per common share on a basic and diluted basis. In many cases, with the improved production levels and their increased stability, our plants have become more efficient, and the numbers show it. There is room to improve, and we will continue to improve our manufacturing systems and cost structures, and drive efficiencies in the coming quarters. It is absolutely critical to future success that we are competitive in all our

operations—being competitive is also the best job security for our people. We are also seeing growth in areas where we are competitive and able to support the needs of our customers. For example, we are expanding operations in Mexico, Mississippi, Michigan and Tennessee given the work we have won and are quoting.”

Rob Wildeboer, Martinrea’s Executive Chairman, stated: “The outlook for our industry in North America, while always challenging and subject to strong competitive pressures, has improved significantly from where we were just a few months ago. We are seeing volume projections for production and sales growing over the next two years, which will give us the ability to improve throughput at our plants. We also believe that the consolidation in our industry continues, and customers have been very clear in their direction that they want to consolidate their supply base, promote commonality of product, partner with suppliers who can provide design and engineering capability, and support financially solid suppliers. In all these areas, we are poised to take advantage. Our financial position remains strong, we have good sources of capital, and at present and improving production levels we are going to generate positive cash flow from operations going forward. At the same time, we continue to emphasize that any growth will be prudent, and we are also very focused on remaining lean and flexible—our industry has just been through a tremendous crisis and we will remember all the lessons we learned.”

The common shares of Martinrea trade on The Toronto Stock Exchange under the symbol “MRE”.

Special Note Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of applicable Canadian securities laws including statements related to the Company’s efficiency programs, capacity utilization, continuous improvement, and rationalization of operating facilities, the Company’s expectations as to the launching of new metal forming and fluid systems programs, continued consolidation of automotive suppliers, the opportunity to increase sales, broad geographic penetration, increased relationships with intermediary suppliers, the nature and duration of the economic recession to the continuation of monitoring, managing and rationalization of expenses, the Company’s expectation regarding the financing of future capital expenditures, the Company’s views of the likelihood of tooling and component part supplier default, the Company’s views on the long term outlook of the automotive industry and future vehicle production, and the Company’s ability to capitalize on opportunities in the automotive industry as well as other forward-looking statements. The words “continue”, “expect”, “anticipate”, “estimate”, “may”, “will”, “should”, “views”, “intend”, “believe”, “plan” and similar expressions are intended to identify forward-looking statements. Forward-looking statements are based on estimates and assumptions made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate in the circumstances. Many factors could cause the Company’s actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors, some of which are discussed in detail under “Risks and Uncertainties” in the Company’s Management Discussion and Analysis dated May 6, 2010 for the first quarter ended March 31, 2010 and which are also discussed in the Company’s Annual Information Form for the fiscal year ended December 31, 2009 and other public filings which can be found at www.sedar.com:

- North American and global economic conditions;
- the highly cyclical nature of the automotive industry and the industry's dependence on consumer spending and general economic conditions;
- the Company's dependence on a limited number of significant customers, which have experienced and may continue to face severe financial challenges;
- financial viability of suppliers;
- Martinrea's reliance on suppliers for components and the risk that suppliers will not be able to supply components on a timely basis or in sufficient quantities;
- competition;
- the increasing pressure on the Company to absorb costs related to product design and development, engineering, program management, prototypes, validation and tooling;
- increased pricing of raw materials;
- outsourcing and in-sourcing trends;
- competition with low cost countries;
- the risk of increased costs associated with product warranty and recalls together with the associated liability;
- the Company's ability to enhance operations and manufacturing techniques;
- dependence on key personnel;
- limited financial resources;
- risks associated with the integration of acquisitions;
- costs associated with rationalization of production facilities;
- the potential volatility of the Company's share price;
- changes in governmental regulations or laws including any changes to the North American Free Trade Agreement;
- labour disputes;
- litigation;
- currency risk;
- fluctuations in operating results;
- internal controls over financial reporting and disclosure controls and procedures;
- environmental regulation;
- under-funding of pension plans; and
- the cost of post-employment benefits.

These factors should be considered carefully, and readers should not place undue reliance on the Company's forward-looking statements. The Company has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

A conference call to discuss those results will be held on Friday, May 7, 2010 at 8:00 a.m. (Toronto time) which can be accessed by dialing **(416) 340-8018** or toll free **(866) 225-0198**. Please call 10 minutes prior to the start of the conference call.

If you have any teleconferencing questions, please call Andre La Rosa at (416) 749-0314.

There will also be a rebroadcast of the call available by dialing **(416) 695-5800** or toll free number **(800) 408-3053** (conference id – **3842366#**). The rebroadcast will be available until May 21, 2010.

For further information, please contact:

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MARTINREA INTERNATIONAL INC.
Interim Consolidated Balance Sheets

As at March 31, 2010 (unaudited) with comparative figures for December 31, 2009
(in thousands of dollars)

	March 31, 2010	December 31, 2009
Assets		
Current assets:		
Cash and cash equivalents	\$ 10,700	\$ 22,769
Accounts receivable	250,291	221,591
Other receivables	7,161	7,380
Income tax recoverable	6,191	13,369
Inventories (note 3)	142,500	136,050
Prepaid expenses and deposits	5,974	4,389
	<u>422,817</u>	<u>405,548</u>
Future income tax assets	64,246	64,379
Property, plant and equipment (note 4)	389,611	395,855
Intangible assets (note 5)	17,035	18,315
Note receivable (note 6)	199,666	199,666
	<u>\$ 1,093,375</u>	<u>\$ 1,083,763</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 224,513	\$ 224,097
Current portion of long-term debt (note 8)	14,406	14,845
	<u>238,919</u>	<u>238,942</u>
Long-term debt (note 8)	84,940	72,555
Pension and other post-retirement benefits	234,568	237,239
Future income tax liabilities	31,945	30,824
Non-controlling interest	1,237	1,259
Shareholders' equity:		
Share capital (note 9)	683,057	683,057
Notes receivable for share capital (note 9)	(2,700)	(2,700)
Contributed surplus (note 10)	37,669	37,402
Accumulated other comprehensive loss	(70,495)	(59,336)
Accumulated deficit	(145,765)	(155,479)
	<u>501,766</u>	<u>502,944</u>
Guarantees (note 14)		
	<u>\$ 1,093,375</u>	<u>\$ 1,083,763</u>

See accompanying notes to interim consolidated financial statements.

On behalf of the Board:

"Fred Jaekel" Director

"Robert Wildeboer" Director

MARTINREA INTERNATIONAL INC.
Interim Consolidated Statements of Operations

For the three months ended March 31, 2010 and 2009 (unaudited)
(in thousands of dollars, except per share amounts)

	Three months ended	
	March 31, 2010	March 31, 2009
Sales	\$ 381,480	\$ 205,072
Cost of sales (excluding amortization of property, plant and equipment)	333,906	189,557
Amortization of property, plant and equipment (production)	10,855	11,810
Total cost of sales	344,761	201,367
Gross profit	36,719	3,705
Expenses:		
Selling, general and administrative	19,669	16,942
Foreign exchange (gain) loss	(280)	1,461
Amortization of property, plant and equipment (non-production)	646	647
Amortization of intangible assets (note 5)	1,168	1,111
Restructuring costs (note 7)	370	4,397
Interest on long-term debt	1,392	1,280
Other interest income, net	(21)	121
Loss (gain) on disposal of property, plant and equipment	67	(3,963)
	23,011	21,996
Income (loss) before income taxes and non-controlling interest	13,708	(18,291)
Income taxes (recovery):		
Current	3,979	(1,588)
Future	37	(4,797)
	4,016	(6,385)
Income (loss) before non-controlling interest	9,692	(11,906)
Non-controlling interest	(22)	(132)
Net Income (loss)	\$ 9,714	\$ (11,774)
Earnings (loss) per common share (note 11):		
Basic	\$ 0.12	\$ (0.16)
Diluted	0.12	(0.16)

See accompanying notes to interim consolidated financial statements.

MARTINREA INTERNATIONAL INC.
Interim Consolidated Statements of Comprehensive Income (Loss)

For the three months ended March 31, 2010 and 2009 (unaudited)
(in thousands of dollars)

	Three months ended	
	March 31, 2010	March 31, 2009
Net income (loss)	\$ 9,714	\$ (11,774)
Other comprehensive income (loss), net of tax:		
Unrealized gain (loss) on translation of financial statements of self-sustaining operations	(11,159)	8,531
Other comprehensive income (loss)	(11,159)	8,531
Comprehensive loss	\$ (1,445)	\$ (3,243)

See accompanying notes to interim consolidated financial statements.

MARTINREA INTERNATIONAL INC.**Interim Consolidated Statements of Changes in Shareholders' Equity**

For the three months ended March 31, 2010 (unaudited) and year ended December 31, 2009
(in thousands of dollars)

	Share capital	Notes receivable for share capital	Contributed surplus	Accumulated other comprehensive loss	Accumulated deficit	Total
Balances, December 31, 2008	629,052	(2,700)	34,478	(13,212)	(130,539)	517,079
Net loss	-	-	-	-	(24,940)	(24,940)
Shares issued in private placement (net of share issue costs of \$2,486 and future tax recovery of \$716)	54,005	-	-	-	-	54,005
Compensation expense related to stock options	-	-	2,924	-	-	2,924
Other comprehensive income	-	-	-	(46,124)	-	(46,124)
Balances, December 31, 2009	683,057	(2,700)	37,402	(59,336)	(155,479)	502,944
Net income	-	-	-	-	9,714	9,714
Compensation expense related to stock options	-	-	267	-	-	267
Other comprehensive loss	-	-	-	(11,159)	-	(11,159)
Balances, March 31, 2010	\$ 683,057	\$ (2,700)	\$ 37,669	\$ (70,495)	\$ (145,765)	\$ 501,766

See accompanying notes to interim consolidated financial statements.

MARTINREA INTERNATIONAL INC.
Interim Consolidated Statements of Cash Flows

For the three months ended March 31, 2010 and 2009 (unaudited)
(in thousands of dollars)

	Three months ended	
	March 31, 2010	March 31, 2009
Cash provided by (used in):		
Operating activities:		
Net income (loss)	\$ 9,714	\$ (11,774)
Items not involving cash:		
Amortization of property, plant and equipment	11,501	12,457
Amortization of intangible assets (note 5)	1,168	1,111
Amortization of deferred financing costs	72	-
Unrealized (gain) loss on foreign exchange forward contracts	(476)	585
Future income taxes	37	(4,797)
Non-controlling interest	(22)	(132)
Loss (gain) on disposal of property, plant and equipment	67	(3,963)
Stock-based compensation	267	569
Pension and other post-employment benefits	805	2,791
Contribution made to pension and other post-employment benefits	(2,672)	(3,216)
	20,461	(6,369)
Changes in non-cash working capital items:		
Accounts receivable	(33,427)	31,409
Other receivables	145	(4,948)
Inventories	(8,980)	(2,429)
Prepaid expenses and deposits	(1,585)	(1,758)
Accounts payable and accrued liabilities	4,494	(22,545)
Income taxes payable / recoverable	8,395	(2,779)
	(10,497)	(9,419)
Financing activities:		
Increase in long-term debt	16,000	6,703
Repayment of long-term debt	(3,852)	(5,105)
	12,148	1,598
Investing activities:		
Acquisition of SKD Automotive Group (net of acquisition costs) (note 2)	-	(4,267)
Purchase of property, plant and equipment	(13,075)	(4,897)
Proceeds on disposal of property, plant and equipment	70	5,203
	(13,005)	(3,961)
Effect of foreign exchange rate changes on cash and cash equivalents	(715)	(747)
Decrease in cash and cash equivalents	(12,069)	(12,529)
Cash and cash equivalents, beginning of period	22,769	60,965
Cash and cash equivalents:		
Cash	10,700	48,436
Cash and cash equivalents, end of period	\$ 10,700	\$ 48,436
Supplemental cash flow information:		
Cash paid for interest, net	\$ 1,893	\$ 771
Cash paid (received) for income taxes, net	\$ (2,586)	\$ 266

See accompanying notes to interim consolidated financial statements.