MARTINREA INTERNATIONAL INC.

Releases Third Quarter Results and Announces Dividend

November 3, 2016 – For Immediate Release

Toronto, Ontario – Martinrea International Inc. (TSX : MRE), a leader in the development and production of quality metal parts, assemblies and modules and fluid management systems and complex aluminum products focused primarily on the automotive sector, announced today the release of its financial results for the third quarter ended September 30, 2016 and a quarterly dividend.

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.

Additional information about the Company, including the Company's Management Discussion and Analysis of Operating Results and Financial Position for the third quarter ended September 30, 2016 ("MD&A"), the Company's unaudited interim consolidated financial statements for the third quarter ended September 30, 2016 (the "unaudited interim consolidated financial statements") and the Company's Annual Information Form for the financial year ended December 31, 2015, can be found at www.sedar.com.

HIGHLIGHTS FOR THE QUARTER

- Production sales of $877 million
- Record third quarter net income of $29.1 million, or $0.34 per share
- Third quarter adjusted operating income and EBITDA margins increase year over year
- Operating margin improvement plan on track
- Record third quarter adjusted EBITDA of $80.6 million, trailing twelve months adjusted EBITDA increases to $348 million
- Net debt to trailing twelve months adjusted EBITDA ratio decreases to 1.96X
- Supplier quality awards achieved for metallic, aluminum plants
- Dividend of $0.03 per share announced

OVERVIEW

Pat D'Eramo, Martinrea's President and Chief Executive Officer, stated: "I am really pleased with our team's performance in the quarter, as we continue to deliver on key metrics. This is our eighth quarter in a row with record year-over-year adjusted earnings. Our margin improvement plan is on track along with our leverage ratio improvement. Our Martinrea 2.0 strategy continues to gain momentum in the organization at a strong forward pace. I am particularly pleased with our operational performance, which continues to get better, recognized by customer quality awards for best in class performance at our Queretaro and Alfield facilities, which received top supplier awards this week. I am also pleased to announce $30 million of new business wins in the quarter including $15 million of fluids management business and $15 million in steel metal forming business for General Motors starting in large part in 2019."

Fred Di Tosto, Martinrea's Chief Financial Officer, stated: "Sales in our third quarter, excluding tooling sales, were $877 million, slightly below our previously announced sales guidance range, given lower than anticipated sales volume on certain programs, including the Ford Escape as the customer slows production to manage vehicle inventory levels which is expected to continue in the fourth quarter, and the Chrysler 200 platform, as production numbers continue to drop as it approaches its official end by the end of the year. Our net earnings per share, on a basic and diluted basis, was $0.34, in line with previous guidance, and a record third quarter for us. Our operating income margin increased year-over-year in the third quarter, seasonally our weakest, to 4.7%, a healthy improvement year-over-year, as we move towards our interim target of at least 6% by the end of 2017. Our net debt to trailing twelve months adjusted EBITDA ratio at quarter end was 1.96x, a nice improvement from last year-end and an improvement from the end of the previous quarter, as we continue to progress to our target ratio of 1.50x by the end of 2017. Once again, we had another solid quarter from a financial perspective."

Rob Wildeboer, Martinrea's Executive Chairman, stated: "The last quarter was another good one for our company, and overall for the industry, which remains healthy and generating fairly strong sales and production volumes overall, although we are seeing some inventory adjustments from some of our customers. We expect that our fourth quarter sales, excluding tooling sales, will range from $860 to $900 million, and we expect adjusted net earnings per share in the range of $0.33 to $0.37 on a basic and diluted basis. Fourth quarter sales are expected to be impacted by the recent customer announcement of plant shutdowns to reduce inventory on the Ford Escape and Fusion platforms, two of our largest, and some lower volumes on some Chrysler business, which will impact net earnings per share for the quarter by approximately 3 to 4 cents. The year 2016 will, we believe, be the best in our earnings history and a solid base for an anticipated record 2017. We anticipate consistent and broad improvement on a broad range of financial metrics next year, including margin, earnings and earnings per share, as well as continued strengthening of the balance sheet. Metrics will continue to improve in the coming years. Even more importantly, we are realizing our Vision, Mission and Guiding Principles on a continuous basis, and as a result we are stronger as a company than we have ever been."

RESULTS OF OPERATIONS

OVERALL RESULTS

The following tables set out certain highlights of the Company's performance for the three and nine months ended September 30, 2016 and 2015. Refer to the Company's interim condensed consolidated financial statements for the three and nine months ended September 30, 2016 for a detailed account of the Company's performance for the periods presented in the tables below.

		Three months ended September 30, 2016		**Three months ended September 30, 2015**	**$ Change**	**% Change**
Sales	$	914,725	$	929,880	(15,155)	(1.6%)
Gross Margin		99,698		96,385	3,313	3.4%
Operating Income		43,394		24,837	18,557	74.7%
Net Income for the period		28,827		15,232	13,595	89.3%
Net Income Attributable to Equity Holders of the Company	$	29,098	$	15,469	13,629	88.1%
Net Earnings per Share – Basic and Diluted	$	0.34	$	0.18	0.16	88.9%
Non-IFRS Measures*						
Adjusted Operating Income	$	43,394	$	40,228	3,166	7.9%
% of Sales		*4.7%*		*4.3%*		
Adjusted EBITDA		80,614		75,773	4,841	6.4%
% of Sales		*8.8%*		*8.1%*		
Adjusted Net Income Attributable to Equity Holders of the Company		29,098		25,899	3,199	12.4%
Adjusted Net Earnings per Share - Basic and Diluted	$	0.34	$	0.30	0.04	13.3%

		Nine months ended September 30, 2016		Nine months ended September 30, 2015	$ Change	% Change
Sales	$	2,978,000	$	2,831,457	146,543	5.2%
Gross Margin		327,738		298,403	29,335	9.8%
Operating Income		113,468		118,785	(5,317)	(4.5%)
Net Income for the period		61,331		79,347	(18,016)	(22.7%)
Net Income Attributable to Equity Holders of the Company	$	61,627	$	79,299	(17,672)	(22.3%)
Net Earnings per Share – Basic	$	0.71	$	0.93	(0.22)	(23.7%)
Net Earnings per Share – Diluted	$	0.71	$	0.92	(0.21)	(22.8%)
Non-IFRS Measures*						
Adjusted Operating Income	$	151,731	$	134,176	17,555	13.1%
% of Sales		*5.1%*		*4.7%*		
Adjusted EBITDA		264,285		234,489	29,796	12.7%
% of Sales		*8.9%*		*8.3%*		
Adjusted Net Income Attributable to Equity Holders of the Company		99,332		89,729	9,603	10.7%
Adjusted Net Earnings per Share - Basic	$	1.15	$	1.05	0.10	9.5%
Adjusted Net Earnings per Share - Diluted	$	1.15	$	1.04	0.11	10.6%

***Non-IFRS Measures**

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"). However, the Company considers certain non-IFRS financial measures as useful additional information in measuring the financial performance and condition of the Company. These measures, which the Company believes are widely used by investors, securities analysts and other interested parties in evaluating the Company's performance, do not have a standardized meaning prescribed by IFRS 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 financial measures determined in accordance with IFRS. Non-IFRS measures include "Adjusted Net Income", "Adjusted Net Earnings per Share (on a basic and diluted basis)", "Adjusted Operating Income" and "Adjusted EBITDA".

The following tables provide a reconciliation of IFRS "Net Income Attributable to Equity Holders of the Company" to Non-IFRS "Adjusted Net Income Attributable to Equity Holders of the Company", "Adjusted Operating Income" and "Adjusted EBITDA":

		Three months ended September 30, 2016		Three months ended September 30, 2015
Net Income Attributable to Equity Holders of the Company	$	29,098	$	15,469
Unusual and Other Items (after-tax)*		-		10,430
Adjusted Net Income Attributable to Equity Holders of the Company	$	29,098	$	25,899

		Nine months ended September 30, 2016		Nine months ended September 30, 2015
Net Income Attributable to Equity Holders of the Company	$	61,627	$	79,299
Unusual and Other Items (after-tax)*		37,705		10,430
Adjusted Net Income Attributable to Equity Holders of the Company	$	99,332	$	89,729

**Unusual and other items for the three months ended September 30, 2015 and nine months ended September 30, 2016 and 2015 are explained in the "Adjustments to Net Income" section of this Press Release*

		Three months ended September 30, 2016		Three months ended September 30, 2015
Net Income Attributable to Equity Holders of the Company	$	29,098	$	15,469
Non-controlling interest		(271)		(237)
Income tax expense		9,319		4,087
Other finance income		(770)		(807)
Finance expense		6,018		6,325
Unusual and Other Items (before-tax)*		-		15,391
Adjusted Operating Income	$	43,394	$	40,228
Depreciation of property, plant and equipment		33,500		31,879
Amortization of intangible assets		3,673		3,674
Loss/(gain) on disposal of property, plant and equipment		47		(8)
Adjusted EBITDA	$	80,614	$	75,773

**Unusual and other items for the three months ended September 30, 2015 are explained in the "Adjustments to Net Income" section of this Press Release*

		Nine months ended September 30, 2016		Nine months ended September 30, 2015
Net Income Attributable to Equity Holders of the Company	$	61,627	$	79,299
Non-controlling interest		(296)		48
Income tax expense		31,455		24,068
Other finance expense (income)		2,570		(4,059)
Finance expense		18,112		19,429
Unusual and Other Items (before-tax)*		38,263		15,391
Adjusted Operating Income	$	151,731	$	134,176
Depreciation of property, plant and equipment		100,723		90,596
Amortization of intangible assets		11,755		10,470
Loss/(gain) on disposal of property, plant and equipment		76		(753)
Adjusted EBITDA	$	264,285	$	234,489

**Unusual and other items for the nine months ended September 30, 2016 and 2015 are explained in the "Adjustments to Net Income" section of this Press Release*

The year-over-year changes in significant accounts and financial highlights are discussed in detail in the sections below.

SALES

Three months ended September 30, 2016 to three months ended September 30, 2015 comparison

		Three months ended September 30, 2016		Three months ended September 30, 2015	$ Change	% Change
North America	$	734,924	$	745,034	(10,110)	(1.4%)
Europe		152,080		163,982	(11,902)	(7.3%)
Rest of the World		27,721		20,864	6,857	32.9%
Total Sales	$	914,725	$	929,880	(15,155)	(1.6%)

The Company's consolidated sales for the third quarter of 2016 decreased by $15.2 million or 1.6% to $914.7 million as compared to $929.9 million for the third quarter of 2015. The total decrease in sales was driven by decreases in the North America and Europe operating segments partially offset by an increase in sales in the Rest of the World.

Sales for the third quarter of 2016 in the Company's North America operating segment decreased by $10.1 million or 1.4% to $734.9 million from $745.0 million for the third quarter of 2015. The decrease was due to lower year-over-year OEM production volumes on certain light-vehicle platforms including the Chrysler 200, Ford Escape/Focus and other platforms late in their product life cycle such as the GM Equinox, and programs that ended production during or subsequent to the third quarter of 2015. These negative factors were partially offset by the impact of foreign exchange on the translation of U.S. denominated production sales, which had a positive impact on overall sales for the third quarter of 2016 of approximately $8.6 million as compared to the third quarter of 2015; a $5.5 million increase in tooling sales, which are typically dependent on the timing of tooling construction and final acceptance by the customer; and the launch of new programs during or subsequent to the third quarter of 2015, including the Chevrolet Malibu, Cadillac CT6, and Chrysler Pacifica.

Sales for the third quarter of 2016 in the Company's Europe operating segment decreased by $11.9 million or 7.3% to $152.1 million from $164.0 million for the third quarter of 2015. The decrease can be attributed to lower overall production volumes in the Company's Martinrea Honsel German operations including the impact from the sale of the Company's operating facility in Soest, Germany on August 31, 2015; partially offset by increased production sales in the Company's new operating facility in Spain, which continues to ramp up and execute its backlog of new business, a $2.6 million positive foreign exchange impact from the translation of Euro denominated production sales as compared to the third quarter of 2015, and a $2.1 million increase in tooling sales.

Sales for the third quarter of 2016 in the Company's Rest of the World operating segment increased by $6.9 million or 32.9% to $27.7 million from $20.9 million in the third quarter of 2015. The increase was mainly due to a year-over-year increase in production sales in the Company's two new operating facilities in China, which continue to ramp up and execute on their backlogs of new business; partially offset by a $0.8 million negative foreign exchange impact from the translation of foreign denominated production sales as compared to the third quarter of 2015, and a $0.5 million decrease in tooling sales and lower year-over-year production sales in the Company's operating facility in Brazil where OEM light vehicle production volumes continue to trend at low levels.

Overall tooling sales increased by $7.1 million to $38.2 million for the third quarter of 2016 from $31.1 million for the third quarter of 2015.

Nine months ended September 30, 2016 to nine months ended September 30, 2015 comparison

	Nine months ended September 30, 2016	Nine months ended September 30, 2015	$ Change	% Change
North America	$ 2,408,861	$ 2,256,856	152,005	6.7%
Europe	484,313	517,345	(33,032)	(6.4%)
Rest of the World	84,826	57,256	27,570	48.2%
Total Sales	$ 2,978,000	$ 2,831,457	146,543	5.2%

The Company's consolidated sales for the nine months ended September 30, 2016 increased by $146.5 million or 5.2% to $2,978.0 million as compared to $2,831.5 million for the nine months ended September 30, 2015. The total increase in sales was driven by increases in the Company's North America and Rest of the World operating segments, partially offset by a year-over-year decrease in sales in Europe.

Sales for the nine months ended September 30, 2016 in the Company's North America operating segment increased by $152.0 million or 6.7% to $2,408.9 million from $2,256.9 million for the nine months ended September 30, 2015. The increase was due to the impact of foreign exchange on the translation of U.S. denominated production sales, which had a positive impact on overall sales for the nine months ended September 30, 2016 of approximately $135.0 million as compared to the comparative period of 2015; the launch of new programs during or subsequent to the nine months ended September 30, 2015, including the Chevrolet Malibu, Ford Edge, Cadillac CT6; and higher volumes on the Chrysler mini-van platform; and a year-over-year increase in tooling sales of $47.4 million. These positive variances were partially offset by lower year-over-year OEM production volumes on certain light-vehicle platforms including the Chrysler 200, Ford Escape/Focus and other platforms late in their product life cycle such as the GM Equinox, and programs that ended production during or subsequent to the nine months ended September 30, 2015; some previously unplanned shutdowns from GM of four assembly plants for two weeks because of an earthquake in Japan disrupting the supply chain; and the planned shutdown of Chrysler's V6 Pentastar engine block for re-tooling. The planned shutdown of Chrysler's V6 Pentastar engine block program for re-tooling commenced during the fourth quarter of 2015 and was completed near the end of the first quarter of 2016. Volumes on the program ramped up during the second quarter but did not return to historical levels until the end of June 2016.

Sales for the nine months ended September 30, 2016 in the Company's Europe operating segment decreased by $33.0 million or 6.4% to $484.3 million from $517.3 million for the nine months ended September 30, 2015. The decrease can be attributed to a $6.3 million decrease in tooling sales and lower overall production volumes in the Company's Martinrea Honsel German operations including the impact from the sale of the Company's operating facility in Soest, Germany on August 31, 2015; partially offset by increased production sales in the Company's operating facilities in Spain and Slovakia, which continue to ramp up and execute their backlogs of new business, and the impact of foreign exchange on the translation of Euro denominated production sales, which had a positive impact on overall sales for the nine months ended September 30, 2016 of approximately $24.9 million as compared to the comparable period of 2015.

Sales for the nine months ended September 30, 2016 in the Company's Rest of the World operating segment increased by $27.6 million or 48.2% to $84.8 million from $57.3 million for the nine months ended September 30, 2015. The increase can be attributed to an increase in production sales in the Company's two new operating facilities in China, which continue to ramp up and execute on their backlogs of new business, and a $5.4 million increase in tooling sales; partially offset by the translation of foreign denominated production sales, which had a negative impact on overall sales for the nine months ended September 30, 2016 of $1.5 million as compared to the comparative period of 2015, and lower year-over-year production sales in the Company's operating facility in Brazil where OEM light vehicle production volumes continue to trend at low levels. The year-over-year increase in sales in the Company's operations in China was tempered by an unplanned OEM shutdown of one of its key light vehicle platforms during the second quarter. The program was down for seven weeks during the second quarter and came back online in July.

Overall tooling sales increased by $46.5 million to $145.7 million for the nine months ended September 30, 2016 from $99.2 million for the nine months ended September 30, 2015.

GROSS MARGIN

Three months ended September 30, 2016 to three months ended September 30, 2015 comparison

	Three months ended September 30, 2016	Three months ended September 30, 2015	$ Change	% Change
Gross margin	$ 99,698	$ 96,385	3,313	3.4%
% of sales	10.9%	10.4%		

The gross margin percentage for the third quarter of 2016 of 10.9% increased as a percentage of sales by 0.5% as compared to the gross margin percentage for the third quarter of 2015 of 10.4%. The increase in gross margin as a percentage of sales was generally due to:

- productivity and efficiency improvements at certain operating facilities; and
- recently added new greenfield operating facilities which continue to ramp up and execute their backlogs of business.

These factors were partially offset by the following:

- operational inefficiencies and other costs at certain other facilities; and
- general sales mix including lower production volumes on the Chrysler 200, Ford Escape/Focus, GM Equinox and certain other programs.

Nine months ended September 30, 2016 to nine months ended September 30, 2015 comparison

	Nine months ended September 30, 2016	Nine months ended September 30, 2015	$ Change	% Change
Gross margin	$ 327,738	$ 298,403	29,335	9.8%
% of sales	11.0%	10.5%		

The gross margin percentage for the nine months ended September 30, 2016 of 11.0% increased as a percentage of sales by 0.5% as compared to the gross margin percentage for the nine months ended September 30, 2015 of 10.5%. The increase in gross margin as a percentage of sales was generally due to:

- productivity and efficiency improvements at certain operating facilities; and
- recently added new greenfield operating facilities which continue to ramp up and execute their backlogs of business.

These factors were partially offset by the following:

- operational inefficiencies and other costs at certain other facilities;
- an increase in tooling sales which typically earn low or no margins for the Company; and
- general sales mix including lower production volumes on the Chrysler 200, Ford Escape/Focus, GM Equinox and certain other programs.

ADJUSTMENTS TO NET INCOME
(ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY)

Adjusted Net Income excludes certain unusual and other items, as set out in the following tables and described in the notes thereto. Management uses Adjusted Net Income as a measurement of operating performance of the Company and believes that, in conjunction with IFRS measures, it provides useful information about the financial performance and condition of the Company.

TABLE A

Three months ended September 30, 2016 to three months ended September 30, 2015 comparison

	For the three months ended September 30, 2016 (a)	For the three months ended September 30, 2015 (b)	(a)-(b) Change
NET INCOME (A)	**$29,098**	**$15,469**	**$13,629**
Add back - Unusual and Other Items:			
Restructuring costs (2)	-	13,619	(13,619)
Executive separation agreement (4)	-	1,402	(1,402)
Loss on sale of assets and liabilities held for sale (5)	-	370	(370)
TOTAL UNUSUAL AND OTHER ITEMS BEFORE TAX	-	**$15,391**	**$(15,391)**
Tax impact of above items	-	(4,961)	4,961
TOTAL UNUSUAL AND OTHER ITEMS AFTER TAX (B)	-	**$10,430**	**$(10,430)**
ADJUSTED NET INCOME (A + B)	**$29,098**	**$25,899**	**$3,199**
Number of Shares Outstanding – Basic (‘000)	86,385	86,203	
Adjusted Basic Net Earnings Per Share	$0.34	$0.30	
Number of Shares Outstanding – Diluted (‘000)	86,507	86,768	
Adjusted Diluted Net Earnings Per Share	$0.34	$0.30	

TABLE B

Nine months ended September 30, 2016 to nine months ended September 30, 2015 comparison

	For the nine months ended September 30, 2016 (a)	For the nine months ended September 30, 2015 (b)	(a)-(b) Change
NET INCOME (A)	**$61,627**	**$79,299**	**$(17,672)**
Add back - Unusual and Other Items:			
Impairment of assets (1)	34,579	-	34,579
Restructuring costs (2)	3,684	13,619	(9,935)
Executive separation agreement (4)	-	1,402	(1,402)
Loss on sale of assets and liabilities held for sale (5)	-	370	(370)
TOTAL UNUSUAL AND OTHER ITEMS BEFORE TAX	**$38,263**	**$15,391**	**$22,872**
Tax impact of above items (3)	(558)	(4,961)	4,403
TOTAL UNUSUAL AND OTHER ITEMS AFTER TAX (B)	**$37,705**	**$10,430**	**$27,275**
ADJUSTED NET INCOME (A + B)	**$99,332**	**$89,729**	**$9,603**
Number of Shares Outstanding – Basic (‘000)	86,385	85,700	
Adjusted Basic Net Earnings Per Share	$1.15	$1.05	
Number of Shares Outstanding – Diluted (‘000)	86,570	86,265	
Adjusted Diluted Net Earnings Per Share	$1.15	$1.04	

(1) Impairment of assets

During the second quarter of 2016, the Company recorded impairment charges on PP&E, intangible assets and inventories totaling $34,579 (US $26,599) related to an operating facility in Detroit, Michigan included in the North America operating segment. The impairment charges resulted from the cancellation of the main OEM light vehicle platform being serviced by the facility, representing the majority of the business, well before the end of its expected life cycle. This has led to a decision to close the facility. The impairment charges were recorded where the carrying amount of the assets exceeded their estimated recoverable amounts.

(2) Restructuring costs

As part of the acquisition of Honsel in 2011, a certain level of restructuring was contemplated, in particular, at the Company’s German operating facilities in Meschede. In connection with these restructuring activities, $1,810 (€1,238) of employee related severance was recognized during the second quarter of 2016 and $13.6 million (€9.7 million) during the third quarter of 2015. No further costs related to this restructuring are expected to be incurred.

Other additions to the restructuring accrual during the second quarter of 2016 totaled $1,874 (US$1,441) and represent expected employee related payouts resulting from the closure of the operating facility in Detroit, Michigan as described above.

(3) Tax impact of above items (For the nine months ended September 30, 2016)

The tax impact of the adjustments recorded to income during the second quarter of 2016 (and reflected in the unusual and other items recognized during the nine months ended September 30, 2016) of $558 represents solely the corresponding tax effect on the $1,810 in restructuring costs incurred in Meschede, Germany. The $34,579 in impairment charges and $1,874 in restructuring costs related to the closure of the operating facility in Detroit, Michigan, as described above, resulted in tax losses that were not benefitted and, as a result, not recognized as a deferred tax asset. In assessing the realization of deferred tax assets, the Company considers whether it is more likely than not that some portion of its deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income and the reversal of taxable temporary differences; however, forming a conclusion on the realization of deferred tax assets requires judgment when there are recent tax losses.

(4) Executive separation agreement

On July 14, 2015, Danny Infusino stepped down as the Company's Executive Vice President of Business Development and Engineering and Vice President of Operations. The costs added back for Adjusted Net Income purposes represents Mr. Infusino's termination benefits (included in SG&A expense) as set out in his employment contract payable over an eighteen month period.

(5) Loss on sale of assets and liabilities held for sale

During the second quarter of 2015, certain assets and liabilities of the Company's operating facility in Soest, Germany were transferred to assets held for sale. The Soest facility specialized in aluminum extrusions which the Company determined was not core to the strategy of the overall business going forward. The agreement to sell the Soest facility was closed on August 31, 2015. The net assets were sold for proceeds of $20.6 million (€14.6 million) resulting in a pre-tax loss on sale of $0.4 million (€0.3 million).

NET INCOME
(ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY)

Three months ended September 30, 2016 to three months ended September 30, 2015 comparison

		Three months ended September 30, 2016		Three months ended September 30, 2015	$ Change	% Change
Net Income	$	29,098	$	15,469	13,629	88.1%
Adjusted Net Income	$	29,098	$	25,899	3,199	12.4%
Net Earnings per Share						
Basic	$	0.34	$	0.18		
Diluted	$	0.34	$	0.18		
Adjusted Net Earnings per Share						
Basic	$	0.34	$	0.30		
Diluted	$	0.34	$	0.30		

Net Income, before adjustments, for the third quarter of 2016 increased by $13.6 million to $29.1 million from $15.5 million for the third quarter of 2015 largely as a result of the unusual and other items incurred during the third quarter of 2015 as explained in Table A under "Adjustments to Net Income". Excluding these unusual and other items, net income for the third quarter of 2016 increased to $29.1 million or $0.34 per share, on a basic and diluted basis, from $25.9 million or $0.30 per share, on a basic and diluted basis, for the third quarter of 2015.

Adjusted Net Income for the third quarter of 2016, as compared to the third quarter of 2015, was positively impacted by the following:

- productivity and efficiency improvements at certain operating facilities;
- recently added new greenfield operating facilities which continue to ramp up and execute their backlogs of business; and
- a slightly lower effective tax rate on adjusted income due generally to the mix of earnings (24.4% for the third quarter of 2016 compared to 26.1% for the third quarter of 2015).

These factors were partially offset by the following:

- operational inefficiencies and other costs at certain other facilities; and
- general sales mix including lower production volumes on the Chrysler 200, Ford Escape/Focus, GM Equinox and certain other programs.

Nine months ended September 30, 2016 to nine months ended September 30, 2015 comparison

	Nine months ended September 30, 2016	Nine months ended September 30, 2015	$ Change	% Change
Net Income	$ 61,627	$ 79,299	(17,672)	(22.3%)
Adjusted Net Income	$ 99,332	$ 89,729	9,603	10.7%
Net Earnings per Share				
Basic	$ 0.71	$ 0.93		
Diluted	$ 0.71	$ 0.92		
Adjusted Net Earnings per Share				
Basic	$ 1.15	$ 1.05		
Diluted	$ 1.15	$ 1.04		

Net Income, before adjustments, for the nine months ended September 30, 2016 decreased by $17.7 million to $61.6 million from $79.3 million for the nine months ended September 30, 2015 largely as a result of the impact of the unusual and other items incurred during the nine months ended September 30, 2016 and 2015 as explained in Table B under "Adjustments to Net Income". Excluding these unusual and other items, net income for the nine months ended September 30, 2016 increased to $99.3 million or $1.15 per share, on a basic and diluted basis, from $89.7 million or $1.05 per share, on a basic basis, and $1.04 per share, on a diluted basis, for the nine months ended September 30, 2015.

Adjusted Net Income for the nine months ended September 30, 2016, as compared to the nine months ended September 30, 2015, was positively impacted by the following:

- higher gross profit from an overall increase in year-over-year sales as previously explained;
- productivity and efficiency improvements at certain operating facilities;
- recently added new greenfield operating facilities which continue to ramp up and execute their backlogs of business; and
- a year-over-year decrease in finance expense on the Company's bank debt.

These factors were partially offset by the following:

- operational inefficiencies and other costs at certain other facilities;
- general sales mix including lower production volumes on the Chrysler 200, Ford Escape/Focus, GM Equinox and certain other programs;
- a year-over-year increase in SG&A as previously discussed;
- a net foreign exchange loss of $2.7 million for the nine months ended September 30, 2016 compared to a net foreign exchange gain of $4.0 million for the comparative period of 2015; and
- a slight year-over-year increase in research and development expenses, due predominantly to increased amortization of development costs.

ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

Three months ended September 30, 2016 to three months ended September 30, 2015 comparison

	Three months ended September 30, 2016	Three months ended September 30, 2015	$ Change	% Change
Additions to PP&E	$ 43,739	$ 44,801	(1,062)	(2.4%)

Additions to PP&E decreased by $1.1 million to $43.7 million in the third quarter of 2016 from $44.8 million in the third quarter of 2015 due generally to the timing of expenditures. Additions as a percentage of sales remained consistent year-over-year at 4.8%. While capital expenditures are made to refurbish or replace assets consumed in the normal course of business and for productivity improvements, a large portion of the investment in the third quarter of 2016 continued to be for manufacturing equipment and multiple expansions/new operating facilities for programs that recently launched or will be launching over the next 24 months.

Nine months ended September 30, 2016 to nine months ended September 30, 2015 comparison

	Nine months ended September 30, 2016	Nine months ended September 30, 2015	$ Change	% Change
Additions to PP&E	$ 136,733	$ 129,536	7,197	5.6%

Additions to PP&E increased by $7.2 million year-over-year to $136.7 million for the nine months ended September 30, 2016 compared to $129.5 million for the nine months ended September 30, 2015 due generally to the timing of expenditures and the impact of foreign exchange on the translation of foreign denominated purchases. Additions as a percentage of sales remained consistent year-over-year at 4.6%. The Company continues to make investments in the business in particular at new greenfield operating facilities as these new plants execute on their backlogs of new business.

DIVIDEND

A cash dividend of $0.03 per share has been declared by the Board of Directors payable to shareholders of record on December 31, 2016 on or about January 16, 2017.

ABOUT MARTINREA

Martinrea currently employs over 15,000 skilled and motivated people in 44 operating divisions in Canada, the United States, Mexico, Brazil, Germany, Slovakia, Spain and China.

Martinrea's vision for the future is to be the best, preferred and most valued automotive parts supplier in the world in the products and services we provide our customers. The Company's mission is to deliver: outstanding quality products and services to our customers; meaningful opportunity, job satisfaction and job security to our people through competitiveness and prudent growth; superior long term investment returns to our stakeholders; and positive contributions to our communities as good corporate citizens.

CONFERENCE CALL DETAILS

A conference call to discuss the financial results will be held on Friday, November 4, 2016 at 8:00 a.m. (Toronto time) which can be accessed by dialing 416-340-2216 or toll free 866-223-7781. 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 905-694-9451 or toll free 800-408-3053 (conference id – 4466042#). The rebroadcast will be available until November 18, 2016.

FORWARD-LOOKING INFORMATION

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 growth or expectations of, improvements in, expansion of, strength of, usefulness of and/or guidance or outlook as to future revenue, sales, gross margin, earnings, earnings per share, adjusted net earnings per share, adjusted net income and/or net debt:EBITDA ratios, the Company's balance sheet and/or other financial metrics for the 2016 and 2017 year and beyond, customer volumes (and impact on sales and earnings or other financial metrics), the growth and strengthening of and the competitiveness of the Company, the opening or closing of facilities and success of the execution of and pursuit of its strategies, the launching of new programs and the financial impact of launches, the progress, and expectations, of operational and productivity improvements and efficiencies and the lean manufacturing culture, the reduction of costs and expense, including expectations of future restructuring costs, the opportunity to increase sales and ability to capitalize on opportunities in the automotive industry, the strength of the automotive industry, customer working relationships, the payment of dividends and 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 in the Company's Annual Information Form and other public filings which can found at www.sedar.com:

- North American and global economic and political 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;
- financial viability of suppliers;
- the Company's reliance on critical suppliers and 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 insourcing trends;
- 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;
- launch costs;
- 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;
- a shift away from technologies in which the Company is investing;
- competition with low cost countries;
- the Company's ability to shift its manufacturing footprint to take advantage of opportunities in emerging markets;
- risks of conducting business in foreign countries, including China, Brazil and other growing markets;
- potential tax exposure;
- a change in the Company's mix of earnings between jurisdictions with lower tax rates and those with higher tax rates, as well as under-funding of pensions plans;
- the cost of post-employment benefits;
- impairment charges; and
- cybersecurity threats.

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.

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

For further information, please contact:

Fred Di Tosto
Chief Financial Officer
Martinrea International Inc.
3210 Langstaff Road
Vaughan, Ontario L4K 5B2

Tel: (416) 749-0314
Fax: (289) 982-3001