MARTINREA INTERNATIONAL INC.

Reports Record Quarterly Earnings, Strong Margin Improvement and Announces Dividend

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August 8, 2017 – 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 second quarter ended June 30, 2017 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 second quarter ended June 30, 2017 ("MD&A"), the Company's interim condensed consolidated financial statements for the second quarter ended June 30, 2017 (the "interim consolidated financial statements") and the Company's Annual Information Form for the year ended December 31, 2016, can be found at www.sedar.com.

HIGHLIGHTS

- Eleventh consecutive quarter with record year-over-year adjusted earnings; best quarterly earnings to date
- Production sales of $933.5 million
- Record quarterly net income of $47.3 million, or $0.55 per share
- Quarterly adjusted operating income (6.9%) and EBITDA (11.2%) margins increase substantially year over year
- Record quarterly adjusted EBITDA of $108.7 million
- Net debt decreases; balance sheet continues to strengthen
- Dividend of $0.03 per share announced

OVERVIEW

Pat D'Eramo, Martinrea's President and Chief Executive Officer, stated: "Martinrea had a terrific performance in the second quarter. This is now our eleventh quarter in a row with record year-over-year adjusted earnings. Our margin improvement plan continues to be on track and our leverage ratio continues to improve. It is pretty clear that we are meeting, indeed exceeding, our objectives for the year even in a flat automotive environment. Our focus on operational excellence, cost reduction, good launches, and improving our product offerings to customers is taking hold, and our Martinrea 2.0 strategy is achieving results. I am also pleased to announce $50 million of new business wins in the quarter, since our last call, including $15 million of aluminum structural components and fluid management systems work for Ford on the next generation F-150 and new Bronco both starting in 2020, $15 million of steel structural components for GM on an upcoming electric autonomous vehicle starting in 2018, and $20 million of aluminum structural components for Lucid Motors starting in late 2019."

Fred Di Tosto, Martinrea's Chief Financial Officer, stated: "Sales for the second quarter, excluding tooling sales of $39.3 million, were $933.5 million, within our previously announced sales guidance. In the quarter, our adjusted net earnings per share, on a basic and diluted basis, was $0.55 per share, in excess of the high end of our quarterly guidance and a record quarter. Our launches have gone well, we continue to make productivity and efficiency improvements, our sales mix is improving and we had a slightly lower than expected tax rate. Second quarter adjusted operating income and adjusted EBITDA margins improved significantly year-over-year. We continue to expect operating margins to improve to over 6% for the year by the end of 2017. Our net debt to adjusted EBITDA ratio ended the quarter at 1.68x, a nice improvement from the end of the previous quarter and this time last year, as we continue to move towards our target ratio of 1.5x by the end of 2017. We had a very solid quarter from a financial perspective, once again. Our financial position is strong, our balance sheet is solid, and both are improving."

Rob Wildeboer, Executive Chairman, stated: "We continue to drive our One Company culture and Martinrea 2.0 strategy as we continuously improve our business. Our Vision, Mission and Ten Guiding Principles are living things and are at the core of our improving financials. We are improving our business at a time of an industry plateau, and we will continue to see improvements, operationally and financially, year over year, for the rest of the year and going forward. We are demonstrating we can turn around distressed assets we have bought in the past, as well as build up new plants from scratch. The future looks fantastic. The year 2017 continues to trend nicely, and we expect third quarter sales, excluding tooling sales, of $810 million to $850 million, and adjusted net earnings per share in the range of $0.40 to $0.44 per share, which would be our best third quarter ever from a financial perspective. We would also like to thank our people and all stakeholders for their support."

RESULTS OF OPERATIONS

Results of operations may include certain unusual and other items which have been separately disclosed, where appropriate, in order to provide a clear assessment of the underlying Company results. In addition to IFRS measures, management uses non-IFRS measures in the Company's disclosures that it believes provide the most appropriate basis on which to evaluate the Company's results.

OVERALL RESULTS

The following tables set out certain highlights of the Company's performance for the three and six months ended June 30, 2017 and 2016. Refer to the Company's interim consolidated financial statements for the three and six months ended June 30, 2017 for a detailed account of the Company's performance for the periods presented in the tables below.

		Three months ended June 30, 2017		Three months ended June 30, 2016	$ Change	% Change
Sales	$	972,772	$	1,023,825	(51,053)	(5.0%)
Gross Margin		128,926		116,222	12,704	10.9%
Operating Income		66,958		18,729	48,229	257.5%
Net Income for the period		47,411		(27)	47,438	1757.0%
Net Income Attributable to Equity Holders of the Company	$	47,346	$	(42)	47,388	1128.3%
Net Earnings per Share – Basic and Diluted	$	0.55	$	-	0.55	-
Non-IFRS Measures*						
Adjusted Operating Income	$	66,958	$	56,992	9,966	17.5%
% of sales		*6.9%*		*5.6%*		
Adjusted EBITDA		108,707		94,649	14,058	14.9%
% of sales		*11.2%*		*9.2%*		
Adjusted Net Income Attributable to Equity Holders of the Company		47,346		37,663	9,683	25.7%
Adjusted Net Earnings per Share - Basic and Diluted	$	0.55	$	0.44	0.11	25.0%

		Six months ended June 30, 2017		Six months ended June 30, 2016	$ Change	% Change
Sales	$	1,973,322	$	2,063,275	(89,953)	(4.4%)
Gross Margin		247,141		228,040	19,101	8.4%
Operating Income		128,991		70,074	58,917	84.1%
Net Income for the period		90,878		32,504	58,374	179.6%
Net Income Attributable to Equity Holders of the Company	$	90,948	$	32,529	58,419	179.6%
Net Earnings per Share – Basic and Diluted	$	1.05	$	0.38	0.67	176.3%
Non-IFRS Measures*						
Adjusted Operating Income	$	123,293	$	108,337	14,956	13.8%
% of sales		*6.2%*		*5.3%*		
Adjusted EBITDA		203,254		183,671	19,583	10.7%
% of sales		*10.3%*		*8.9%*		
Adjusted Net Income Attributable to Equity Holders of the Company		86,077		70,234	15,843	22.6%
Adjusted Net Earnings per Share - Basic	$	1.00	$	0.81	0.19	23.5%
Adjusted Net Earnings per Share - Diluted	$	0.99	$	0.81	0.18	22.2%

***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 June 30, 2017		Three months ended June 30, 2016
Net Income Attributable to Equity Holders of the Company	$	47,346	$	(42)
Unusual and Other Items (after-tax)*		-		37,705
Adjusted Net Income Attributable to Equity Holders of the Company	$	47,346	$	37,663

		Six months ended June 30, 2017		Six months ended June 30, 2016
Net Income Attributable to Equity Holders of the Company	$	90,948	$	32,529
Unusual and Other Items (after-tax)*		(4,871)		37,705
Adjusted Net Income Attributable to Equity Holders of the Company	$	86,077	$	70,234

**Unusual and other items for the three and six months ended June 30, 2017 and 2016 are explained in the "Adjustments to Net Income" section of this press release.*

	Three months ended June 30, 2017	Three months ended June 30, 2016
Net Income (loss) Attributable to Equity Holders of the Company	$ 47,346	$ (42)
Non-controlling interest	65	15
Income tax expense	14,162	11,637
Other finance expense (income)	(112)	1,219
Finance expense	5,497	5,900
Unusual and Other Items (before-tax)*	-	38,263
Adjusted Operating Income	$ 66,958	$ 56,992
Depreciation of property, plant and equipment	37,719	33,601
Amortization of intangible assets	3,990	4,078
Loss/(gain) on disposal of property, plant and equipment	40	(22)
Adjusted EBITDA	$ 108,707	$ 94,649

	Six months ended June 30, 2017	Six months ended June 30, 2016
Net Income Attributable to Equity Holders of the Company	$ 90,948	$ 32,529
Non-controlling interest	(70)	(25)
Income tax expense	27,515	22,136
Other finance expense (income)	(743)	3,340
Finance expense	11,341	12,094
Unusual and Other Items (before-tax)*	(5,698)	38,263
Adjusted Operating Income	$ 123,293	$ 108,337
Depreciation of property, plant and equipment	72,528	67,223
Amortization of intangible assets	7,726	8,082
Loss/(gain) on disposal of property, plant and equipment	(293)	29
Adjusted EBITDA	$ 203,254	$ 183,671

**Unusual and other items for the three and six months ended June 30, 2017 and 2016 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. Certain comparative information has been reclassified where relevant to confirm with the current financial statement presentation adopted in 2017.

SALES

Three months ended June 30, 2017 to three months ended June 30, 2016 comparison

	Three months ended June 30, 2017	Three months ended June 30, 2016	$ Change	% Change
North America	$ 789,055	$ 836,774	(47,719)	(5.7%)
Europe	155,620	168,249	(12,629)	(7.5%)
Rest of the World	32,767	22,312	10,455	46.9%
Eliminations	(4,670)	(3,510)	(1,160)	33.0%
Total Sales	$ 972,772	$ 1,023,825	(51,053)	(5.0%)

The Company’s consolidated sales for the second quarter of 2017 decreased by $51.0 million or 5.0% to $972.8 million as compared to $1,023.8 million for the second quarter of 2016. 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 second quarter of 2017 in the Company's North America operating segment decreased by $47.7 million or 5.7% to $789.1 million from $836.8 million for the second quarter of 2016. The decrease was due to a $23.2 million decrease in tooling sales, which are typically dependent on the timing of tooling construction and final acceptance by the customer, and lower year-over-year OEM production volumes on certain light-vehicle platforms including the Chrysler 200, customer production of which ended at the end of 2016, Ford Fusion, and other platforms late in their product life cycle such as the old GM Equinox/Terrain, and programs that ended production during or subsequent to the second quarter of 2016. 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 second quarter of 2017 of approximately $23.4 million as compared to the second quarter of 2016; higher year-over-year production volumes on certain light vehicle platforms such as the Ford Escape and GM Pick-up truck/SUV platform; and the launch of new programs during or subsequent to the second quarter of 2016 including the GM Bolt and next generation GM Equinox/Terrain, which is set to ramp up over the course of 2017 as the old model ramps down.

Sales for the second quarter of 2017 in the Company's Europe operating segment decreased by $12.6 million or 7.5% to $155.6 million from $168.2 million for the second quarter of 2016. The decrease can be attributed to a $6.8 million decrease in tooling sales and generally lower year-over-year production volumes in the Company's operating facility in Spain; partially offset by a $0.1 million positive foreign exchange impact from the translation of Euro denominated production sales as compared to the second quarter of 2016.

Sales for the second quarter of 2017 in the Company's Rest of the World operating segment increased by $10.5 million or 46.9% to $32.8 million from $22.3 million in the second quarter of 2016. The increase was mainly due to a year-over-year increase in production sales in the Company's operations in China due in large part to a year-over-year increase in production volumes on one of its key platforms which was down for seven weeks during the second quarter of 2016 as a result of an unplanned OEM shutdown; higher year-over-year production sales in the Company's operating facility in Brazil; and a $1.3 million positive foreign exchange impact from the translation of foreign denominated production sales as compared to the second quarter of 2016. These positive factors were partially offset by a $2.9 million decrease in tooling sales.

Overall tooling sales decreased by $32.9 million to $39.3 million for the second quarter of 2017 from $72.2 million for the second quarter of 2016.

Six months ended June 30, 2017 to six months ended June 30, 2016 comparison

	Six months ended June 30, 2017	Six months ended June 30, 2016	$ Change	% Change
North America	$ 1,592,039	$ 1,680,084	(88,045)	(5.2%)
Europe	327,940	332,978	(5,038)	(1.5%)
Rest of the World	59,844	57,105	2,739	4.8%
Eliminations	(6,501)	(6,892)	391	(5.7%)
Total Sales	$ 1,973,322	$ 2,063,275	(89,953)	(4.4%)

The Company's consolidated sales for the six months ended June 30, 2017 decreased by $90.0 million or 4.4% to $1,973.3 million as compared to $2,063.3 million for the six months ended June 30, 2016. The total decrease in sales was driven by decreases in the Company's North America and Europe operating segments, partially offset by a year-over-year increase in sales in the Rest of the World.

Sales for the six months ended June 30, 2017 in the Company's North America operating segment decreased by $88.1 million or 5.2% to $1,592.0 million from $1,680.1 million for the six months ended June 30, 2016. The decrease was due to the impact of foreign exchange on the translation of U.S. denominated production sales, which had a negative impact on overall sales for the six months ended June 30, 2017 of approximately $9.8 million as compared to the comparative period of 2016; and lower year-over-year OEM production volumes on certain light-vehicle platforms including the Chrysler 200, customer production of which ended at the end of 2016, Ford Fusion, Chevrolet Malibu, and other platforms late in their product life cycle such as the old GM Equinox/Terrain, and programs that ended production during or subsequent to the six months ended June 30, 2016. These negative factors were partially offset by a year-over-year increase in tooling sales of $3.3 million; an increase in production volumes on the Chrysler V6 Pentastar engine block program which was down during the first quarter of 2016 for re-tooling; higher year-over-year volumes on certain light vehicle platforms such as the Ford Escape, GM Pick-up truck/SUV platform and other GM programs previously impacted by unplanned OEM shutdowns during the second quarter of 2016 because of an earthquake in Japan which disrupted the supply chain; and the launch of new programs during or subsequent to the six months ended June 20, 2016 including the GM Bolt and next generation GM Equinox/Terrain, which is set to ramp up over the course of 2017 as the old model ramps down.

Sales for the six months ended June 30, 2017 in the Company's Europe operating segment decreased by $5.1 million or 1.5% to $327.9 million from $333.0 million for the six months ended June 30, 2016. The decrease can be attributed to the impact of foreign exchange on the translation of Euro denominated production sales, which had a negative impact on overall sales for the six months ended June 30, 2017 of approximately $12.7 million as compared to the comparable period of 2016, partially offset by slightly higher production volumes in the Company's Martinrea Honsel German operations and a $3.3 million increase in tooling sales.

Sales for the six months ended June 30, 2017 in the Company's Rest of the World operating segment increased by $2.7 million or 4.8% to $59.8 million from $57.1 million for the six months ended June 30, 2016. The increase was mainly due to a year-over-year increase in production sales in the Company's operations in China due in large part to a year-over-year increase in production volumes on one of its key platforms which was down for seven weeks during the second quarter of 2016 as a result of an unplanned OEM shutdown; higher year-over-year production sales in the Company's operating facility in Brazil; and a $0.5 million positive foreign exchange impact from the translation of foreign denominated production sales as compared to the six months ended June 30, of 2016. These positive factors were partially offset by a $10.6 million decrease in tooling sales.

Overall tooling sales decreased by $4.0 million to $103.5 million for the six months ended June 30, 2017 from $107.5 million for the six months ended June 30, 2016.

GROSS MARGIN

Three months ended June 30, 2017 to three months ended June 30, 2016 comparison

		Three months ended June 30, 2017		Three months ended June 30, 2016	$ Change	% Change
Gross margin	$	128,926	$	116,222	12,704	10.9%
% of sales		13.3%		11.4%		

The gross margin percentage for the second quarter of 2017 of 13.3% increased as a percentage of sales by 1.9% as compared to the gross margin percentage for the second quarter of 2016 of 11.4%. The increase in gross margin as a percentage of sales was generally due to:

- productivity and efficiency improvements at certain operating facilities;
- general sales mix including new and replacement programs that launched, and old programs that ended production, during or subsequent to the second quarter of 2016; and
- a decrease in tooling sales which typically earn low or no margins for the Company.

These positive factors were partially offset by operational inefficiencies and other costs at certain other facilities including upfront costs incurred in the Company's China operations in preparation of upcoming new programs.

Six months ended June 30, 2017 to six months ended June 30, 2016 comparison

		Six months ended June 30, 2017		Six months ended June 30, 2016	$ Change	% Change
Gross margin	$	247,141	$	228,040	19,101	8.4%
% of sales		12.5%		11.1%		

The gross margin percentage for the six months ended June 30, 2017 of 12.5% increased as a percentage of sales by 1.4% as compared to the gross margin percentage for the six months ended June 30, 2016 of 11.1%. The increase in gross margin as a percentage of sales was generally due to:

- productivity and efficiency improvements at certain operating facilities;
- general sales mix including new and replacement programs that launched, and old programs that ended production, during or subsequent to the six months ended June 30, 2016; and
- a slight decrease in tooling sales which typically earn low or no margins for the Company.

These positive factors were partially offset by operational inefficiencies and other costs at certain other facilities including upfront costs incurred in the Company's China operations in preparation of upcoming new programs.

SELLING, GENERAL & ADMINISTRATIVE ("SG&A")

Three months ended June 30, 2017 to three months ended June 30, 2016 comparison

		Three months ended June 30, 2017		Three months ended June 30, 2016	$ Change	% Change
Selling, general & administrative	$	52,539	$	50,661	1,878	3.7%
% of sales		5.4%		4.9%		

SG&A expense for the second quarter of 2017 increased by $1.9 million to $52.5 million as compared to $50.7 million for the second quarter of 2016. SG&A expense as a percentage of sales increased year-over-year to 5.4% for the second quarter of 2017 compared to 4.9% for the second quarter of 2016. The increase was generally due to approximately $2.2 million in litigation costs related to certain employee related matters in the Company's operating facility in Brazil stemming in part from the right sizing of its workforce conducted by the Company after the business was acquired in 2011.

Six months ended June 30, 2017 to six months ended June 30, 2016 comparison

		Six months ended June 30, 2017		Six months ended June 30, 2016	$ Change	% Change
Selling, general & administrative	$	105,138	$	102,115	3,023	3.0%
% of sales		5.3%		4.9%		

SG&A expense for the six months ended June 30, 2017 increased by $3.0 million to $105.1 million as compared to $102.1 million for the six months ended June 30, 2016. SG&A expense as a percentage of sales increased year-over-year to 5.3% for the six months ended June 30, 2017 compared to 4.9% for the six months ended June 30, 2016. The increase can be attributed to approximately $4.2 million in litigation costs related to certain employee related matters in the Company's operating facility in Brazil stemming in part from the right sizing of its workforce conducted by the Company after the business was acquired in 2011.

SG&A expenses are being monitored and managed on a continuous basis in order to optimize costs.

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 June 30, 2017 to three months ended June 30, 2016 comparison

	For the three months ended June 30, 2017 (a)	For the three months ended June 30, 2016 (b)	(a)-(b) Change
NET INCOME (A)	**$47,346**	**($42)**	**$47,388**
Add Back - Unusual and Other Items:			
Impairment of assets (1)	-	34,579	(34,579)
Restructuring costs (2)	-	3,684	(3,684)
TOTAL UNUSUAL AND OTHER ITEMS BEFORE TAX	**-**	**$38,263**	**($38,263)**
Tax impact of above items (3)	-	(558)	558
TOTAL UNUSUAL AND OTHER ITEMS - AFTER TAX (B)	**-**	**37,705**	**($37,705)**
ADJUSTED NET INCOME (A + B)	**$47,346**	**$37,663**	**$9,683**
Number of Shares Outstanding – Basic (‘000)	86,512	86,385	
Adjusted Basic Net Earnings Per Share	$0.55	$0.44	
Number of Shares Outstanding – Diluted (‘000)	86,786	86,578	
Adjusted Diluted Net Earnings Per Share	$0.55	$0.44	

TABLE B

Six months ended June 30, 2017 to six months ended June 30, 2016 comparison

	For the six months ended June 30, 2017 (a)	For the six months ended June 30, 2016 (b)	(a)-(b) Change
NET INCOME (A)	**$90,948**	**$32,529**	**$58,419**
Add Back - Unusual and Other Items:			
Impairment of assets (1)	-	34,579	(34,579)
Restructuring costs (2)	-	3,684	(3,684)
Gain on sale of land and building (4)	(5,698)	-	(5,698)
TOTAL UNUSUAL AND OTHER ITEMS BEFORE TAX	**($5,698)**	**$38,263**	**($43,961)**
Tax impact of above items (3)	827	(558)	1,385
TOTAL UNUSUAL AND OTHER ITEMS - AFTER TAX (B)	**($4,871)**	**$37,705**	**($42,576)**
ADJUSTED NET INCOME (A + B)	**$86,077**	**$70,234**	**$15,843**
Number of Shares Outstanding – Basic (‘000)	86,502	86,385	
Adjusted Basic Net Earnings Per Share	$1.00	$0.81	
Number of Shares Outstanding – Diluted (‘000)	86,714	86,603	
Adjusted Diluted Net Earnings Per Share	$0.99	$0.81	

(1) Impairment of assets

During the second quarter of 2016, the Company recorded impairment charges on PP&E, intangible assets and inventories totaling $34.6 million (US$26.6 million) 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 facility in Meschede, Germany. In connection with these restructuring activities, $1.8 million (€1.2 million) of employee related severance was recognized during the second quarter of 2016. 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 $1.9 million (US$1.4 million) and represent 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 three and six months ended June 30, 2016)

The tax impact of the adjustments recorded to income during the three and six months ended June 30, 2016 of $0.6 million represents solely the corresponding tax effect on the $1.8 million in restructuring costs incurred in Meschede, Germany. The $34.6 million in impairment charges and $1.9 million 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) Gain on sale of land and building

During the first quarter of 2017, in connection with the relocation of an existing operation to another manufacturing facility, a building owned by the Company in Mississauga, Ontario was sold on an "as-is, where-is" basis. The building was sold for proceeds of $9.9 million (net of closing costs of $0.4 million) resulting in a pre-tax gain of $5.7 million.

NET INCOME
(ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY)

Three months ended June 30, 2017 to three months ended June 30, 2016 comparison

	Three months ended June 30, 2017	Three months ended June 30, 2016	$ Change	% Change
Net Income (loss)	$ 47,346	$ (42)	47,388	1128.3%
Adjusted Net Income	$ 47,346	$ 37,663	9,683	25.7%
Net Earnings per Share				
Basic and Diluted	$ 0.55	$ -		
Adjusted Net Earnings per Share				
Basic and Diluted	$ 0.55	$ 0.44		

Net Income, before adjustments, for the second quarter of 2017 increased by $47.4 million from nil for the second quarter of 2016 largely as a result of the unusual and other items incurred during the second quarter of 2016 as explained in Table A under "Adjustments to Net Income". Excluding these unusual and other items, net income for the second quarter of 2017 increased to $47.3 million or $0.55 per share, on a basic and diluted basis, from $37.7 million or $0.44 per share, on a basic and diluted basis, for the second quarter of 2016.

Adjusted Net Income for the second quarter of 2017, as compared to the second quarter of 2016, was positively impacted by the following:

- higher gross profit despite an overall decrease in year-over-year sales as previously explained;
- productivity and efficiency improvements at certain operating facilities;
- general sales mix including new and replacement programs that launched, and old programs that ended production, during or subsequent to the second quarter of 2016;
- a net foreign exchange gain of $0.05 million for the second quarter of 2017 compared to a net foreign exchange loss of $1.3 million for the second quarter of 2016;
- a slight year-over-year decrease in finance expense on the Company's bank debt and equipment loans; and
- a lower effective tax rate on adjusted income due generally to the mix of earnings (23.0% for the second quarter of 2017 compared to 24.5% for the second quarter of 2016).

These factors were partially offset by the following:

- operational inefficiencies and other costs at certain other facilities;
- a year-over-year increase in SG&A as previously discussed;
- a year-over-year increase in depreciation as previously discussed; and
- an increase in research and development costs due to increased new product and process research and development activity.

Six months ended June 30, 2017 to six months ended June 30, 2016 comparison

		Six months ended June 30, 2017		Six months ended June 30, 2016	$ Change	% Change
Net Income	$	90,948	$	32,529	58,419	179.6%
Adjusted Net Income	$	86,077	$	70,234	15,843	22.6%
Net Earnings per Share						
Basic and Diluted	$	1.05	$	0.38		
Adjusted Net Earnings per Share						
Basic	$	1.00	$	0.81		
Diluted	$	0.99	$	0.81		

Net Income, before adjustments, for the six months ended June 30, 2017 increased by $58.4 million to $90.9 million from $32.5 million for the six months ended June 30, 2016 largely as a result of the impact of the unusual and other items incurred during the six months ended June 30, 2017 and 2016 as explained in Table B under "Adjustments to Net Income". Excluding these unusual and other items, net income for the six months ended June 30, 2017 increased to $86.1 million or $1.00 per share on a basic basis, and $0.99 per share on a diluted basis, from $70.2 million or $0.81 per share, on a basic and diluted basis, for the six months ended June 30, 2016.

Adjusted Net Income for the six months ended June 30, 2017, as compared to the six months ended June 30, 2016, was positively impacted by the following:

- higher gross profit despite an overall decrease in year-over-year sales as previously explained;
- productivity and efficiency improvements at certain operating facilities;
- general sales mix including new and replacement programs that launched, and old programs that ended production, during or subsequent to the six months ended June 30, 2016;
- a net foreign exchange gain of $0.6 million for the six months ended June 30, 2017 compared to a net foreign exchange loss of $3.4 million for the six months ended June 30, 2016;

- a slight year-over-year decrease in finance expense on the Company's bank debt and equipment loans; and
- a lower effective tax rate on adjusted income due generally to the mix of earnings (23.7% for the six months ended June 30, 2017 compared to 24.5% for the six months ended June 30, 2016).

These factors were partially offset by the following:

- operational inefficiencies and other costs at certain other facilities;
- a year-over-year increase in SG&A as previously discussed;
- a year-over-year increase in depreciation as previously discussed; and
- an increase in research and development costs due to increased new product and process research and development activity.

ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

Three months ended June 30, 2017 to three months ended June 30, 2016 comparison

	Three months ended June 30, 2017	Three months ended June 30, 2016	$ Change	% Change
Additions to PP&E	$ 45,091	$ 50,161	(5,070)	(10.1%)

Additions to PP&E decreased by $5.1 million to $45.1 million in the second quarter of 2017 from $50.2 million for the second quarter of 2016 due generally to the timing of expenditures. Additions as a percentage of sales decreased slightly year-over-year to 4.6% for the second quarter of 2017 compared to 4.9% for the comparative period of 2016. 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.

Six months ended June 30, 2017 to six months ended June 30, 2016 comparison

	Six months ended June 30, 2017	Six months ended June 30, 2016	$ Change	% Change
Additions to PP&E	$ 111,732	$ 92,994	18,738	20.1%

Additions to PP&E increased by $18.7 million year-over-year to $111.7 million for the six months ended June 30, 2017 compared to $93.0 million for the six months ended June 30, 2016 due generally to the timing of expenditures. Additions as a percentage of sales increased year-over-year to 5.7% for the six months ended June 30, 2017 compared to 4.5% for the six months ended June 30, 2016. 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 first six months of 2017 continued to be for manufacturing equipment for new and replacement programs that recently launched or will be launching over the next 24 months.

DIVIDEND

A cash dividend of $0.03 per share has been declared by the Board of Directors payable to shareholders of record on September 30, 2017 on or about October 15, 2017.

ABOUT MARTINREA

Martinrea currently employs approximately 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 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 those results will be held on Tuesday, August 8, 2017 at 8:00 a.m. (Toronto time) which can be accessed by dialing 416-405-9200 or toll free 866-696-5896. 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 – 1891654#). The rebroadcast will be available until August 22, 2017.

FORWARD-LOOKING INFORMATION

Special Note Regarding Forward-Looking Statements

This press release contains express or implied forward-looking statements within the meaning of applicable Canadian securities laws which are based on current expectations of management, including of management's plans, objectives, and strategies. All statements other than statements of historical fact could be deemed forward looking including statements related to the growth or expectations of, improvements in, expansion of, strength of and/or guidance or outlook as to future revenue, sales, gross margin, margins, operating income margins, earnings, and earnings per share (including as adjusted), financial positions, balance sheet and net debt:EBITDA ratios for the 2017 year and beyond, the ramping up and launching of new programs and the financial impact of launches, the opportunity to increase sales and ability to capitalize on opportunities in the automotive industry, the future amount and type of restructuring expenses to be expensed (including the expectation as to no further restructuring costs from the Honsel acquisition), the growth, strengthening and improvement of the Company, the opening of facilities and pursuit of its strategies, the progress, and expectations, of operational and productivity improvements and efficiencies and the lean manufacturing culture, the reduction of costs and expenses, investments in its business, 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".

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