MARTINREA INTERNATIONAL INC.

Reports Record Quarterly Earnings and Announces Dividend

May 1, 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 first quarter ended March 31, 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 first quarter ended March 31, 2017 ("MD&A"), the Company's interim condensed consolidated financial statements for the first quarter ended March 31, 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

- Tenth consecutive quarter with record year-over-year adjusted earnings; best quarterly earnings to date
- Production sales of $936 million
- Record quarterly adjusted net income of $38.7 million, or $0.45 per share
- Quarterly adjusted operating income and EBITDA margins increase year over year
- Record quarterly adjusted EBITDA of $94.5 million
- Net debt decreases to $634.5 million; 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 great start to 2017, and I am really pleased with our team's continued progress and performance in the first quarter. This is now our tenth 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. We are focusing on operational excellence, cost reduction not simply cost cutting, good launches, and improving our product offerings to customers. Our Martinrea 2.0 strategy is achieving results and we will continue to deliver improving performance. I am also pleased to announce $90 million of new business wins in the quarter since our last call including the Ford 3.5L V6 engine block program estimated at $50 million of annualized revenue per year when fully launched starting in 2020. This is our first engine block with Ford in North America and is an important milestone for our continued growth of our aluminum operations in North America. We see more opportunities here. Additionally, we won $30 million of incremental steel metal forming on the GM Pick-Up Truck platform in North America starting in 2018 and $10 million of takeover aluminum powertrain work for Ford starting in 2018."

Fred Di Tosto, Martinrea's Chief Financial Officer, stated: "Sales for the first quarter, excluding tooling sales of $64 million, were $936 million, within our previously announced sales guidance. In the first quarter, our adjusted net earnings per share, on a basic and diluted basis, was $0.45 per share, with an adjustment backing out a pre-tax gain of $5.7 million on the sale of our Lakeshore facility as we relocate the business there to a better location, at the high end of our quarterly guidance and a record quarter. First quarter adjusted operating income and adjusted EBITDA margins improved significantly year-over-year. We continue to expect operating margins to improve to over 6% by the end of 2017. Our net debt to adjusted EBITDA ratio ended the quarter at 1.78x, a nice improvement from the end of the previous quarter and this time last year, as we continue to look to a 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. In 2017, a year of promise and opportunity for our company and our business, we continue to foresee a continued advancement in all our key metrics. The year continues to trend nicely, and we expect second quarter sales, excluding tooling sales, of $920 million to $960 million, and adjusted net earnings per share in the range of $0.49 to $0.53 per share, which would be our best quarter ever from a financial perspective. We expect to continue to improve over time to be the best supplier we can be. Record quarters show the team is improving performance."

RESULTS OF OPERATIONS

OVERALL RESULTS

The following table sets out certain highlights of the Company's performance for the three months ended March 31, 2017 and 2016. Refer to the Company's interim consolidated financial statements for the three months ended March 31, 2017 for a detailed account of the Company's performance for the periods presented in the table below.

		Three months ended March 31, 2017		Three months ended March 31, 2016	$ Change	% Change
Sales	$	1,000,550	$	1,039,450	(38,900)	(3.7%)
Gross Margin		118,215		111,818	6,397	5.7%
Operating Income		62,033		51,345	10,688	20.8%
Net Income for the period		43,467		32,531	10,936	33.6%
Net Income Attributable to Equity Holders of the Company	$	43,602	$	32,571	11,031	33.9%
Net Earnings per Share – Basic and Diluted	$	0.50	$	0.38	0.12	31.6%
Non-IFRS Measures*						
Adjusted Operating Income	$	56,335	$	51,345	4,990	9.7%
% of sales		*5.6%*		*4.9%*		
Adjusted EBITDA		94,547		89,022	5,525	6.2%
% of sales		*9.4%*		*8.6%*		
Adjusted Net Income Attributable to Equity Holders of the Company		38,731		32,571	6,160	18.9%
Adjusted Net Earnings per Share - Basic and Diluted	$	0.45	$	0.38	0.07	18.4%

*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 March 31, 2017		Three months ended March 31, 2016
Net Income Attributable to Equity Holders of the Company	$	43,602	$	32,571
Unusual and Other Items (after-tax)*		(4,871)		-
Adjusted Net Income Attributable to Equity Holders of the Company	$	38,731	$	32,571

**Unusual and Other Items are explained in the "Adjustments to Net Income" section of this press release.*

		Three months ended March 31, 2017		Three months ended March 31, 2016
Net Income Attributable to Equity Holders of the Company	$	43,602	$	32,571
Non-controlling interest		(135)		(40)
Income tax expense		13,353		10,499
Other finance expense (income)		(631)		2,121
Finance costs		5,844		6,194
Unusual and Other Items (before-tax)*		(5,698)		-
Adjusted Operating Income	$	56,335	$	51,345
Depreciation of property, plant and equipment		34,809		33,622
Amortization of intangible assets		3,736		4,004
Loss/(Gain) on disposal of property, plant and equipment		(333)		51
Adjusted EBITDA	$	94,547	$	89,022

**Unusual and Other Items 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 conform with the current financial statement presentation adopted in 2017.

SALES

Three months ended March 31, 2017 to three months ended March 31, 2016 comparison

		Three months ended March 31, 2017		Three months ended March 31, 2016	$ Change	% Change
North America	$	802,984	$	843,310	(40,326)	(4.8%)
Europe		172,320		164,729	7,591	4.6%
Rest of the World		27,077		34,793	(7,716)	(22.2%)
Eliminations		(1,831)		(3,382)	1,551	(45.9%)
Total Sales	$	1,000,550	$	1,039,450	(38,900)	(3.7%)

The Company’s consolidated sales for the first quarter of 2017 decreased by $38.9 million or 3.7% to $1,000.6 million as compared to $1,039.5 million for the first quarter of 2016. The total decrease in sales was driven predominantly by decreases in the North America and Rest of the World operating segments partially offset by an increase in sales in Europe.

Sales for the first quarter of 2017 in the Company’s North America operating segment decreased by $40.3 million or 4.8% to $803.0 million from $843.3 million for the first quarter of 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 first quarter of 2017 of approximately $33.7 million as compared to the first quarter of 2016, and lower year-over-year OEM production volumes on certain light-vehicle platforms including the Chevrolet Malibu, Ford Fusion and other platforms late in their product life cycle such as the old GM Equinox/Terrain platform, and programs that ended production during or subsequent to the first quarter of 2016. These negative factors were partially offset by a $26.5 million increase in tooling sales, which are typically dependent on the timing of tooling construction and final acceptance by the customer; 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 production volumes on certain light vehicle platforms such as the GM Pick-up truck/SUV line-up; and the launch of new programs during or subsequent to the first quarter of 2016 including the Cadillac CT6 and next generation GM Equinox/Terrain which is set to ramp up over the course of 2017.

Sales for the first quarter of 2017 in the Company's Europe operating segment increased by $7.6 million or 4.6% to $172.3 million from $164.7 million for the first quarter of 2016. The increase can be attributed to a $10.5 million increase in tooling sales, increased production sales in the Company's new operating facility in Spain, which continues to ramp up and execute its backlog of new business, and slightly higher production volumes in the Company's Martinrea Honsel German operations. These positive factors were partially offset by a $13.6 million negative foreign exchange impact from the translation of Euro-denominated production sales as compared to the first quarter of 2016.

Sales for the first quarter of 2017 in the Company's Rest of the World operating segment decreased by $7.7 million or 22.2% to $27.1 million from $34.8 million for the first quarter of 2016. The decrease was mainly due to an $8.1 million decrease in tooling sales; a year-over-year decrease in production sales in the Company's China operations due to lower production volumes on certain light vehicle platforms such as the Ford Mondeo; and a $0.6 million negative foreign exchange impact from the translation of foreign denominated production sales as compared to the first quarter of 2016. These negative factors were partially offset by slightly higher year-over-year production sales in the Company's operating facility in Brazil. Despite the slight year-over-year increase in Brazil, overall OEM light vehicle production volumes in Brazil continue to trend at low levels.

Overall tooling sales increased by $28.9 million to $64.2 million for the first quarter of 2017 from $35.3 million for the first quarter of 2016.

GROSS MARGIN

Three months ended March 31, 2017 to three months ended March 31, 2016 comparison

	Three months ended March 31, 2017	Three months ended March 31, 2016	$ Change	% Change
Gross margin	$ 118,215	$ 111,818	6,397	5.7%
% of sales	11.8%	10.8%		

The gross margin percentage for the first quarter of 2017 of 11.8% increased as a percentage of sales by 1.0% as compared to the gross margin percentage for the first quarter of 2016 of 10.8%. 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 programs that ended production during or subsequent to the first quarter of 2016 and higher year-over-year production volumes on certain programs; 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:

- an increase in tooling sales which typically earn low or no margins for the Company; and
- operational inefficiencies and other costs at certain other facilities.

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

Three months ended March 31, 2017 to three months ended March 31, 2016 comparison

	Three months ended March 31, 2017	Three months ended March 31, 2016	$ Change	% Change
Selling, general & administrative	$ 52,599	$ 51,454	1,145	2.2%
% of sales	5.3%	5.0%		

SG&A expense for the first quarter of 2017 increased by $1.1 million to $52.6 million as compared to $51.5 million for the first quarter of 2016. SG&A expense as a percentage of sales increased year-over-year to 5.3% for the first quarter of 2017 compared to 5.0% for the first quarter of 2016. The increase can be attributed to approximately $2.0 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.

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 March 31, 2017 to three months ended March 31, 2016 comparison

	For the three months ended March 31, 2017 (a)	For the three months ended March 31, 2016 (b)	(a)-(b) Change
NET INCOME (A)	**$43,602**	**$32,571**	**$11,031**
Add Back - Unusual and Other Items:			
Gain on sale of land and building (1)	(5,698)	-	(5,698)
TOTAL UNUSUAL AND OTHER ITEMS BEFORE TAX	(5,698)	**-**	**($5,698)**
Tax impact of above items	827	-	827
TOTAL UNUSUAL AND OTHER ITEMS - AFTER TAX (B)	(4,871)	**-**	**($4,871)**
ADJUSTED NET INCOME (A + B)	**$38,731**	**$32,571**	**$6,160**
Number of Shares Outstanding – Basic ('000)	86,492	86,384	
Adjusted Basic Net Earnings Per Share	$0.45	$0.38	
Number of Shares Outstanding – Diluted ('000)	86,635	86,628	
Adjusted Diluted Net Earnings Per Share	$0.45	$0.38	

(1) Gain on sale of land and building

During the first quarter 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 $9,872 (net of closing costs of $378) resulting in a pre-tax gain of $5,698.

NET INCOME
(ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY)

Three months ended March 31, 2017 to three months ended March 31, 2016 comparison

	Three months ended March 31, 2017	Three months ended March 31, 2016	$ Change	% Change
Net Income	$ 43,602	$ 32,571	11,031	33.9%
Adjusted Net Income	$ 38,731	$ 32,571	6,160	18.9%
Net Earnings per Share				
Basic	$ 0.50	$ 0.38		
Diluted	$ 0.50	$ 0.38		
Adjusted Net Earnings per Share				
Basic	$ 0.45	$ 0.38		
Diluted	$ 0.45	$ 0.38		

Net Income, before adjustments, for the first quarter of 2017 increased by $11.0 million to $43.6 million from $32.6 million for the first quarter of 2016. Excluding the unusual and other items recognized during the first quarter of 2017 as explained in Table A under "Adjustments to Net Income", net income for the first quarter of 2017 increased to $38.7 million or $0.45 per share, on a basic and diluted basis, from $32.6 million or $0.38 per share, on a basic and diluted basis, for the first quarter of 2016.

Adjusted Net Income for the first quarter of 2017, as compared to the first 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 programs that ended production during or subsequent to the first quarter of 2016 and higher year-over-year production volumes on certain programs;
- recently added new greenfield operating facilities which continue to ramp up and execute their backlogs of business; and
- a net foreign exchange gain of $0.6 million for the first quarter of 2017 compared to a net foreign exchange loss of $2.1 million for the first quarter of 2016.

These positive factors were partially offset by the following:

- operational inefficiencies and other costs at certain other facilities; and
- a slight increase in research and development costs due to increased product and process research and development activity.

ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

Three months ended March 31, 2017 to three months ended March 31, 2016 comparison

	Three months ended March 31, 2017	Three months ended March 31, 2016	$ Change	% Change
Additions to PP&E	$ 66,641	$ 42,833	23,808	55.6%

Additions to PP&E increased by $23.8 million to $66.6 million for the first quarter of 2017 from $42.8 million for the first quarter of 2016 due generally to the timing of expenditures. Additions as a percentage of sales increased year-over-year to 6.7% for the first quarter of 2017 from 4.1% for the first quarter of 2016. The Company continues to make investments in the business based on new business wins, in particular at new greenfield 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 June 30, 2017 on or about July 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 Monday, May 1, 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 – 3313052#). The rebroadcast will be available until May 15, 2017.

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 and/or guidance or outlook as to future revenue, sales, gross margin, margins, operating income margins, earnings, and earnings per share (including as adjusted), 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 and strengthening of and the competitiveness 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 expense, 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”.

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

Martinrea International Inc.

Interim Condensed Consolidated Balance Sheets

(in thousands of Canadian dollars) (unaudited)

	Note		March 31, 2017		December 31, 2016
ASSETS					
Cash and cash equivalents		$	56,049	$	59,165
Trade and other receivables	2		625,983		568,445
Inventories	3		323,248		306,130
Prepaid expenses and deposits			16,769		14,758
Income taxes recoverable			10,709		9,786
TOTAL CURRENT ASSETS			1,032,758		958,284
Property, plant and equipment	4		1,277,844		1,257,247
Deferred income tax assets			180,396		179,702
Intangible assets	5		72,594		73,261
TOTAL NON-CURRENT ASSETS			1,530,834		1,510,210
TOTAL ASSETS		$	2,563,592	$	2,468,494
LIABILITIES					
Trade and other payables	6	$	805,926	$	707,007
Provisions	7		6,302		6,689
Income taxes payable			21,587		18,622
Current portion of long-term debt	8		23,515		27,982
TOTAL CURRENT LIABILITIES			857,330		760,300
Long-term debt	8		667,067		693,421
Pension and other post-retirement benefits			67,976		66,863
Deferred income tax liabilities			105,661		118,234
TOTAL NON-CURRENT LIABILITIES			840,704		878,518
TOTAL LIABILITIES			1,698,034		1,638,818
EQUITY					
Capital stock	10		710,794		710,510
Contributed surplus			42,614		42,660
Accumulated other comprehensive income			112,358		117,048
Retained earnings (accumulated deficit)			449		(40,020)
TOTAL EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			866,215		830,198
Non-controlling interest			(657)		(522)
TOTAL EQUITY			865,558		829,676
TOTAL LIABILITIES AND EQUITY		$	2,563,592	$	2,468,494

Contingencies (note 15)

See accompanying notes to the interim condensed consolidated financial statements.

On behalf of the Board:

"Robert Wildeboer" Director

"Scott Balfour" Director

Martinrea International Inc.

Interim Condensed Consolidated Statements of Operations

(in thousands of Canadian dollars, except per share amounts) (unaudited)

	Note		Three months ended March 31, 2017		Three months ended March 31, 2016
SALES		$	1,000,550	$	1,039,450
Cost of sales (excluding depreciation of property, plant and equipment)			(849,785)		(896,214)
Depreciation of property, plant and equipment (production)			(32,550)		(31,418)
Total cost of sales			(882,335)		(927,632)
GROSS MARGIN			118,215		111,818
Research and development costs			(6,815)		(6,229)
Selling, general and administrative			(52,599)		(51,454)
Depreciation of property, plant and equipment (non-production)			(2,259)		(2,204)
Amortization of customer contracts and relationships			(540)		(535)
Gain on sale of land and building	4		5,698		-
Gain (loss) on disposal of property, plant and equipment			333		(51)
OPERATING INCOME			62,033		51,345
Finance costs			(5,844)		(6,194)
Other finance income (expense)	12		631		(2,121)
INCOME BEFORE INCOME TAXES			56,820		43,030
Income tax expense	9		(13,353)		(10,499)
NET INCOME FOR THE PERIOD		$	43,467	$	32,531
Non-controlling interest			135		40
NET INCOME ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		$	43,602	$	32,571
Basic earnings per share	11	$	0.50	$	0.38
Diluted earnings per share	11	$	0.50	$	0.38

See accompanying notes to the interim condensed consolidated financial statements.

Martinrea International Inc.

Interim Condensed Consolidated Statements of Comprehensive Income

(in thousands of Canadian dollars) (unaudited)

		Three months ended March 31, 2017		Three months ended March 31, 2016
NET INCOME FOR THE PERIOD	$	43,467	$	32,531
Other comprehensive income (loss), net of tax:				
Items that may be reclassified to net income				
Foreign currency translation differences for foreign operations		(4,690)		(41,431)
Items that will not be reclassified to net income				
Actuarial losses from the remeasurement of defined benefit plans		(535)		(4,485)
Other comprehensive income (loss), net of tax		(5,225)		(45,916)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	$	38,242	$	(13,385)
Attributable to:				
Equity holders of the Company		38,377		(13,345)
Non-controlling interest		(135)		(40)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	$	38,242	$	(13,385)

See accompanying notes to the interim condensed consolidated financial statements.

Martinrea International Inc.

Interim Condensed Consolidated Statements of Changes in Equity

(in thousands of Canadian dollars) (unaudited)

	Equity attributable to equity holders of the Company						
	Capital stock	Contributed surplus	Cumulative translation account	Retained earnings/ (accumulated deficit)	Total	Non-controlling interest	Total equity
Balance at December 31, 2015	$ 709,396	$ 42,648	$ 147,442	$ (123,157)	$ 776,329	$ (103)	$ 776,226
Net income for the period	-	-	-	32,571	32,571	(40)	32,531
Compensation expense related to stock options	-	83	-	-	83	-	83
Dividends ($0.03 per share)	-	-	-	(2,592)	(2,592)	-	(2,592)
Exercise of employee stock options	101	(29)	-	-	72	-	72
Other comprehensive income, net of tax							
Actuarial losses from the remeasurement of defined benefit plans	-	-	-	(4,485)	(4,485)	-	(4,485)
Foreign currency translation differences	-	-	(41,431)	-	(41,431)	-	(41,431)
Balance at March 31, 2016	709,497	42,702	106,011	(97,663)	760,547	(143)	760,404
Net income for the period	-	-	-	59,809	59,809	(379)	59,430
Compensation expense related to stock options	-	250	-	-	250	-	250
Dividends ($0.09 per share)	-	-	-	(7,774)	(7,774)	-	(7,774)
Exercise of employee stock options	1,013	(292)	-	-	721	-	721
Other comprehensive income, net of tax							
Actuarial gains from the remeasurement of defined benefit plans	-	-	-	5,608	5,608	-	5,608
Foreign currency translation differences	-	-	11,037	-	11,037	-	11,037
Balance at December 31, 2016	710,510	42,660	117,048	(40,020)	830,198	(522)	829,676
Net income for the period	-	-	-	43,602	43,602	(135)	43,467
Compensation expense related to stock options	-	36	-	-	36	-	36
Dividends ($0.03 per share)	-	-	-	(2,598)	(2,598)	-	(2,598)
Exercise of employee stock options	284	(82)	-	-	202	-	202
Other comprehensive loss, net of tax							
Actuarial losses from the remeasurement of defined benefit plans	-	-	-	(535)	(535)	-	(535)
Foreign currency translation differences	-	-	(4,690)	-	(4,690)	-	(4,690)
Balance at March 31, 2017	$ 710,794	$ 42,614	$ 112,358	$ 449	$ 866,215	$ (657)	$ 865,558

See accompanying notes to the interim condensed consolidated financial statements.

Martinrea International Inc.

Interim Condensed Consolidated Statements of Cash Flows

(in thousands of Canadian dollars, except per share amounts) (unaudited)

	Three months ended March 31, 2017	Three months ended March 31, 2016
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES:		
Net Income for the period	$ 43,467	$ 32,531
Adjustments for:		
Depreciation of property, plant and equipment	34,809	33,622
Amortization of customer contracts and relationships	540	535
Amortization of development costs	3,196	3,469
Unrealized gain on foreign exchange forward contracts	(1,696)	(703)
Change in fair value of deferred share units	98	-
Finance costs	5,844	6,194
Income tax expense	13,353	10,499
Gain on sale of land and building (note 4)	(5,698)	-
Loss(Gain) on disposal of property, plant and equipment	(333)	51
Stock-based compensation	36	83
Pension and other post-retirement benefits expense	1,138	1,109
Contributions made to pension and other post-retirement benefits	(500)	(332)
	94,254	87,058
Changes in non-cash working capital items:		
Trade and other receivables	(57,646)	(51,114)
Inventories	(18,549)	(19,200)
Prepaid expenses and deposits	(2,044)	535
Trade, other payables and provisions	119,595	4,170
	135,610	21,449
Interest paid (excluding capitalized interest)	(5,120)	(4,888)
Income taxes paid	(23,452)	(13,046)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 107,038	$ 3,515
FINANCING ACTIVITIES:		
Increase in long-term debt	-	69,724
Repayment of long-term debt	(26,959)	(12,987)
Dividends paid	(2,591)	(2,591)
Exercise of employee stock options	202	72
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	$ (29,348)	$ 54,218
INVESTING ACTIVITIES:		
Purchase of property, plant and equipment*	(87,339)	(59,255)
Capitalized development costs	(3,523)	(3,066)
Proceeds on disposal of land and building (note 4)	9,872	-
Proceeds on disposal of property, plant and equipment	458	189
NET CASH USED IN INVESTING ACTIVITIES	$ (80,532)	$ (62,132)
Effect of foreign exchange rate changes on cash and cash equivalents	(274)	(2,117)
DECREASE IN CASH AND CASH EQUIVALENTS	(3,116)	(6,516)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	59,165	28,899
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 56,049	$ 22,383

*As at March 31, 2017, $50,859 (December 31, 2016- $71,557) of purchases of property, plant and equipment remain unpaid.

See accompanying notes to the interim condensed consolidated financial statements.