MARTINREA INTERNATIONAL INC.

Reports Record Third Quarter Earnings, Strong Margin Improvement and Announces Dividend

November 14, 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 third quarter ended September 30, 2017 and a quarterly dividend.

HIGHLIGHTS

- Twelfth consecutive quarter with record year-over-year adjusted earnings; best third quarterly earnings to date
- Production sales of $800 million
- Record third quarter adjusted net income of $36.3 million, or $0.42 per share
- Record third quarter adjusted EBITDA of $92.4 million
- Quarterly adjusted operating income (6.2%) and adjusted EBITDA (11.0%) margins increase substantially year-over-year
- Continued strong margin growth anticipated over next three years
- Net debt decreases; balance sheet continues to strengthen
- Dividend of $0.03 per share announced

OVERVIEW

Pat D'Eramo, Martinrea President and Chief Executive Officer, stated: "Martinrea continued to perform well in the third quarter. Our Martinrea 2.0 strategy is achieving results and our focus on operational excellence, cost reduction, good launches, and improving our product offerings to customers is taking hold. Our margin improvement plan continues to be on track and our leverage ratio continues to improve. Our objectives for the year are clearly being achieved, regardless of market conditions. This is now our twelfth quarter in a row with record year-over-year adjusted earnings and we expect that progress to continue in the fourth quarter. We expect fourth quarter sales, excluding tooling sales, of $790 million to $830 million, and adjusted net earnings per share in the range of $0.45 to $0.49 per share, which would be our best fourth quarter ever from a financial perspective. I am also pleased to announce $70 million of annualized new business wins in the quarter, since our last call, including $20 million of aluminum structural components with Jaguar Land Rover, including a new battery housing, starting in 2020; $20 million of aluminum structural work for BMW starting in 2020; $20 million of steel metal forming work on GM's large SUV platform starting in 2020; and $10 million of fluids management systems work for FCA on the Dodge Ram platform starting in 2018. These new business wins are a testimony to our competitiveness and our ability to lower our cost. In addition, our quoting today is robust, particularly in our aluminum business, and we are excited about opportunities we see in the pipeline. We expect to announce significant incremental work in the coming quarters."

Fred Di Tosto, Martinrea's Chief Financial Officer, stated: "Sales for the third quarter, excluding tooling sales of approximately $39 million, were $800 million, slightly lower than previously announced sales guidance as a result of losing two weeks of sales on the GM Equinox program due to the strike at CAMI, which ended in mid-October. In the quarter, our adjusted net earnings per share, on a basic and diluted basis, was $0.42 per share, at the midpoint of our quarterly guidance and a record third quarter. Earnings were negatively affected by the CAMI strike, which shut down production in two of our plants. Third quarter adjusted operating income and adjusted EBITDA margins improved significantly year-over-year. We continue to expect operating margins to be over 6% for 2017; based on our Q4 guidance we are essentially there. Our net debt to adjusted EBITDA ratio ended the quarter at 1.59x, 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. Overall, 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. The future looks great, and we are now anticipating that our margin improvement over the next three years will accelerate from the past three years. We have been saying publicly that our operating margins will continue to increase subsequent to 2017, reaching 8% by fiscal 2020. Based on our updated budgets just reviewed and approved by our board of directors, which take into consideration current FX rates and industry production estimates, and our anticipated book of business, we now believe we can reach that threshold a year early, by fiscal 2019, and that operating margins can be 9% or more by fiscal 2020, a greater than 50% improvement from where we are today. Next year we expect to see double digit growth in adjusted net earnings, and another record year. All this in a relatively flat automotive sales environment, and a real testament to the performance of our team, which is driving our success. As for sales, we anticipate they will be flattish next year, given anticipated timing of new launches and a full year impact of the module assembly sales in our Ingersoll plant moving to a Value Added model, but believe sales will start to increase in 2019 and grow to over $4 billion in 2020, based on our budgets."

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.

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, 2017 ("MD&A"), the Company's interim condensed consolidated financial statements for the third quarter ended September 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.

OVERALL RESULTS

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

		Three months ended September 30, 2017		Three months ended September 30, 2016	$ Change	% Change
Sales	$	838,535	$	914,725	(76,190)	(8.3%)
Gross Margin		113,418		99,698	13,720	13.8%
Operating Income		50,106		43,394	6,712	15.5%
Net Income for the period		36,022		28,827	7,195	25.0%
Net Income Attributable to Equity Holders of the Company	$	36,229	$	29,098	7,131	24.5%
Net Earnings per Share – Basic and Diluted	$	0.42	$	0.34	0.08	23.5%
Non-IFRS Measures*						
Adjusted Operating Income	$	51,873	$	43,394	8,479	19.5%
% of sales		*6.2%*		*4.7%*		
Adjusted EBITDA		92,409		80,614	11,795	14.6%
% of sales		*11.0%*		*8.8%*		
Adjusted Net Income Attributable to Equity Holders of the Company		36,263		29,098	7,165	24.6%
Adjusted Net Earnings per Share - Basic and Diluted	$	0.42	$	0.34	0.08	23.5%

		Nine months ended September 30, 2017		Nine months ended September 30, 2016	$ Change	% Change
Sales	$	2,811,857	$	2,978,000	(166,143)	(5.6%)
Gross Margin		360,559		327,738	32,821	10.0%
Operating Income		179,097		113,468	65,629	57.8%
Net Income for the period		126,900		61,331	65,569	106.9%
Net Income Attributable to Equity Holders of the Company	$	127,177	$	61,627	65,550	106.4%
Net Earnings per Share – Basic and Diluted	$	1.47	$	0.71	0.76	107.1%
Non-IFRS Measures*						
Adjusted Operating Income	$	175,166	$	151,731	23,435	15.4%
% of sales		*6.2%*		*5.1%*		
Adjusted EBITDA		295,663		264,285	31,378	11.9%
% of sales		*10.5%*		*8.9%*		
Adjusted Net Income Attributable to Equity Holders of the Company		122,340		99,332	23,008	23.2%
Adjusted Net Earnings per Share – Basic and Diluted	$	1.41	$	1.15	0.26	22.6%

***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, 2017		Three months ended September 30, 2016
Net Income Attributable to Equity Holders of the Company	$	36,229	$	29,098
Unusual and Other Items (after-tax)*		34		-
Adjusted Net Income Attributable to Equity Holders of the Company	$	36,263	$	29,098

		Nine months ended September 30, 2017		Nine months ended September 30, 2016
Net Income Attributable to Equity Holders of the Company	$	127,177	$	61,627
Unusual and Other Items (after-tax)*		(4,837)		37,705
Adjusted Net Income Attributable to Equity Holders of the Company	$	122,340	$	99,332

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

	Three months ended September 30, 2017	Three months ended September 30, 2016
Net Income Attributable to Equity Holders of the Company	$ 36,229	$ 29,098
Non-controlling interest	(207)	(271)
Income tax expense	10,348	9,319
Other finance income – excluding Unusual and Other Items*	(340)	(770)
Finance expense	5,451	6,018
Unusual and Other Items (before-tax)*	392	-
Adjusted Operating Income	$ 51,873	$ 43,394
Depreciation of property, plant and equipment	36,873	33,500
Amortization of intangible assets	3,897	3,673
Loss/(gain) on disposal of property, plant and equipment	(234)	47
Adjusted EBITDA	$ 92,409	$ 80,614

	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Net Income Attributable to Equity Holders of the Company	$ 127,177	$ 61,627
Non-controlling interest	(277)	(296)
Income tax expense	37,863	31,455
Other finance expense (income) – excluding Unusual and Other Items*	(1,083)	2,570
Finance expense	16,792	18,112
Unusual and Other Items (before-tax)*	(5,306)	38,263
Adjusted Operating Income	$ 175,166	$ 151,731
Depreciation of property, plant and equipment	109,401	100,723
Amortization of intangible assets	11,623	11,755
Loss/(gain) on disposal of property, plant and equipment	(527)	76
Adjusted EBITDA	$ 295,663	$ 264,285

**Unusual and other items for the three and nine months ended September 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 conform to the current financial statement presentation adopted in 2017.

SALES

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

	Three months ended September 30, 2017	Three months ended September 30, 2016	$ Change	% Change
North America	$ 646,895	$ 737,127	(90,232)	(12.2%)
Europe	165,140	152,080	13,060	8.6%
Rest of the World	30,319	27,721	2,598	9.4%
Eliminations	(3,819)	(2,203)	(1,616)	(73.4%)
Total Sales	$ 838,535	$ 914,725	(76,190)	(8.3%)

The Company’s consolidated sales for the third quarter of 2017 decreased by $76.2 million or 8.3% to $838.5 million as compared to $914.7 million for the third quarter of 2016. The total decrease in sales was driven by a decrease in the North America operating segment, partially offset by year-over-year increases in sales in Europe and the Rest of the World.

Sales for the third quarter of 2017 in the Company’s North America operating segment decreased by $90.2 million or 12.2% to $646.9 million from $737.1 million for the third 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 third quarter of 2017 of approximately $4.9 million as compared to the third quarter of 2016; and lower year-over-year OEM production volumes on certain light-vehicle platforms including the Ford Fusion, Chevrolet Malibu, and other platforms late in their life cycle, and programs that ended production during or subsequent to the third quarter of 2016 such as the previous version of the GM Equinox/Terrain. These negative factors were partially offset by a $2.2 million increase in tooling sales, which are typically dependent on the timing of tooling construction and final acceptance by the customer; higher year-over-year production volumes on certain light vehicle platforms such as the Ford Escape; and the launch of new programs during or subsequent to the third quarter of 2016 including the GM Bolt and next generation GM Equinox/Terrain, third quarter production volumes of which were impacted by an employee strike at GM's assembly plant in Ingersoll, Ontario.

Sales for the third quarter of 2017 in the Company's Europe operating segment increased by $13.0 million or 8.6% to $165.1 million from $152.1 million for the third quarter of 2016. The increase can be attributed to a $3.4 million positive foreign exchange impact from the translation of Euro denominated production sales as compared to the third quarter of 2016, and higher overall production volumes in the Company's Martinrea Honsel German operations including the ramp up of the new V8 AMG engine block for Daimler. These positive factors were partially offset by a $1.6 million decrease in tooling sales.

Sales for the third quarter of 2017 in the Company's Rest of the World operating segment increased by $2.6 million or 9.4% to $30.3 million from $27.7 million in the third quarter of 2016. The increase was due to higher year-over-year production sales in the Company's operating facility in Brazil; partially offset by a $0.3 million negative foreign exchange impact from the translation of foreign denominated production sales as compared to the third quarter of 2016 and a $0.2 million decrease in tooling sales.

Overall tooling sales increased by $0.4 million to $38.6 million for the third quarter of 2017 from $38.2 million for the third quarter of 2016.

Nine months ended September 30, 2017 to nine months ended September 30, 2016 comparison

	Nine months ended September 30, 2017	Nine months ended September 30, 2016	$ Change	% Change
North America	$ 2,238,933	$ 2,417,956	(179,023)	(7.4%)
Europe	493,080	484,313	8,767	1.8%
Rest of the World	90,163	84,826	5,337	6.3%
Eliminations	(10,319)	(9,095)	(1,224)	(13.5)
Total Sales	$ 2,811,857	$ 2,978,000	(166,143)	(5.6%)

The Company's consolidated sales for the nine months ended September 30, 2017 decreased by $166.1 million or 5.6% to $2,811.9 million as compared to $2,978.0 million for the nine months ended September 30, 2016. The total decrease in sales was driven by a decrease in the Company's North America operating segment, partially offset by year-over-year increases in sales in Europe and the Rest of the World.

Sales for the nine months ended September 30, 2017 in the Company's North America operating segment decreased by $179.0 million or 7.4% to $2,238.9 million from $2,418.0 million for the nine months ended September 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 nine months ended September 30, 2017 of approximately $14.7 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, and programs that ended production during or subsequent to the nine months ended September 30, 2016 such as the previous version of the GM Equinox/Terrain. These negative factors were partially offset by a year-over-year increase in tooling sales of $3.9 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 nine months ended September 30, 2016 including the GM Bolt and next generation GM Equinox/Terrain, third quarter production volumes of which were impacted by an employee strike at GM's assembly plant in Ingersoll, Ontario.

Sales for the nine months ended September 30, 2017 in the Company's Europe operating segment increased by $8.8 million or 1.8% to $493.1 million from $484.3 million for the nine months ended September 30, 2016. The increase can be attributed to higher production volumes in the Company's Martinrea Honsel German operations including the ramp up of the new V8 AMG engine block for Daimler, and a $1.6 million increase in tooling sales; partially offset by the impact of foreign exchange on the translation of Euro denominated production sales, which had a negative impact on overall sales for the nine months ended September 30, 2017 of approximately $9.0 million as compared to the comparative period of 2016.

Sales for the nine months ended September 30, 2017 in the Company's Rest of the World operating segment increased by $5.4 million or 6.3% to $90.2 million from $84.8 million for the nine months ended September 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 $0.6 million positive foreign exchange impact from the translation of foreign denominated production sales as compared to the nine months ended September 30, 2016. These positive factors were partially offset by a $9.1 million decrease in tooling sales.

Overall tooling sales decreased by $3.6 million to $142.1 million for the nine months ended September 30, 2017 from $145.7 million for the nine months ended September 30, 2016.

GROSS MARGIN

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

	Three months ended September 30, 2017	Three months ended September 30, 2016	$ Change	% Change
Gross margin	$ 113,418	$ 99,698	13,720	13.8%
% of sales	13.5%	10.9%		

The gross margin percentage for the third quarter of 2017 of 13.5% increased as a percentage of sales by 2.6% as compared to the gross margin percentage for the third quarter of 2016 of 10.9%. The increase in gross margin as a percentage of sales was generally due to:

- productivity and efficiency improvements at certain operating facilities; and
- general sales mix including new and replacement programs that launched, and old programs that ended production, during or subsequent to the third quarter of 2016.

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.

Nine months ended September 30, 2017 to nine months ended September 30, 2016 comparison

	Nine months ended September 30, 2017	Nine months ended September 30, 2016	$ Change	% Change
Gross margin	$ 360,559	$ 327,738	32,821	10.0%
% of sales	12.8%	11.0%		

The gross margin percentage for the nine months ended September 30, 2017 of 12.8% increased as a percentage of sales by 1.8% as compared to the gross margin percentage for the nine months ended September 30, 2016 of 11.0%. 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 nine months ended September 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.

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, 2017 to three months ended September 30, 2016 comparison

	For the three months ended September 30, 2017 (a)	For the three months ended September 30, 2016 (b)	(a)-(b) Change
NET INCOME (A)	**$36,229**	**$29,098**	**$7,131**
Add Back - Unusual and Other Items:			
Executive separation agreement (1)	1,767	-	1,767
Unrealized gain on derivative instruments (2)	(1,375)	-	(1,375)
TOTAL UNUSUAL AND OTHER ITEMS BEFORE TAX	392	**-**	**$392**
Tax impact of above items	(358)	-	(358)
TOTAL UNUSUAL AND OTHER ITEMS - AFTER TAX (B)	34	**-**	**$34**
ADJUSTED NET INCOME (A + B)	**$36,263**	**$29,098**	**$7,165**
Number of Shares Outstanding – Basic ('000)	86,512	86,385	
Adjusted Basic Net Earnings Per Share	$0.42	$0.34	
Number of Shares Outstanding – Diluted ('000)	86,794	86,507	
Adjusted Diluted Net Earnings Per Share	$0.42	$0.34	

TABLE B

Nine months ended September 30, 2017 to nine months ended September 30, 2016 comparison

	For the nine months ended September 30, 2017 (a)	For the nine months ended September 30, 2016 (b)	(a)-(b) Change
NET INCOME (A)	**$127,177**	**$61,627**	**$65,550**
Add Back - Unusual and Other Items:			
Executive separation agreement (1)	1,767	-	1,767
Unrealized gain on derivative instruments (2)	(1,375)	-	(1,375)
Gain on sale of land and building (3)	(5,698)	-	(5,698)
Impairment of assets (4)	-	34,579	(34,579)
Restructuring costs (5)	-	3,684	(3,684)
TOTAL UNUSUAL AND OTHER ITEMS BEFORE TAX	**($5,306)**	**$38,263**	**($43,569)**
Tax impact of above items (6)	469	(558)	1,027
TOTAL UNUSUAL AND OTHER ITEMS - AFTER TAX (B)	**($4,837)**	**$37,705**	**($42,542)**
ADJUSTED NET INCOME (A + B)	**$122,340**	**$99,332**	**$23,008**
Number of Shares Outstanding – Basic (‘000)	86,505	86,385	
Adjusted Basic Net Earnings Per Share	$1.41	$1.15	
Number of Shares Outstanding – Diluted (‘000)	86,739	86,570	
Adjusted Diluted Net Earnings Per Share	$1.41	$1.15	

(1) Executive separation agreement

During the third quarter of 2017, David Rashid ceased to be an Executive Vice President of Operations of the Company. The costs added back for Adjusted Net Income purposes represents Mr. Rashid’s termination benefits (included in SG&A expense) as set out in his employment contract payable over a twelve-month period.

(2) Unrealized gain on derivative instruments

In the third quarter, the Company acquired 5.5 million common shares in NanoXplore Inc. (“NanoXplore”), a publicly listed company on the TSX Venture Exchange trading under the ticker symbol GRA, for a total of $2.5 million through a private placement offering (the investment is further described in note 7 of the interim consolidated financial statements for the three and nine months ended September 30, 2017 and later on in the MD&A under the section “Investments”). As part of the transaction to acquire the common shares, the Company also received warrants entitling the Company to acquire up to an additional 2.75 million common shares in NanoXplore at a price of $0.70 per share for a period of up to two years after issuance. The warrants in NanoXplore represent derivative instruments and are fair valued at the end of each reporting period with the change in fair value recorded through profit or loss. As at September 30, 2017, the warrants had a fair value of $1.7 million which resulted in an unrealized gain of $1.4 million for the third quarter recorded in Other finance income. This unrealized gain has been added back for Adjusted Net Income purposes.

(3) 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.

(4) 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 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.

(5) 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.

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

The tax impact of the adjustments recorded to income during the nine months ended September 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.

NET INCOME
(ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY)

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

	Three months ended September 30, 2017	Three months ended September 30, 2016	$ Change	% Change
Net Income	$ 36,229	$ 29,098	7,131	24.5%
Adjusted Net Income	$ 36,263	$ 29,098	7,165	24.6%
Net Earnings per Share				
Basic and Diluted	$ 0.42	$ 0.34		
Adjusted Net Earnings per Share				
Basic and Diluted	$ 0.42	$ 0.34		

Net Income, before adjustments, for the third quarter of 2017 increased by $7.1 million to $36.2 million from $29.1 million for the third quarter of 2016 largely as a result of the increase in the Company's gross margin as previously discussed. Excluding the unusual and other items recognized during the third quarter of 2017 as explained in Table A under "Adjustments to Net Income", Net Income for the third quarter of 2017 remained essentially the same at $36.2 million or $0.42 per share, on a basic and diluted basis, compared to $29.1 million or $0.34 per share, on a basic and diluted basis, for the third quarter of 2016.

Adjusted Net Income for the third quarter of 2017, as compared to the third 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 third 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 (22.9% for the third quarter of 2017 compared to 24.4% for the third 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 expense as previously discussed;
- a year-over-year increase in depreciation expense as previously discussed; and
- an increase in research and development costs due to increased new product and process research and development activity.

Nine months ended September 30, 2017 to nine months ended September 30, 2016 comparison

		Nine months ended September 30, 2017		Nine months ended September 30, 2016	$ Change	% Change
Net Income	$	127,177	$	61,627	65,550	106.4%
Adjusted Net Income	$	122,340	$	99,332	23,008	23.2%
Net Earnings per Share						
Basic and Diluted	$	1.47	$	0.71		
Adjusted Net Earnings per Share						
Basic and Diluted	$	1.41	$	1.15		

Net Income, before adjustments, for the nine months ended September 30, 2017 increased by $65.6 million to $127.2 million from $61.6 million for the nine months ended September 30, 2016 largely as a result of the increase in the Company's gross margin, as previously discussed, and the impact of the unusual and other items incurred during the nine months ended September 30, 2017 and 2016 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, 2017 increased by $23.0 million to $122.3 million or $1.41 per share, on a basic and diluted basis, from $99.3 million or $1.15 per share, on a basic and diluted basis, for the nine months ended September 30, 2016.

Adjusted Net Income for the nine months ended September 30, 2017, as compared to the nine months ended September 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 nine months ended September 30, 2016;
- a net foreign exchange gain of $0.8 million for the nine months ended September 30, 2017 compared to a net foreign exchange loss of $2.7 million for the nine months ended September 30, 2016;
- a 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 (23.5% for the nine months ended September 30, 2017 compared to 24.4% for the nine months ended September 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 expense as previously discussed;
- a year-over-year increase in depreciation expense 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 September 30, 2017 to three months ended September 30, 2016 comparison

	Three months ended September 30, 2017	Three months ended September 30, 2016	$ Change	% Change
Additions to PP&E	$ 56,373	$ 43,739	12,634	28.9%

Additions to PP&E increased by $12.6 million to $56.4 million in the third quarter of 2017 from $43.7 million for the third quarter of 2016. Additions as a percentage of sales increased year-over-year to 6.7% for the third quarter of 2017 compared to 4.8% 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.

Nine months ended September 30, 2017 to nine months ended September 30, 2016 comparison

	Nine months ended September 30, 2017	Nine months ended September 30, 2016	$ Change	% Change
Additions to PP&E	$ 168,105	$ 136,733	31,372	22.9%

Additions to PP&E increased by $31.4 million year-over-year to $168.1 million for the nine months ended September 30, 2017 compared to $136.7 million for the nine months ended September 30, 2016. Additions as a percentage of sales increased year-over-year to 6.0% for the nine months ended September 30, 2017 compared to 4.6% for the nine months ended September 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 nine 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 December 31, 2017, on or about January 15, 2018.

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 November 15, 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 9347812#). The rebroadcast will be available until November 29, 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, earnings, and earnings per share (including as adjusted), operating income margins and net debt:EBITDA ratios for the 2017 year and beyond, the financial strength of the Company and its balance sheet, the expected acceleration of the Company's margin improvement to 8% or more by 2019 and 9% or more by 2020, the expected double digit growth in earnings by 2019 and growth in sales to over $4 billion by 2020, 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, improvements in product offerings, program wins, the expectation of announcing significant incremental work and as well as other forward-looking statements. The words "continue", "expect", "anticipate", "estimate", "may", "will", "should", "views", "intend", "believe", "plan", "outlook" 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, such as expected sales and industry production estimates, current foreign exchange rates (FX), timing of product launches and operational improvements during the period and current Board approved budgets. Certain forward-looking financial assumptions are presented as non-IFRS information, and we do not provide reconciliation to IFRS for such assumptions. 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