Quarterly Voluntary Release
Key figures Quarter 1-2017

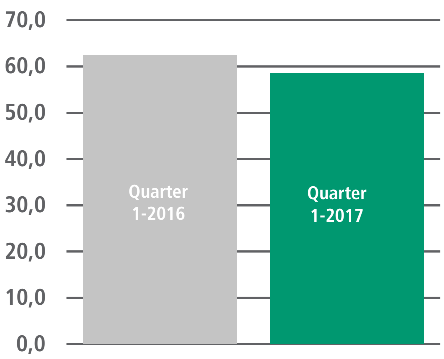
MS Industrie AG, Munich, Germany (ISIN: DE0005855183)

MS Industrie Group with EAT in Quarter 1-2017
amounting up to EUR 0,2 Mio. (- 88 %) - positive annual forecast

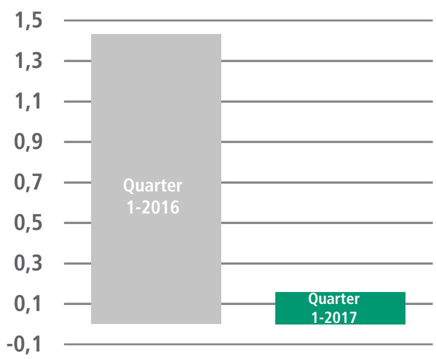
Overview of key figures Quarter 1-2017 and previous years period (for comparison purposes)
(adjusted by non-recurring items)

MS Industrie Group, IFRS in Mio. EUR (EpS in EUR)	Quarter 1-2016 (unaudited)	Quarter 1-2017 (unaudited)
Group Sales	62,4	58,5
EBITDA	5,9	3,7
EBIT	2,7	0,4
EBT	1,8	0,0
EAT	1,4	0,2
EpS	0,05	0,01

Group Sales
in Mio. EUR



Earnings after tax
after non-controlling-interests (EAT) in Mio. EUR



Munich, May 22, 2017

Dear Shareholders, dear Employees and Business Partners,

MS Industrie AG, Munich (ISIN: DE0005855183), based on the audited key figures of overall fiscal year 2016, published on April 28, 2017, presents on a voluntary base, selected unaudited quarterly IFRS-figures for Q1-2017, showing a satisfactory development.

First 3 months of 2017 are - in accordance with expectations - characterized for MS Industrie-Group in total by a declining sales development, in relation to last year´s reference period Q1-2016. This is especially true for the US sites of the group and here especially in the Powertrain sector. At the German-sites of the Group, the business has performed furthermore encouraging both in comparison with the satisfactory 1st quarter of the previous year as well as compared to the weak 4th quarter of the previous year. Total revenues are in aggregate slightly above plan, which has been set consciously for Q1-2017 on a low level especially in respect to the US-Powertrain-market. The continuing weak business development in Q1 in the US-Powertrain-market has been accompanied with the further strengthening of the EUR/USD exchange rate in Q1, which unfortunately had a negative effect on the total comprehensive income based on the still high volume of US-sales.

Both in the **Powertrain Technology Group**, also briefly: **"Powertrain"**, and in the **Ultrasonic Technology Group**, also briefly: **"Ultrasonic"**, the sales development in Q1 was strongly different. Turnover of business unit "**Powertrain**" on the one hand is approximately -14 % below the sales of the previous year´s period. Thereof turnover of sub-business unit "**Powertrain – Diesel**" is approximately -16 % below the sales of the previous year´s period. The sub-business unit "**Powertrain – Electro**" sales are around +7 % above the sales of the previous year´s period. Turnover of business unit "**Ultrasonic**" on the other hand is around +37 % above the sales of the previous year´s period. Such kinds of seasonal revenue fluctuations are usual in the business unit "Ultrasonic", with its underlying core business manufacturing of (special) machines and are due to unsteady customer acceptances and delivery dates of finished machines.

Sales revenues of business segment "Powertrain" made for a percentage of around 79 % and sales revenues of segment "Ultrasonic" made for a percentage of around 21 % to the total consolidated group sales in Q1-2017.

Order backlogs end of April 2017 amounted to a total of around Mio. EUR 129; in the "Ultrasonic"-segment about 2 % and in the "Powertrain"-segment around 10 % above the average order backlog in the first four months of the previous year.

The performance of MS Industrie-Group in Q1-2017 was also satisfactory in terms of the essential earnings indicators, particularly earnings before interest, taxes, depreciation and amortization – EBITDA - ,operating earnings before interest and tax - EBIT - , earnings before tax - EBT - , earnings after tax - EAT - and last but not least "Earnings per Share" – "EPS" - .

This against the background of a continuously recovering European commercial vehicle market with a registration increase of 7,5 % in Q1-2017 compared to the same quarter last year (increase in registrations in Germany: 7,5 %) and of 10,0 % in March 2017 compared to the same month last year, as the recent periodic evaluation, as of April 26, 2017, of "ACEA" („Association des Constructeurs Européens d´Automobiles", Brussels), again reconfirmed. The European market for heavy commercial vehicles over 16 tons has developed even a little more weak in Europe with a registration increase of 4,8 % in Q1-2017 compared to the same quarter last year (increase in registrations in Germany: 4,9 %) (Source also: "ACEA", April 26, 2017). These figures give us furthermore positive expectations, especially considering the fact that 2015 and 2016 have been satisfactory years for the European commercial vehicle industry at best.

The US market for midsized and heavy trucks was expectedly still below previous year in terms of order income in March 2017 year on year with approximately -5 %, as, for example, from the current statistics of the private US-research firm "Rhein Report" can be read. Compared to previous month February 2017 the order income raised again by around 21 %, after increasing by 22 % in January 2017 and by 28 % in February 2017 compared to previous month. This means that, according to a most recent "Rhein Report"-evaluation, order backlogs in the heavy truck segment with 109.000 units are at its highest level since April 2016, but still are below the level end of 2016. According to a press release of the private US-research firm "FTR" the "class 8"-order income April 2017 with a total of 23.600 units was again around 5 % above March and 77 % above prior year´s period. This indicates even more, that the slow and moderate market recovery scenario on the US-heavy duty-truck-market which was the basis for the company´s planning and forecast process at the beginning of the year, with an assumption of "class 8"-sales totaling 230.000 units on the US-market as a whole in current year 2017, will probably fulfill. Indeed, the most important market-recovery impact is still expected for the second half of the year.

Key figures for Q1-2017 (January to March 2017), adjusted by non-recurring items of previous year´s period as specifically described below, are as follows:

In previous year´s period the profit and loss-key figures have been influenced by positive and negative non-recurring items, which are as follows. In the actual reporting period Q1-2017 there have been no non-recurring items with a significant influence on profit and loss, therefore adjusted key figures equal unadjusted key figures.

Non-Recurring Items with an influence on profit and loss in previous year´s period are essentially currency losses from procurement processes with predefined suppliers of around Mio. EUR -0,6, which are reflected in the cost of materials, and reimbursements incurred from the previous fiscal year´s additional costs arising from the insolvency of a supplier in the amount of approximately Mio. EUR +0,2 (other income) as well as relocation costs of the „Powertrain"-division of former MS Spaichingen GmbH to the new premises in Trossingen in the amount of around Mio. EUR -0,6 (other expenses). All amounts before tax.

Total adjusted **Consolidated Revenues** for Q1-2017 are at **Mio. EUR 58,5** (prev. Mio. EUR 62,4), with -6,1 % being slightly below the previous year's first quarter and in line with plan.

Total adjusted **Factory Output,** including positive changes in inventory, totaling to around **Mio. EUR 0,5** (prev. Mio. EUR 3,7), is around **Mio. EUR 59,0** (prev. Mio. EUR 66,1) and so as well with -10,7 % significantly below previous year´s period output.

In the regional sales-market **USA / Canada ("North America")** the achieved revenues in Q1-2017 are totaling to **Mio. EUR 16,0** (prev. Mio. EUR 24,5). Thus around **27,4 %** (prev. 39,3 %) of consolidated total revenues of MS Industrie-Group in Q1-2017 have again been achieved in the North American market, this means a decrease by around -**34,6 %**.

Adjusted **gross profit** amounts with **Mio. EUR 27,6** (prev. Mio. EUR 29,6) slightly below previous year´s period. The adjusted **gross profit margin** has also decreased by 0,3 percentage points from 47,4 % to 47,1 %.

Adjusted earnings before interest, taxes, depreciation and amortization - **EBITDA** – in Q1 amount to **Mio. EUR 3,7** (prev. Mio. EUR 5,9), adjusted operating profits before interest and tax - **EBIT** - amount to **Mio. EUR 0,4** (prev. Mio. EUR 2,7).

The Group´s adjusted profit before income tax - **EBT** – in Q1 amounts to around **Mio. EUR 0,0** (prev. Mio. EUR 1,8). The result after taxes and minority interests - **EAT** - in Q1 amounts to around **Mio. EUR 0,2** (prev. Mio. EUR 1,4).

Total comprehensive income for Q1-2017 before adjustments amounts to **Mio. EUR -0,3** (prev. Mio. EUR -0,1). The difference between earnings after tax (EAT) and **total comprehensive income after income taxes** in Q1 primarily results from negative **foreign currency translation differences (EUR-USD)** recognized in other comprehensive income ("OCI") without profit impact in a total amount of **Mio. EUR -0,3** (prev. Mio. EUR -0,8).

Earnings per share - "EPS" - attributable to the shareholders of the parent company MS Industrie AG - based on the weighted average number of shares issued until March 31, 2017 (on average 29,9 million shares) - in accordance with IAS 33 (basic and diluted) amount to **EUR 0,01** (prev. basic and diluted: EUR 0,05 based on 29,8 million shares).

As of March 31, 2017, **Cash and cash equivalents** in the group in total amount to **Mio. EUR 3,2** (Dec. 31, 2016: Mio. EUR 4,1). **Liquid funds** as of March 31, 2017 amount to **Mio. EUR -3,3** (Dec. 31, 2016: Mio. EUR +0,9), this means a decrease compared to the ending balance of 2016 by Mio. EUR -4,2. The decrease in liquid funds is mainly due to a significant increase in accounts receivable, which is adding to the planned negative cash flows from investing activities and financing activities.

The Group's **Equity Ratio** has slightly decreased compared to December 31, 2016 and now amounts to **31,8 %** (December 31, 2016: 33,7 %), while total assets have increased by 5,5 %. The slightly decreased equity ratio - beside the negative total comprehensive income - is primarily due to the slight increase in total assets. The increase in total assets is primarily due to a reporting date driven working capital build-up in the MS Industrie-Group.

Equity and non-controlling interests have decreased in absolute figures by Mio. EUR -0,3 to **Mio. EUR 51,5** as at March 31, 2017 (December 31, 2016: Mio. EUR 51,8), also mainly due to the negative total comprehensive income.

The number of **Employees** in the group continued to increase according to plan to a number of **1.132 permanent employees** on March 31, 2017, compared to 1.114 permanent employees as at December 31, 2016.

In Q1-2017 there have been no changes in the consolidated group structure compared to December 31, 2016.

For the entire fiscal year 2017 **MS Industrie-Group** is planning to reach a slightly increased industrial consolidated turnover of around Mio. EUR 240, as described in the forecast report of the annual management report 2016. For the entire fiscal year 2017 also, according to the forecast in the annual management report 2016, an unchanged level of the adjusted key earnings ratio EBITDA is expected, while the key earnings ratios EBIT and EBT (excluding non-recurring items) are expected to increase due to a decrease in amortization and interest expenses. Gross profit margin in 2017 is expected to decrease, EBIT-margin is expected to increase above the 2016 level. Due to an increase in tax expenses in 2017 we expect EAT and earnings per share on the level of 2016 and thus also a considerable increase in consolidated shareholder´s equity. For the entire fiscal year 2017 it is still expected, that cash flows from operating activities (excluding non-recurring items) develop slightly better than in the previous year. Regarding the net cash used in investing activities it is assumed that the amounts are unchanged to previous year. The debt levels until the end of fiscal year 2017 should be reduced further and the equity ratio increased considerably as a result of all measures initiated. It is assumed that in the current situation the described objectives for 2017 will be achieved.

MS Industrie AG, headquartered in Munich, Germany, is the listed holding company of a focused industrial group with two strategic core business areas: **Powertrain-technology** ("Powertrain Technology Group": Systems and components for heavy-duty diesel engines and custom electric motors) and **Ultrasonic-technology** ("Ultrasonic Technology Group": Special machines and ultrasonic systems and components). The key customer industries include the global commercial vehicle and car industry, followed by the packaging machine industry and the general mechanical and plant engineering. As part of its strategy, MS Industrie AG concentrates primarily on organic growth and investments within the existing industrial core competencies, flanked by mainly minority involvements in the industrial real estate sector as well as complementary services.

Best regards

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