Quarterly Voluntary Release
Key figures end of Quarter 3-2017

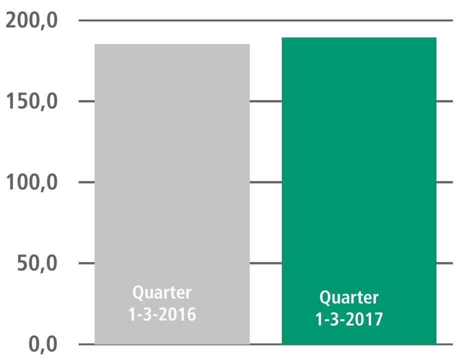
MS Industrie AG, Munich, Germany (ISIN: DE0005855183)

MS Industrie Group with EAT in Quarter 1 until 3 - 2017
amounting up to EUR 4,6 Mio. (+18%)

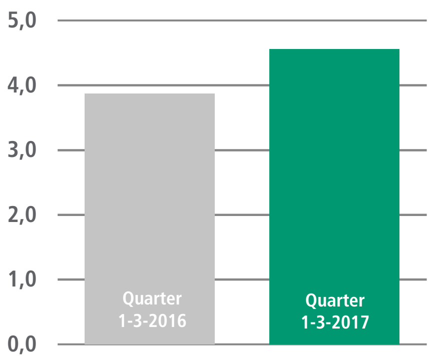
Overview of key figures Quarter 1 until 3 - 2017 and previous years period (for comparison purposes) (adjusted by non-recurring items)

MS Industrie Group, IFRS in Mio. EUR (EpS in EUR)	Quarter 1-3-2016 (unaudited)	Quarter 1-3-2017 (unaudited)
Group Sales	185,3	189,5
EBITDA	15,2	17,3
EBIT	6,0	7,5
EBT	3,8	6,3
EAT	3,9	4,6
EpS	0,13	0,15

Group Sales
in Mio. EUR



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



MS INDUSTRIE AG

Munich, November 17, 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 and the unaudited key figures of 1st half of fiscal year 2017, published August 17, 2017, presents on a voluntary base, selected, unaudited, quarterly IFRS-figures for Q1-Q3-2017, according to which Q1-Q3 have been showing a good to satisfactory development on the background of the current economic situation in the most important market segments.

First 9 months of 2017 are - in accordance with expectations - characterized for MS Industrie-Group by a slight sales increase, in comparison to previous year. In Q1-Q3-2017 this is unfortunately not yet the case for the German sites of the group as a total. At the US-site of the Group however, the business has performed market-driven substantially stronger both in comparison with the in total weak 1st three quarters of the previous year as well as compared to the very weak 3rd quarter of the previous year. The positive business development in the US has been accompanied by the further strengthening of the EUR/USD exchange rate, which unfortunately in Q1-Q3-2017 had a negative effect on the total consolidated comprehensive income by the high volume of US-business.

Both in the **MS-Powertrain Technology Group**, also briefly: **"Powertrain"**, and in the **MS-Ultrasonic Technology Group**, also briefly: **"Ultrasonic"**, the sales development in Q1-Q3 was slightly different. Turnover of business unit "**Powertrain**" on the one hand is approximately +0,5 % above the sales of the previous year´s period. Thereof turnover of sub-business unit "**Powertrain – Diesel**" is approximately +0,4 % above the sales of the previous year´s period. The sub-business unit "**Powertrain – Electro**" sales are around +0,9 % above the sales of the previous year´s period as well. Turnover of business unit "**Ultrasonic**" on the other hand is around +5,1 % clearly above the sales of the previous year´s period.

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-Q3-2017.

Order backlogs end of September 2017 amounted to a total of around Mio. EUR 126 (i.e. around +5 % above the average order backlog in the previous year); thereof in the "Ultrasonic"-segment around -15 % below and in the "Powertrain"-segment around +13 % above the average order backlog of the previous year.

The performance of MS Industrie-Group in Q1-Q3-2017 was in line with the sales development in a range between satisfactory and good 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 positive development on one hand must be seen against the fundamentally positive background of a continuously recovering European commercial vehicle market: Registration increase of +3,3 % in Q1-Q3-2017 compared to the same period last year (increase in registrations in Germany: +2,2 %) and of +0,6 % in September 2017 compared to the same month last year, as the recent periodic evaluation, as of October 24, 2017, of well-known "ACEA" („Association des Constructeurs Européens d´Automobiles", Brussels), again reconfirmed. The European market for heavy commercial vehicles over 16 tons as a part of the total European commercial vehicle market has developed also quite constantly in Europe with a registration increase of +0,4 % in Q1-Q3-2017 compared to the same period last year, (decrease in registrations in Germany: -0,5 %) (Source also: "ACEA", as of October 24, 2017). These figures in total give us furthermore positive expectations, especially considering the fact that 2015 and 2016 have been satisfactory years for the entire European commercial vehicle industry at best.

The US market for medium-duty and heavy-duty trucks in terms of order income as well increased in September 2017 year on year, seasonally adjusted, with approximately +8,7 %, as, for example, from the current statistics of the private research firm "ACT" ("Americas Commercial Transportation Research, Co., LLC") can be read. In the meantime, this trend applies also to MS Industrie-Group (increase in "NAFTA"-sales Q1-Q3-2017: +11,4 %) with its main customer Detroit Diesel Corporation / Daimler in North America, which sales have also significantly increased by approximately 44 % in Q3-2017. 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 min. 240.000 units on the US-market as a whole in current year 2017, will be probably fulfilled. Indeed, the most important market-recovery impact is still expected for the 4th quarter of the year 2017 and for 2018.

Important long- and short-term revenue drivers, such as the worldwide long term basic trend towards more transport of goods on the road, the new "Greenhouse Gas Regulation II" (2017-2027) in the US, which entered into force in fiscal year, but also medium-term catch-up effects against the background of a fundamentally relatively aged truck fleet in Europe and the US, should further lead to increased demand. On this background, Daimler USA also expects an increase in new registrations, and thus higher unit numbers, from 2018 at the latest.

Key figures and developments are as follows:

Total adjusted consolidated revenues of MS Industrie-Group in the reporting period are at **Mio. EUR 189,5** (prev. Mio. EUR 185,3), and therefore slightly above the level of the previous year's revenues in Q1-Q3.

MS Industrie AG generated,

for **Q1-Q3 2017** in the Group:

- Accumulated adjusted earnings before interest, taxes, depreciation and amortization - **EBITDA** - in the amount of **Mio. EUR 17,3** (prev. Mio. EUR 15,2)

and for **Q3-2017,** only, in the Group:

- Adjusted earnings before interest, taxes, depreciation and amortization - **EBITDA** - amounting to **Mio. EUR 6,8** (prev. Mio. EUR 4,6).

Key figures for Q3-2017 (July to September 2017), substantially adjusted by non-recurring items of previous year´s period as specifically described below, are as follows:

Non-Recurring Items with an influence on profit and loss in previous year´s period were essentially relocation costs of the „Powertrain"-division of MS Industrie-Group to the new premises in Trossingen in the amount of around Mio. EUR -0,1. These items had an influence on the period´s profit and loss and are therefore adjusted in the following key figures.

Total adjusted **Consolidated Revenues** for Q3 amount to **Mio. EUR 65,5** (prev. Mio. EUR 58,5).

Adjusted earnings before interest, taxes, depreciation and amortization - **EBITDA** – in Q3 amount to **Mio. EUR 6,8** (prev. Mio. EUR 4,6). Adjusted operating earnings before interest and tax - **EBIT** - in Q3 amount to **Mio. EUR 3,6** (prev. Mio. EUR 1,5). Adjusted earnings before income tax - **EBT** - amount to **Mio. EUR 3,2** (prev. Mio. EUR 1,1) and the adjusted result after taxes and minority interests - **EAT** – amounts to around **Mio. EUR 2,1** (prev. Mio. EUR 1,9).

Key figures for the 1st 3 quarters of 2017 (January to September), substantially adjusted by non-recurring items of previous year´s period as specifically described below, are as follows:

The previous year´s sales revenue included reimbursements incurred from currency losses from procurement processes with predefined suppliers of around Mio. EUR 1,8.

Non-Recurring Items with an influence on profit and loss in previous year´s period are essentially net reimbursements incurred from the fiscal year´s 2015 and 2016 currency losses from procurement processes with predefined suppliers of a balance of around Mio. EUR +0,5 net, which are reflected in sales revenues (Mio. EUR +1,8) and cost of materials (Mio. EUR --1,3), and reimbursements incurred from fiscal year´s 2015 costs arising from the insolvency of a supplier in the amount of Mio. EUR +0,7 (cost of materials) as well as relocation costs of the „Powertrain"-division of MS Industrie-Group to the new premises in Trossingen in the amount of around Mio. EUR -1,2. All amounts before tax. These items have an influence on the previous period´s profit and loss and are therefore adjusted in the following key figures.

Adjusted, cumulative **total revenues** in the 1st 3 quarters of 2017 amount to **Mio. EUR 189,5** (prev. Mio. EUR 185,3), with +2,3 % being slightly above the previous year's first 3 quarters and in line with plan.

Total **Factory Output,** inclusive positive changes in inventory, totaling to around Mio. EUR 2,1 (prev. Mio. EUR 2,5), is **Mio. EUR 191,6** (prev. Mio. EUR 187,8) and with +2,0 % also above previous year´s period output as well.

In the regional sales market **USA / Canada ("North America")** the achieved revenues in Q1-Q3-2017 are totaling **Mio. EUR 68,5** (prev. Mio. EUR 61,5) in absolute terms. Thus around **36 %** (prev. 33 %) of consolidated total revenues of the MS Industrie-Group in Q1-Q3-2017 with a slight increase have again been achieved in the North-American market.

In absolute terms, total sales in the **"Asia / Pacific" region** and in the **"Other Americas"** in Q1-Q3-2017 together now account for around Mio. EUR 3,5 (prev. Mio. EUR 3,4), according to plan low and stable, in line with the current economic weaknesses manifested in South American business regions. Our percentage sales volume in the **"Asia / Pacific" region** and in the **"Other Americas"** in Q1-Q3-2017 in total stays stable by around 2 % (prev. 2 %) of consolidated sales.

Adjusted **gross profit** amounts to **Mio. EUR 90,7** (prev. Mio. EUR 87,7) slightly above previous year´s period. The adjusted **gross profit margin** has also increased slightly by 0,6 percentage points from 47,3 % to **47,9** %.

Adjusted earnings before interest, taxes, depreciation and amortization - **EBITDA** – in Q1-Q3 amount to **Mio. EUR 17,3** (prev. Mio. EUR 15,2), adjusted operating profits before interest and tax - **EBIT** - amount to **Mio. EUR 7,5** (prev. Mio. EUR 6,0). Adjusted profits before income tax - **EBT** – in the group in Q1-Q3 amount to around **Mio. EUR 6,3** (prev. Mio. EUR 3,8). The results after taxes and minority interests - **EAT** - in Q1-Q3 amount to around **Mio. EUR 4,6** (prev. Mio. EUR 3,9).

The difference between earnings before tax (EBT) and net profit after tax (EAT) in Q1-Q3 is primarily due to **current tax expense** amounting to **Mio. EUR 1,6 and deferred tax expense** amounting to **Mio. EUR 0,2** (Previous year: Deferred tax income Mio. EUR 1,1, of which in previous years period Mio. EUR 1,5 deferred tax income arose from the granting of deferred tax credits to the US-daughter company MS Industries USA for previous years. In addition, current tax expenses were incurred, amounting to Mio. EUR 1,0 in previous years period).

Total Consolidated Comprehensive Income for Q1-Q3-2017 before adjustments amounts to **Mio. EUR 2,7** (prev. Mio. EUR 3,0). The difference between earnings after tax (EAT) and the **total comprehensive income after income taxes** in Q1-Q3 primarily results from **foreign currency translation differences (EUR-USD)** recognized in other comprehensive income ("OCI") without profit impact in a total amount of **Mio. EUR -2,2** (prev. Mio. EUR -0,8).

Adjusted **Earnings per share - "EPS"** - in Q1-Q3-2017 attributable to the shareholders of the parent company MS Industrie AG in accordance with IAS 33 amount to **EUR 0,15,** based on the weighted average number of shares issued until September 30, 2017 (29,9 million shares (basic and diluted); in previous period adjusted earnings per share basic and diluted amounted to EUR 0,13 (based on the weighted average number of 29,8 million shares)).

As at September 30, 2017, **Cash and cash equivalents** in the group amount to **Mio. EUR 5,6** (December 31, 2016: Mio. EUR 4,1). **Liquid funds** as at September 30, 2017 amount to **Mio. EUR -4,7** (December 31, 2016: Mio. EUR +0,9), this means a decrease compared to the ending balance of 2016 by Mio. EUR -5,6. The decrease in liquid funds is mainly due to a significant increase in accounts receivable at the end of the period, which is adding to the planned negative cash flows from investing activities as well as financing activities.

The Group's **equity ratio** has decreased slightly compared with December 31, 2016 and as at September 30, 2017 amounts to 32,8 % (December 31, 2016: 33,7 %), while the total assets have been increasing by 8,2 %. The slightly decreased equity ratio - beside the positive total comprehensive income - is primarily due to the significant 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. In absolute figures, **equity and non-controlling interests** have significantly increased by Mio. EUR 2,7 to **Mio. EUR 54,5** (December 31, 2016: Mio. EUR 51,8).

The **number of employees** in the group continued to increase up to **1.156 permanent employees** as at September 30, 2017 according to plan, compared to 1.114 permanent employees as at December 31, 2016.

In Q1-Q3-2017 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 and the half year management report 2017. 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 with exception of the following forecast improvements: According to actual forecasts a distinctly increased total industrial consolidated turnover amounting to around Mio. EUR 250 with a distinctly increased EBITDA and a slightly increased EAT and slightly increased earnings per share are expected.

This voluntary quarterly release contains forward-looking statements based on current estimates of the management regarding future developments. Such statements are subject to uncertainties and risks which cannot be influenced by MS Industrie AG. If such risks or uncertainties materialize, or assumptions on which these forward-looking statements are based should prove incorrect, then actual results may be materially different from the results in these voluntary statements explicitly defined or implicitly contained. It is neither intended by MS Industrie AG, nor does MS Industrie AG assume any obligation to update any forward-looking statements to reflect events or circumstances after the date of this voluntary quarterly release. Neither MS Industrie AG nor a company affiliated with MS Industrie AG nor directors, managing directors, board members, employees or consultants of the Company, nor any other person assumes express or implied representations or warranties as to the completeness of the data contained in this voluntary quarterly release. Neither MS Industrie AG nor one of its affiliated companies nor an aforementioned person shall have any liability whatsoever for any losses arising directly or indirectly from the use of this voluntary quarterly release. Possible errors or incompleteness of the information do not constitute warranties, either with regard to direct or indirect damage or consequential damages. While all reasonable care has been taken to ensure that the facts set out above are correctly, and views expressed herein are fair and reasonable, this voluntary interim report is selective. If information and statistics are quoted from external sources, such information and statistics are not to be interpreted that they were adopted or confirmed correct by the company. This voluntary document constitutes neither an offer to sell nor a solicitation of an offer to buy or subscribe for shares of MS Industrie AG.

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** ("MS-Powertrain Technology Group": Systems and components for heavy-duty diesel engines and custom electric motors) and **Ultrasonic-technology** ("MS-Ultrasonic Technology Group": Special and standard 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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