



Q1 2007 Results - Conference Call

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- 1. GRAMMER: SHORT INTRODUCTION**
2. HIGHLIGHTS Q1 2007
3. FINANCIAL RESULTS Q1 2007
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Grammer: Short Introduction



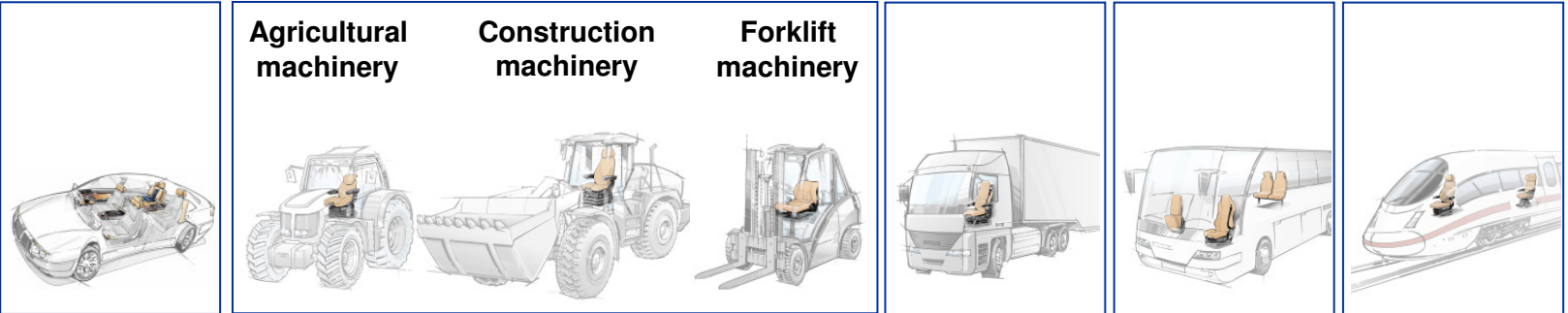
Board responsibility



Strategic business fields



Sectors / markets



Segments

Automotive **€575m (65%)**

Driver seats **€266m (30%)**

Passenger seats **€45m (5%)**

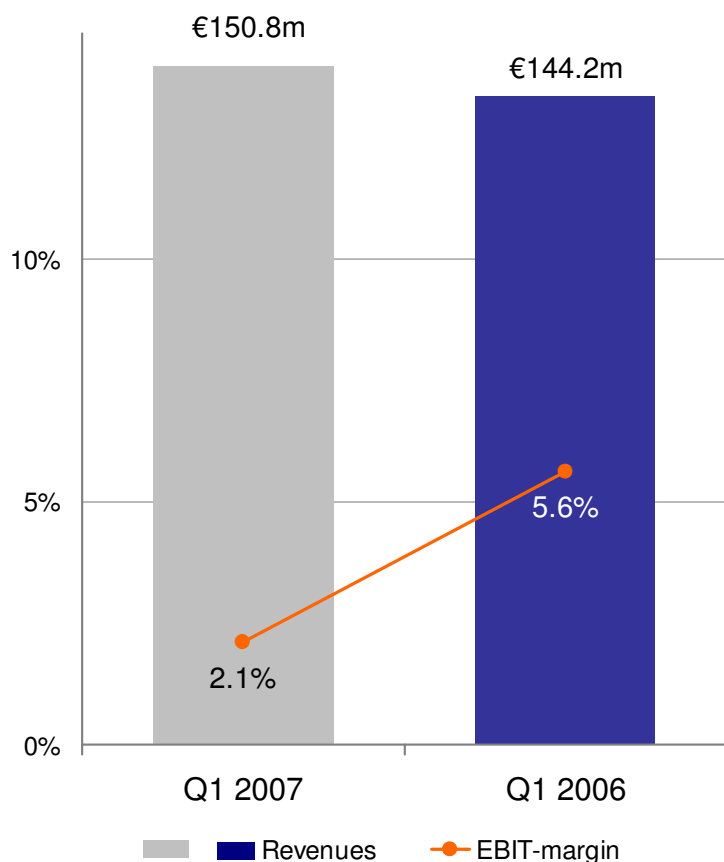
Key: - 2006 revenues in € million; % of total revenues

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Grammer Group:

- Grammer is benefiting from ongoing high volumes of investment in the utility vehicle sector and from the stable development of the automotive sector in other countries.
- New international projects in the rail division are providing further momentum for growth.
- Positive earnings factors in the Seating division have been overshadowed by the VAT-impact in Germany and various product start-ups in the Automotive division.
- Further increase in raw materials prices for steel and materials based on crude oil.
- Hartmut Müller joined the Executive Board as a new member on February 1, 2007. He will take over overall responsibility for the driver seat and passenger seat segments from July 1, 2007.

Key facts - Automotive



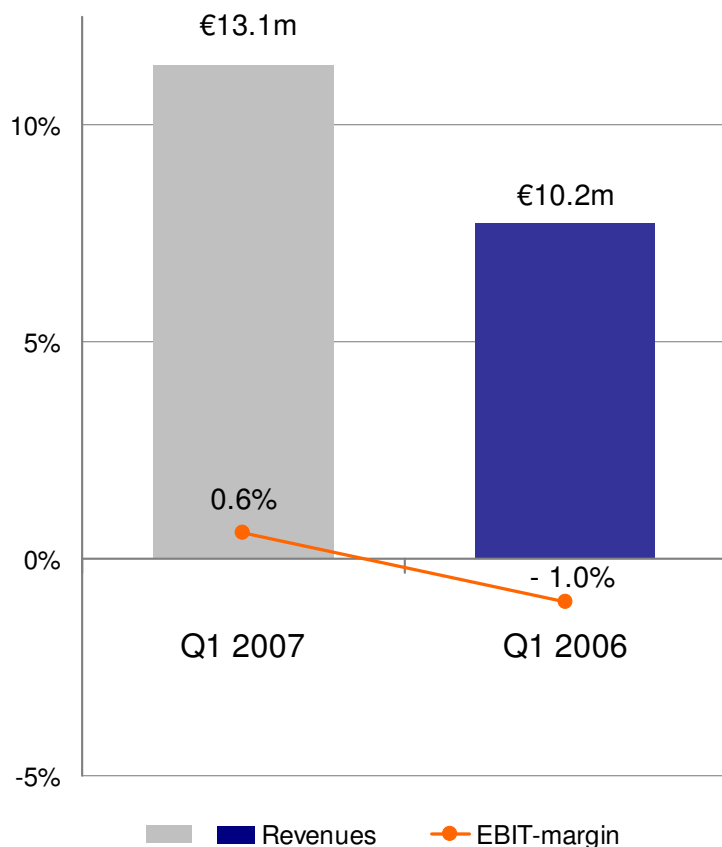
- Sales up by more than EUR 6 million due to growth in the Chinese market and strong automobile demand, especially in Eastern Europe.
- As expected, Q1 earnings negatively affected by numerous, increasingly complex product start-ups and reduced demand in domestic premium market.
- Successful acquisition of further center console order in SUV market.
- Supervisory Board approves establishment of new sewing and assembly location in Serbia.

Key facts - Driver seats



- Sales up by almost EUR 6 million in Q1 2007 due to strong order situation in off-road segment and ongoing dynamic performance in truck market.
- Rise in sales and improved cost structures enable earnings to show disproportionate growth.
- Investments in metal process chain at Haselmühl location successfully completed.
- Further rise in steel prices; they are currently 5-10% above the level we estimated for 2007.

Key facts - Passenger seats



- Sales up by further EUR 3 million due to new international projects in rail segment and slight rise in demand in bus segment.
- Increased sales and improved cost structures enable segment to reach breakeven.
- Large number of new projects leading to a high R&D and production demand

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Financial Results Q1 2007



Grammer Group: Key financial figures - operating

in € '000	Q1 2007	% of revenue	Q1 2006	% of revenue
Revenue	237,670		222,598	
EBITDA	15,802	6.6%	18,264	8.2%
EBIT	10,072	4.2%	12,471	5.6%
Net income	3,622	1.5%	6,008	2.7%
Operating cash flow	-14,517		-5,774	
Free cash flow	-20,653		-9,931	
Earnings per share in €	0.36		0.57	

Financial Results Q1 2007



Grammer Group: Key financial figures - balance sheet

in € '000	Q1 2007	Q1 2006	% change
Assets			
Non-current assets	195,030	189,030	3%
Current assets	304,072	259,161	17%
Liabilities			
Equity	178,688	179,578	0%
Non-current liabilities	143,647	73,046	97%
Current liabilities	176,767	195,567	-10%
Total assets	499,102	448,191	11%
Capital expenditure	6,931	5,147	35%
Equity-to-assets ratio in %	35.8	40.1	-11%
Net debt	79,950	49,098	63%

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Outlook 2007: Divisions



Automotive

- Expected serial turnover above 2006 level
- Continued price pressure from clients and increasing raw material prices
- Digital start-ups require an overlapping of production resources
- EBIT margin under pressure

Driver Seats

- Sales volume higher than previous year
- Agritechnica in September will influence customer demand in the second half of the year
- Purchasing and SCM measures will nearly compensate the negative impact of steel price
- EBIT margin should be stable in view of truck seat development

Passenger S.

- Further significant sales growth expected
- Additional development and production capacities required
- Considerable challenges involved in start-up of new projects
- EBIT returns to profitable growth

Grammer Group

- Year-on-year sales growth of up to 3-5 % possible
- US dollar exchange rate and oil price could influence the results
- To reach profit targets, it will be necessary to generate cost savings to compensate for the extraordinary expenses incurred on digital start-ups and on the adaptation of direct workers to the normal serial production level
- EBIT margin slightly up on 2006
- Return to a comfortable level of free cash flow

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Grammer Group: Income statement

Q1

in € '000	Q1 2007	Q1 2006	% change
Revenue	237,670	222,598	7%
Cost of sales	196,515	183,748	7%
Gross profit	41,156	38,850	6%
Selling expenses	9,752	9,554	2%
Administrative expenses	22,793	18,114	26%
Other operating income	1,462	1,289	13%
Profit from operations (EBIT)	10,072	12,471	-19%
Financial costs	-2,508	-1,777	41%
Earnings before income tax	7,565	10,694	-29%
Income tax	3,943	4,686	-16%
Net income	3,622	6,008	-40%

Grammer Group: Cash flow statement

Q1

in € '000	Q1 2007	Q1 2006	change in € '000
Net income for the year	3,622	6,008	-2,386
Amortization, depreciation	5,730	5,793	-63
Changes provisions, working capital and other changes	-23,869	-17,575	-6,294
Operating cash flow	-14,517	-5,774	-8,743
Cash flow from investing activities	-6,136	-4,157	-1,979
Free cash flow	-20,653	-9,931	-10,722
Dividend payment	0	0	0
Changes in non-current financial liabilities	-3,397	-1,262	-2,135
Net change in cash and cash equivalents	-24,050	-11,193	-12,857
Cash and equivalents at beginning of period	16,258	9,594	6,664
Net change in cash and cash equivalents	-24,050	-11,193	-12,857
Cash and equivalents at end of period	-7,792	-1,599	-6,193

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