INTERIM REPORT

January to June 2015

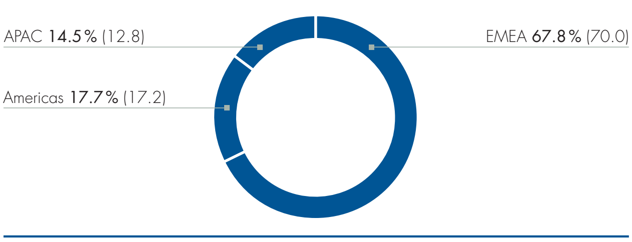
GRAMMER

Key figures according to IFRS
GRAMMER Group

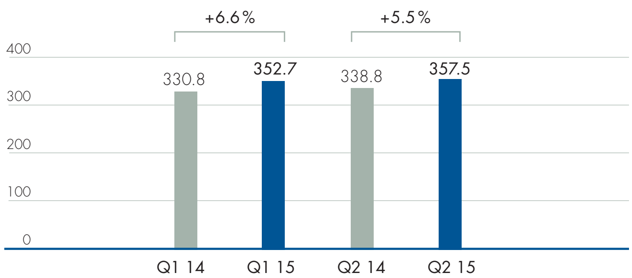
in EUR m

	Q2 2015	Q2 2014	01 – 06 2015	01 – 06 2014
Group revenue	357.5	338.8	710.2	669.6
Automotive revenue	249.6	218.3	494.9	427.9
Seating Systems revenue	116.5	126.1	233.1	253.0
Income statement				
EBITDA	17.9	24.6	44.1	48.0
EBITDA margin (in %)	5.0	7.3	6.2	7.2
EBIT	8.1	16.1	24.6	30.9
EBIT margin (in %)	2.3	4.8	3.5	4.6
Profit/loss (–) before income taxes	5.5	13.9	21.3	26.1
Net profit/loss (–)	3.9	9.7	13.6	18.3
Statement of financial position				
Total assets	858.6	804.5	858.6	804.5
Equity	247.1	228.6	247.1	228.6
Equity ratio (in %)	29	28	29	28
Net financial debt	131.5	122.4	131.5	122.4
Gearing (in %)	53	54	53	54
Investments (without M&A)	7.1	11.7	15.9	21.8
Depreciation and amortization	9.8	8.5	19.5	17.1
Employees (June 30)			10,791	10,352
Key share data			June 30, 2015	June 30, 2014
Share price (Xetra closing price in EUR)			29.65	41.00
Market capitalization (in EUR m)			342.3	473.3
Earnings per share (in EUR)			1.21	1.67

Revenue by regions (previous year in brackets)



Group revenue development by quarter (in EUR m)



Company Profile

GRAMMER AG, Amberg, Germany is specialized in the development and production of components and systems for automotive interiors as well as driver and passenger seats for commercial vehicles.

In the Automotive Division, we supply headrests, armrests and center console systems to premium automakers and automotive system suppliers. The Seating Systems Division comprises the truck and offroad seat segments as well as train and bus seats.

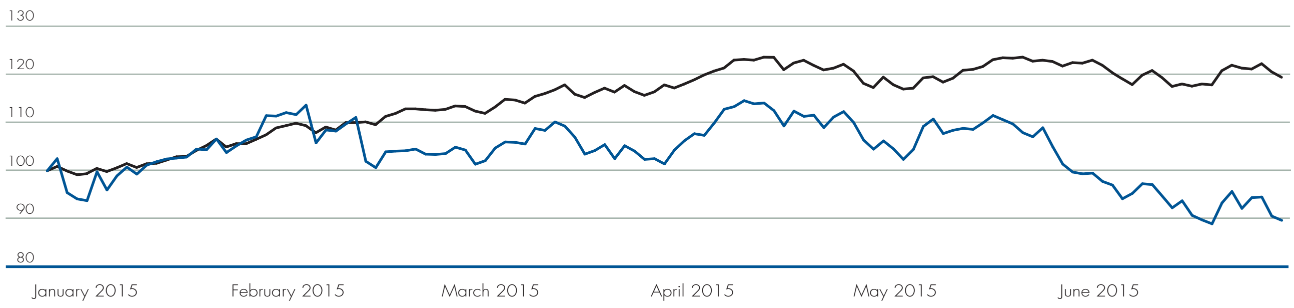
GRAMMER is represented in 20 countries worldwide with a workforce of over 10,700 employees across its 30 subsidiaries.

The GRAMMER share is listed in the SDAX and traded on the Frankfurt and Munich stock exchanges via the electronic trading system, Xetra, as well as in over-the-counter trading at the Stuttgart, Berlin and Hamburg stock exchanges.

Content

GRAMMER share

Price trend GRAMMER share and SDAX Performance Index – January to June 2015 (in %)



December 31, 2014 = 100 %

— GRAMMER AG
— SDAX Performance Index

Favorable performance by the DAX and SDAX in the first half of the year

The global equity markets performed dynamically in the first six months of 2015. The European markets exhibited a high degree of volatility particularly as a result of the changing situation as the negotiations on Greek sovereign debt progressed.

In the first six months of the year, the German bluechip index DAX advanced by around 12 % from 9,806 to 10,945 points. The SDAX, an index of selected small and mid-cap companies, in which GRAMMER is also included, tracked the DAX, closing at 8,578 points on June 30, 2015. This is equivalent to an increase of 19 % from January to June.

GRAMMER Share

The GRAMMER share entered the trading year on an upbeat note but was also not able to shrug off the effects of volatile market conditions. The share was unable to hold onto its gains in the wake of persistent uncertainties concerning the economies of Asia and South America and resultant pressure on demand in the automotive and commercial vehicle sectors as well as the weak agricultural market. It closed the second quarter at EUR 29.65 and was thus down 10.29 % on the end of 2014. Average daily Xetra trading volumes came to around 100,000 shares in the first half of the year.

Key figures GRAMMER share

	June 30, 2015	June 30, 2014
Share price (in EUR, Xetra)	29.65	41.00
Annual high (in EUR)	37.86	44.70
Annual low (in EUR)	29.41	32.06
Number of shares	11,544,674	11,544, 674
Market capitalization (in EUR m)	342.3	473.3
Earnings per share (in EUR)	1.21	1.67

Investor relations

GRAMMER AG held its annual general meeting in Amberg on May 20, 2015. The Executive Board provided the shareholders attending the annual general meeting with details of the GRAMMER Group's business performance in 2014 and offered an outlook of its strategic objectives. In an open dialog, the Executive Board and the Supervisory Board answered the shareholders' questions. Thereupon, a large majority of shareholders ratified the actions of the Executive Board and the Supervisory Board and passed all the other resolutions on the agenda with a large majority. The shareholders approved the proposal of the Executive Board and the Supervisory Board, passing a resolution to raise the dividend to EUR 0.75 per share. This is an increase of 15 % over the previous year in which EUR 0.65 per share had been paid. Over 40 % of the voting-entitled capital was represented at GRAMMER AG's annual general meeting.

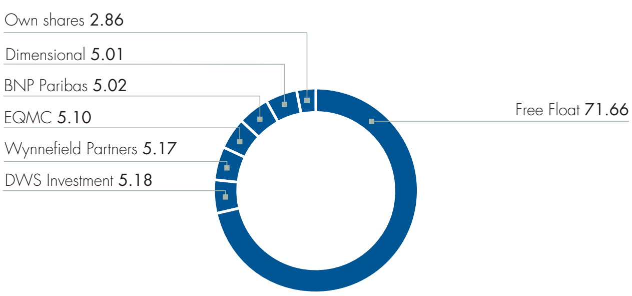
The Executive Board was also available for open discussion at numerous roadshows and investor conferences. These were taking place in Germany, the United Kingdom, France, Switzerland and the Scandinavian countries.

Financial reports, press releases, presentations and all other important information on the share are available permanently in the Investor Relations section of the GRAMMER AG website.

Shareholder structure

The shareholder structure was as follows on June 30, 2015:

Shareholder structure (in %)



as of June 30, 2015

Only notifications relating to voting right holdings of greater than 3 % are shown here. The current shareholder structure is disclosed in the Investor Relations section of the GRAMMER AG website. In the first half of 2015, GRAMMER AG received the following voting right notifications in accordance with Section 21 (1) of the German Securities Trading Act (WpHG):

Date on which threshold was crossed	Notifying shareholder	Threshold crossed	Share of voting rights according to notification
March 10, 2015	Source Markets	Over 5 %	6.26 % (722,761)
March 10, 2015	Source Holdings	Over 5 %	6.26 % (722,761)
March 10, 2015	Source Investments Management	Over 5 %	6.26 % (722,761)
March 11, 2015	Source Markets	Under 3 %	0.85 % (98,366)
March 11, 2015	Source Holdings	Under 3 %	0.85 % (98,366)
March 11, 2015	Source Investments Management	Under 3 %	0.85 % (98,366)
May 18, 2015	Dimensional	Over 5 %	5.01 % (577,968)

Interim Group Management Report

Net Assets, Financial Position and Results of Operations

The GRAMMER Group from January to June 2015

- Substantial 6.1 % growth in revenue to EUR 710.2 million
- EBIT at EUR 24.6 million
- Net profit of EUR 13.6 million

Moderate growth in the global economy
Despite a muted start to the year, the global economy continued to grow in the first half of 2015. This was particularly underpinned by the developed nations, while the emerging markets failed to make any material contribution.

The US industrial sector expanded again slightly in June after sagging in the first quarter.

The Chinese economy is growing more slowly, with gross domestic product expanding by 7.0 % over the previous year in the second quarter and thus largely unchanged over the first quarter. Growth was primarily driven by consumer spending.

The Eurozone continued to recover. GDP rose by 0.4 % in the first quarter of 2015, spurred by the exchange-rate-induced improvement in international competitiveness. Sustained discussion on the debt situation in Greece continued to cause concern. However, economic conditions vary sharply from country to country. The main contribution came from Germany, although the economies of the other major EU states – France, Italy and Spain – are also improving. The situation in Greece, Ireland and Portugal was less favorable. All other countries continued to exhibit growth.

The German economy is expanding thanks to a robust job market and consumer spending.

Key figures of GRAMMER Group

in EUR m

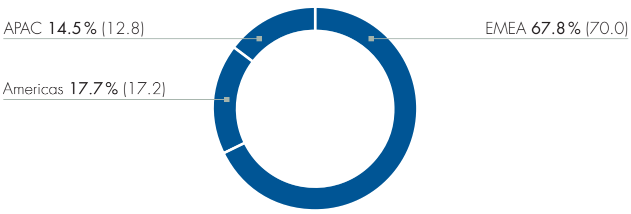
	01 – 06 2015	01 – 06 2014	Change
Revenue	710.2	669.6	6.1 %
EBIT	24.6	30.9	–20.4 %
EBIT margin	3.5 %	4.6 %	–1.1 %-points
Investments (without M&A)	15.9	21.8	–27.1 %
Employees (Number, June 30)	10,791	10,352	4.2 %

GRAMMER with substantial revenue growth in the first half year
To reflect the Group's growing international footprint, the designations of the regions have been revised. The previous term "Europe" has been replaced by "EMEA" (Europe, Middle East, Africa), the previous term "Overseas" by "Americas" and the previous term "Far East/Others" by "APAC" (Asia Pacific). At the same time, the regions have been restructured. As a result, Turkey and South Africa are now allocated to EMEA. These companies had previously been assigned to the Far East/Others. The figures for the previous year have been duly adjusted in the interests of comparability.

In the first half of 2015, GRAMMER was able to substantially boost revenue over the year-ago period once more, continuing the successful performance which it had achieved in 2014. Thus, Group revenue came to EUR 710.2 million in the period under review (01 – 06 14: 669.6), an increase of EUR 40.6 million or 6.1 % over the same period in the previous year. This growth was driven solely by the Automotive Division, which was able to carry on from the previous year's dynamic performance and achieve a 15.7 % increase in revenue in the period under review. On the other hand, revenue in the Seating Systems Division contracted by –7.9 % over the same period of the previous year on account of market conditions. Revenue was up in all three regions. Following on from the substantial growth achieved in the previous year, revenue in the Group's domestic EMEA market climbed only slightly by 2.8 % to EUR 481.7 million (01 – 06 14: 468.7). The other regions performed very encouragingly.

Revenue in the Americas increased sizably by 9.1 % to EUR 125.7 million (01 – 06 14: 115.2). This growth was achieved solely in the Automotive Division in North America, whereas business in Brazil declined further. APAC continue to perform very dynamically, achieving above-average growth of 20.0 % to EUR 102.8 million (01 – 06 14: 85.7). In addition to organic growth, the higher revenue generated in the Americas and APAC was underpinned solely by the Automotive Division as well as the translation of local currencies into the euro.

Revenue by regions (previous year in brackets)



in EUR m

	01 – 06 2015	01 – 06 2014	Change
EMEA	481.7	468.7	2.8 %
Americas	125.7	115.2	9.1 %
APAC	102.8	85.7	20.0 %
Revenues	710.2	669.6	6.1 %

The Automotive Division was the clear growth driver in the period under review with a further substantial increase in sales. Console and armrest business was very dynamic, while revenue from headrests also rose substantially year on year in the period under review. All told, the Division reported substantial growth in all three regions and was thus able to more than make up for the sharp market-induced decline in the Seating Systems Division. This upbeat performance was mainly underpinned by the numerous new projects for which volume production had commenced in the previous year and the still very robust global automotive sector.

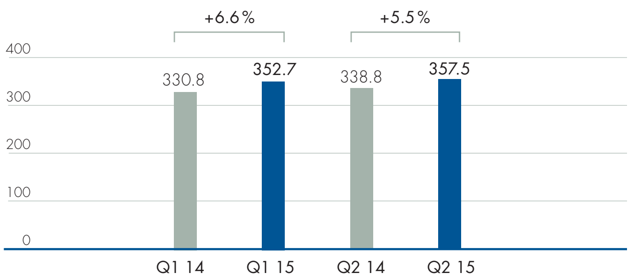
On the other hand, important sell-side markets addressed by GRAMMER in the Seating Systems Division continued to contract considerably, thus preventing the Division from repeating the year-ago period's favorable performance. The main factors here are the persistent weakness of the Brazilian market and the muted state of the global agricultural machinery sector. Moreover, the Chinese truck market slowed compared with the previous year, while the rail segment also contributed lower revenue for project-related reasons after performing very strongly in the previous year.

Decline in consolidated earnings

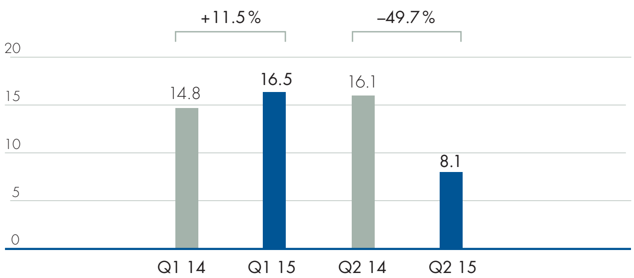
Reflecting the lower revenue in the high-margin Seating Systems Division, consolidated earnings before interest and taxes (EBIT) came to EUR 24.6 million in the first half of 2015, down EUR 6.3 million on the previous year (01 – 06 14: 30.9). The Group thus achieved a margin of 3.5 % (01 – 06 14: 4.6). Operating profit came under substantial pressure from the ongoing cost burdens in connection with the global growth strategy in the Automotive Division as well as lower business volumes in the Seating Systems Divisions. Operating profit in the Seating Systems Division fell very substantially short of the previous year due to the decline in revenue, which was caused solely by the aforementioned weaknesses afflicting the core markets addressed by the Division. By contrast, operating profit in the Automotive Division dropped only marginally. In addition, currency translation effects left traces on operating profit in the first half of the year.

At EUR 13.6 million (01 – 06 14: 18.3 million), net profit fell substantially short of the previous year.

Group revenue development by quarter (in EUR m)



EBIT development Group by quarter (in EUR m)



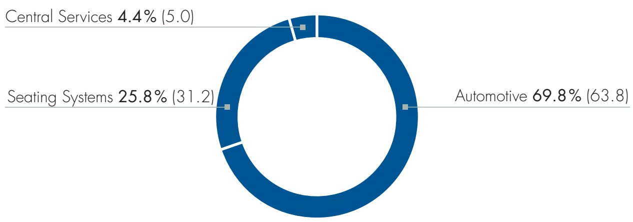
Capital spending focused on expansion
At the end of the first half, capital spending by the GRAMMER Group stood at EUR 15.9 million, down EUR 5.9 million on the previous year (01 – 06 14: 21.8).

In the Automotive Division, capital spending totaled EUR 11.1 million (01 – 06 14: 13.9) and was chiefly related to the expansion of production capacity ahead of planned product launches.

Spending on property, plant and equipment and intangible assets in the Seating Systems Division was lower than in the previous year, coming to EUR 4.1 million (01 – 06 14: 6.8).

Capital spending in the Central Services Division remained at a low level.

Investments by segments January to June 2015 (previous year in brackets)



in EUR m

	01 – 06 2015	01 – 06 2014	Change
Automotive	11.1	13.9	–20.1%
Seating Systems	4.1	6.8	–39.7%
Central Services	0.7	1.1	–36.4%
Investments	15.9	21.8	–27.1%

Employees
As of June 30, 2015, the GRAMMER Group had a total of 10,791 employees (June 30, 2014: 10,352).

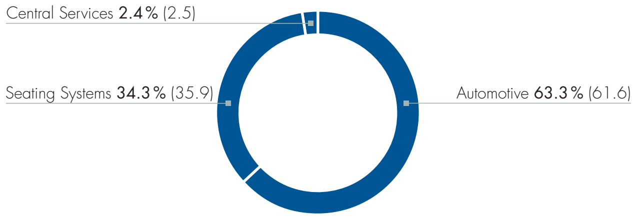
The headcount in the Automotive Division climbed to 6,827 (June 30, 2014: 6,374). Specifically, sewing capacity was enlarged in Serbia to accommodate new product launches and to increase local sourcing. Employee numbers in the Czech Republic, China and Germany also increased as a result of further additions to production capacity.

As of June 30, 2015, the Seating Systems division had a total of 3,701 employees, i.e. more or less unchanged over the previous year (June 30, 2014: 3,721). The business-related reduction in employee numbers in Brazil was made up for by new recruiting for additional sewing capacities in Bulgaria.

The Central Services Division had 263 employees (June 30, 2014: 257).

Despite the higher headcount and pay-scale increases, the staff cost ratio rose only marginally over the previous year.

Employees by segments, June 30, 2015 (previous year in brackets)



	June 30, 2015	June 30, 2014	Change
Automotive	6,827	6,374	7.1%
Seating Systems	3,701	3,721	–0.5%
Central Services	263	257	2.3%
Employees	10,791	10,352	4.2%

Total assets up on the previous year due to business growth

Summarized Balance sheet of the GRAMMER Group

in EUR k

	June 30 2015	December 31, 2014	Change
Non-current assets	312,736	319,114	–6,378
Current assets	545,814	517,429	28,385
ASSETS	858,550	836,543	22,007
Equity	247,140	231,761	15,379
Non-current liabilities	298,478	306,810	–8,332
Current liabilities	312,932	297,972	14,960
EQUITY AND LIABILITIES	858,550	836,543	22,007

Note on accounting figures: 2014 = December 31, 2014

As of June 30, 2015, the GRAMMER Group had total assets of EUR 858.6 million (2014: 836.5). This is equivalent to an increase of EUR 22.1 million compared with the end of 2014 and chiefly reflects the business-related growth in working capital.

Non-current assets fell by EUR 6.4 million to EUR 312.7 million. Within this item, property, plant and equipment climbed slightly by EUR 1.2 million to EUR 192.4 million. At EUR 76.7 million, intangible assets were down on the previous year (2014: 79.2) due to amortization effects. Deferred tax assets dropped by EUR 5.2 million to EUR 43.2 million.

Current assets climbed by EUR 28.4 million to EUR 545.8 million as a result of the higher revenue in the Automotive Division. Trade accounts receivable rose to EUR 202.8 million (2014: 169.6), with other current financial assets also increasing to EUR 121.4 million (2014: 111.0) due to growth in the Automotive Division. At EUR 134.2 million, inventories were slightly up on the previous year (2014: 128.3) for business-related reasons. Cash and short-term deposits stood at EUR 59.9 million as of the reporting date (2014: 84.0).

The GRAMMER Group's equity rose from EUR 231.8 million to EUR 247.1 million due to the positive earnings performance and effects recorded within equity. These chiefly comprise actuarial gains from defined-benefit pension plans, currency translation gains from foreign subsidiaries and gains from net investments in foreign business operations. Exerting the opposite effect, a dividend of EUR 8.4 million was paid.

The equity ratio came to around 29 %, i.e. higher than in the previous year (2014: 28).

Non-current liabilities declined over the previous year to EUR 298.5 million (2014: 306.8) primarily as a result of a valuation-related decline of EUR 7.3 million in pension provisions arising from the application of a higher discount rate compared with the annual financial statements. At EUR 144.1 million, non-current financial liabilities remained at the previous year's level (2014: 145.3).

Current liabilities came to EUR 312.9 million, up on the previous year (2014: 298.0). Gearing stood at 53 % as of June 30, 2015 (2014: 37), with net financial liabilities coming to EUR 131.5 million (2014: 86.7).

Trade accounts payable dropped by EUR 19.4 million to EUR 172.8 million. Other current liabilities rose by EUR 16.5 million to EUR 72.3 million for seasonal reasons.

Automotive Division

Global automotive markets still on a growth trajectory
Aside from a few exceptions, the global automotive markets are continuing to grow, albeit at a slower rate than in the past. Alongside Western Europe, the United States and China are making material contributions to increased sales figures.

In the first six months of the year, new registrations of light vehicles in the US were up 8.5 million on the previous year, equivalent to an increase of 4 %.

In China, growth has been slowing over the last few months. After an increase in new registrations in the first six months of the year, chiefly as a result of the strong first quarter, there was a 2 % decline in June. All told, the number of new passenger vehicle registrations climbed by around 7 % to 9.5 million units in the first half of the year.

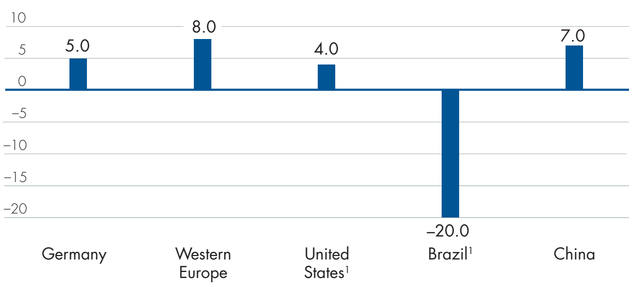
Japan recorded a 12 % decrease to 2.3 million units in the first six months of the year. June figures were also down in this market.

The Brazilian passenger vehicle market is continuing to contract. In the first six months of 2015, new registrations of light vehicles came to around 1.3 million in the largest South American market, a decline of 20 % over the previous year.

In Western Europe, new registrations rose by a substantial 8 % to 6.9 million vehicles. All the large automotive markets posted gains in the first six months of the year. The United Kingdom, the second largest market after Germany in absolute figures, rose by 7 %, France by 6 % and Italy by 15 %. New registrations in Spain also climbed by 22 %.

In Germany, new registrations rose by 5 % to EUR 1.6 million units in the first half of the year. As in the previous year, production output in Germany stood at 2.9 million units in the first six months of the year.

Change in automotive sales volumes in selected countries
January to June 2015 (in %)



[1] including light vehicles
Source: VDA

Substantially above-average growth rates were recorded in the Americas 24.4 % and APAC 29.9 % during the period under review. In addition to the positive currency translation effects, this also reflects the success of the growth strategy implemented in these regions over the last few years, which allowed the Division to systematically generate new business and widen its share of the market.

Operating profit in the Automotive Division came to EUR 14.4 million in the first half of the year of the year and was thus almost unchanged over the previous year (01 – 06 14: 15.1). The Division achieved an EBIT margin of 2.9 % in the period under review (01 – 06 14: 3.5). Earnings in the first half of 2015 were influenced by persistent cost-side pressure caused by production expansion and the large number of new product launches. After the positive currency translation effects of the first quarter, the second quarter saw negative currency translation effects.

Substantial revenue growth in the Automotive Division

Key figures Automotive Division GRAMMER

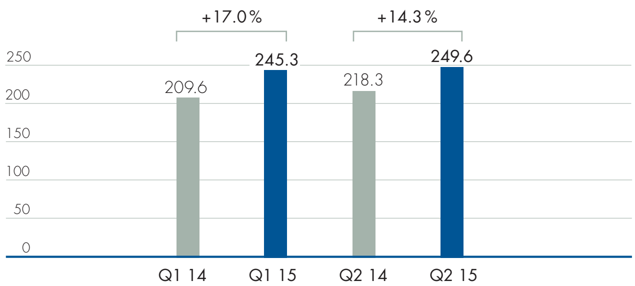
in EUR m

	01 – 06 2015	01 – 06 2014	Change
Revenue	494.9	427.9	15.7%
EBIT	14.4	15.1	–4.6%
EBIT margin	2.9%	3.5%	–0.6%-points
Investments (without M&A)	11.1	13.9	–20.1%
Employees (Number, June 30)	6,827	6,374	7.1%

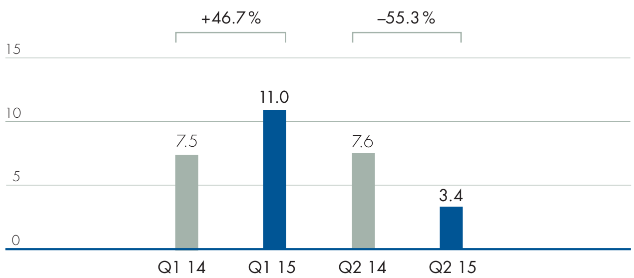
The Automotive Division posted substantial revenue growth in the first half of 2015. As of June 30, 2015, revenue in the Division was up 15.7 % or EUR 67.0 million, rising to EUR 494.9 million (01 – 06 14: 427.9) due to persistently strong demand in the premium segment and the ramp-up of new projects. Above-average gains were recorded with consoles and armrests, while headrest business was also up substantially in the period under review. All regions continued to grow in the second quarter.

EMEA remained by far the Division's largest region in terms of business volumes, rising appreciably by 9.2 % in the period under review. As a result, the Division was able to additionally expand its market position in EMEA.

Revenue development Automotive Division by quarter (in EUR m)



EBIT development Automotive Division by quarter (in EUR m)



Seating Systems Division

Disparate conditions in the commercial vehicle markets

In the first six months of the year, the global commercial vehicle markets painted a very mixed picture.

In the United States, new registrations of commercial vehicles were up 15 % in the first six months. Medium trucks posted gains of 6 % and heavy trucks as much as 23 % over the previous year.

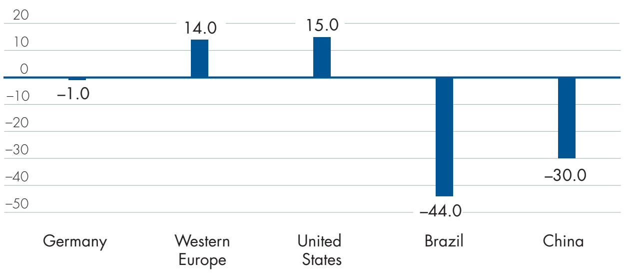
The recession afflicting the Brazilian economy is leaving very deep traces on the truck market, with new registrations of heavy commercial vehicles dropping by 44 % in the first six months of the year alone. Medium trucks were down 20 % and heavy trucks as much as 53 % lower.

With new registrations down 16 % in the first six months, the Chinese truck market also slowed. There was an even more pronounced decline in new registrations of trucks over 6 t, which dropped by 30 %. This weaker performance was due to delays in the implementation of the China IV emissions standard and slower economic growth.

In Western Europe, by contrast, new registrations of trucks over 6 t were up 14 %. Thus, Spain registered a 47 % increase in the first six months of the year. Registrations of trucks over 6 t in the United Kingdom rose by as much as 49 %. Italy registered an increase of 9 %, while new registrations of trucks over 6 t rose by 15 %. In France, there was an 8 % increase in trucks over 6 t.

In Germany, new registrations were disparate. Whereas the overall truck market rose by 5 %, new registrations of trucks over 6 t fell by 1 %.

Change in commercial vehicle sales volumes (trucks above 6 t) in selected countries
January to June 2015 (in %)



Source: VDA

Agricultural machinery industry

The agricultural machinery industry has been caught in an economic downswing since the second half of 2014. In Germany, new tractor registrations were down 8.5 % in the first six months of the year. At 12.4 %, there was an even more pronounced decline in sales of tractors with an output of 51 HP or more.

Material handling

Most of the member companies of industry association bbi (Bundesverband der Baumaschinen-, Baugeräte- und Industriemaschinenfirmen) assume that business was flat in the second quarter of 2015.

Construction machinery industry

Revenues in the construction machinery industry rose in the first half of the year, although order intake continued to decline in the second quarter.

Railway industry

The German railway industry achieved record revenue in 2014. The member companies of industry association Bahnindustrie in Deutschland e. V. reported total revenue of EUR 12.5 billion, equivalent to an increase of 25 %. This trend was also intact at the beginning of the year.

Market pressure in the Seating Systems Division

Key figures Seating Systems Division GRAMMER

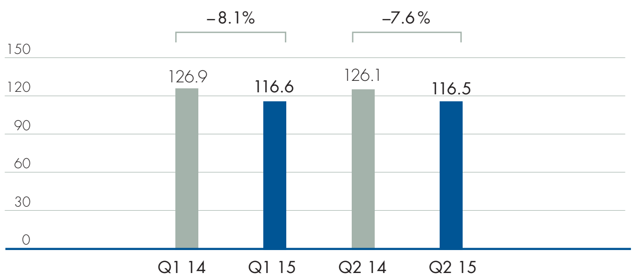
in EUR m

	01 – 06 2015	01 – 06 2014	Change
Revenue	233.1	253.0	–7.9%
EBIT	16.0	21.8	–26.6%
EBIT margin	6.9%	8.6%	–1.7%-points
Investments (without M&A)	4.1	6.8	–39.7%
Employees (Number, June 30)	3,701	3,721	–0.5%

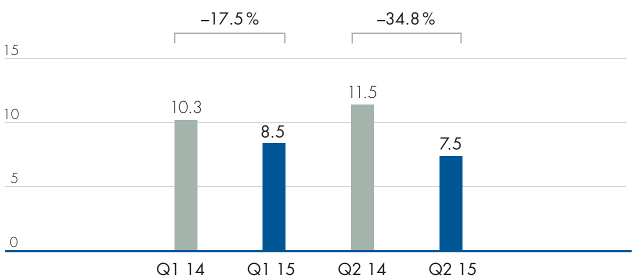
Against the backdrop of market contraction in key segments, the Seating Systems Division sustained a 7.9 % drop in revenue over the previous year in the first half of 2015. In absolute figures, revenue in the Seating Systems Division came to EUR 233.1 million, EUR 19.9 million lower than the previous year's figure of EUR 253.0 million. This was likewise reflected in operating profit, which dropped by EUR 5.8 million over the previous year to EUR 16.0 million. As the muted revenue performance tended to affect those segments with wider margins, the EBIT margin also narrowed by 1.7 percentage points to 6.9 % (01 – 06 14: 8.6).

Specifically, revenue in the truck segment dropped due to the persistently weak market conditions in Brazil and the slower Chinese economy, which the growth in Europe was unable to offset. Subdued conditions in the global agricultural machinery market resulted in lower revenue in the offroad segment which it was no longer possible to make up for with the gains in revenue from products for material handling equipment. In the rail segment, business volumes returned to normal after a very sharp project-related increase in the previous year. All told, the segment, which holds a leading market position in many areas, was unable to shrug off the effects of the strong negative market determinants.

Revenue development Seating Systems Division by quarter (in EUR m)



EBIT development Seating Systems Division by quarter (in EUR m)



Opportunities and risks

In addition to the opportunities and risks to which we refer in the Management Report of the Annual Report for the fiscal year ended December 31, 2014, the facts described in the "Outlook" section of this report are additionally relevant to the Company's situation at this stage. This section contains forward-looking statements reflecting the opinions of GRAMMER AG's management with respect to future events. These statements are based on the Company's current planning, estimates and expectations. Consequently, they are subject to risks and uncertainty.

In particular, it should be noted that further shifts in the exchange-rate parities between the euro and the foreign currencies of main importance for the Group as well as a deterioration in underlying macroeconomic in the markets which we address may exert a negative effect on our net assets, financial position and results of operations. Similarly, other risks which are currently not known to us or considered to be immaterial may also influence the results of our business. In the Executive Board's view, the risks described and known are currently manageable and do not pose any risk to the Group's going-concern status either individually or in their entirety.

In addition, the Executive Board takes the view that the Group has not yet utilized all potential for further optimization of its processes and cost structures. Accordingly, various projects are currently ongoing to render our organization more efficient and effective and these may have a positive impact on our net assets, financial condition and results of operations.

Full-year outlook for 2015

Global economic outlook

The OECD leading indicators show that the industrialized countries are currently in a phase of slower growth. On the other hand, the emerging markets are having difficulty overcoming the dip in growth.

In its July forecast, the International Monetary Fund (IMF) assumes that the global economy will expand by 3.3% this year.

According to the IMF, the US economy should grow by 2.5% this year. The IMF has thus lowered its forecast by 0.6 percentage points since its April report.

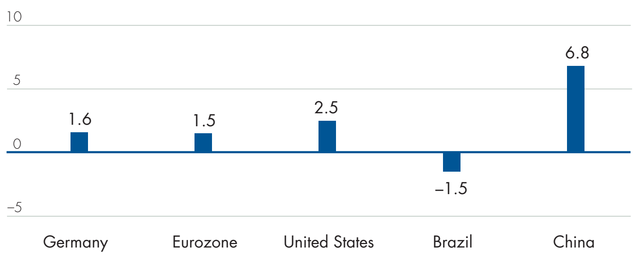
There is still no sign of any economic recovery in Brazil. Accordingly, the IMF assumes that the country's economy will contract by 1.5% this year. This marks a reduction of 0.5 percentage points compared with the IMF's April forecast.

The Chinese economy is also growing more slowly this year, with the IMF projecting growth of 6.8 %.

The individual economies of the Eurozone will continue to perform disparately. The IMF expects growth of 1.5 % for the Eurozone as a whole.

The German economy should expand by 1.6 %, with consumer spending remaining the main driving force.

Economic growth (gross domestic product) in selected countries
2015 (in %)



Source: IMF

Outlook for the automotive industry

Global automotive market growing
The automotive markets in their entirety should continue expanding in 2015, albeit more slowly than in the previous year. Growth will be driven by China, the United States and, for the first time again, Western Europe. The German Association of the Automotive Industry (VDA) expects new registrations of around 77 million, equivalent to an increase of 1 %.

It forecasts a roughly 2 % increase in new registrations in the United States compared with the previous year to a full-year figure of around 16.7 million light vehicles.

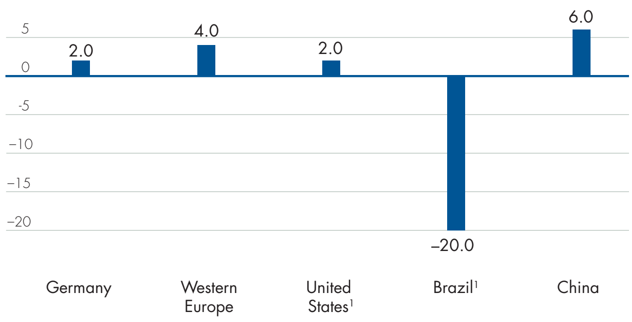
Similarly, there is currently still no sign of any reversal in the negative trend in Brazil, with forecasts suggesting that the market will contract by 20 % over the year as a whole.

New registrations in China will continue to rise this year, albeit at a slower pace of 6 %.

VDA expects growth of 4 % in Europe for 2015 as a whole. The five largest markets will all post gains. According to VDA's current forecasts, new registrations will increase by 2 % to 1.8 million in France, by 8 % to 1.5 million in Italy, by 2 % to 2.5 million in the United Kingdom and by 16 % to 1.0 million in Spain.

The German passenger vehicle market is also expected to continue growing over the year as a whole, with the VDA projecting a 2 % increase in new registrations to 3.1 million and production of 5.7 million units, equivalent to an increase of 2 %.

Expected development of automotive sales volumes in selected countries
2015 (in %)



[1] including light vehicles
Source: VDA

Outlook for the commercial vehicle industry

Disparate conditions expected in the commercial vehicle market
Industry associations expect the commercial vehicle market to perform disparately in 2015.

According to forecasts, the US market for heavy commercial vehicles will expand by around 10 % over the previous year, equivalent to roughly 448,000 vehicles.

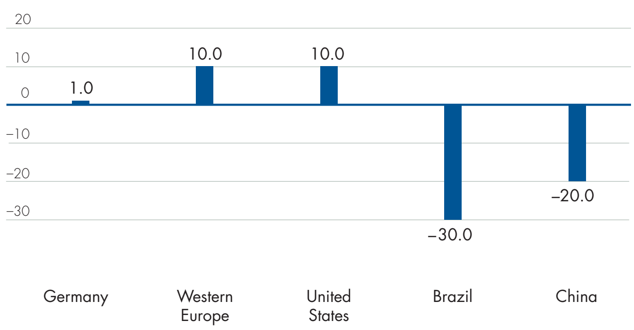
No sign of any recovery is seen for the Brazilian market, with forecasts pointing to a roughly 30 % drop in new registrations of commercial vehicles over 6 t. Registrations of medium trucks will likely be down roughly 10 %, while heavy trucks are expected to decline by as much as 40 %.

Slower growth is also placing a damper on new registrations in China, which are in fact expected to drop by 20 % in the case of trucks over 6 t.

In Western Europe, new registrations are expected to rise by 8 %. Heavy trucks are also expected to be up 10 % over the year as a whole. According to the forecasts, the large Western European heavy truck markets should expand this year. Growth of 35 % is projected for Spain, 11 % for France, 19 % for Italy and 21 % for the United Kingdom.

The German Association of the Automotive Industry expects new registrations in Germany to rise by 4 %. Trucks over 6 t will increase by 1 % to 80,000.

Expected development of commercial vehicle sales volumes (trucks above 6 t) in selected countries 2015 (in %)



Source: VDA

Agricultural machinery industry

There is no sign of any end to the recession in 2015. Some major markets are showing clear signs of saturation. After only a slight decline in the market in 2014, contraction of 10 % is expected for 2015. According to the German Mechanical and Plant Engineering Association (VDMA), the European agricultural machinery market will shrink by 7 %. A decline of 10 % is expected in Germany and 8 % in France.

Material handling

After a strong first half year, industry association bbi (Bundesverband der Baumaschinen-, Baugeräte- und Industriemaschinenfirmen), expects continued 4 % revenue growth this year.

Construction machinery industry

VDMA expects the global construction machinery market to drift sideways this year. It projects only flat conditions for Germany. The outlook for North America is good.

Railway industry

The German Rail Industry Association (VDB) expects the market to grow in the medium term and assumes that the global market for rail technology will expand by 2.7 % per year through 2017.

Outlook for the GRAMMER Group

Our forecast for the GRAMMER Group and its Divisions is based on the general trends expected for global economy and the projections for the markets addressed by the Automotive Division and the Seating Systems Division as outlined above. With its international footprint, the Group is exposed to currency translation effects particularly in the countries of material importance for its business such as Brazil, China, Mexico, the Czech Republic and the United States. Although we have been able to improve natural hedging effects all around the world through the ongoing localization of our production activities, significant exchange-rate changes between relevant currencies may still have an adverse effect on earnings in the currently very volatile market environment.

Looking forward over the rest of the current year, the Automotive Division will be spurred by new product launches and projects. Given the product lifecycles of our order books and the upbeat market forecasts, we expect to achieve enduring revenue growth in 2015. After the steady growth rates of the last few years, revenue in the Seating Systems Division will continue to weaken in the further course of the year as a result of expected market trends. The offroad markets in particular are expected to continue declining in the wake of the muted environment for agricultural machinery. We currently do not see any signs of a sustained recovery in the Brazilian truck market, while the Chinese truck market will also tend to soften. In this market environment, we expect business in the Seating Systems Division to continue declining substantially in 2015 and assume that revenue will be well down on 2014 levels.

All told, we are still guardedly optimistic about the outlook for the GRAMMER Group in 2015 notwithstanding the sustained weakness in the commercial vehicle market. Despite the substantially weaker business in the Seating Systems Division, we continue to project an appreciable increase in revenue over the previous year to more than EUR 1.4 billion. Operating profit will be influenced by further cost pressure as a result of the ongoing expansion and optimization projects as well as the unexpected deterioration of market conditions in individual segments of the Seating Systems Division. No recovery is likely to emerge in the main commercial vehicle markets in the second half of the year. All in all, we assume that thanks to larger business volumes the Automotive Division will make a contribution to earnings which will make up for the strain.

Accordingly, we expect EBIT in 2015 to drop by around EUR 15 million over the previous year.

This assessment is based on the above forecasts for the global economy as well as our main sell-side markets. Any further deterioration in these underlying economic or political conditions may also have an adverse effect on GRAMMER's business and earnings. Moreover, the GRAMMER Group's business may also deviate from the forecast as a result of the opportunities and risks described in the risk and opportunity report.

Looking ahead to 2016, we project further growth in revenue and earnings assuming stable macroeconomic conditions.

Forward-looking statements
This document contains forward-looking statements based on current assumptions and estimates by GRAMMER's management of future trends. Such statements are subject to risks and uncertainties which GRAMMER can neither estimate nor influence with any precision, e.g. future market conditions and the macroeconomic environment, the behavior of other market participants, the successful integration of newly acquired companies, the materialization of expected synergistic benefits and government actions. If any of these or other factors of uncertainty or imponderabilities occur or if any of the assumptions on which these statements are based prove to be incorrect, actual results could differ materially from the results expressed or implied in these statements. GRAMMER neither intends nor is under any obligation to update any forward-looking statements in the light of any changes occurring after the publication of this document.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the Consolidated Financial Statements/Interim Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the management report of the Group includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Amberg, August 4, 2015

GRAMMER AG
The Executive Board

Consolidated Statement of Income

January 1 – June 30 of the respective financial year

EUR k

	Q2 2015	Q2 2014	01 – 06 2015	01 – 06 2014
Revenue	357,449	338,882	710,155	669,634
Cost of sales	–319,185	–295,069	–634,864	–584,555
Gross profit	**38,264**	**43,813**	**75,291**	**85,079**
Selling expenses	–7,423	–7,633	–15,461	–14,738
Administrative expenses	–26,336	–23,192	–41,797	–46,791
Other operating income	3,612	3,115	6,609	7,319
Operating profit/loss (–)	**8,117**	**16,103**	**24,642**	**30,869**
Financial income	276	556	570	982
Financial expenses	–2,547	–2,702	–5,065	–5,562
Other financial result	–335	–81	1,167	–216
Profit/loss (–) before income taxes	**5,511**	**13,876**	**21,314**	**26,073**
Income taxes	–1,648	–4,162	–7,686	–7,821
Net profit/loss (–)	**3,863**	**9,714**	**13,628**	**18,252**
Of which attributable to:				
Shareholders of the parent company	3,832	10,022	13,579	18,764
Non-controlling interests	31	–308	49	–512
Net profit/loss (–)	**3,863**	**9,714**	**13,628**	**18,252**
Earnings/loss per share				
Basic/diluted earnings/loss (–) per share in EUR			1.21	1.67

Consolidated Statement of Comprehensive Income

January 1 – June 30 of the respective financial year

EUR k

	Q2 2015	Q2 2014	01 – 06 2015	01 – 06 2014
Net profit/loss (–)	3,863	9,714	13,628	18,252
Amounts not to be recycled in income statement in future periods				
Actuarial Gains/Losses (–) from defined benefit plans				
Gains/Losses (–) in the current period	25,534	–3,444	8,661	–10,648
Tax expenses (–)/Tax income	–7,430	1,016	–2,520	3,112
Actuarial Gains/Losses (–) from defined benefit plans (after tax)	18,104	–2,428	6,141	–7,536
Total amount not to be recycled in income statement in future periods	18,104	–2,428	6,141	–7,536
Amounts recycled in income statement in future periods				
Gains/Losses (–) from currency translation of foreign subsidiaries				
Gains/Losses (–) arising in the current period	–3,168	1,676	3,369	1,079
Gains/Losses (–) from currency translation of foreign subsidiaries (after tax)	–3,168	1,676	3,369	1,079
Gains/Losses (–) from cash flow hedges				
Gains/Losses (–) arising in the current period	53	–688	–251	–1,673
Less transfers recognized in the Income Statement	282	62	489	221
Tax expenses (–)/Tax income	–90	195	–59	435
Gains/Losses (–) from cash flow hedges (after tax)	245	–431	179	–1,017
Gains/Losses (–) from net investments in foreign operations				
Gains/Losses (–) arising in the current period	–1,620	408	473	486
Gains/Losses (–) from net investments in foreign operations (after tax)	–1,620	408	473	486
Total amount to be recycled in income statement in future periods	–4,543	1,653	4,021	548
Other comprehensive income	13,561	–775	10,162	–6,988
Total comprehensive income (after tax)	17,424	8,939	23,790	11,264
Of which attributable to:				
Shareholders of the parent company	17,398	9,226	23,745	11,801
Non-controlling interests	26	–287	45	–537

Consolidated Statement of Financial Position

as of June 30, 2015 and December 31, 2014

ASSETS

EUR k

	June 30, 2015	December 31, 2014
Non-current assets		
Property, plant and equipment	192,426	191,155
Intangible assets	76,744	79,199
Other financial assets	308	358
Income tax assets	22	22
Deferred tax assets	43,236	48,380
	312,736	**319,114**
Current assets		
Inventories	134,232	128,330
Trade accounts receivable	202,846	169,588
Other current financial assets	121,417	110,970
Short-term income tax assets	6,753	5,435
Cash and short-term deposits	59,858	83,999
Other current assets	20,708	19,107
	545,814	**517,429**
Total assets	**858,550**	**836,543**

EQUITY AND LIABILITIES

EUR k

	June 30, 2015	December 31, 2014
Equity		
Subscribed capital	29,554	29,554
Capital reserve	74,444	74,444
Own shares	–7,441	–7,441
Retained earnings	189,673	184,505
Accumulated other comprehensive income	–39,863	–50,029
Equity attributable to shareholders of the parent company	**246,367**	**231,033**
Non-controlling interests	773	728
Total equity	**247,140**	**231,761**
Non-current liabilities		
Non-current financial liabilities	144,077	145,255
Trade accounts payable	1,853	1,072
Other financial liabilities	4,356	4,802
Retirement benefit obligations	122,266	129,604
Income tax liabilities	0	8
Deferred tax liabilities	25,926	26,069
	298,478	**306,810**
Current liabilities		
Current financial liabilities	47,307	25,385
Current trade accounts payable	172,826	192,153
Other current financial liabilities	4,553	5,416
Other current liabilities	72,273	55,819
Current income tax liabilities	5,955	7,130
Provisions	10,018	12,069
	312,932	**297,972**
Total liabilities	**611,410**	**604,782**
Total equity and liabilities	**858,550**	**836,543**

Consolidated Statement of Cash Flow

January 1 – June 30 of the respective financial year

EUR k	01 – 06 2015	01 – 06 2014
1. Cash flow from operating activities		
Profit/Loss (–) before income taxes	21,314	26,073
Non-cash items		
Depreciation of property, plant and equipment	15,144	13,406
Amortization of intangible assets	4,347	3,723
Gains (–)/losses from disposal of assets	0	105
Other non-cash changes	–2,555	–1,141
Decrease (–)/Increase in provisions and pension provisions	–1,796	3,594
Decrease/Increase (–) in trade accounts receivable and other receivables	–45,600	–39,383
Decrease/Increase (–) in inventories	–5,902	–21,590
Decrease (–)/Increase in accounts payable and other liabilities	–5,010	16,016
Cash flow from operating activities	**–20,058**	**803**
2. Cash flow from investing activities		
Purchases		
Purchases of property, plant and equipment	–14,267	–18,748
Purchases of intangible assets	–1,665	–3,020
Disposals		
Disposals of property, plant and equipment	477	1,561
Disposals of intangible assets	0	4
Disposals of financial assets	50	194
Interest received	571	981
Government grants received	2,777	94
Cash flow from investing activities	**–12,057**	**–18,934**
3. Cash flow from financing activities		
Dividend payments	–8,411	–7,290
Payments received from raising financial liabilities	23,969	10,565
Payments made for the settlement of financial liabilities	–1,631	–18
Decrease (–)/Increase in lease liabilities	–764	–545
Interest paid	–3,594	–3,699
Cash flow from financing activities	**9,569**	**–987**
4. Cash and cash equivalents at end of period		
Net changes in cash and cash equivalents (sub-total of items 1–3)	–22,546	–19,118
Other changes	0	421
Cash and cash equivalents as of January 1	82,404	78,919
Cash and cash equivalents as of June 30	**59,858**	**60,222**
5. Analysis of cash and cash equivalents		
Cash and short-term deposits	59,858	62,069
Bank overdrafts	0	–1,847
Cash and cash equivalents as of June 30	**59,858**	**60,222**

Consolidated Statement of Changes in Equity
as of June 30, 2015

EUR k

	Subscribed capital	Capital reserve	Revenue reserve	Own shares
As of January 1, 2015	29,554	74,444	184,505	–7,441
Net profit/loss (–)	0	0	13,579	0
Other comprehensive income	0	0	0	0
Total comprehensive income	0	0	13,579	0
Dividends	0	0	–8,411	0
As of June 30, 2015	29,554	74,444	189,673	–7,441

Consolidated Statement of Changes in Equity
as of June 30, 2014

EUR k

	Subscribed capital	Capital reserve	Revenue reserve	Own shares
As of January 1, 2014	29,554	74,444	159,423	–7,441
Net profit/loss (–)	0	0	18,764	0
Other comprehensive income	0	0	0	0
Total comprehensive income	0	0	18,764	0
Dividends	0	0	–7,290	0
As of June 30, 2014	29,554	74,444	170,897	–7,441

Accumulated other comprehensive income						
Cash flow hedges	Currency translation	Net investments in foreign operations	Actuarial gains/losses from defined benefit plans	Total	Non-controlling interests	Group equity
–1,846	–836	–6,345	–41,002	231,033	728	231,761
0	0	0	0	13,579	49	13,628
179	3,373	473	6,141	10,166	–4	10,162
179	3,373	473	6,141	23,745	45	23,790
0	0	0	0	–8,411	0	–8,411
–1,667	2,537	–5,872	–34,861	246,367	773	247,140

Accumulated other comprehensive income						
Cash flow hedges	Currency translation	Net investments in foreign operations	Actuarial gains/losses from defined benefit plans	Total	Non-controlling interests	Group equity
–816	–6,058	–6,608	–20,339	222,159	2,512	224,671
0	0	0	0	18,764	–512	18,252
–1,017	1,104	486	–7,536	–6,963	–25	–6,988
–1,017	1,104	486	–7,536	11,801	–537	11,264
0	0	0	0	–7,290	0	–7,290
–1,833	–4,954	–6,122	–27,875	226,670	1,975	228,645

Selected Notes to the GRAMMER AG Consolidated Statement of Income for the period from January 1 to June 30, 2015 and the Consolidated Statement of Financial Position as of June 30, 2015.

Principles and methods of accounting in the Interim Financial Statements

GRAMMER AG prepared its Consolidated Financial Statements for fiscal year 2014 and the present Interim Financial Statements for the period ending June 30, 2015 in accordance with the International Financial Reporting Standards (IFRS) as promulgated by the International Accounting Standards Board (IASB). The name "IFRS" also refers to the still applicable International Accounting Standards (IAS), as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and those of the former Standing Interpretations Committee (SIC). Accordingly, this Interim Report for the period ended June 30, 2015, has been prepared in accordance with IAS 34 and should be read in context with the Consolidated Financial Statements published by the company for fiscal year 2014. The possibility cannot be excluded that the IASB will make further pronouncements before the final preparation of the Consolidated Financial Statements for the fiscal year ending December 31, 2015, and that the standards applied in preparing these Interim Financial Statements will therefore deviate from the standards applied in preparing the Consolidated Financial Statements for the year ending December 31, 2015. Furthermore, there are currently individual pronouncements by the IASB that have yet to be endorsed by the European Commission and, as such, it should be noted that the figures presented in this report are preliminary and subject to change.

The preparation of the Consolidated Financial Statements in accordance with the pronouncements of the IASB requires that assumptions be made for certain items, which affect the carrying amounts in the Consolidated Statement of Financial Position and the Consolidated Income Statement, as well as the data on contingent assets and liabilities.

The present Interim Consolidated Financial Statements have not been audited and contain all customary and ongoing adjustments necessary to provide a true and fair representation of the Company's business development in the period under review. The results for the first half or the initial six months of 2015 are not necessarily indicative of future business development.

The Consolidated Financial Statements were prepared in euro (EUR). Unless otherwise indicated, all amounts are stated in thousands of euros (EUR k). Individual amounts and percentages may not exactly equal the aggregated amounts due to rounding differences.

Accounting and valuation principles

In preparing the Interim Financial Statements for the period ended June 30, 2015, and the comparative prior-year figures, the same accounting policies and principles of consolidation were applied as for the Consolidated Financial Statements for the year ended December 31, 2014. These principles and methods are described in detail in the Notes to the 2014 Consolidated Financial Statements, which were published in their entirety in the 2014 Annual Report.

Estimates and assumptions

In preparing the Interim Consolidated Financial Statements, discretionary decisions, assumptions and estimates have to be made to a certain degree, which have an impact on the measurement and recognition of reported assets and liabilities, income and expenses and contingent liabilities of the reporting period. Actual amounts may deviate from these estimates.

Companies consolidated

The following companies are included in the consolidated financial statements:

	National	Abroad	Total
Fully consolidated companies (incl. GRAMMER AG)	5	24	29
Companies consolidated "at equity"	0	1	1
Companies	5	25	30

In addition to GRAMMER AG, four domestic and 24 foreign companies that are directly or indirectly controlled by GRAMMER AG are consolidated within the meaning of IFRS 10.

The company consolidated using the equity method of accounting is the GRA-MAG joint venture, in which GRAMMER AG holds 50% of the voting rights.

All intragroup transactions, balances and liabilities are eliminated in the course of consolidation. The uniform reporting date for all of the consolidated companies is June 30, 2015.

Currency translation

In the single-entity financial statements of GRAMMER AG and its consolidated subsidiaries, foreign currency transactions are translated at the exchange rate applicable on the date of initial recognition of the respective transaction. Any resulting gains or losses are recognized in profit or loss. Financial statements prepared in foreign currencies and transactions denominated in foreign currencies are translated in accordance with the functional currency concept as set out in IAS 21. Accordingly, the functional currency is the currency of the primary economic environment in which the entity operates, its activities and financial structure are to be presented in the Consolidated Financial Statements as they present themselves in that currency. Transactions in foreign currencies are translated into the functional currency at historical rates. Monetary items are translated at the closing rate. Any resulting translation differences are recognized in profit or loss. An exception is made for translation differences from loans or credits in foreign currencies, insofar as they have been recognized directly in equity to hedge net investments that are included in net income for the period only after their disposal.

The financial statements of Group companies whose functional currency differs from the reporting currency of the Group (EUR) are translated using the modified closing rate method. In the Consolidated Financial Statements, the assets and liabilities of foreign Group companies are translated into EUR from the respective local currency at the average rate on the balance sheet date.

Income statement items are translated into EUR at the average exchange rate for the year. The net income for the year so determined is taken to the consolidated balance sheet. Any translation differences are recorded in equity with no effect on income.

For currency translation purposes, the following exchange rates were applied for the major currencies outside the Eurozone that are of relevance to the Group:

		Average rate		Closing rate	
		01 – 06 2015	01 – 06 2014	June 30, 2015	June 30, 2014
Argentina	ARS	0.101	0.094	0.099	0.090
Brazil	BRL	0.302	0.318	0.288	0.333
China	CNY	0.143	0.118	0.144	0.118
United Kingdom	GBP	1.362	1.218	1.406	1.248
Japan	JPY	0.007	0.007	0.007	0.007
Mexico	MXN	0.059	0.056	0.057	0.056
Poland	PLN	0.241	0.239	0.239	0.241
Czech Republic	CZK	0.036	0.036	0.037	0.036
Turkey	TRY	0.348	0.338	0.334	0.345
USA	USD	0.889	0.729	0.894	0.732

Notes on the income statement

Revenue

GRAMMER Group generates revenue primarily from the sale and delivery of its products to customers. Revenue comprises the following:

EUR k	Q2 2015	Q2 2014	01 – 06 2015	01 – 06 2014
Gross revenue	358,652	339,570	712,204	670,973
Sales deductions	–1,203	–688	–2,049	–1,339
Revenue	**357,449**	**338,882**	**710,155**	**669,634**

The revenue of EUR 710,155 thousand for the period ending June 30, 2015 includes a sum of EUR 32,447 thousand calculated using the POC method (01 – 06 14: 28,989). This revenue arises from development activities as well as supplies which the GRAMMER Group must expense and prefinance until a product reaches series production and generates initial revenue. It is chiefly attributable to the Automotive Division.

Cost of sales

The cost of sales include the manufacturing costs of inventories in the amount of EUR 604,075 thousand (01 – 06 14: 557,120). Furthermore it comprises the manufacturing costs attributable to sales and the cost of merchandise. This item also includes costs for operating below capacity and any other production-related overheads and administrative expenses. The cost of sales also includes non-capitalized research and development costs as well as amortization of development costs. These stood at EUR 30,789 thousand at the end of the first half (01 – 06 14: 27,435).

Selling expenses

Selling expenses came to EUR 15,461 thousand at the end of the first half (01 – 06 14: 14,738) and primarily include costs incurred by the Sales, Advertising and Marketing departments as well as overheads allocable to these departments or activities. Freight, commissions and forwarding charges are also included in selling expenses.

Administrative expenses

Administrative expenses stood at EUR 41,797 thousand at the end of the first half (01 – 06 14: 46,791). These include all administrative expenditure which cannot be assigned directly to other functions, including expenditure for general administration, management and central departments.

Other income

Other operating income stood at EUR 6,609 thousand at the end of the first half (01 – 06 14: 7,319). It includes income from the write-offs, the sale of scrap and recharged handling costs as well as income from the sale of property, plant and equipment.

Financial result

EUR k

	Q2 2015	Q2 2014	01 – 06 2015	01 – 06 2014
Financial income	276	556	570	982
Financial expenses	–2,547	–2,702	–5,065	–5,562
Other financial result	–335	–81	1,167	–216
Financial result	–2,606	–2,227	–3,328	–4,796

Financial income chiefly comprises surpluses from active cash management which are deposited in short-term investments. Changes in the fair value of interest rate swaps which do not qualify for hedge accounting must be recorded through profit and loss in accordance with IAS 39, resulting in unrealized expenses and income within financial result.

Financial expenses include the corresponding interest expense on loans and current-account facilities. They also include the interest amount attributable to the retirement benefit obligations and the interest portion of lease payments in accordance with IAS 17.

Other financial result chiefly comprises gains and losses from the currency translation of borrowings and loans as well as from the measurement of financial assets and liabilities at the reporting date.

Earnings per share

Basic earnings per share are calculated by dividing consolidated net profit/loss by the nominal number of shares outstanding during the fiscal year.

In addition to basic earnings per share, diluted earnings per share must be disclosed if a company has potential shares (i.e., financial instruments and other contracts entitling the holders to subscribe for no-par value shares of the company, such as convertible bonds and options). Since GRAMMER Group has not issued any such financial instruments or entered into any such contracts, its basic and diluted earnings per share are identical.

	01 – 06 2015	01 – 06 2014
Weighted average number of no-par value shares used to calculate basic/diluted earnings per share	11,214,624	11,214,624
Consolidated net profit/loss (–) (in EUR k)	13,579	18,764
Basic/diluted earnings/loss (–) per share in EUR	1.21	1.67

On April 14, 2011, GRAMMER AG implemented a capital increase from authorized capital by way of an accelerated book building procedure to place 1,049,515 new shares with qualified institutional investors in Germany and Europe. After the conclusion of the capital increase, the share capital of the company totals EUR 29,554,365.44 divided into 11,544,674 shares.

The new shares were placed at a price of EUR 18.20 per share for gross proceeds totaling EUR 19.1 million. In the period between April 14, 2011 and the preparation of the Consolidated Interim Financial Statements, no further transactions have been concluded with ordinary shares or potential ordinary shares of the company. No changes or further acquisitions of own shares occurred as of June 30, 2015.

Notes on the balance sheet

Intangible assets

Intangible assets include capitalized goodwill as well as capitalized development expenses. In the period under review, a sum of EUR 1,665 thousand was spent on licenses, software and other intangible assets. Amortization expense came to EUR 4,347 thousand (01 – 06 14: 3,723).

Property, plant and equipment

Capital spending on property, plant and equipment came to EUR 14,267 thousand in the year to June 30, 2015. Depreciation expense equaled EUR 15,144 thousand in the same period (01 – 06 14: 13,406).

Investments measured at equity

The GRAMMER Group early adopted as of January 1, 2013 the new IFRS 11 standard, which must be applied to financial statements for accounting periods commencing on or after January 1, 2014. Application of the standard resulted in a change in the recognition of the joint venture GRA-MAG Truck Interior Systems LLC (GRA-MAG LLC), as a result of which it is now accounted for using the equity method in lieu of proportionate consolidation. GRA-MAG LLC is not recorded in the balance sheet due to its negative equity.

EUR k

	GRA-MAG LLC
June 30, 2015	
Percentage stake	50%
At Equity carrying amount	0
At Equity result (01 – 06 2015)	708
December 31, 2014	
Percentage stake	50%
At Equity carrying amount	0
At Equity result (01 – 12 2014)	–452

Inventories

Inventories rose to EUR 134.2 million (2014: 128.3) for business-related reasons. All inventories are carried at historical cost. There were no significant impairments.

Trade accounts receivable

Accounts receivable of EUR 202.8 million (2014: 169.6) reflect the structure of the revenue generated in the last few months. The fair value of the trade accounts receivable matches their carrying amounts.

Other current financial assets

Other current financial assets chiefly comprise accounts receivable from construction contracts of EUR 110.6 million (2014: 100.9) and other receivables of EUR 10.8 million (2014: 9.7).

Other current assets

Other current assets of EUR 20.7 million (2014: 19.1) include other assets of EUR 14.5 million (2014: 14.2) and prepaid expenses of EUR 6.2 million (2014: 4.9). Other assets chiefly comprise pass-through taxes such as valued added tax and receivables from creditors with a debit balance.

Equity

Changes in GRAMMER Group's equity can be found in the Consolidated Statement of Changes in Equity on page 18/19.

Subscribed capital

As of December 31, 2014 and June 30, 2015, subscribed capital of GRAMMER Group amounted to EUR 29,554 thousand divided into 11,544,674 no-par value shares. All shares accord the same rights, shareholders have a right to payment of the defined dividend (with the exception of own shares) and may exercise one vote for each share at the Annual General Meeting.

Capital reserve

The capital reserve totaled EUR 74,444 thousand (2014: 74,444) as of June 30, 2015. It includes premiums from the capital increases in 1996, 2001 and 2011, less transaction costs.

Retained earnings

The GRAMMER Group's retained earnings include the statutory reserve totaled EUR 1,183 thousand as of June 30, 2015 (2014: 1,183) and are not available for the payment of dividends. Retained earnings additionally include income earned in the past by the consolidated companies not paid out as dividends. They rose from EUR 184,505 thousand in the previous year to EUR 189,673 thousand on account of the quarterly earnings.

Accumulated other comprehensive income

Accumulated other comprehensive income chiefly comprises the differences recorded within equity resulting from currency translation of the financial statements of foreign subsidiaries, the effects of cash flow hedges and adjustments to net investments in accordance with IAS 21 including related deferred taxes.

In addition, it includes changes in the first half of the year arising from the application of the guidance in IAS 19 with respect to actuarial gains.

This item also includes cumulative currency-translation effects on loans classified as net investments in a foreign operation in accordance with IAS 21 including the currency-translation effects accruing up until adjustments under IFRS 11 to the loan to GRA-MAG LLC.

Dividends

The GRAMMER Group distributes dividends pursuant to section 58 (2) AktG based on the annual financial statements prepared by GRAMMER AG in accordance with the German Commercial Code. GRAMMER AG posted an unappropriated surplus of EUR 23.6 million as of December 31, 2014. This takes into account the profit of EUR 8.1 million carried forward, the allocation of EUR 15.5 million to retained earnings and annual profit of EUR 31.0 million. In accordance with the resolution passed at the Annual General Meeting on May 20, 2015, GRAMMER AG distributed a dividend of EUR 0.75 per share for the 2014 fiscal year. Excluding own shares (330,050 shares), on which no dividend is payable, the total distribution stood at EUR 8.4 million (2014: 7.3) which was paid out of the retained earnings. The balance of EUR 15.2 million was carried forward.

Own shares

As of June 30, 2015 and December 31, 2014, GRAMMER AG holds a total of 330,050 shares as own shares, all of which were acquired in 2006 for a total purchase price of EUR 7,441 thousand. These shares have a total value of EUR 844,928 of the share capital and represent 2.8589 % of share capital.

Authorizations

On May 26, 2011 the Annual General Meeting granted approval until May 25, 2016 for new authorized capital in the amount of EUR 14,777,182.72 (Authorized Capital 2011). The Executive Board is authorized, with the consent of the Supervisory Board, to increase the share capital of the Company once or repeatedly by up to a total of EUR 14,777,182.72 through the issue of shares against on a cash or non-cash basis. A general shareholder subscription right applies to the new shares. The shares may also be underwritten by one or more banks subject to an obligation to offer them for subscription to shareholders. The Executive Board is, however, authorized, subject to the approval of the Supervisory Board, exclude shareholders' statutory subscription rights,

a) provided this is necessary to eliminate fractional amounts;

b) if the shares are issued against contribution in kind for the purpose of acquiring companies, shares in companies, parts of companies, or for the purpose of acquiring receivables payable by the Company;

c) if a capital increase made against a cash contribution does not exceed 10 % of share capital and the issue price of the new shares is not substantially lower than the exchange price (section 186 (3) sentence 4 AktG); if use is made of the authorization in conjunction with an exclusion of shareholder rights in accordance with section 186 (3) sentence 4 AktG, the exclusion of subscription rights under other authorizations is to be taken into account pursuant to section 186 (3) sentence 4 AktG.

With the resolution on May 18, 2011, the Executive Board of GRAMMER AG declared its intent,

(1) to refrain from using the authorization under the new Article 5 (3) of the Articles of Association to increase the share capital of the Company against cash and/or contributions in kind with statutory subscription rights for shareholders during the term of the authorization if this would lead to issuance of an amount of shares in GRAMMER AG in excess of 30% of existing share capital;

(2) to limit use of the authorization to exclude shareholders' statutory subscription rights in the event that shares are issued against contributions in kind for the purpose of acquiring companies, parts of companies, or for the purpose of acquiring receivables payable by the Company during the term of the authorization to no more than 20% of the Company's existing share capital;

(3) to ensure that the sum of any capital increases from authorized capital excluding shareholders' subscription rights during the term of this authorization does not exceed 20% of the existing share capital.

At the annual general meeting held on May 28, 2014, a resolution was passed to grant new authorization to issue option bonds and/or convertible bonds with the possibility of excluding the shareholders' preemptive subscription rights, to create new Contingent Capital 2014/I and to make a corresponding amendment to the Company's Articles of Association: The Company's share capital was increased by up to EUR 14,777,182.72 on a contingent basis through the issue of up to 5,772,337 new bearer shares (Contingent Capital 2014/I). The contingent capital was issued so that shares can be granted to the bearers of convertible or option bonds issued in accordance with the corresponding authorization. The Executive Board may exercise this authorization with the Supervisory Board's approval on or before May 27, 2019.

Non-current financial liabilities

Non-current financial liabilities break down as follows:

EUR k	June 30, 2015	December 31, 2014
Bonded loan	141,097	141,097
KfW loan	1,250	2,500
Others	1,730	1,658
Non-current financial liabilities	144,077	145,255

The bonded loan item of EUR 141.1 million (2014: 141.1) comprises a bonded loan issued in 2011 with a total nominal value of EUR 60.0 million. An amount of EUR 18.0 million of this was repaid on schedule in September 2014. The remaining installments are due for repayment in 2016 and 2018. This bonded loan is subject to both fixed and floating interest rates and has differing maturities of five and seven years.

The renewed parts of the 2006 bonded loan of EUR 26.0 million are due for settlement in 2016 – 2018.

In addition, GRAMMER AG issued a new bonded loan in May 2013 with a total nominal value of EUR 73.5 million. The new bonded loan comprises four tranches expiring in 2017 and 2019 with both fixed and floating interest rates.

In addition, there is a KfW loan of EUR 1.3 million and non-current liabilities at the level of foreign subsidiaries.

Retirement benefits obligations

Provisions for retirement benefit obligations are calculated on the basis of benefit plans for the provision of old-age, invalidity and surviving dependents benefits. The benefits provided by the Group vary according to the legal, tax and economic situation in the individual countries and generally depend on the employees' service period and remuneration paid to the employee.

The Group's occupational pension scheme is based on defined benefit obligations. Retirement benefits and similar obligations are valued at EUR 122.3 million (2014: 129.6). The decrease in the first six months of 2015 is due to an increase in the discount rate from 2.2 % to 2.6 %.

Retirement benefit expense for the interim period is calculated during the year on the basis of a preliminary estimate derived from the previous year's report, which is adjusted to allow for any material events.

Current financial liabilities
Current financial liabilities break down as follows:

EUR k

	June 30, 2015	December 31, 2014
Bonded loan	1,090	1,497
Syndicated loan contract	30,000	10,000
KfW loan	2,500	2,500
Others	13,717	11,389
Current financial liabilities	47,307	25,385

Current financial liabilities come to a total of EUR 47.3 million and are therefore up on the previous year (2014: 25.4). This increase is due to the higher current financial liabilities held by foreign subsidiaries.

Deferred interest is reported under the bonded loan.

In addition, there is a KfW loan of EUR 2.5 million and current financial liabilities on the part of foreign subsidiaries.

As well as this, there is a syndicated loan contract of EUR 180.0 million. The syndicated loan contract was entered into between domestic GRAMMER companies and six commercial banks. The cash credit facilities may be drawn on as an overdraft or as loans with fixed interest periods of up to six months. Interest is charged on the basis of a money market rate plus a fixed credit margin. The syndicated loan contract has a term of five years plus two one-year renewal options. GRAMMER exercised the first renewal option in 2014, meaning that the loan now expires on October 31, 2019 unless GRAMMER AG exercises the second one-year renewal option.

Other current liabilities
Other current liabilities stand at EUR 72.3 million and are substantially up on the previous year (2014: 55.8) for business reasons. They chiefly comprise social security liabilities, liabilities to employees arising from unused vacation entitlement, overtime, flexible working hours or the like as well as valued added tax liabilities.

Income tax liabilities primarily comprise income tax for 2014 and the first six months of 2015.

Provisions
Provisions are made up of amounts set side for risks arising from the sale of parts and products including development. These are chiefly warranty claims calculated on the basis of past and estimated future claims.

Provisions also include personnel and social benefit obligations such as phased retirement schemes and long-service bonuses as well as a large number of discernible risks and contingent liabilities such as litigation costs, which are recognized at their probable amounts.

Cash flow statement
The statement of cash flow presents the Group's cash flow situation broken down into cash inflows and outflows from operating activities, investing activities and financing activities, irrespective of the balance sheet classification of the respective items. Cash flow from operating activities is derived indirectly from net profit before taxes, which is adjusted by non-cash expenses (primarily depreciation and amortization) and income. Cash flow from operating activities is calculated under consideration of the change in working capital. Investing activities comprise payments for property, plant and equipment and investments in intangible assets and investment property. Financing activities include cash outflows for dividend payments and repayments of loans, as well as changes in other financial assets. At GRAMMER Group, cash and cash equivalents consists of cash and short-term money market funds, less current account liabilities to banks.

Additional information on financial instruments

The following table shows the fair values and carrying amounts of financial assets and liabilities. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

EUR k

	Valuation category acc. to IAS 39	Carrying amount June 30, 2015	Fair Value June 30, 2015	Carrying amount December 31, 2014	Fair Value December 31, 2014
Assets					
Cash and short-term deposits	LaR	59,858	59,858	83,999	83,999
Trade accounts receivable	LaR	202,846	202,846	169,588	169,588
Other financial assets					
Loans and receivables	LaR	10,958	10,958	9,925	9,925
Receivables from construction contracts	LaR	110,562	110,562	100,904	100,904
Financial assets available-for-sale	AfS	129	129	129	129
Financial assets held-for-trading	FAHfT	0	0	12	12
Derivatives with hedge relationship	n.a.	76	76	358	358
Liabilities					
Trade accounts payable	FLAC	174,679	174,679	193,225	193,248
Current and non-current financial liabilities to banks	FLAC	191,384	191,384	170,640	174,842
Other financial liabilities					
Other financial liabilities	FLAC	436	436	576	576
Liabilities from financial leases	n.a.	5,996	5,996	6,650	6,358
Derivatives without hedge relationship	FLHfT	5	5	0	0
Derivatives with hedge relationship	n.a.	2,472	2,472	2,992	2,992
Aggregated by valuation class pursuant to IAS 39:					
Loans and receivables	LaR	384,224	384,224	364,416	364,416
Financial assets available-for-sale	AfS	129	129	129	129
Financial assets held-for-trading	FAHfT	0	0	12	12
Financial liabilities measured at amortized cost	FLAC	366,499	366,499	364,441	368,666
Financial liabilities held-for-trading	FLHfT	5	5	0	0

Fair value measurement

The following table sets out the quantitative parameters for measuring the fair value of the assets and liabilities on the basis of the fair value hierarchy as of June 30, 2015:

EUR k	Total	Level 1	Level 2	Level 3
Assets measured at fair value				
Derivative financial assets				
Currency forwards	76	0	76	0
Interest-rate swaps	0	0	0	0
Liabilities measured at fair value				
Derivative financial liabilities				
Currency forwards	57	0	57	0
Interest-rate swaps	2,420	0	2,420	0
Liabilities for which a fair value is disclosed				
Interest-bearing loans				
Obligations under finance leases and rental contracts	8,547	0	8,547	0
Current and non-current financial liabilities	191,384	0	191,384	0

The following table sets out the quantitative parameters for measuring the fair value of the assets and liabilities on the basis of the fair value hierarchy as of December 31, 2014:

EUR k	Total	Level 1	Level 2	Level 3
Assets measured at fair value				
Derivative financial assets				
Currency forwards	370	0	370	0
Interest-rate swaps	0	0	0	0
Liabilities measured at fair value				
Derivative financial liabilities				
Currency forwards	410	0	410	0
Interest-rate swaps	2,582	0	2,582	0
Liabilities for which a fair value is disclosed				
Interest-bearing loans				
Obligations under finance leases and rental contracts	8,548	0	8,548	0
Current and non-current financial liabilities	174,842	0	174,842	0

The levels of the fair value hierarchy reflect the importance of the input data for the calculation of fair value and break down as follows:

Level 1: Quoted prices (non-adjusted) in active markets for identical assets or liabilities.

Level 2: Directly or indirectly observable input data is available for the asset or liability, which do not constitute quoted prices in accordance with Level 1.

Level 3: Unobservable input data is used for measurement of the asset or liability.

There were no changes between Level 1 and Level 2 in the year under review.

Segment reporting

Segment information

For the purpose of management control, the Group is organized into operating segments by relevant products and services. The breakdown of segments is based on the corresponding internal organizational and reporting structure. The Group comprises two reportable segments:

The **Automotive Division** is the segment involved in development and production of headrests, armrests and center consoles. The segment is a supplier to automotive OEMs, particularly in the luxury and premium segments, as well as to their Tier 1 suppliers.

In the **Seating Systems Division**, the company is a supplier to the commercial vehicle industry. Activities here involve the development and production of driver and passenger seats for trucks and driver seats for offroad equipment (agricultural machinery, construction machinery and forklifts), and marketing of these to commercial vehicle manufacturers and in aftermarket sales. The division also develops and produces driver and passenger seats for bus and railway vehicle manufacturers and railway operators.

Corporate items and elimination of intragroup transactions are recognized under the heading "Central Services/Reconciliation".

Details on the areas of activity are also included in the Consolidated Financial Statements as of December 31, 2014.

Operating segments

Segment information is presented below:

EUR k

Fiscal year as of June 30, 2015	Seating Systems	Automotive	Central Services/ Reconciliation	GRAMMER Group
Revenue to external customers	218,890	491,265	0	710,155
Inter-segment revenue	14,236	3,686	–17,922[1]	0
Revenues	233,126	494,951	–17,922	710,155
Segment earnings (Operating profit)	16,022	14,378	–5,758	24,642

EUR k

Fiscal year as of June 30, 2014	Seating Systems	Automotive	Central Services/ Reconciliation	GRAMMER Group
Revenue to external customers	241,948	427,686	0	669,634
Inter-segment revenue	11,020	228	–11,248[1]	0
Revenues	252,968	427,914	–11,248	669,634
Segment earnings (Operating profit)	21,769	15,113	–6,013	30,869

[1] All sales and income with other segments are strictly at arm's length terms.

Reconciliation

Total segment earnings (operating earnings) are reconciled with earnings before tax in the following table:

EUR k

	01 – 06 2015	01 – 06 2014
Segment earnings (Operating profit)	30,400	36,882
Central Services	–4,687	–2,984
Eliminations	–1,071	–3,029
Group earnings (Operating profit)	24,642	30,869
Financial result	–3,328	–4,796
Profit/loss (–) before income taxes	21,314	26,073

The item Central Services reflects areas centrally administrated by the Group headquarters.
Transactions between the segments are eliminated in the reconciliation.

Related party disclosures
The following table sets out transactions with related parties as of June 30, 2015 and June 30, 2014:

EUR k

Related parties		Sales to related parties	Purchases from related parties	Receivables from related parties	Liabilities to related parties
Jointly-controlled entity in which the parent is a venturer:					
GRA-MAG Truck Interior Systems LLC	2015	5,120	0	10,765	0
	2014	4,084	0	9,225	0

Contingent liabilities
Guarantees valued at EUR 632 thousand are outstanding as of June 30, 2015 primarily in the form of performance guarantees for contract breaches and leased office space.

Changes to the Supervisory Board and the Executive Board
The members of the Supervisory Board representing the shareholders Wolfram Hatz, Ingrid Hunger, Dr. Hans Liebler, Dr. Klaus Probst and Dr. Bernhard Wankerl were re-elected at the annual general meeting on May 20, 2015. In addition, Dr. Peter Merten, was elected to GRAMMER AG's Supervisory Board for the first time to replace Georg Liebler, who did not stand for re-election for age reasons.

The members of the Supervisory Board representing the employees Tanja Fondel, Harald Jung, Horst Ott and Lars Roder (né Schelenz) were re-elected. Andrea Elsner and Martin Heiß were elected to the Supervisory Board for the first time. Bernhard Hausmann and Wolfgang Rösl stepped down from GRAMMER AG's Supervisory Board.

At the Supervisory Board's constituting meeting, Dr. Klaus Probst was confirmed Chairman of the Supervisory Board and Horst Ott Deputy Chairman.

Volker Walprecht stepped down from his position as the Company's Chief Financial Officer at the end of May 2015 in full mutual agreement with the Supervisory Board. Accordingly, he relinquished his position on GRAMMER AG's Executive Board at the end of the annual general meeting on May 20, 2015.

At an extraordinary meeting held on May 4, 2015, the Supervisory Board appointed Mr. Gérard Cordonnier as new CFO of GRAMMER AG effective June 01, 2015 to replace Mr. Walprecht.

Financial Calendar and Trade Fair Dates 2015 [1]

Important dates for shareholders and analysts

Interim Report, third quarter of 2015 .... Nov. 4, 2015

Important Trade Fair Dates [1]

GIE EXPO 2015, Louisville, Kentucky, USA .... Oct. 21, 2015 – Oct 23, 2015

Agritechnica 2015, Hannover, Germany .... Nov. 10, 2015 – Nov. 14, 2015

METS 2015, Amsterdam, Netherlands .... Nov. 17, 2015 – Nov. 19, 2015

[1] All dates are tentative and subject to change. Subject to change without notice.

Contact

GRAMMER AG
Georg-Grammer-Strasse 2
D–92224 Amberg

P.O. Box 14 54
D–92204 Amberg

Phone +49 (0) 96 21 66 0
Fax +49 (0) 96 21 66 1000
www.grammer.com

Investor Relations
Ralf Hoppe
Phone +49 (0) 96 21 66 22 00
Fax +49 (0) 96 21 66 32 200
E-Mail: investor-relations@grammer.com

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GRAMMER AG

P.O. Box 14 54
D–92204 Amberg
Phone +49 (0) 96 21 66 0

www.grammer.com