WE ARE GRAMMER

INTERIM FINANCIAL REPORT JANUARY TO JUNE 2018

GRAMMER

COMPANY PROFILE

Domiciled in Amberg, Germany, GRAMMER AG specializes in the development and production of components and systems for automotive interiors as well as suspension driver and passenger seats for onroad and offroad vehicles.

In the Automotive Division, we supply headrests, armrests, center consoles and high-quality interior components and operating systems to premium automakers and automotive system suppliers. The Commercial Vehicles Division comprises seats for the truck and offroad seat segments (tractors, construction machinery, forklifts) as well as train and bus seats.

With over 13,000 employees, GRAMMER operates in 19 countries around the world. GRAMMER shares are 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.

CONTENTS

HIGHLIGHTS OF THE SECOND QUARTER OF 2018

- **Group revenue** continued to grow in the first half of 2018, reaching EUR 927.6 million. This is EUR 19.6 million higher than in the same period of the previous year (01–06 2017: 908.0).

- At EUR 41.9 million, **Group EBIT** was also up, substantially exceeding the previous year's figure of EUR 35.1 million. The EBIT-margin widened from 3.9% in the previous year to 4.5% in the first half of 2018.

- **Operating EBIT**[1] came to EUR 43.3 million in the first half of 2018 and was thus almost on a par with the previous year's high level (01–06 2017: 44.0). The operating EBIT-margin climbed from 4.5% in the first quarter of 2018 to 4.7% in the first half of 2018, thus coming close to the previous year's figure of 4.8% (01–06 2017).

- The **equity ratio** contracted slightly to 30% (December 31, 2017: 31). This was primarily due to the accounting effects arising from the first-time application of IFRS 15, as explained in the notes to the Annual Financial Statements as of December 31, 2017.

- The **Automotive Division** posted revenue of EUR 646.7 million in the first half of 2018, thus falling slightly short of the previous year (01–06 2017: 661.9). The EBIT-margin came to 3.5% (01–06 2017: 3.8).

- The **Commercial Vehicles Division** continued to perform very well, achieving revenue of EUR 308.3 million in the first half of 2018 (01–06 2017: 267.2). The sharp 15.4% increase in revenue also led to a high EBIT-margin of 10.1% (01–06 2017: 8.1).

- On May 22, 2018, a contract for the **acquisition** of Toledo Molding & Die Inc. ("TMD") was signed.

- On June 25, 2018, Jiye Auto Parts GmbH submitted a **voluntary public takeover bid** to the shareholders of GRAMMER AG.

[1] The GRAMMER Group defines operating EBIT as EBIT adjusted for valuation-induced currency effects and other exceptional effects.

INTERIM GROUP MANAGEMENT REPORT

KEY FIGURES GRAMMER GROUP ACCORDING TO IFRS

IN EUR M

	01–06 2018	01–06 2017	01–12 2017
Group revenue	**927.6**	**908.0**	**1,786.5**
Automotive revenue	646.7	661.9	1,291.2
Commercial Vehicles revenue	308.3	267.2	540.2
Income Statement			
EBITDA	65.4	59.5	116.0
EBITDA-margin (in %)	7.1	6.6	6.5
EBIT	41.9	35.1	66.5
EBIT-margin (in %)	4.5	3.9	3.7
Operating EBIT	43.3	44.0	80.2
Operating EBIT-margin (in %)	4.7	4.8	4.5
Profit/loss (–) before income taxes	36.4	28.5	55.9
Net profit/loss (–)	25.2	20.0	32.4

NET ASSETS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS

THE GRAMMER GROUP FROM JANUARY TO JUNE 2018

GROUP REVENUE

The GRAMMER Group recorded revenue of EUR 927.6 million for the period ending June 30, 2018. This was EUR 19.6 million more than in the same period of the previous year (up 2.2%). In the second quarter of 2018, the Commercial Vehicles Division was able to more than compensate the 2.3% decline in revenue in the Automotive Division (EUR 15.2 million) with strong revenue growth of 15.4% (EUR 41.1 million). In line with expectations, revenue in the Automotive Division in the first half of the year 2018 has fallen very slightly short of the previous year due to the large number of new product launches and the related decline in revenue during the ramp-up phase as well as a model-induced decline in sales volumes in the region Americas.

REVENUE BY REGION

The GRAMMER Group continued to grow in EMEA and APAC compared with the previous year. Revenue in the Group's domestic EMEA market climbed slightly by EUR 11.0 million (1.8%) to EUR 636.7 million in the first half of 2018, underpinned by strong growth in the Commercial Vehicles Division and more muted revenue in the Automotive Division. The Americas failed to repeat the top-line growth achieved in 2017 for the reasons outlined above. Accordingly, revenue dropped by EUR 8.8 million (6.0%) to EUR 139.0 million. APAC posted growth of EUR 17.4 million (12.9%) to EUR 151.9 million. High demand in key sub-markets primarily left traces on the Commercial Vehicles Division.

GROUP PROFIT

Group earnings before interest and taxes (EBIT) increased substantially by EUR 6.8 million to EUR 41.9 million in the first half of 2018, up from EUR 35.1 million in the first half of 2017. The EBIT-margin came to 4.5% as of June 30, 2018, thus visibly exceeding the previous year's figure of 3.9%. Currency-translation effects came to EUR +2.0 million in the first half of 2018 (01–06 2017: –4.4). The second quarter of 2018 was again influenced by exceptional effects of EUR 3.4 million (01–06 2017: 4.5) primarily related to developments in GRAMMER AG's shareholder structure. Adjusted for these exceptional effects, operating EBIT reached EUR 43.3 million in the first half of 2018 (01–06 2017: 44.0). At EUR 25.2 million (01–06 2017: 20.0), Group net profit was up on the previous year.

KEY FIGURES GRAMMER GROUP ACCORDING TO IFRS

IN EUR M

	01–06 2018	01–06 2017	01–12 2017
Statement of financial position			
Total assets	1,071.2	1,079.8	1,107.0
Equity	319.9	338.9	337.7
Equity ratio (in %)	30	31	31
Net financial debt	137.2	122.3	92.2
Gearing (in %)	43	36	27
Investments	23.0	28.5	59.1
Depreciation and amortization	23.5	24.4	49.5
Employees (number, as of June 30)	13,143	12,196	12,947

CONSOLIDATED STATEMENT OF FINANCIAL POSITION[2]

As of June 30, 2018, the GRAMMER Group had total assets of EUR 1,071.2 million, down EUR 35.8 million on December 31, 2017 (EUR 1,107.0 million). This reduction was primarily due to the first-time application of IFRS 15. These effects are described in detail in the section entitled “First-time application of IFRS 15 Revenue from Contracts with Customers”.

Non-current assets rose to EUR 479.4 million (2017: 372.3), while current assets dropped to EUR 591.8 million (2017: 734.6). Both effects are primarily due to the first-time application of IFRS 15 from January 1, 2018. Within non-current assets, there was a shift of EUR 17.9 million between intangible assets and other assets. This shift was due to assets from financing in development activities. In addition, the current assets from construction contracts reported in the Annual Financial Statements for 2017 declined by EUR 32.6 million due to the first-time application of IFRS 15, with the remaining amount broken down in accordance with the current/non-current distinction and reclassified accordingly. The described reduction was due to the absence of any direct contractual refund claim and direct economic compensation for development orders. Accordingly, current financial assets of EUR 103.9 million were reclassified as non-current contract assets with a project duration of more than one year as of January 1, 2018. They are now valued at EUR 108.0 million as of June 30, 2018. Trade accounts receivable increased from EUR 223.3 million to EUR 257.8 million for business-related reasons due to the revenue performance of the Commercial Vehicles Division. Cash and short-term deposits came to EUR 96.5 million (June 30, 2017: 105.5).

Equity dropped by EUR 17.8 million from EUR 337.7 million as of December 31, 2017 to EUR 319.9 million also mainly due to the first-time application of IFRS 15, which accounted for a figure of EUR 26.0 million. At 30%, the equity ratio was virtually unchanged over the previous year (2017: 31).

Non-current liabilities declined from EUR 359.5 million at the end of 2017 to EUR 299.4 million. This was mainly due to the reclassification of part of a bonded loan as a current financial liability due its approaching scheduled maturity date.

Current liabilities climbed from EUR 409.8 million at the end of 2017 to EUR 451.9 million likewise as a result of reclassification of part of the bonded loan due to its approaching scheduled maturity date. Net financial debts came to EUR 137.2 million (June 30, 2017: 122.3). Current trade accounts payable fell to EUR 239.0 million for closing-date-related reasons (2017: EUR 258.9). By contrast, other current liabilities increased from EUR 74.6 million at the end of 2017 to EUR 87.6 million.

INVESTMENTS

As of June 30, 2018, investments by the GRAMMER Group stood at EUR 23.0 million and were slightly down on the previous year (01–06 2017: 28.5). It was used to additionally expand business activities and for the ongoing optimization of business activities in all regions.

EMPLOYEES

The number of employees at the GRAMMER Group rose to 13,143 (June 30, 2017: 12,196). This increase primarily arose in the Automotive Division due to new product launches.

[2] Note on accounting figures: 2017 = December 31, 2017.

AUTOMOTIVE DIVISION

KEY FIGURES AUTOMOTIVE DIVISION

IN EUR M

	01–06 2018	01–06 2017	CHANGE
Revenue	646.7	661.9	–2.3%
EBIT	22.4	25.0	–10.4%
EBIT-margin (in %)	3.5	3.8	–0.3%-points
Operating EBIT	21.3	28.2	–24.5%
Investments	12.1	22.9	–47.2%
Employees (number, as of June 30)	9,036	8,336	8.4%

HEADRESTS

ARMRESTS

CENTER CONSOLES

INTERIOR COMPONENTS

REVENUE

As of June 30, 2018, Division revenue was down 2.3% or EUR 15.2 million, falling from EUR 661.9 million to EUR 646.7 million. EMEA remained by far the Division's largest region in terms of business volumes despite the small 2.7% decline in revenue to EUR 431.2 million. Revenue in the Americas dropped from EUR 115.3 million to EUR 102.1 million due to numerous series change-overs and model-related factors in sales volumes. By contrast, APAC continued to post strong growth of 9.6%.

EBIT

Earnings before interest and taxes (EBIT) in the Automotive Division came to EUR 22.4 million in the first six months of the year, falling short of the previous year (01–06 2017: 25.0). This figure was affected by positive currency-translation effects of EUR 1.1 million as of the reporting date (01–06 2017: –3.2). In addition to the lower revenue compared with the same period in the previous year and the resultant decline in capacity utilization at the production plants affected, higher expenses arising from the award of new contracts to GRAMMER and the resultant shortfall in the coverage of development, sales and project costs continued to exert pressure on EBIT. The Division's EBIT-margin came to 3.5% in the period under review (01–06 2017: 3.8). Operating EBIT reached EUR 21.3 million (01–06 2017: 28.2).

INVESTMENTS

As of June 30, 2018, Division investments stood at EUR 12.1 million and was thus down on the previous year (01–06 2017: 22.9).

EMPLOYEES

The headcount in the Automotive Division climbed to 9,036 (June 30, 2017: 8,336). There was virtually no change in the Division headcount compared with December 31, 2017.

COMMERCIAL VEHICLES DIVISION

KEY FIGURES COMMERCIAL VEHICLES DIVISION

IN EUR M

	01–06 2018	01–06 2017	CHANGE
Revenue	308.3	267.2	15.4%
EBIT	31.2	21.6	44.4%
EBIT-margin (in %)	10.1	8.1	2.0%-points
Operating EBIT	30.3	22.7	33.5%
Investments	6.2	3.9	59.0%
Employees (number, as of June 30)	3,819	3,585	6.5%

REVENUE

Driven by rising sales volumes in the agricultural machinery and truck markets as well as the nascent recovery in Brazil in the first six months of 2018, the Commercial Vehicles Division posted a considerable increase of 15.4% in revenue over the same period of the previous year. In absolute figures, revenue in the Commercial Vehicle Division came to EUR 308.3 million, EUR 41.1 million up on the same period in the previous year. Truck business in China continued to expand, with revenue in APAC achieving the highest percentage increase of 24.3%. This is followed by the Americas, where revenue rose by 16.0% and EMEA with an increase of 13.9%.

EBIT

Earnings before interest and taxes (EBIT) in the Commercial Vehicles Division came to EUR 31.2 million in the first six months of the year (01–06 2017: 21.6). The Division posted an EBIT-margin of 10.1% in the period under review (01–06 2017: 8.1). Favorable market conditions in all regions as well as growth in the higher-margin business segments spurred the Division's outstanding earnings performance. At EUR 30.3 million, operating EBIT was also well up on the previous year (01–06 2017: 22.7).

INVESTMENTS

As of June 30, 2018, investments in the Division stood at EUR 6.2 million and was thus up on the previous year (01–06 2017: 3.9).

EMPLOYEES

As of June 30, 2018, the Commercial Vehicles Division had a total of 3,819 employees, i.e. more than in the previous year (June 30, 2017: 3,585).

OFFROAD

Driver seats for commercial vehicles (agricultural machinery, construction machinery, forklifts)

TRUCK & BUS

Driver seats for trucks and buses

RAILWAY

Passenger seats for trains, Train driver seats

RISKS/OPPORTUNITIES

The opportunities and risks which we describe in detail in the Management Report of the Annual Report for the fiscal year ended December 31, 2017 continue to apply at this stage. We are closely observing market trends in Brazil and Europe as well as recent developments in the commodity markets. Keen attention is still being paid to the events arising in connection with developments in GRAMMER AG's shareholder structure and their impact on future order intake.

OUTLOOK

On the basis of our macroeconomic assessment, we assume that the comments made in the 2017 Group Management Report still apply. We still expect macroeconomic conditions to remain challenging, with the markets which we address painting a mixed picture.

Despite the lower revenue in the first half of 2018, we project a very small increase in revenue in the Automotive Division for 2018 as a whole. We expect to see a continuation of the stable growth in the markets addressed by the offroad and material-handling segments. In addition, we project further growth in the truck segment in China within the Commercial Vehicles Division and a sustained recovery in the Brazilian market. In the light of the current macroeconomic situation and the volatile conditions in the world markets together with the complex political developments, we remain guardedly optimistic about the outlook for the GRAMMER Group in 2018 as a whole.

Assuming that currency parities remain largely unchanged, Group revenue should increase to over EUR 1.85 billion in 2018. Operating profit will be influenced by pressure from possible additional costs in connection with the still ongoing expansion and optimization projects in individual segments in the Automotive Division. On the other hand, we anticipate growth in the earnings contributed by the Commercial Vehicles thanks to expected larger business volumes. Assuming the absence of any significant exceptional expenses of the type that arose in 2017, we expect the GRAMMER Group to be able to report substantial EBIT of over EUR 66.5 million in 2018, i.e. in excess of 2017, accompanied by continued growth in operating profitability over the level recorded in the previous year. We expect ROCE, which is being used as a performance indicator for the first time in 2018, to increase slightly over the figure of 11.5% recorded in 2017.

This assessment is based on the current forecasts for the global economy as well as our main sell-side markets and OEM customers. Any deterioration in these underlying economic or political conditions may have an adverse effect on GRAMMER's business and earnings. Moreover, the EU-wide introduction of the worldwide harmonized light vehicles (WLTP) test procedure for passenger cars and light commercial vehicles could also have a negative impact on the sales of our customers in the Automotive Division in the second half of the year. However, a specific forecast is not yet possible at this stage. In addition, recent developments with respect to trade restrictions as well as mutually imposed retaliatory customs tariffs may leave noticeable traces on future earnings. On the other hand, positive impetus in the agricultural machinery markets and a more pronounced recovery of the Brazilian truck market could in particular leave additional positive traces on business performance. Moreover, the GRAMMER Group's business may also deviate from the forecast as a result of the factors described in the risk and opportunity report in the 2017 Annual Report. Looking ahead to next year, we project further growth in revenue and earnings assuming stable macroeconomic conditions. We are observing the possible impact of the recent political developments particularly those relating to economic policy as well as GRAMMER AG's shareholder structure and their potential impact on the award of new orders very closely but are not yet able to assess them conclusively at this stage.

ACQUISITION OF TOLEDO MOLDING & DIE INC.

On May 22, 2018, GRAMMER AG signed a contract to acquire Toledo Molding & Die Inc. ("TMD"), in Toledo, Ohio, United States. The TMD Group is one of the leading specialists in the development and production of innovative thermoplastic components and applications in the Northern American automotive market. GRAMMER is acquiring 100% of the capital of Toledo Molding & Die Inc. and expects to fund the acquisition fully via debt finance. Closure of the transaction is contingent upon the discharge of the usual conditions precedent including anti-trust clearance. Final execution of the transaction is expected in the third quarter or the beginning of the fourth quarter of 2018.

CHANGE IN SHAREHOLDER STRUCTURE – TAKEOVER BID SUBMITTED BY JIYE AUTO PARTS GMBH

On May 29, 2018, GRAMMER AG and Ningbo Jihong Investment Co., Ltd. as well as Jiye Auto Parts GmbH (the "bidder") signed a business combination agreement governing the basis of and conditions for the strategic partnership between the parties and providing the foundations for a voluntary public takeover bid for all outstanding shares in GRAMMER AG. The main purpose of the agreement is to deepen the strategic partnership that was established in 2017 between GRAMMER AG and Ningbo Jifeng, to additionally stabilize the shareholder structure by expanding the latter's share in GRAMMER AG, to optimize the Group's global footprint and to secure its global growth strategy. The voluntary public takeover bid was published on June 25, 2018. The acceptance period commenced on June 25, 2018 and was initially due to expire on July 23, 2018.

EVENTS SUBSEQUENT TO THE REPORTING DATE

The Executive Board and the Supervisory Board of GRAMMER AG published their joint reasoned statement on the bidder's voluntary public takeover bid on July 6, 2018 in accordance with Section 27 (1) of the German Securities Acquisition and Takeover Act (WpÜG).

On July 18, 2018, the bidder lowered the minimum acceptance threshold for the voluntary public takeover bid from 50% plus one share to 36% plus one share. As a result of this, the acceptance period originally expiring on July 23, 2018 was extended by two weeks and ended at 24:00 hours on August 6, 2018. All the other terms and conditions of the bid remain unchanged. On July 24, 2018, the Executive Board and the Supervisory Board published a joint supplementary statement on the modified bid in accordance with the provisions of the German Securities Acquisition and Takeover Act.

In accordance with the notice published by the bidder on July 23, 2018 in accordance with Section 23 (1) Sentence 1 Number 1 of the German Securities Acquisition and Takeover Act, the reduced minimum acceptance threshold was reached and exceeded as of the closing time of 18:00 hours on July 20, 2018 (local time in Frankfurt am Main). On August 6, 2018, the bidder announced in a notice in accordance with Section 23 (1) Sentence 1 No. 1 of the German Securities Acquisition and Takeover Act that the number of GRAMMER shares for which the bid had been accepted by 18:00 hours on August 3, 2018 (local time in Frankfurt am Main) plus the number of GRAMMER shares already directly held by it had reached around 45.58% of the outstanding GRAMMER shares. The bidder is expected to announce on August 9, 2018 the final number of shares for which the bid was accepted during the acceptance period. The extended acceptance period under Section 16 (2) of the German Securities Acquisition and Takeover Act runs from August 10, 2018 until 24:00 hours on August 23, 2018 (local time in Frankfurt am Main). The bid is expected to be executed in the third quarter of 2018 after the discharge of all conditions precedent.

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.

CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF OF THE YEAR

KEY FIGURES ACCORDING TO IFRS
GRAMMER GROUP

IN EUR M	01–06 2018	01–06 2017
Group revenue	**927.6**	**908.0**
Automotive revenue	646.7	661.9
Commercial Vehicles revenue	308.3	267.2
Income statement		
EBITDA	65.4	59.5
EBITDA-margin (in %)	7.1	6.6
EBIT	41.9	35.1
EBIT-margin (in %)	4.5	3.9
Operating EBIT	43.3	44.0
Operating EBIT-margin (in %)	4.7	4.8
Profit/loss (–) before income taxes	36.4	28.5
Net profit/loss (–)	25.2	20.0
Statement of financial position		
Total assets	1,071.2	1,079.8
Equity	319.9	338.9
Equity ratio (in %)	30	31
Net financial debt	137.2	122.3
Gearing (in %)	43	36
Investments	23.0	28.5
Depreciation and amortization	23.5	24.4
Employees (number, as of June 30)	**13,143**	**12,196**
Key share data	JUNE 30, 2018	JUNE 30, 2017
Share price (Xetra closing price in EUR)	59.60	45.89
Market capitalization (in EUR m)	751.4	578.5
Earnings per share (basic/diluted, in EUR)	2.06	1.67

CONSOLIDATED STATEMENT OF INCOME

JANUARY 1 – JUNE 30 OF THE RESPECTIVE FINANCIAL YEAR

EUR K	01–06 2018	01–06 2017
Revenue	927,609	908,014
Cost of sales	–815,035	–795,063
Gross profit	**112,574**	**112,951**
Selling expenses	–17,331	–18,737
Administrative expenses	–61,256	–66,158
Other operating income	7,922	7,046
Earnings before interest and taxes (EBIT)	**41,909**	**35,102**
Financial income	447	530
Financial expenses	–5,153	–5,612
Other financial result	–790	–1,471
Profit/loss (–) before income taxes	**36,413**	**28,549**
Income taxes	–11,179	–8,565
Net profit/loss (–)	**25,234**	**19,984**
Of which attributable to:		
Shareholders of the parent company	25,238	20,076
Non-controlling interests	–4	–92
Net profit/loss (–)	**25,234**	**19,984**
Earnings per share		
Basic/diluted earnings/loss (–) per share in EUR	2.06	1.67

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

JANUARY 1 – JUNE 30 OF THE RESPECTIVE FINANCIAL YEAR

EUR K	01–06 2018	01–06 2017
Net profit/loss (–)	**25,234**	**19,984**
Amounts not to be recycled in profit and loss in future periods		
Actuarial gains/losses (–) from defined benefit plans		
Gains/losses (–) arising in the current period	2,872	8,985
Tax expenses (–)/Tax income	–839	–2,623
Actuarial gains/losses (–) from defined benefit plans (after tax)	**2,033**	**6,362**
Total amount not to be recycled in profit and loss in future periods	**2,033**	**6,362**
Amounts which will be recycled under certain conditions to profit and loss in future periods		
Gains/losses (–) from currency translation of foreign subsidiaries		
Gains/losses (–) arising in the current period	–2,858	–6,242
Gains/losses (–) from currency translation of foreign subsidiaries (after tax)	**–2,858**	**–6,242**
Gains/losses (–) from cash flow hedges		
Gains/losses (–) arising in the current period	–2,425	916
Less transfers recognized in the Income Statement	–129	107
Tax expenses (–)/Tax income	670	–272
Gains/losses (–) from cash flow hedges (after tax)	**–1,884**	**751**
Gains/losses (–) from net investments in foreign operations		
Gains/losses (–) arising in the current period	1,398	2,937
Gains/losses (–) from net investments in foreign operations (after tax)	**1,398**	**2,937**
Total amount to be recycled under certain conditions to profit and loss in future periods	**–3,344**	**–2,554**
Other comprehensive income	**–1,311**	**3,808**
Total comprehensive income (after tax)	23,923	23,792
Of which attributable to:		
Shareholders of the parent company	23,935	23,906
Non-controlling interests	–12	–114

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF JUNE 30, 2018 AND DECEMBER 31, 2017

ASSETS

EUR K

	June 30, 2018	December 31, 2017
Property, plant and equipment	238,466	238,928
Intangible assets	63,416	83,604
Other financial assets	3,951	3,923
Deferred tax assets	41,577	39,395
Other assets	23,902	6,477
Contract assets	108,048	0
Non-current assets	**479,360**	**372,327**
Inventories	173,405	158,020
Trade accounts receivable	257,790	223,334
Other current financial assets	4,924	176,922
Short-term income tax assets	2,795	6,783
Cash and short-term deposits	96,515	146,312
Other current assets	27,324	23,270
Current contract assets	29,068	0
Current assets	**591,821**	**734,641**
Total assets	**1,071,181**	**1,106,968**

EQUITY AND LIABILITIES

EUR K

	June 30, 2018	December 31, 2017
Subscribed capital	32,274	32,274
Capital reserve	129,796	129,796
Own shares	–7,441	–7,441
Retained earnings	238,479	254,960
Accumulated other comprehensive income	–73,580	–72,277
Equity attributable to shareholders of the parent company	**319,528**	**337,312**
Non-controlling interests	336	349
Equity	**319,864**	**337,661**
Non-current financial liabilities	140,385	190,331
Trade accounts payable	1,925	2,405
Other financial liabilities	3,018	3,552
Other liabilities	3	112
Retirement benefit obligations	139,043	140,538
Deferred tax liabilities	15,025	22,585
Non-current liabilities	**299,399**	**359,523**
Current financial liabilities	93,292	48,182
Current trade accounts payable	238,974	258,934
Other current financial liabilities	8,726	5,287
Other current liabilities	87,609	74,642
Current income tax liabilities	3,823	5,253
Provisions	19,494	17,486
Current liabilities	**451,918**	**409,784**
Total liabilities	**751,317**	**769,307**
Total equity and liabilities	**1,071,181**	**1,106,968**

CONSOLIDATED STATEMENT OF CASH FLOWS

JANUARY 1 – JUNE 30 OF THE RESPECTIVE FINANCIAL YEAR

EUR K	01–06 2018	01–06 2017
1. Cash flow from operating activities		
Profit/loss (–) before income taxes	36,413	28,549
Reconciliation of earnings before tax with cash flow from operating activities		
Depreciation of property, plant and equipment	18,801	18,101
Amortization of intangible assets	4,704	6,314
Gains (–)/losses from the disposal of assets	225	142
Other non-cash changes	3,476	–1,961
Financial result	5,496	6,553
Changes in operating assets and liabilities		
Decrease/increase (–) in trade accounts receivable and other assets	–39,416	–47,478
Decrease/increase (–) in inventories	–15,385	–9,429
Decrease (–)/increase in provisions and pension provisions	–1,816	–5,897
Decrease (–)/increase in accounts payable and other liabilities	–5,865	27,672
Income taxes paid	–9,867	–15,404
Cash flow from operating activities	**–3,234**	**7,162**
2. Cash flow from investing activities		
Purchases		
Purchases of property, plant and equipment	–20,256	–22,853
Purchases of intangible assets	–2,721	–5,655
Disposals		
Disposals of property, plant and equipment	201	335
Disposals of intangible assets	402	0
Interest received	447	530
Government grants received	0	90
Cash flow from investing activities	**–21,927**	**–27,553**
3. Cash flow from financing activities		
Dividend payments	–15,346	–14,579
Inflow from the issue of the mandatory convertible bond	0	59,846
Outflow from transaction costs and incidental effects from the mandatory convertible bond	0	–2,057
Payments received from raising financial liabilities	7,335	2,267
Payments made for the settlement of financial liabilities	–4,529	–41,148
Decrease (–)/increase in lease liabilities	–591	–1,641
Interest paid	–3,857	–4,396
Cash flow from financing activities	**–16,988**	**–1,708**
4. Cash and cash equivalents at end of period		
Net changes in cash and cash equivalents (sub-total of items 1– 3)	–42,149	–22,099
Cash and cash equivalents as of January 1	138,032	127,616
Cash and cash equivalents as of June 30	**95,883**	**105,517**
5. Analysis of cash and cash equivalents		
Cash and short-term deposits	96,515	105,517
Bank overdrafts	–632	0
Cash and cash equivalents as of June 30	**95,883**	**105,517**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS OF JUNE 30, 2018

EUR K

	SUBSCRIBED CAPITAL	CAPITAL RESERVE	REVENUE RESERVE	OWN SHARES
Amount on December 31, 2017 before adjustments	**32,274**	**129,796**	**254,960**	**–7,441**
Adjustment first-time application IFRS 15 (after taxes)	0	0	–26,008	0
Adjustment first-time application IFRS 9 (after taxes)	0	0	–365	0
Amount on January 1, 2018 (adjusted)	**32,274**	**129,796**	**228,587**	**–7,441**
Net profit/loss (–)	0	0	25,238	0
Other comprehensive Income	0	0	0	0
Total comprehensive Income	**0**	**0**	**25,238**	**0**
Capital Increase through the issue of new shares through the mandatory convertible bond	0	0	0	0
Transaction costs and incidental effects from the mandatory convertible bond	0	0	0	0
Dividends	0	0	–15,346	0
Transaction of non-controlling interests	0	0	0	0
As of June 30, 2018	**32,274**	**129,796**	**238,479**	**–7,441**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

AS OF JUNE 30, 2017

EUR K

	SUBSCRIBED CAPITAL	CAPITAL RESERVE	REVENUE RESERVE	OWN SHARES
As of January 1, 2017	**29,554**	**74,444**	**236,268**	**–7,441**
Net profit/loss (–)	0	0	20,076	0
Other comprehensive Income	0	0	0	0
Total comprehensive Income	**0**	**0**	**20,076**	**0**
Capital Increase through the issue of new shares through the mandatory convertible bond	2,720	57,763	0	0
Transaction costs and incidental effects from mandatory convertible bond	0	–2,057	0	0
Dividends	0	0	–14,579	0
As of June 30, 2017	**32,274**	**130,150**	**241,765**	**–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
−446	**−7,144**	**−20,314**	**−44,373**	**337,312**	**349**	**337,661**
0	0	0	0	**−26,008**	0	**−26,008**
0	0	0	0	**−365**	0	**−365**
−446	**−7,144**	**−20,314**	**−44,373**	**310,939**	**349**	**311,288**
0	0	0	0	**25,238**	−4	**25,234**
−1,884	−2,850	1,398	2,033	**−1,303**	−8	**−1,311**
−1,884	**−2,850**	**1,398**	**2,033**	**23,935**	**−12**	**23,923**
0	0	0	0	**0**	0	**0**
0	0	0	0	**0**	0	**0**
0	0	0	0	**−15,346**	0	**−15,346**
0	0	0	0	**0**	−1	**−1**
−2,330	**−9,994**	**−18,916**	**−42,340**	**319,528**	**336**	**319,864**

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
−1,208	**−352**	**−16,094**	**−45,246**	**269,925**	**1,312**	**271,237**
0	0	0	0	**20,076**	−92	**19,984**
751	−6,220	2,937	6,362	**3,830**	−22	**3,808**
751	**−6,220**	**2,937**	**6,362**	**23,906**	**−114**	**23,792**
0	0	0	0	**60,483**	0	**60,483**
0	0	0	0	**−2,057**	0	**−2,057**
0	0	0	0	**−14,579**	0	**−14,579**
−457	**−6,572**	**−13,157**	**−38,884**	**337,678**	**1,198**	**338,876**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF OF THE YEAR

GENERAL INFORMATION

GRAMMER AG prepared its Consolidated Financial Statements for fiscal year 2017 and these Interim Financial Statements for the period ending June 30, 2018 in accordance with the International Financial Reporting Standards (IFRS) as promulgated by the International Accounting Standards Board (IASB).

In preparing the Interim Financial Statements for the period ending June 30, 2018 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 ending December 31, 2017 with the exception of accounting standards IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments". These principles and methods as well as the changes taking effect from January 1, 2018 are described in detail in the notes to the Consolidated Financial Statements for 2017, which were published in full in the 2017 Annual Report and should therefore be read in conjunction with the financial report on the first half of the year.

These Interim Financial Statements for the first half of the year 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 of the year/first six months of 2018 are not necessarily indicative of future business performance.

The Interim Financial Statements for the first half of the year have been prepared in Euro (EUR). Unless otherwise indicated, all values are rounded to the nearest thousands of euros (EUR K). Individual amounts and percentages may not exactly equal the aggregated amounts due to rounding differences.

FIRST-TIME APPLICATION OF IFRS 15 "REVENUE FROM CONTRACTS WITH CUSTOMERS"

GRAMMER has been applying the new guidance contained in IFRS 15 "Revenue from Contracts with Customers" since January 1, 2018, using the modified retrospective method. This means that cumulative conversion effects were recognized directly in retained earnings from the beginning of first-time application on January 1, 2018. The figures for the comparison periods were not restated.

IFRS 15 replaces IAS 18 and IAS 11 and the respective interpretations (SIC-31, IFRIC 13, IFRIC 15, IFRIC 18) and must be applied for the first time in accounting periods commencing on or after January 1, 2018. Under IFRS 15, a company must recognize revenue equaling the consideration that it expects to receive for the transfer of goods and services to the customer. This entails a five-step model framework that is applied to all customer contracts.

SERIES DEVELOPMENT

Customer tools, development services, devices and prototypes have been combined to form a performance obligation referred to as "series development". As of January 1, 2018, revenue from this performance obligation continues to be recognized period-based in line with the practice applied in earlier years under IAS 11. Under IFRS 15, a contract asset is recognized when this performance obligation towards a customer includes an enforceable right to payment which is no less than the reimbursement of the costs incurred from the services already provided plus a reasonable markup. In the absence of any direct contractual refund claim and direct economic compensation for development orders, an adjustment of EUR 32.6 million was made to construction contracts (POC method) as of January 1, 2018. This effect was recognized in equity with due allowance made for deferred taxes in connection with the first-time application of IFRS 15.

FIRST-TIME APPLICATION FROM JANUARY 1, 2018

In accordance with IFRS 15.105, a new line item entitled "Contract assets" has been added to the balance sheet and the figures duly reclassified from current financial assets.

Under IFRS 15, non-current assets now include contract assets with a remaining project term of more than one year. Within non-current assets, "Consideration payable to a customer" in accordance with IFRS 15.70 valued at EUR 17.9 million has been shifted from intangible assets to other assets.

In accordance with IFRS 15.C7, an adjustment of EUR 26.0 million has been made to retained earnings, considering deferred taxes. At the same time, the previous volume of receivables from construction contracts has been reduced by EUR 32.6 million and provisions of EUR 2.2 million has been recognized.

Prepayments received and made for customer projects have also been moved to the new line item "Contract assets". The adoption of IFRS 15 affects solely the Automotive Division. There were no effects on profit and loss from first-time application from January 1, 2018.

The following table sets out the effects of first-time application on the consolidated balance sheet:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

IFRS 15 – IMPACT ON CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

EUR K	JUNE 30, 2018	FIRST-TIME APPLICATION EFFECTS IFRS 15	JUNE 30, 2018 WITHOUT FIRST-TIME APPLICATION EFFECTS OF IFRS 15
Property, plant and equipment	238,466		238,466
Intangible assets	63,416	–17,853	81,269
Other financial assets	3,951		3,951
Deferred tax assets	41,577	6,144	35,433
Other assets	23,902	17,853	6,049
Contract assets	108,048	108,048	0
Non-current assets	**479,360**	**114,192**	**365,168**
Inventories	173,405		173,405
Trade accounts receivable	257,790		257,790
Other current financial assets	4,924	–170,425	175,349
Short-term income tax assets	2,795		2,795
Cash and short-term deposits	96,515		96,515
Other current assets	27,324		27,324
Current contract assets	29,068	29,068	0
Current assets	**591,821**	**–141,357**	**733,178**
Total assets	**1,071,181**	**–27,165**	**1,098,346**

EQUITY AND LIABILITIES

EUR K	JUNE 30, 2018	FIRST-TIME APPLICATION EFFECTS IFRS 15	JUNE 30, 2018 WITHOUT FIRST-TIME APPLICATION EFFECTS OF IFRS 15
Subscribed capital	32,274		32,274
Capital reserve	129,796		129,796
Own shares	–7,441		–7,441
Retained earnings	238,479	–26,008	264,487
Accumulated other comprehensive income	–73,580		–73,580
Equity attributable to shareholders of the parent company	**319,528**	**–26,008**	**345,536**
Non-controlling interests	336		336
Equity	**319,864**	**–26,008**	**345,872**
Non-current financial liabilities	140,385		140,385
Trade accounts payable	1,925		1,925
Other financial liabilities	3,018		3,018
Other liabilities	3		3
Retirement benefit obligations	139,043		139,043
Deferred tax liabilities	15,025	–2,711	17,736
Non-current liabilities	**299,399**	**–2,711**	**302,110**
Current financial liabilities	93,292		93,292
Current trade accounts payable	238,974		238,974
Other current financial liabilities	8,726		8,726
Other current liabilities	87,609	–671	88,280
Current income tax liabilities	3,823		3,823
Provisions	19,494	2,225	17,269
Current liabilities	**451,918**	**1,554**	**450,364**
Total liabilities	**751,317**	**–1,157**	**752,474**
Total equity and liabilities	**1,071,181**	**–27,165**	**1,098,346**

FIRST-TIME APPLICATION OF IFRS 9 "FINANCIAL INSTRUMENTS"

Similarly, the GRAMMER Group adopted IFRS 9 "Financial Instruments" on January 1, 2018 for the first time. As already stated in the notes to the Consolidated Financial Statements for 2017, most of the debt instruments continue to be recognized at amortized cost in accordance with IFRS 9. Similarly, there were no material changes in connection with derivatives and financial liabilities. The simplified impairment model under IFRS 9 was applied to trade accounts receivable. The effects were likewise minimal and were directly recognized in retained earnings within equity. Similarly, there are no material changes to hedge accounting as IFRS 9 does not provide any general changes in this respect.

The effects arising from the first-time application of IFRS 9 are presented in the following table:

EUR K	Valuation category acc. to IAS 39 as of Dec. 31, 2017	First-time application effects IFRS 9	Carrying amount under IFRS 9 as of January 1, 2018
Assets			
Cash and short-term deposits	146,312		146,312
Trade accounts receivable	223,334	–516	222,818
Other financial assets			
Loans and receivables	10,255		10,255
Financial assets available-for-sale	50		50
Financial assets held-for-trading	49		49
Derivatives with hedge relationship	759		759
Liabilities			
Trade accounts payable	261,339		261,339
Current and non-current financial liabilities	238,513		238,513
Other financial liabilities			
Other financial liabilities	2,593		2,593
Liabilities from finance leases	4,805		4,805
Derivatives without hedge relationship	6		6
Derivatives with hedge relationship	1,434		1,434

Further disclosures can be found in tabular form in the section on financial instruments. The figures for the comparison period have not been adjusted.

BASIS OF CONSOLIDATION

The following companies are included in the Consolidated Financial Statements:

	National	Abroad	Total
Fully consolidated companies (incl. GRAMMER AG)	6	25	31
Companies consolidated "at equity"	0	1	1
Companies	**6**	**26**	**32**

In addition to GRAMMER AG, five domestic and 25 foreign companies that are directly or indirectly controlled by GRAMMER AG within the meaning of IAS 10 are consolidated.

The company accounted for at equity is the GRA-MAG joint venture, in which GRAMMER AG holds 50% of the voting rights.

FINANCIAL LIABILITIES

NON-CURRENT FINANCIAL LIABILITIES

Non-current financial liabilities break down as follows:

EUR K	JUNE 30, 2018	DECEMBER 31, 2017
Bonded loan	139,848	189,749
Others	537	582
Non-current financial liabilities	**140,385**	**190,331**

Non-current financial liabilities dropped due to the reclassification of part of the bonded loan as a current financial liability due to its approaching scheduled maturity date.

CURRENT FINANCIAL LIABILITIES

Current financial liabilities break down as follows:

EUR K	JUNE 30, 2018	DECEMBER 31, 2017
Bonded loan	62,914	12,249
Overdrafts	632	8,280
Others	29,746	27,653
Current financial liabilities	**93,292**	**48,182**

Current financial liabilities came to a total of EUR 93.3 million and were therefore up on the end of 2017 (2017: 48.2). This increase is primarily due to the reclassification of part of a bonded loan that had previously been recognized as non-current due to its approaching maturity date.

EQUITY

Movements in the GRAMMER Group's equity are analyzed in the Consolidated Statement of Changes in Equity on pages 14/15.

The subscribed capital and the capital reserve were unchanged over December 31, 2017. Retained earnings dropped due to the aforementioned first-time application of IFRS 15 as well as the dividend distribution for 2017. This effect was offset by the net profit for the first half of 2018.

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/taxes.

In accordance with the resolution passed at the Annual General Meeting on June 13, 2018, GRAMMER AG distributed a dividend of EUR 1.25 per share for the 2017 fiscal year. Excluding treasury stock (330,050 own shares), on which no dividend is payable for the 2017 fiscal year, the total distribution stood at EUR 15.3 million (2017: 14.6) which was paid out of the retained earnings. The balance of EUR 42.3 million was carried forward.

FINANCIAL INSTRUMENTS

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 IFRS 9	CARRYING AMOUNT ON JUNE 30, 2018	FAIR VALUE ON JUNE 30, 2018
Assets			
Cash and short-term deposits	FAAC	96,515	96,515
Trade accounts receivable	FAAC	257,790	257,790
Other financial assets			
Loans and receivables	FAAC	8,824	8,824
Equity investments	FVOCI	51	51
Financial assets held-for-trading	FVtPL	0	0
Derivatives with hedge relationship	n.a.	0	0
Liabilities			
Trade accounts payable	FLAC	240,899	240,899
Current and non-current financial liabilities	FLAC	233,677	233,677
Other financial liabilities			
Other financial liabilities	FLAC	4,311	4,311
Liabilities from finance leases	n.a.	4,261	4,261
Derivatives without hedge relationship	FVtPL	0	0
Derivatives with hedge relationship	n.a.	3,172	3,172
Of which aggregated by category in acc. with IFRS 9			
Assets			
Financial assets at amortized cost (FAAC)	FAAC	363,129	363,129
Financial assets at fair value through other comprehensive income (FVOCI)	FVOCI	51	51
Financial assets at fair value through profit and loss (FVtPL)	FVtPL	0	0
Liabilities			
Financial liabilities at amortized cost (FLAC)	FLAC	478,887	478,887
Financial liabilities at fair value through other comprehensive income (FVOCI)	FVOCI	0	0
Financial liabilities at fair value through profit and loss (FVtPL)	FVtPL	0	0

EUR K	VALUATION CATEGORY ACC. TO IAS 39	CARRYING AMOUNT ON DECEMBER 31, 2017	FAIR VALUE ON DECEMBER 31, 2017
Assets			
Cash and short-term deposits	LaR	146,312	146,312
Trade accounts receivable	LaR	223,334	223,334
Other financial assets			
Loans and receivables	LaR	10,255	10,255
Receivables from construction contracts	LaR	169,732	169,732
Financial assets available-for-sale	AfS	50	50
Financial assets held-for-trading	FAHfT	49	49
Derivatives with hedge relationship	n.a.	759	759
Liabilities			
Trade accounts payable	FLAC	261,339	261,294
Current and non-current financial liabilities	FLAC	238,513	242,146
Other financial liabilities			
Other financial liabilities	FLAC	2,593	2,593
Liabilities from finance leases	n.a.	4,805	4,369
Derivatives without hedge relationship	FLHfT	6	6
Derivatives with hedge relationship	n.a.	1,434	1,434
Of which aggregated by category in acc. with IAS 39:			
Loans and receivables	LaR	549,633	549,633
Financial assets available-for-sale	AfS	50	50
Financial assets held-for-trading	FAHfT	49	49
Financial liabilities at amortized cost	FLAC	502,445	506,033
Financial liabilities held-for-trading	FLHfT	6	6

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, 2018:

EUR K	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
Assets measured at fair value				
Derivative financial assets				
Currency forwards	0	0	0	0
Interest rate swaps	0	0	0	0
Liabilities measured at fair value				
Derivative financial liabilities				
Currency forwards	2,165	0	2,165	0
Interest rate swaps	1,007	0	1,007	0
Liabilities for which a fair value is disclosed				
Interest bearing loans				
Obligations under finance leases and hire-purchase agreements	7,253	0	7,253	0
Current and non-current financial liabilities	233,677	0	233,677	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, 2017:

EUR K	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3
Assets measured at fair value				
Derivative financial assets				
Currency forwards	808	0	808	0
Interest rate swaps	0	0	0	0
Liabilities measured at fair value				
Derivative financial liabilities				
Currency forwards	327	0	327	0
Interest rate swaps	1,113	0	1,113	0
Liabilities for which a fair value is disclosed				
Interest bearing loans				
Obligations under finance leases and hire-purchase agreements	8,236	0	8,236	0
Current and non-current financial liabilities	242,146	0	242,146	0

The levels of the fair value hierarchy reflect the significance of the inputs employed in estimating fair values. The hierarchy is broken down into three levels as follows:

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

Level 2: Valuation of assets or liabilities is based on direct or indirect market observables, which are not quoted prices in accordance with Level 1.

Level 3: Valuation techniques are based upon inputs that are not observable in the market.

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

SEGMENT REPORTING

SEGMENT INFORMATION

Segment information is provided for the Automotive Division and the Commercial Vehicles Division.

Central items and the elimination of internal Group transactions are reported in the columns headed “Central Services” and “Elimination”.

Details on the areas of activity are also included in the Consolidated Financial Statements as of December 31, 2017.

REPORTING SEGMENTS

AS OF JUNE 30, 2018

EUR K	COMMERCIAL VEHICLES	AUTOMOTIVE	CENTRAL SERVICES	ELIMINATION	GROUP
Revenue to external customers	287,506	640,103	0	0	**927,609**
Inter-segment revenue	20,766	6,612	0	−23,378	**0**
Revenues	**308,272**	**646,715**	**0**	**−23,278**	**927,609**
Segment earnings (EBIT)	**31,192**	**22,423**	**−4,603**	**−7,103**	**41,909**

AS OF JUNE 30, 2017

EUR K	COMMERCIAL VEHICLES	AUTOMOTIVE	CENTRAL SERVICES	ELIMINATION	GROUP
Revenue to external customers	251,335	656,679	0	0	**908,014**
Inter-segment revenue	15,866	5,181	0	−21,047	**0**
Revenues	**267,201**	**661,860**	**0**	**−21,047**	**908,014**
Segment earnings (EBIT)	**21,665**	**25,016**	**−4,067**	**−7,512**	**35,102**

GEOGRAPHIC BREAKDOWN

The following table presents information on revenue from external customers broken down by region:

DISCLOSURES ON GEOGRAPHIC SEGMENTS

EUR K

01–06 2018

By domicile of companies	EMEA	Americas	APAC	Group
Revenue	636,685	139,014	151,910	927,609

01–06 2017

By domicile of companies	EMEA	Americas	APAC	Group
Revenue	625,715	147,750	134,549	908,014

EMEA (Europe, Middle-East, Africa) comprises all European companies as well as those in Turkey and South Africa. The Americas is composed of all companies in North, Central and South America, while APAC (Asia Pacific) is made up of all Chinese and Japanese companies.

RELATED PARTIES DISCLOSURES

The following table sets out transactions with related parties as of June 30, 2018 and June 30, 2017:

EUR K

RELATED PARTIES		SALES TO RELATED PARTIES	PURCHASES FROM RELATED PARTIES	RECEIVABLES TO RELATED PARTIES	LIABILITIES TO RELATED PARTIES
GRA-MAG Truck Interior Systems LLC	2018	4,215	0	4,400	0
	2017	2,884	0	5,647	0

Ms. Bifeng Wu notified us on June 4, 2018 in accordance with Sections 33, 34 of the German Securities Trading Act (WpHG) that the share of the voting rights in GRAMMER AG held by JAP Capital Holding GmbH stood at 25.56% (3,222,961 voting rights) on May 30, 2018 (previously 25.51%). These voting rights are attributable to Ms. Bifeng Wu. Under Sections 33, 34 (2) of the German Securities Trading Act (WpHG), these voting rights are attributable to the following legal entities due to concerted action: Wing Sing International Co., Ltd.; JAP Capital Limited; Ningbo Jihong Investment Co., Ltd.; Ningbo Jiheng Investment Co., Ltd.; Ningbo DZ Jihan Investment Partnership (Limited Partnership); Ningbo Jiye Investment Co., Ltd.; Jiye Auto Parts (Luxembourg) S.à r.l.; Jiye Auto Parts GmbH; Ningbo Jifeng Auto Parts Co., Ltd. Consequently, the thresholds of 3, 5, 10, 15, 20, 25% as defined in Sections 33, 34 (2) of the German Securities Trading Act (WpHG) were exceeded on May 30, 2018.

Mr. Yiping Wang and Mr. Jimin Wang notified us on June 4, 2018 in accordance with Sections 33, 34 (2) of the German Securities Trading Act (WpHG) that the share of voting rights held by JAP Capital Holding GmbH in GRAMMER AG of 25.56% (3,222,961 voting rights) was attributable to them on account of concerted action. Consequently, the thresholds of 3, 5, 10, 15, 20, 25% as defined in Sections 33, 34 (2) of the German Securities Trading Act (WpHG) were exceeded on May 30, 2018.

Under delivery contracts, JAP Capital Holding GmbH received supplies of EUR 0.5 million from a subsidiary of GRAMMER AG due to the indirect share in Ningbo Jifeng Auto Parts Co. Ltd.

CONTINGENT LIABILITIES

Guarantees valued at EUR 600 thousand are outstanding as of June 30, 2018 primarily in the form of performance guarantees for contract breaches.

KEY FIGURES ACCORDING TO IFRS
GRAMMER GROUP – QUARTERLY OVERVIEW

IN EUR M

	Q2 2018	Q2 2017	01–06 2018	01–06 2017
Group revenue	**473.2**	**450.0**	**927.6**	**908.0**
Automotive revenue	332.8	326.4	646.7	661.9
Commercial Vehicles revenue	154.5	133.2	308.3	267.2
Income Statement				
EBITDA	33.4	25.0	65.4	59.5
EBITDA-margin (in %)	7.1	5.6	7.1	6.6
EBIT	21.5	12.6	41.9	35.1
EBIT-margin (in %)	4.5	2.8	4.5	3.9
Operating EBIT	22.8	20.9	43.3	44.0
Operating EBIT-margin (in %)	4.8	4.6	4.7	4.8
Profit/loss (–) before income taxes	18.8	8.7	36.4	28.5
Net profit/loss (–)	13.0	6.0	25.2	20.0
Statement of financial position				
Total assets	1,071.2	1,079.8	1,071.2	1,079.8
Equity	319.9	338.9	319.9	338.9
Equity ratio (in %)	30	31	30	31
Net financial debt	137.2	122.3	137.2	122.3
Gearing (in %)	43	36	43	36
Investments	13.0	17.5	23.0	28.5
Depreciation and amortization	11.9	12.4	23.5	24.4
Employees (number, as of June 30)			**13,143**	**12,196**
Key share data			**June 30, 2018**	**June 30, 2017**
Share price (Xetra closing price in EUR)			59.60	45.89
Market capitalization (in EUR m)			751.4	578.5
Earnings per share (basic/diluted, in EUR)			2.06	1.67

FINANCIAL CALENDAR 2018 AND TRADE FAIR DATES[1]

IMPORTANT DATES FOR SHAREHOLDERS AND ANALYSTS	
Interim Management Statements, third quarter of 2018	November 13, 2018

IMPORTANT TRADE FAIR DATES	
Caravan Salon 2018, Dusseldorf, Germany	August 25–September 2, 2018
SMM 2018, Hamburg, Germany	September 4–7, 2018
Innotrans 2018, Berlin, Germany	September 18–21, 2018
IAA Nutzfahrzeuge 2018, Hannover, Germany	September 20–27, 2018
GIE Expo, Kentucky, United States	October 17–19, 2018
Automotive Interior Expo, Novi, United States	October 23–25, 2018
CeMAT China, Shanghai, China	November 6–9, 2018
EIMA 2018, Bologna, Italy	November 7–11, 2018
Mets 2018, Amsterdam, Netherlands	November 13–15, 2018
Bauma China, Shanghai, China	November 27–30, 2018

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

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