INTERIM REPORT

January to March 2013

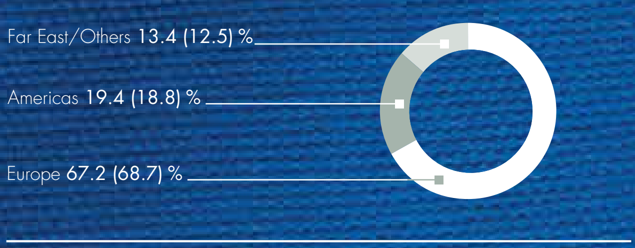
GRAMMER

Key Figures according to IFRS

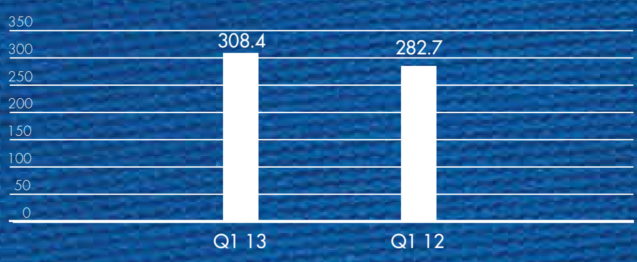
in EUR m	Q1 2013	Q1 2012[1]
Group revenue	308.4	282.7
Automotive revenue	193.7	169.9
Seating Systems revenue	119.6	117.9
Income statement		
EBITDA	22.1	19.6
EBITDA-margin (in %)	7.2	6.9
EBIT	13.8	12.3
EBIT-margin (in %)	4.5	4.4
Profit/loss (–) before income taxes	11.4	9.4
Net profit/loss (–)	8.0	8.0
Statement of financial position		
Total assets	718.9	651.1
Equity	221.3	218.0
Equity ratio (in %)	31	33
Net financial debt	107.1	97.2
Gearing (in %)	48	45
Investments	7.2	7.8
Depreciation and amortization	8.3	7.3
Employees (March 31)	8,934	8,757
Key share data	March 31, 2013	March 31, 2012
Share price (Xetra closing price, in EUR)	21.74	17.50
Number of shares	11,544,674	11,544,674
Market capitalization (in EUR m)	251.0	202.0

[1] Prior-year figures were adjusted to reflect application of IFRS 11 and the amended version of IAS 19.

Revenue by region January – March 2013 (previous year in brackets)



Group revenue by quarter[1] (in EUR m)



[1] adjusted prior-year figures

GRAMMER AG, Amberg, is specialized in the development and manufacturing of components and systems for automotive interiors, as well as driver and passenger seats for offroad vehicles (tractors, construction machines, forklifts) as well as trucks, busses and trains.

The Seating Systems division comprises the truck and offroad segments as well as train and bus seats. The Automotive division supplies head-rests, armrests and center consoles to well-known premium carmakers and systems suppliers for the automotive industry.

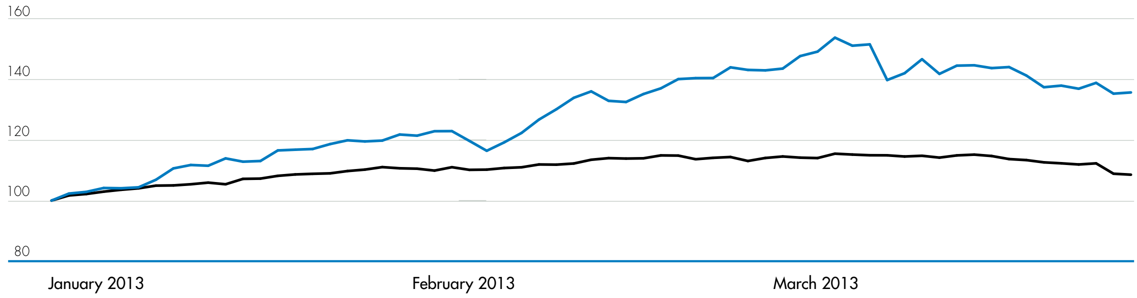
With approximately 9,000 employees in 26 fully consolidated companies, GRAMMER has locations in 18 countries worldwide.

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

GRAMMER Share

GRAMMER Share and SDAX Performance Index – January to March 2013 (in %)



Closing price as of December 31, 2012 = 100 %

GRAMMER AG — SDAX Performance Index

DAX and SDAX

International stock markets saw positive development in the first quarter of 2013. The benchmark DAX passed the 8,000 point mark in March on its way to a new all-time high. Market sentiment was weighed down, however, by persistent uncertainty surrounding the ongoing European debt crisis.

On March 28, 2013, the DAX closed at 7,795 points – an increase of 2.4 % over the 2012 year-end close. The SDAX, in which the GRAMMER share is also listed, outstripped the performance of the DAX. It ended the first quarter at 5,698 points for a gain of 8.6 % against the 2012 close.

GRAMMER share

In the first quarter of the year, the GRAMMER share outperformed both the DAX and the SDAX. It started 2013 with significant gains, reaching its highest point in the reporting period on March 5, 2013 with a closing price of EUR 24.63, an increase of 53.7 % against the 2012 close. This performance was carried by positive news from the company and analysts' recommendations. Over the further course of the reporting period, the GRAMMER share was caught up in the predominating market trend. The share retreated somewhat from the high price gains and ended the first quarter on March 28, 2013 at EUR 21.74 – an increase of 35.7 % over the 2012 year-end close.

Investor Relations

Investor Relations at GRAMMER in the first quarter was characterized by open, prompt and comprehensive communication with shareholders, analysts and journalists as to the latest developments within GRAMMER Group. The focus was on publication of the 2012 Annual Report on March 27, 2013. The annual analyst and press conference was held on the same day in Frankfurt/Main. The GRAMMER AG Executive Board reported on events in the 2012 reporting year and was on hand to answer questions from analysts and journalists.

In January 2013, GRAMMER was honored with the 2012 "BIRD" award for the best investor relations in Germany. In voting by readers of the investor magazine "Börse Online", GRAMMER was named as having the best investor relations out of the companies listed in a selection index from Deutsche Börse in 2012.

All financial reports, press releases, presentations and other important information about the share are permanently available in the Investor Relations section of the GRAMMER AG website.

Shareholder structure

In February 2013, Electra QMC Europe Development Capital Funds plc in Dublin/Ireland reported to GRAMMER AG that it held 9.95 % of voting shares (1,148,907 voting rights) on February 13, 2013. Accordingly, Electra QMC Europe Development Capital Funds remains the largest shareholder in GRAMMER AG.

There were no further changes among majority shareholders representing 3 % or more of voting rights in the first quarter.

DWS Investment GmbH in Frankfurt am Main/Germany is still the second largest shareholder and holds 597,500 shares (5.18 % of voting rights).

Wynnefield Partners Small Cap Value L.P., New York, NY/USA holds 5.17 % of voting capital (597,053 shares).

Sterling Strategic Value Limited holds 3.01 % (348,054 shares) in GRAMMER AG.

Dimensional Fund Advisors LP in Austin, Texas/USA likewise owns 3.01 % of voting capital (347,021 shares).

The current shareholder structure is published in the Investor Relations section of the GRAMMER AG website.

GRAMMER Group in the first quarter of 2013

Continued growth in revenue and earnings over the prior-year period

In the first three months of 2013 GRAMMER Group recorded a very pleasing increase in revenue compared to the prior-year period. This was largely attributable to the Automotive division which was helped both by the still positive economic situation and the new products introduced in 2012, as well as revenue growth from the acquisition of Nectec s.r.o. in February 2013. Consolidated Group revenue rose by about 9.1% to EUR 308.4 million (01 – 03 12: 282.7). As a result of the recovering market in Brazil and positive revenue development, Group EBIT totaled EUR 13.8 million (01 – 03 12: 12.3).

Revenue and earnings

Pickup expected in global economic activity – uncertainties remain

Global economic growth, at 3.2%, was substantially weaker in 2012 than in the preceding years. In the initial months of 2013, there have been growing signs of a pickup in global economic activity, buoyed by an improvement of the situation in financial markets. The tools being employed to combat the euro crisis have helped to allay uncertainty in the markets. The expansive monetary policy of many central banks, including low interest rates and bond buying programs are helping fuel positive outlooks on the economy.

The economy is also once more gaining momentum in the US. The employment situation is improving. The unemployment rate has fallen-off slightly since the start of the year to 7.6%. US household income remains volatile. However, there have been signs of an increase in private consumption. Doubts still persist about future fiscal policy development and continue to weigh on the economy.

The Chinese economy can already look back on growth over the past year. And, this trend will continue in the current year as well. Industrial production in the first two months of 2013 increased by 10%. This is attributable to growth in foreign demand especially from the US and some emerging markets. In the initial months of this year, exports increased by 20% over 2012 levels. Gross domestic product, however, missed expectations and expanded by only 7.7%. On the whole, China will continue to see high rates of growth.

India, too, continued to grow. The pace of expansion, however, continues to lag behind levels seen before the financial crisis.

As a result of stagnating investment by the corporate sector and weak exports, the Japanese economy has not grown recently.

Private-sector investment and foreign direct investment have put the Brazilian economy back on a growth track. Lower unemployment rates have also strengthened domestic demand. At the same time, key interest rates of 7.25% are making for a favorable investment climate.

The eurozone is still mired in a recession. The ongoing consolidation efforts of the public sectors have a negative impact on economic activity, though there has been some improvement in the context of the euro crisis.

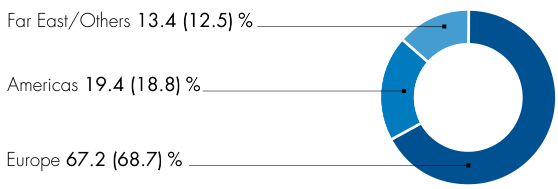
In Germany, economic development has been positive. Driving the growth, as before, is domestic demand. The strong employment market and rising levels of disposable income have bolstered private consumption.

Note: In June 2012, the amendments to IAS 19 "Employee Benefits" was adopted for mandatory application in the EU. The changed standard is to be applied retroactively to financial statements for all years beginning on or after January 1, 2013. Additionally, GRAMMER Group began prospective application of the new IFRS 11 standard, which is mandatory for all fiscal years beginning after January 1, 2014, already starting January 1, 2013. The prior-year figures have been adjusted to reflect the effects from application of the standards.

Group revenue up once again year-over-year

In the current overall economic environment, Group revenue increased substantially in the period until March 31, 2013 to EUR 308.4 million (01 – 03 12: 282.7) – an improvement of EUR 25.7 million or 9.1 % over the previous year. The positive revenue trend of the final months of 2012 thus continued but, due to weakness in European truck market, first-quarter revenue improved in the Automotive division mainly. Revenues increased across all regions during the reporting period. In Europe, revenue was up 6.6 % in the first three months to EUR 207.2 million (01 – 03 12: 194.3). The Americas market segment likewise grew by 12.4 % on the back of a stable US economy and market expansion in Brazil with revenue totaling EUR 59.7 million (01 – 03 12: 53.1). Revenue in the Far East/Other region was very positive at EUR 41.5 million (01 – 03 12: 35.3), an increase of 17.8 %.

Revenue by region (previous year in brackets)



in EUR m

	Q1 2013	Q1 2012 [1]
Europe	207.2	194.3
Americas	59.7	53.1
Far East/Others	41.5	35.3
Total	308.4	282.7

[1] adjusted prior-year figures

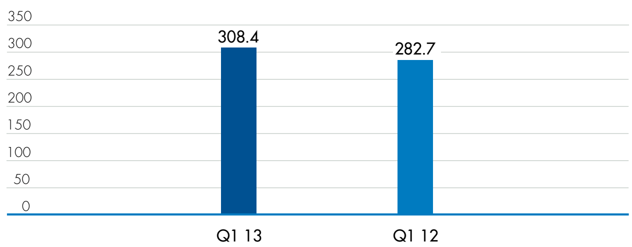
GRAMMER Group's Automotive division succeeded in maintaining the high revenue level of the preceding quarters. Strong revenues in the regions, above all in Europe, resulted from the acquisition of Nectec s.r.o. as well as new product launches in 2012 and good vehicle sales volumes in the premium segment. However, declining registrations and export numbers – especially in Europe – were reported in the first quarter. China also saw substantially higher growth rates in car registration numbers. In the Americas region, business development remains positive for the Automotive division in both North and South America, with expansion throughout these markets.

In the Seating Systems division, demand in the European truck market and construction machinery demand in the growth market China remained weak, whereas Brazil saw growth far in excess of the weak prior year. In the first three months of the current fiscal year, revenues in the offroad market have been characterized by continued stability, while the weakness in Europe's truck market has become more noticeable compared to last year. In the Americas, there was a strong contrast between developments in North and South America. Activities in the seating business segment were stagnant in US markets. In Brazil, on the other hand, markets have continued to improve since January, resulting in a substantial improvement over low 2012 levels. In Asia, revenue development in the first three months of 2013 was on prior years's level.

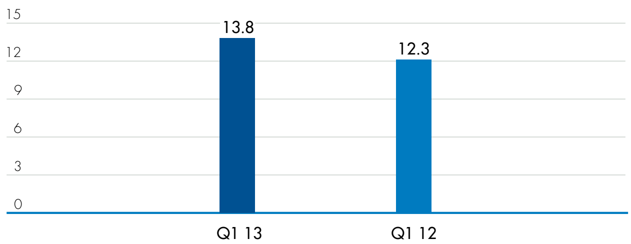
Consolidated earnings influenced by market developments and new production starts

Consolidated earnings before interest and tax (EBIT) totaled EUR 13.8 million in the first three months of 2013 (01 – 03 12: 12.3) – a significant improvement of the prior year. Operating profit in the period was influenced by the recovery in Brazil, costs for plant set-up for console production in Beijing and the acquisition of Nectec s.r.o. as well as considerable volatility in exchange rates. As a result of economic developments and the associated rise in demand, prices for some commodities have risen in some regions over the course of the year to date. Price risks are increasing, especially for steel and petroleum-based products. The current value of the euro versus the US dollar and emerging market currencies have also had a positive impact on earnings.

Group revenue by quarter[1] (in EUR m)



Group EBIT by quarter[1] (in EUR m)



[1] adjusted prior-year figures

Automotive division

Momentum varies across global car markets

There was no uniform trend identifiable across global car markets in the initial months of the year. Momentum has varied between the regions. Particularly in the eurozone, considerable uncertainty is evident with respect to the further development.

The US market has seen a continuation of positive development. In the first three months, 3.7 million light vehicles were sold. This equates to an increase of at least 6 %.

In Brazil, 788,500 passenger cars were registered in the period from January to March 2013 (+2 %).

Compared to the previous year, the Chinese market expanded substantially in the first three months. From January to March 2013, 3.9 million vehicles were registered – or 25 % more than in the same period last year.

Slightly positive were sales figures in the Russian market. In the first three months of 2013, 616,800 vehicles (+0.3 %) were newly registered.

Car markets in India and Japan, on the other hand, saw declining sales. In India, 725,900 have been sold to date this year. This represents an 12 % decline from the same period last year.

Sales in the Japanese market were down as expected in the initial three months of 2013. Government stimulus measures in the first nine months of last year resulted in purchases being pushed forward. Accordingly, car sales volumes have been lower this year, with 1.3 million new passenger vehicles registered in the first three months – a decline of 9 %.

The European market has been characterized by substantial uncertainty at the start of 2013. In the first three months of the year, new passenger vehicle sales in the European Union fell by nearly 10 % to 3.3 million vehicles. In particular, Europe's largest car markets were faced with sizeable declines: e. g. France (-15 %), Spain (-12 %) and Italy (-13 %). The exception was the United Kingdom. From January to March, the increase totaled more than 7 % to reach 605,000 newly registered vehicles.

Some smaller European car markets were faced with a severe falloff in sales volumes during the first quarter. In the Netherlands, the first two months of 2013 saw 30 % fewer vehicles registered. In Greece, the decline reached nearly 18 %. Only Denmark (+3 %) and Portugal (+3 %) were able to grow somewhat.

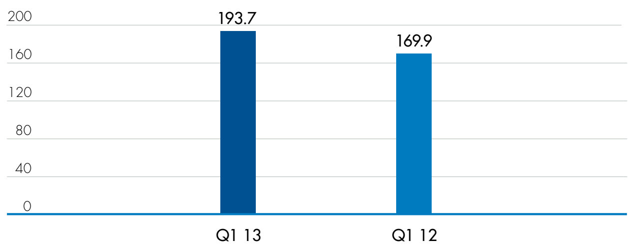
In Germany, 674,000 new vehicles were registered in the first quarter of 2013. This represents a decrease of nearly 13 % as compared to the same period last year. March sales, at 281,200 vehicles, were 40 % stronger than the February figure. Compared to March 2012, however, this represents a decline of 17 %.

Revenue growth in Automotive business

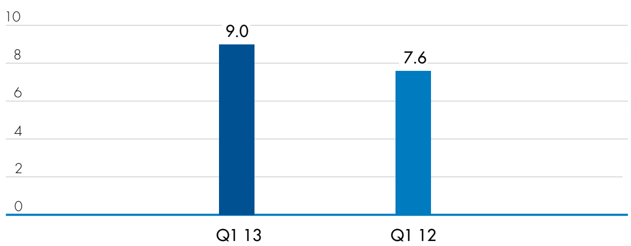
Due to new production starts in 2012, continued strength of the Chinese market for premium vehicles and the acquisition of Nectec s.r.o., business in our Automotive division during the first three months of 2013 was characterized by growing revenues despite falling registration numbers. As of March 31, 2013, revenue had increased by a substantial 14 % or EUR 23.8 million to EUR 193.7 million (01 – 03 12: 169.9). Our positioning in the premium segment and the acquisition of Nectec s.r.o. allowed us to more than compensate for the general decline in the European market. In China as well, continued high demand for mid-size and premium class vehicles led to increased revenues for GRAMMER. Robust economic activity in the US helped maintain revenue at a high level in the NAFTA region, and in the Brazilian car market signs of recovery continued in the first quarter.

Operating profit in the Automotive division totaled EUR 9.0 million in the first three months (01 – 03 12: 7.6), as a result of the above developments and the set-up of new plants. In the first quarter, we achieved an EBIT margin of 4.7 % (01 – 03 12: 4.5). Results were further influenced by the rise in commodity prices and currency volatility, especially in the US dollar, Mexican peso, Polish zloty and Czech koruna. Yet, the satisfactory developments in the first three months are a testament to the right product orientation, with a more diverse mix of core products. Nonetheless, expected decline in new car registration numbers as well as the sudden spurts of volatility in exchange rates and commodity prices are a growing source of significant challenges for the Company.

Automotive revenue by quarter[1] (in EUR m)



Automotive EBIT by quarter[1] (in EUR m)



[1] adjusted prior-year figures

Seating Systems division

Uneven development in commercial vehicle markets
In the area of commercial vehicles, no general recovery can be seen in the worldwide markets. Both regionally and across size classes, performance has been extremely varied.

Following high growth last year, the US market contracted in the first quarter of this year. In the first three months of the year, 75,423 new trucks over 6 tons were registered (–9 %). Sales of heavy trucks were down 17 % (38,805 units), while medium trucks, slightly increased to 36,618 units sold (+1 %).

Last year, after the introduction of new emission standards, Brazil was hit by double-digit sales declines. In the new year, this contraction has slowed with 33,097 new trucks over 6 tons registered in the period from January to March. The decline from the prior-year period thus totaled 7 %. Production of commercial vehicles is once more on the increase in Brazil. In the first quarter, nearly 53,491 units were produced, 42 % more than last year.

The Chinese market for heavy trucks continues to decline. In all, first-quarter sales totaled 241,975 units (–12 %).

India, too, has seen decreasing demand for trucks over 3.5 tons. From January to March, 70,184 units (–33 %) were sold.

In Western Europe, weak investment activity in the first quarter has weighed on demand for commercial vehicles. The market contracted by 11 % in the first three months to 388,913 units. In the heavy truck segment, the decline was even more dramatic. A total of 50,989 trucks over 6 tons (–19 %) were sold.

Developments on the German market for commercial vehicles were on par with the rest of Europe: From January to March, 63,254 units (-16 %) were registered. A total of 16,565 heavy trucks (-9 %) were sold.

Agricultural machinery industry
Following a successful 2012 for the agricultural machinery industry in Germany, the sector saw a slow start into the new year. From January to March 2013, 7,275 new tractors were registered in Germany. This represents a 12.3 % decline from the same period last year.

Material handling
According to the industry association, bbi (Bundesverband der Baumaschinen-, Baugeräte- und Industriemaschinenfirmen e.V.), industry sentiment remains optimistic with expectations of revenue growth this year.

Construction machinery
The construction machinery industry has faced considerable uncertainty as to the further course of economic development in the initial part of this year. However, a recovery is expected as the year progresses.

Railway
The railway industry began 2013 on a positive note, building on the revenue growth of last year.

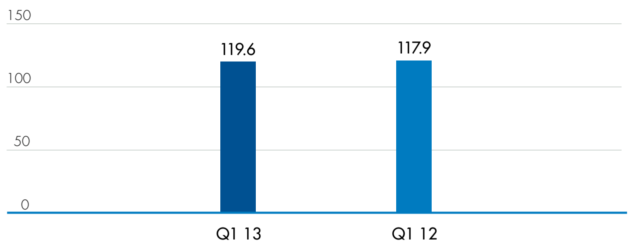
Seating Systems performance marked by difficult order situation in Europe
Revenue development in the Seating Systems division as a whole was slightly higher compared to last year in the first three months of 2013. The various product segments within the division remained stagnant, especially as a result of the weak order situation in Europe. Nonetheless, we were able to continue with a high rate of production.

In the truck segment the recovery in Brazil's market helped us hold to the level of the previous quarters, despite the weakness in European truck markets. Offroad business was also hit by a slight decline in demand, but the level remained satisfactory in Europe and the Americas. New production starts for the European the truck market in 2012 had a stabilizing effect on revenue development in the reporting period. Our excellent market positioning and thus compensated for the difficult situation in Europe, so that revenue remained roughly on par with the comparable prior-year period.

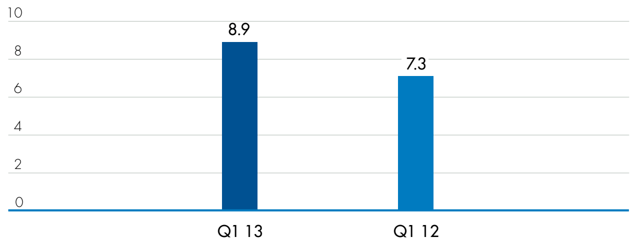
The railway segment in 2012 saw us winning several large domestic and international orders, which positively influenced the order situation in the first quarter. In the period from January to March 2013, revenue improved slightly over the previous year.

On the whole, Seating Systems division revenue in the first three months was up only slightly year-over-year to EUR 119.6 million (01 – 03 12: 117.9). Earnings improved modestly after the cost intensive production starts in 2012 and on the back of positive revenue development in Brazil, so that operating profit in the Seating Systems division rose to EUR 8.9 million, compared to EUR 7.3 million last year and a pleasing EBIT margin at 7.4 % (01 – 03 12: 6.2) could be achieved.

Seating Systems revenue by quarter[1] (in EUR m)



Seating Systems EBIT by quarter[1] (in EUR m)



[1] adjusted prior-year figures

Financial position

Note on accounting figures: 2012 = adjusted figures as of December 31, 2012

Total assets higher due to growth
As of March 31, 2013, the total assets of GRAMMER Group amounted to EUR 718.9 million (2012: 668.9). This equates to a rise of EUR 50.0 million as compared to the close of 2012, attributable largely to the increase in trade accounts receivable and the takeover of Nectec s.r.o. The latter is reflected in large part in the rise of non-current assets by EUR 25.8 to EUR 292.6 million. Property, plant and equipment increased by EUR 9.3 million to EUR 175.5 million, and intangible assets by EUR 16.4 million. In the context of the transaction of Nectec s.r.o. EUR 13.9 million in intangible assets were acquired, of which EUR 3.8 million represents proportional goodwill and EUR 10.1 million acquired patents and customer orders. The increase in deferred taxes is traceable to the effects of pension revaluations as a result of changes in IAS 19 that came into force on January 1, 2013.

Current assets increased as a result of revenue growth in the Automotive division in the new company acquisition by EUR 24.2 million to EUR 426.3 million. Trade accounts receivable increased to EUR 177.4 million (2012: 140.9) and other current financial assets rose to EUR 73.1 million (2012: 64.2) as a result of the PoC receivables contained therein. At EUR 107.6 million, inventories were roughly on a level with last year (2012: 106.9). Cash and short-term deposits at the reporting date were down slightly at EUR 46.1 million (2012: 73.1) as a result of the takeover of Nectec s.r.o. As explained in the 2012 Annual Report, liquidity positions were built up to finance the acquisition, which have now been used for the stated purpose.

Positive business developments raised equity in GRAMMER Group above the figures at the end of 2012 to EUR 221.3 million (2012: 213.1), despite the actuarial losses recognized under equity from the revaluation of pensions due to changes in IAS 19. The equity ratio at roughly 31 % is now down slightly from the level at the end of last year (2012: 33) as a result of the balance sheet expansion.

Non-current liabilities increased over last year to EUR 205.5 million (2012: 199.5), due primarily to the above-stated adjustment of pension provisions effective from January 1, 2013. The elimination of the corridor method through inclusion in actuarial losses resulted in a EUR 25.8 million increase in pension provisions. Non-current financial liabilities were also up slightly to EUR 79.4 million (2012: 76.8).

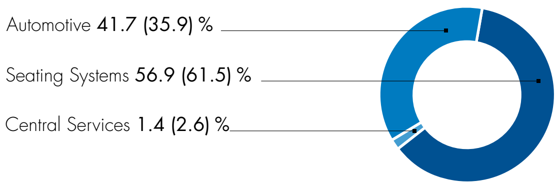
An increase in current liabilities to EUR 292.2 million, though current financial liabilities remained nearly unchanged at EUR 73.7 million (2012: 72.8), as the acquisition of Nectec s.r.o. was financed from available liquidity without additional debt in accordance with our financing strategy. The EUR 110 million global credit facility matures in mid-2015. Further measures for optimization of group financing have been initiated for restructuring of loans falling due. The gearing ratio is at 48 % (2012: 45).

Business performance has resulted in an increase of trade payables by EUR 16.5 million to EUR 135.9 million, along with an EUR 19.0 million rise in other current liabilities to EUR 67.3 million. Thus, the asset-side expansion is also balanced primarily by operating liabilities.

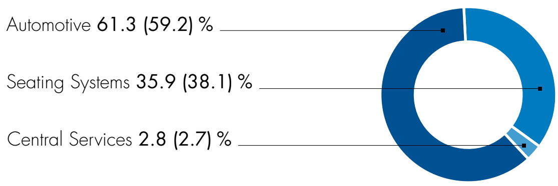
Additional information on the recognised assets, equity and liabilities of the Group, as well as the effects of the accounting changes can be derived from the consolidated statement of financial position, the development of group equity and the relevant explanations in the notes.

Investment focused on new products
Investments by GRAMMER Group, at EUR 7.2 million (01 – 03 12: 7.8) without the acquisition, were down slightly compared to the same period last year. With the setup of production for the new generation of truck seats and spending on expansion to optimize production during first quarter, the Company invested EUR 4.1 million (01 – 03 12: 4.8) in property, plant and equipment for the Seating Systems division. In the Automotive division, investments totaled EUR 3.0 million (01 – 03 12: 2.8), which was used primarily for building of center console production capacities. We continued to significantly restrain investment in the Central Services division.

Investments by segments, January to March 2013 (previous year in brackets)



Employees by segments, March 31, 2013 (previous year in brackets)



in EUR m

	Q1 2013	Q1 2012 [1]
Automotive	3.0	2.8
Seating Systems	4.1	4.8
Central Services	0.1	0.2
Total	7.2	7.8

[1] adjusted prior-year figures

as of March 31

	Q1 2013	Q1 2012 [1]
Automotive	5,476	5,180
Seating Systems	3,204	3,341
Central Services	254	236
Total	8,934	8,757

[1] adjusted prior-year figures

Employees

As of March 31, 2013, GRAMMER Group had a total of 8,934 employees (March 31, 2012: 8,757). The number of people employed in the Automotive division increased to 5,476 (March 31, 2012: 5,180), of which 240 employees were added to the Group through the takeover of Nectec s.r.o. Otherwise, the number of direct employees continued to increase primarily at plants outside of Germany, in China, Mexico and Serbia. As of March 31, 2013, the Seating Systems division employed a total of 3,204 people (March 31, 2012: 3,341). In the Seating Systems division, headcount development was influenced by optimization after the start-up of truck seat production, which necessitated increases in operating personnel capacity compared to the previous year. The Central Services division employed 254 (March 31, 2012: 236). Although in 2013 the average number of employees has increased slightly as a result of the new company acquisition, GRAMMER has benefited from efficiency effects as well as a lower labour cost ratio.

Outlook for full-year 2013

Global economic outlook

Signs are increasing that the global economy will grow more strongly this year than last. This is due to improving conditions in financial markets. Still of crucial importance for global economic performance this year, however, would be the further developments in the euro crisis as well as in commodity prices. According to the spring forecast of the German Institute for Economic Research (Deutsches Institut für Wirtschaftsforschung – DIW), worldwide output is set to expand by 3.4 % this year. The International Monetary Fund (IMF), in April's World Economic Outlook, also sees an improved outlook for the global economy and forecasts growth of 3.3 %.

In the US, uncertainty with respect to the fiscal situation will continue to burden the economy. The federal government is once more headed towards the debt ceiling. The DIW is forecasting economic growth of 1.6 % this year. The IMF likewise foresees solid growth of 1.9 % for the US.

In Brazil, the FIFA World Cup coming up next year is already having an impact. Extensive public sector investments in infrastructure projects will be required to prepare for this major event. The economy is expected to see growth. The DIW forecasts expansion of 3.9 %, while the IMF foresees 3 % growth this year.

The Chinese economy is set to grow by 8 % (IMF) or 8.5 % (DIW) this year. Demand from abroad is likely to abate somewhat. Investment, on the other hand, should see robust growth.

In India, GDP is expected to increase by 4.3 % (DIW) and 5.7 % (IMF).

In the eurozone, measures implemented to combat the euro crisis are expected to take hold, reducing the risk of sovereign default and a breakup of the currency union. At the same time, budget consolidation will stand in the way of a broad-based economic recovery.

Both the IMF and the DIW agree that aggregate output in the eurozone will contract by 0.3% this year. This decline is markedly smaller than what was seen last year. Contributing to this decline is not only the weakness in the smaller EU countries. The IMF is forecasting contraction of 1.5% for Italy and 1.6% for Spain. For France as well, one of the larger economies, economic contraction of 0.1% is expected, which will have a slowing effect on the overall situation in the eurozone.

For Germany, forecasts of GDP growth vary. The DIW anticipates growth of 0.7%. In their spring forecasts, leading German economic institutes are calling for an increase of 0.8% in GDP. The IMF's World Economic Outlook in April indicates expansion of 0.6%, revising its earlier forecast for Germany upward by 0.1 percentage points.

Automotive industry – outlook 2013

Worldwide automotive industry cautiously optimistic, but with sharp declines in Western Europe
Following completion of the first quarter, there are no clear indications as to how the markets develop over the course of the year.

The German Association of the Automotive Industry (VDA) expects worldwide passenger vehicle sales to increase by roughly 2% year-over-year to more than 70 million vehicles.

For the US market, the VDA currently expects growth of 5% to more than 15 million cars. If the positive development of the US economy continues, the VDA might revise its forecast upward.

In China as well, the market is set to continue growing. For 2013, the VDA expects growth of 8% to more than 14 million cars. Assuming the Chinese economy continues its positive development bringing with it a strengthening of domestic consumption, this forecast as well may need to be revised upward.

In India, the VDA is currently anticipating 3% growth to nearly 3 million vehicles.

The Japanese car market, according to the VDA, will see roughly 4 million new passenger vehicle registrations this year – a decline of 11%.

The VDA also foresees contraction for the Western European car market this year. The association expects a moderate mid-year improvement after a weak first quarter. A broad-based recovery, however, will only materialize with an improvement of the macroeconomic environment. For 2013 as a whole, the VDA therefore anticipates a 5% decline to around 11 million cars.

In Germany, the VDA sees nearly 3 million vehicles being sold in 2013, or roughly 6% less than last year. The association bases this forecast on the continuing lack of momentum in private vehicle purchases.

Commercial vehicles industry – outlook 2013

Uneven development in the commercial vehicles sector
The worldwide markets for heavy commercial vehicles will see varied performance this year.

In the US, the VDA is assuming sideways movement of the commercial vehicles market, with roughly 151,000 medium trucks and 195,000 heavy trucks being sold this year.

The Brazilian market will achieve a turnaround in the opinion of the VDA. Following the collapse of the market at the start of last year, the market for commercial vehicles over 6 tons will expand moderately this year by 6% to 141,000 units.

The outlooks for China and India are positive. The VDA is forecasting sales of nearly 1 million trucks over 6 tons in China (+6%). In India, the association says expansion will be even stronger. A total of 321,000 heavy trucks are expected to be registered here in 2013 (+6%).

In Western Europe, the VDA is expecting a contraction of the market for heavy trucks by 4% to 227,000 units. In total, approximately 1.6 million commercial vehicles (–3%) are expected to be registered this year in Western Europe.

In light of prevailing economic conditions, no fundamental recovery of the commercial vehicles market in Germany can be expected this year. The introduction of the Euro VI emission standard coming in 2014, however, could lead to some purchases being brought forward in the second half. For 2013, the VDA is forecasting sales of 77,000 heavy trucks (–4%) and 297,000 total units across all commercial vehicle segments (–5%).

Agricultural machinery industry
According to Germany's mechanical and industrial engineering association, VDMA (Verband Deutscher Maschinen und Anlagenbau), the agricultural machinery industry in Germany will continue building on the positive prior year and maintain high revenue levels. Across the EU, the importance of export markets in Eastern Europe will increase. In Southern Europe, order volumes are expected to rebound.

Material handling
Based on figures from the industry association, bbi (Bundesverband der Baumaschinen-, Baugeräte- und Industriemaschinenfirmen e.V.), companies are optimistic about the outlook for 2013 and expect revenue growth of 3 % this year.

Construction machinery
The VDMA is anticipating a slow start for the construction machinery industry in 2013. However, a recovery is expected as the year progresses. On the whole, the VDMA foresees neither significant growth nor contraction this year.

Railway
The German Railway Industry Association (VDB) expects the worldwide market for railway equipment to grow by 2.7 % annually until 2017. The strongest growth will be seen in Latin America (excluding Mexico) as well as Africa and the Middle East.

Automotive division – outlook 2013
For the Automotive division, we expect positive revenue performance for 2013 as the result of the performance to date, current forecasts and additional revenues from the Nectec s.r.o. acquisition. Certain upper and premium class vehicles have experienced increased sales following the model changeovers. Assuming developments remain as planned, the new production starts in the mid-size and premium segments will contribute to revenue stabilization in the coming months. There have been initial signs, however, that the forecasts of the OEMs are not characterized by expectations of growth. Developments in export and emerging markets are more difficult to gauge, as a result of higher order volatility and currency fluctuations. Further risks from the euro crisis and the related danger of declining OEM sales could also dampen revenue growth somewhat. Future order volumes and their constancy until the end of the year cannot yet be fully quantified given the current lack of concrete information from OEMs.

In addition to revenue expectations, operating profit for the Automotive division in 2013 will be heavily influenced by commodity market and exchange rate developments. The planned expansions of production capacities for new products continue to influence results. Assuming new product launches of our customers remain stable and continue to go forward as planned, a positive operating profit slightly higher than previous year can be expected.

Seating Systems division – outlook 2013
The good order situation since the beginning of the year currently remains at a satisfactorily high level and will begin to slow somewhat on seasonal effects by the latest in the third quarter. In the Seating Systems division, revenue in offroad business remains at a high level. A repeat of last year's significant year-over-year revenue gains, however, should not be expected. The further development of demand is likely to follow a typical seasonal pattern in the summer months, remaining stable in Europe and the US, with a slight positive recovery in in South America. In truck seat business, markets continue to cool down in Europe, while demand in the US has stabilized. In emerging market countries – above all Brazil – the markets have begun to rebound. New production starts and the market recovery in Brazil will serve to offset the current market weakness in the European truck segment. For the second half of 2013, we expect stable revenue development in the Seating Systems division, so that full-year revenue will be slightly higher year-over-year. As a result of the ongoing high revenue levels in offroad business, currently stable sector performance and our good market position, as well as the improving situation in the Brazilian truck market and lower costs for new truck seat production, the Seating Systems division will continue to perform well at the current level over the coming months.

GRAMMER Group – outlook for full-year 2013
In the first quarter, revenues grew at a good pace and indications are cautiously positive for the second quarter as well. Orders, however, are still characterized by short lead times and volatility, which could lead to declines with little or no warning. Risks remain as well from the prevailing currency market conditions relating to the euro crisis and from commodity prices. Customers continue to hold back with concrete forecasts and reliable, long-term order volumes.

GRAMMER Group's business performance is also closely tied to macroeconomic and industry-specific conditions, and is thus largely determined by external factors. Consequently, despite relatively stable performance, revenue and earnings could be impacted by factors over which the Company has no influence. Revenue performance in full-year 2013 will be slightly improved year-over-year. Expansion of truck seat production, various new production starts, market developments in South America and activities in China will remain the focus for GRAMMER Group in 2013. Based on current conditions and despite the factors and emerging trends described above, the earnings outlook this year should be viewed with cautious optimism, provided no further risks arise from exchange rate developments and there is no worsening of effects from the euro crisis.

Summary statement by the Executive Board
With a view to the business situation in the first three months of 2013 and given the current economic situation in Europe, Asia and the USA, our outlook for GRAMMER Group foresees continued steady business performance. The persisting weakness in Europe in particular is likely to limit the growth of operating profit, so that, for the full year, we expect revenue and earnings slightly better than last year. We will continue to closely monitor the risks from exchange rates and the euro crisis, as well as developments in truck markets, as these could have a slowing effect in the event of extreme developments.

Opportunities and risks
In addition to the risks and opportunities to which we refer in the Management Report of the Annual Report for the fiscal year ended December 31, 2012, the facts described in the "Outlook" section of this report are currently relevant to the situation of the Company. This section contains forward-looking statements reflecting the opinions of the management of GRAMMER AG 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 factors of uncertainty. Moreover, there is an increased risk of price increases and insolvency among our suppliers, which our purchasing department is attempting to mitigate through expanded monitoring activities and global sourcing. Developments in the European car market also present additional risks, as experts are forecasting a weaker market environment. Should European economic growth continue to lose strength, it could start a downward trend in markets that have remained stable up to now. At this time, the Company cannot evaluate either the effects or the complexity of these risks.

Responsibility statement
We hereby affirm to the best of our knowledge, and in accordance with the applicable accounting principles, that the Consolidated Financial Statements/Interim Consolidated Financial Statements present a true and fair view of the net assets, financial position and results of operations of the Group, and that the Group Management Report renders a fair view of the development and performance of the business and the situation of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Amberg, May 7, 2013

GRAMMER AG
The Executive Board

Consolidated Statement of Income
January 1 – March 31, 2013 (unaudited)

EUR k

	01 – 03 2013	01 – 03 2012 adjusted [1]
Revenue	308,357	282,667
Cost of sales	–267,456	–244,647
Gross profit	**40,901**	**38,020**
Selling expenses	–6,284	–6,314
Administrative expenses	–21,664	–21,133
Other operating income	861	1,726
Operating profit/loss (–)	**13,814**	**12,299**
Financial income	325	333
Financial expenses	–3,057	–3,062
Other financial result	337	–179
Profit/loss (–) before income taxes	**11,419**	**9,391**
Income taxes	–3,426	–1,356
Net profit/loss (–)	**7,993**	**8,035**
Of which attributable to:		
Shareholders of the parent company	7,969	8,001
Non-controlling interests	24	34
	7,993	**8,035**

Earnings/loss (–) per share

	01 – 03 2013	01 – 03 2012
Basic/diluted earnings/loss (–) per share in EUR	0.71	0.71

[1] Prior-year figures were adjusted to reflect application of IFRS 11 and the amended version of IAS 19.

Consolidated Statement of Comprehensive Income January 1 – March 31, 2013 (unaudited)

EUR k

	01 – 03 2013	01 – 03 2012 adjusted [1]
Net profit/loss (–)	7,993	8,035
Amounts not to be recycled in income in future periods		
Actuarial Gains/Losses (–) from defined benefit plans		
Gains/Losses (–) in the current period	0	0
Tax expenses (–)/Tax income	0	0
Actuarial Gains/Losses (–) from defined benefit plans (after tax)	0	0
Total amount not to be recycled in income in future periods	0	0
Amounts potentially recycled in income in future periods		
Gains/Losses (–) from currency translation of foreign subsidiaries		
Gains/Losses (–) arising in the current period	–2,056	–855
Less transfers recognized in the Income Statement	0	0
Tax expenses (–)/Tax income	0	0
Gains/Losses (–) from currency translation of foreign subsidiaries (after tax)	–2,056	–855
Gains/Losses (–) from cash flow hedges		
Gains/Losses (–) arising in the current period	199	–292
Less transfers recognized in the Income Statement	–44	–35
Tax expenses (–)/Tax income	–20	71
Gains/Losses (–) from cash flow hedges (after tax)	135	–256
Gains/Losses (–) from net investments in foreign operations		
Gains/Losses (–) arising in the current period	2,115	1,235
Less transfers recognized in the Income Statement	0	0
Tax expenses (–)/Tax income	0	0
Gains/Losses (–) from net investments in foreign operations (after tax)	2,115	1,235
Total amount to be potentially recycled in income in future periods	194	124
Other comprehensive income	194	124
Total comprehensive income (after tax)	8,187	8,159
Of which attributable to:		
Shareholders of the parent company	8,162	8,123
Non-controlling interests	25	36

[1] Prior-year figures were adjusted to reflect application of IFRS 11 and the amended version of IAS 19.

Consolidated Statement of Financial Position as of March 31, 2013 (unaudited)

ASSETS

EUR k

	March 31, 2013	December 31, 2012 adjusted [1]
Non-current assets		
Property, plant and equipment	175,547	166,204
Intangible assets	73,305	56,921
Investments measured at equity	130	0
Other financial assets	919	1,212
Income tax assets	57	57
Deferred tax assets	42,639	42,396
	292,597	**266,790**
Current assets		
Inventories	107,597	106,900
Trade accounts receivable	177,405	140,857
Other current financial assets	73,114	64,151
Short-term income tax assets	2,575	2,298
Cash and short-term deposits	46,091	73,133
Other current assets	19,543	14,805
	426,325	**402,144**
Total assets	**718,922**	**668,934**

EQUITY AND LIABILITIES

EUR k

	March 31, 2013	December 31, 2012 adjusted [1]
Equity		
Subscribed capital	29,554	29,554
Capital reserve	74,444	74,444
Own shares	–7,441	–7,441
Retained earnings	142,769	134,800
Accumulated other comprehensive income	–18,592	–18,785
Equity attributable to shareholders of the parent company	**220,734**	**212,572**
Non-controlling interests	547	522
Total equity	**221,281**	**213,094**
Non-current liabilities		
Non-current financial liabilities	79,416	76,778
Trade accounts payable	3,607	5,254
Other financial liabilities	4,198	2,549
Retirement benefit obligations	95,070	94,007
Income tax liabilities	571	571
Deferred tax liabilities	22,613	20,288
	205,475	**199,447**
Current liabilities		
Current financial liabilities	73,742	72,822
Current trade accounts payable	132,273	114,105
Other current financial liabilities	4,435	9,334
Other current liabilities	67,263	48,301
Current income tax liabilities	3,830	2,197
Provisions	10,623	9,634
	292,166	**256,393**
Total liabilities	**497,641**	**455,840**
Total equity and liabilities	**718,922**	**668,934**

[1] Prior-year figures were adjusted to reflect application of IFRS 11 and the amended version of IAS 19.

Consolidated Statement of Cash Flow
January 1 – March 31, 2013 (unaudited)

EUR k

	01 – 03 2013	01 – 03 2012 adjusted [1]
1. Cash flow from operating activities		
Profit/Loss (–) before income taxes	11,419	9,391
Non-cash items		
Depreciation of property, plant and equipment	6,488	6,248
Amortization of intangible assets	1,841	1,016
Changes in provisions and pension provisions	4,211	1,448
Other non-cash changes	8,763	–3,500
Changes in net working capital		
Decrease/Increase (–) in trade accounts receivable and other receivables	–44,350	–30,741
Decrease/Increase (–) in inventories	1,009	–4,503
Decrease/Increase (–) in other assets	–8,023	628
Decrease (–)/Increase in accounts payable and other liabilities	18,812	21,763
Gains/Losses from disposal of assets	115	–170
Income taxes paid	0	0
Cash flow from operating activities	**285**	**1,580**
2. Cash flow from investing activities		
Purchases		
Purchase of property, plant and equipment	–6,765	–7,647
Purchase of intangible assets	–426	–186
Purchase of financial investments	0	0
Aquisition of subsidiaries (less acquired cash)	–21,896	0
Disposals		
Disposal of property, plant and equipment	0	233
Disposal of intangible assets	0	5
Disposal of financial investments	15	147
Interest received	326	333
Government grants received	0	356
Cash flow from investing activities	**–28,746**	**–6,759**
3. Cash flow from financing activities		
Dividend payments	0	0
Issue of new shares	0	0
Changes in non-current liabilities to banks	248	122
Changes in current liabilities to banks	910	351
Changes in lease liabilities	2,292	2,592
Interest paid	–2,120	–2,472
Cash flow from financing activities	**1,330**	**593**
4. Cash and cash equivalents at end of period		
Net changes in cash and cash equivalents (sub-total of items 1–3)	–27,131	–4,586
Change in scope of consolidation	–181	–24
Effects of exchanges rate differences of cash and cash equivalents	0	0
Cash and cash equivalents as of January 1	71,400	44,904
Cash and cash equivalents as of March 31	**44,088**	**40,294**
5. Analysis of cash and cash equivalents		
Cash and short-term deposits	46,091	42,848
Change in scope of consolidation	–181	–24
Bank overdrafts	–1,822	–2,530
Cash and cash equivalents as of March 31	**44,088**	**40,294**

[1] Prior-year figures were adjusted to reflect application of IFRS 11 and the amended version of IAS 19.

Consolidated Statement of Changes in Equity as of March 31, 2013 (unaudited)

EUR k

					Accumulated other comprehensive income						
	Subscribed capital	Capital reserve	Revenue reserve	Own shares	Cash flow hedges	Currency translation	Net investments in foreign operations	Actuarial gains/losses from defined benefit plans	Total	Non-controlling interests	Group equity
As of January 1, 2013	29,554	74,444	131,426	−7,441	−1,831	6,946	−5,575	0	227,523	522	228,045
Accounting method changes	0	0	3,374	0	0	0	0	−18,325	−14,951	0	−14,951
As of January 1, 2013 adjusted[1]	29,554	74,444	134,800	−7,441	−1,831	6,946	−5,575	−18,325	212,572	522	213,094
Net profit/loss (–) for the period	0	0	7,969	0	0	0	0	0	7,969	24	7,993
Other comprehensive income	0	0	0	0	135	−2,057	2,115	0	193	1	194
Total comprehensive income	0	0	7,969	0	135	−2,057	2,115	0	8,162	25	8,187
Dividends	0	0	0	0	0	0	0	0	0	0	0
Own shares	0	0	0	0	0	0	0	0	0	0	0
Acquisition of non-controlling interests	0	0	0	0	0	0	0	0	0	0	0
As of March 31, 2013	29,554	74,444	142,769	−7,441	−1,696	4,889	−3,460	−18,325	220,734	547	221,281

[1] Prior-year figures were adjusted to reflect application of IFRS 11 and the amended version of IAS 19.

Consolidated Statement of Changes in Equity as of March 31, 2012 (unaudited)

EUR k adjusted[1]

					Accumulated other comprehensive income						
	Subscribed capital	Capital reserve	Revenue reserve	Own shares	Cash flow hedges	Currency translation	Net investments in foreign operations	Actuarial gains/losses from defined benefit plans	Total	Non-controlling interests	Group equity
As of January 1, 2012	29,554	74,444	111,528	–7,441	–662	9,939	–6,671	0	210,691	474	211,165
Accounting method changes	0	0	–620	0	0	0	3,076	–3,849	–1,393	0	–1,393
As of January 1, 2012 adjusted[1]	29,554	74,444	110,908	–7,441	–662	9,939	–3,595	–3,849	209,298	474	209,772
Net profit/loss (–) for the period	0	0	7,641	0	0	0	0	0	7,641	34	7,675
Net profit/loss (–) for the period adjusted[1]	0	0	360	0	0	0	0	0	360	0	360
Other comprehensive income	0	0	0	0	–256	–857	1,235	0	122	2	124
Total comprehensive income	0	0	8,001	0	–256	–857	1,235	0	8,123	36	8,159
Dividends	0	0	0	0	0	0	0	0	0	0	0
Own shares	0	0	0	0	0	0	0	0	0	0	0
Acquisition of non-controlling interests	0	0	0	0	0	0	0	0	0	8	8
As of March 31, 2012	29,554	74,444	118,909	–7,441	–918	9,082	–2,360	–3,849	217,421	518	217,939

[1] Prior-year figures were adjusted to reflect application of IFRS 11 and the amended version of IAS 19.

Selected Notes to the GRAMMER AG Consolidated Statement of Income for the Period from January 1 to March 31, 2013 and the Consolidated Statement of Financial Position as of March 31, 2013 (unaudited)

Principles and methods of accounting in the interim financial statements

GRAMMER AG prepared its Consolidated Financial Statements for fiscal year 2012 and the present Interim Financial Statements for the period ended March 31, 2013 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 March 31, 2013, 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 2012. 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, 2013, 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, 2013. 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.

Adjustments of prior-year figures in the presentation of financial statements result, as in the 2012 Annual Report announced, from mandatory and prospective application of standards. The changes resulting from these standards produce material effects as described below.

Amendments to IAS 19 Employee Benefits

The IASB has comprehensively revised IAS 19. The implemented amendments range from fundamental changes, e.g. with respect to calculation of expected gains from plan assets and elimination of the corridor method, to simple clarifications and rewording. The amended version of IAS 19 was published in June 2011 and is applicable for the first time in the fiscal year beginning on or after January 1, 2013. The standard is to be applied retroactively. Since the Group formerly applied the now prohibited corridor method, in the future the provision amount will reflect the full extent of the pension commitments, with calculated actuarial gains and losses being fully recognized under other comprehensive income in the period when they occur. Furthermore, any offsetting of past service costs resulting from plan amendments is immediately recognized in net profit or loss for the period. Amortization over multiple years is no longer applied. This change in the new version of IAS 19, which is to be applied beginning January 1, 2013, means that calculated actuarial gains/losses are recognized upon initial application in equity. This accounting change effective from January 1, 2013 results in the figures outlined in the following table, which at the reporting date – as the discount factor has fallen to a very low long-term average in the context of the euro crisis – are considerably higher but not realized.

The retrospective effects of the changes are as follows:

Effects from amendments to IAS 19 on consolidated statement of financial position

EUR k	Dec. 31, 12	Dec. 31, 12 [1]
Retirement benefit obligations	68,175	94,007
Equity	228,045	209,720

[1] adjusted prior-year figures

Effects from amendments to IAS 19 on consolidated statement of financial position

EUR k	Dec. 31, 12	Jan. 1, 12
Expenses recognized in other result	–14,499	–3,849
Changes in deferred taxes	5,939	1,545
Net addition to retirement benefit obligations	20,438	5,394

The following effects would have resulted in the Consolidated Financial Statements as of December 31, 2012 if the previous version of IAS 19 were applied:

Effects from non-amendments to IAS 19 on consolidated statement of financial position

EUR k	Dec. 31, 12
Equity	+18.325
Changes in deferred taxes	–7.507
Reductions in retirement benefit obligations	–25.832

Application IFRS 13

In May 2011, the IASB published IFRS 13 Fair Value Measurement, which brings together the various rules about fair value measurement, which were previously defined in separate standards, into a single standard. IFRS 13 is to be prospectively applied fiscal years starting on or after January 1, 2013. No material effects on valuations of assets and liabilities have resulted from initial application. The changes primarily affect the notes to the consolidated financial statements. In the future, the information on market values of financial instruments as well as their classification, previously reportable on an annual basis, must also be included in interim reporting.

IFRS 10 Consolidated Financial Statements
IFRS 10 was published in May 2011 and is applicable for the first time in the fiscal year starting on or after January 1, 2014. The new standard replaces the previous IAS 27 Consolidated and Separate Financial Statements as well as interpretation SIC 12 Consolidation – Special Purpose Entities. IFRS 10 defines a uniform control concept, which is applicable to all companies, including special purpose entities. The changes under IFRS 10 necessitate considerably more discretionary scope on the part of the management compared to the previous framework with respect to the issue of which companies are controlled and, thus, whether or not they are to be fully consolidated in the Group's financial statements. The provisions of IFRS 10 have been prospectively applied, in combination with prospective application of IFRS 11 and IFRS 12, beginning January 1, 2013. The Group expects no changes to the scope of consolidation from prospective application standard beyond a clarification of the companies included in consolidation and the nature of the control exercised over those companies.

IFRS 11 Joint Arrangements
IFRS 11 was published in May 2011 and is applicable for the first time in the fiscal year starting on or after January 1, 2014. Prospective application of the new standard is permissible. The standard replaces IAS 31 Interests in Joint Ventures and interpretation SIC 13 Jointly Controlled Entities – Nonmonetary Contributions by Venturers. IFRS 11 eliminates the option to account for jointly controlled entities using proportionate consolidation. In the future, these entities must be accounted for at equity in the consolidated financial statements. The Group has opted for prospective application beginning with the fiscal year starting January 1, 2013. Application of the new standard will impact the net assets of the Group because jointly controlled entities which were previously proportionately consolidated, i.e. whose assets and liabilities were included on a pro rata basis in the financial statements, must now be accounted for using the equity method.

The Group has determined that consolidation of jointly-controlled company GRA-MAG based on application and careful examination of the rules of IFRS 11 will change from proportional consolidation to "At Equity" consolidation and these changes will be reported in financial statements of the first quater.

The changes resulting from application of the standard are as follows:

At the January 1, 2013 reporting date, the proportionately consolidated assets and liabilities were eliminated and the balance recognized under the item "at equity".

EUR k

Assets	Dec. 31, 12	Jan. 1, 13
Non-current assets	267,110	259,283
Current assets	402,326	402,144
Net assets	669,436	661,427

EUR k

Liabilities	Dec. 31, 12	Jan. 1, 13
Equity	228,045	231,419
Non-current liabilities	180,855	173,615
Current liabilities	260,536	256,393
Total liabilities	441,391	430,008
Net assets	669,436	661,427

As a result of the change, the Group's equity position has been positively impacted, as the joint venture had previously contributed negative equity through proportionate consolidation of its assets and liabilities; no negative value is possible under the equity method. The proportionately consolidated income and expenditures reported in the 2012 Annual Report (see Note 4) have been eliminated.

IFRS 12 Disclosures of Interests in Other Entities
IFRS 12 was published in May 2011 and is applicable for the first time in the fiscal year starting on or after January 1, 2014. The standard combines the disclosure requirements for group accounting and consolidates information for subsidiaries, as previously governed by IAS 27, and for joint arrangements and associates, as previously by IAS 31 and IAS 28, as well as for structured entities into one comprehensive disclosure standard. Given that the new standard sets forth new disclosure requirement in addition to the existing explanatory requirements, Group reporting on such interests will have an expanded scope in the future. The Group has opted for prospective application of IFRS 12 beginning with the fiscal year starting January 1, 2013.

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 initial three months of 2013 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 thousand).

Accounting and valuation principles

In preparing the Interim Financial Statements for the period ended March 31, 2013, 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, 2012. These principles and methods are described in detail in the Notes to the 2012 Consolidated Financial Statements, which were published in their entirety in the 2012 Annual Report. Additionally, the above-described standards were applied.

Estimates and assumptions

In preparing the 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.

Scope of consolidation

In addition to GRAMMER AG, the scope of consolidation now includes five domestic and 20 foreign companies that are directly or indirectly controlled by GRAMMER AG within the meaning of IAS 27 further company is also consolidated "at equity" in accordance with IFRS 11. GRAMMER AG holds 50% of the voting rights in this joint venture. The joint venture NingBo Jifeng acquired through the takeover of Nectec s.r.o. is also included "at equity" in the consolidated financial statements. All intragroup transactions, balances and liabilities are eliminated in the course of consolidation. The uniform reporting date for all of the consolidated companies is March 31, 2013.

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. Any resulting translation differences are recognized in the income statement.

Any deferred taxes resulting from these translation differences are also recognized directly in equity. 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 middle 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 – 03 2013	01 – 03 2012	March 31, 2013	March 31, 2012
Brazil	BRL	0.379	0.425	0.389	0.411
China	CNY	0.122	0.120	0.126	0.119
United Kingdom	GBP	1.183	1.195	1.183	1.199
Japan	JPY	0.008	0.010	0.008	0.009
Mexico	MXN	0.060	0.058	0.063	0.059
Poland	PLN	0.241	0.236	0.239	0.241
Czech Republic	CZK	0.039	0.040	0.039	0.040
Turkey	TRY	0.425	0.421	0.431	0.421
USA	USD	0.760	0.756	0.781	0.749

Business combination
On December 10, 2012, GRAMMER AG concluded a deal for the takeover of Nectec s.r.o., under which GRAMMER acquired 100% of share capital in Nectec s.r.o. from Fehrer Group. The transaction, which was subject to approval by antitrust authorities, received approval in February 2013. GRAMMER AG acquired Nectec s.r.o. on February 21, 2013. Together with the takeover of loan obligations in the amount of EUR 4.0 million, the purchase price totaled EUR 22.1 million, and included the acquisition of cash in the amount of EUR 0.2 million. No contingent considerations or compensation claims are tied to the deal. The acquired company is being integrated into the Automotive division. Inclusion in the scope of consolidation begins in 2013 from the acquisition date.

Nectec s.r.o. develops and produces headrests primarily for the premium car market. The company was founded in 2008 by Fehrer Group, and grew rapidly to become one of the leading suppliers of headrests in Europe. Nectec's headquarters and production facilities are located in Ceska Lipa, Czech Republic. In total, the company employs roughly 240 people and generated revenue of slightly more than EUR 35.8 million in fiscal year 2012. As part of the deal, GRAMMER also acquires the 50% stake held by Nectec s.r.o. in a joint venture with Chinese automotive supplier NingBo Jifeng. Nectec's product range, customer base and production location make it an ideal fit with GRAMMER's existing structure. With the takeover, the Group further strengthens its most potent revenue-generating segment and bolsters the market position of the Company for headrests in Europe. At the same time, the integration of Nectec s.r.o. expands GRAMMER's competence in the area of active headrest technologies, resulting in an even larger spectrum of innovative products. The acquired plant provides additional production space that GRAMMER needs for the further growth of its activities.

The costs for the acquired net assets of Nectec s.r.o. totaled EUR 18.1 million. In conjunction with the deal, costs in the amount of EUR 145 thousand have been recognized under administrative costs in the income statement in 2013.

The acquired net assets comprised the following at the acquisition date:

EUR k	Fair value at acquisition
Assets	
Property, plant and equipment	8,194
Intangible assets	13,906
Financial assets	131
Inventories	1,706
Trade accounts receivable	4,499
Other current financial assets	1,149
Cash and short-term deposits	214
Accruals/deferrals	427
	30,227
Liabilities	
Provisions	–2,598
Non-current financial liabilities	–2,390
Current financial liabilities	–4,101
Current trade accounts payable	–5,963
Other current liabilities	–443
Accruals/deferrals	–426
	–15,921
Total fair value of identifiable net assets	**14,306**
Goodwill from company acquisition	3,774
Consideration paid	**18,080**
Cash outflow from company acquisition	
Cash acquired from new subsidiary	214
Cash outflow	–18,080
Total cash outflow from company acquisition	**–17,866**

All acquired assets and liabilities were recognized at fair value on the date of acquisition. Additional intangible assets (customer contracts and similar rights) not included in the balance sheets of the acquired companies have also been recognized. Associated deferred taxes are included in the consolidated statement of financial position. For measurement of customer contracts, the multi-period excess earnings method was used. There are no significant deviations between the gross and net asset values of the liabilities. There are also no minority interests. The fair value of the acquired net assets results in non-depreciable goodwill of EUR 3,774 thousand. In accordance with IFRS 3, no amortization of goodwill will be applied. The goodwill will be determined by growth potential resulting from the takeover. In the absence of a conclusive valuation, the values applied in this interim report are preliminary. For instance, the Group may expand and solidify its relationship with existing customers as well as directly enhancing its offering with additional components. The Group has strengthened its market position in Automotive business in the key regions of Europe and China.

In the current reporting period since the acquisition date Nectec s.r.o. has generated revenue of EUR 7,281 thousand and contributed after-tax profit of EUR –152 thousand.

Revenue

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

EUR k	01 – 03 2013	01 – 03 2012[1]
Gross revenue	309,264	283,732
Sales deductions	–907	–1,065
Net revenue	**308,357**	**282,667**

[1] adjusted prior-year figures

Revenue of EUR 308,357 thousand up to March 31, 2013 includes contract revenue of EUR 10,848 thousand (01 – 03 12: 5,023) determined using the PoC-method. These revenues relate to development activities as well as working capital that must be expensed and financed by GRAMMER Group until a product reaches serial production and generates initial revenues. These are primarily attributable to the Automotive division.

Other income

Other operating income totaling EUR 861 thousand as of March 31, 2013 (01 – 03 12: 1,726) includes income from the reversal of provisions and valuation allowances and proceeds from the sale of scrap metal and material handling costs, as well as proceeds from the sale of property, plant and equipment.

Financial result

EUR k	01 – 03 2013	01 – 03 2012[1]
Financial income	325	333
Financial expenses	–3,057	–3,062
Other financial result	337	–179
Financial result	**–2,395**	**–2,908**

[1] adjusted prior-year figures

Financial income relates mainly to temporary surplus cash invested in the context of active cash management. Changes in the fair value of interest rate swaps that do not satisfy the requirements for hedge accounting must be recognized as income according to IAS 39, which leads to unrealized gains and losses within the financial result.

Financial expenses include interest expenses for loans and overdrafts. The financial result also contains the interest component of pension contributions and the interest component of lease payments in accordance with IAS 17.

The item other financial result primarily relates to gains or losses from measurement of borrowing and loans in foreign currency terms and measurement of financial assets and liabilities at the reporting date.

Cost of sales
The cost of sales includes 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 expenditure required to set up reserves for warranty purposes is covered by this item as well. The cost of sales also includes non-capitalized research and development costs as well as amortization of development costs. Expenses relating to the development and expansion of plant locations in preparation for forthcoming series production ("industrialization costs") are included in the cost of sales to the extent that these expenses cannot be deferred. Development in the Seating Systems division is generally performed on a "design to market" basis, with the corresponding costs recognized accordingly. The costs of inventories until March 31, 2013, which are recognized as an expense in cost of sales, amounted to EUR 255,011 thousand (01 – 03 12: 234,193).

Selling expenses
Selling expenses involve all sales-related costs and primarily refer to 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 include all administrative expenditure which cannot be assigned directly to other functions, including expenditure for general administration, management and centralized departments. Other administrative expenses include income from exchange rate differences until March 31, 2013 in the amount of EUR 6,549 thousand (01 – 03 12: 2,229) and mainly relate to foreign exchange gains between the origination and settlement of foreign currency receivables and liabilities as well as foreign exchange gains resulting from measurement at the balance sheet date. Foreign exchange losses amounting to EUR 4,648 thousand (01 – 03 12: 2,839) are also recognized under other administrative expenses.

Earnings per share
Basic earnings per share are calculated by dividing consolidated net income/net 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 – 03 2013	01 – 03 2012 [1]
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 thousand)	7,969	8,001
Basic/diluted earnings/loss (–) per share in EUR	0.71	0.71

[1] adjusted prior-year figures

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 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 annual 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 March 31, 2013.

Intangible assets
Intangible assets include capitalized goodwill, which increased by EUR 3,774 thousand in the quarter in the context of the new company acquisition, as well as capitalized development costs. In the period under review, EUR 425 thousand were invested in licenses, software and other intangible assets. Amortization costs totaled EUR 1,841 thousand (01 – 03 12: 1,016).

Property, plant and equipment
In the period until March 31, 2013, EUR 6,765 thousand were invested in property, plant and equipment. Depreciation in the same period totaled EUR 6,488 thousand (01 – 03 12: 6,248).

Investments measured at equity
GRAMMER Group began prospective application of the new IFRS 11 standard, which is mandatory for all fiscal years beginning after January 1, 2014, already starting January 1, 2013. Application of the standard resulted in a change of consolidation methods for the joint venture GRA-MAG from proportionate consolidation to measurement "at equity".

Investments measured at equity totaled EUR 130 thousand (2012: 0) derived from the joint venture NingBo Jifeng, which was acquired in the Nectec s.r.o. takeover. As a result of negative equity, no value is recognized in the statement of financial position for the GRA-MAG subsidiary.

EUR k

	GRA-MAG	NingBo Jifeng
March 31, 2013		
Percentage stake	50 %	50 %
At Equity carrying amount	0	130
At Equity result (first quarter 2013)	–441	0
December 31, 2012		
Percentage stake	50 %	
At Equity carrying amount	0	
At Equity result (first quarter 2012)	–360	

Inventories
The slight increase in inventories to EUR 107.6 million (2012: 106.9) is primarily attributable to measures implemented for optimization following new production launches in European truck business. All inventories are carried at cost. There were no significant write-downs to the lower fair value.

Trade accounts receivable
Total receivables of EUR 177.4 million (2012: 140.9) can be attributed to the structure of revenue development over the past several months. The fair values of trade receivables are equal to their carrying amount.

Other current financial assets
Other current financial assets primarily consist of receivables from construction contracts amounting to EUR 62.9 million (2012: 54.6), as well as other receivables in the amount of EUR 10.1 million (2012: 9.6).

Other current assets
Other current assets of EUR 19.5 million (2012: 14.8) include other assets totaling EUR 17.2 million (2012: 13.2) as well as EUR 2.3 million (2012: 1.6) from accruals and deferrals. Other assets primarily comprise pass-through tax claims such as value added tax, receivables from employees and receivables due from creditors with debit balances.

Subscribed capital
As of December 31, 2012 and March 31, 2013, 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
As of March 31, 2013, the capital reserve totaled EUR 74,444 thousand (2012: 74,444). The capital reserve includes share premiums from the capital increases in 1996, 2001 and 2011.

Revenue reserves
The statutory reserve of GRAMMER AG totaled EUR 1,183 thousand on March 31, 2013 (2012: 1,183), and is not available for the payment of dividends.

Revenue reserves also reflect income earned in the past by the companies included in consolidation, provided such income was not paid out as dividends. Despite the profit for the quarter, revenue reserves on March 31, 2013 increased year-over-year from EUR 134,800 thousand to EUR 142,769 thousand as a result of the profit for quarters.

Accumulated other comprehensive income
Accumulated other comprehensive income mainly comprise adjustments arising from the translation of the financial statements of foreign subsidiaries, the effects of cash flow hedges as well as adjustments from net investments in accordance with IAS 21 and the related deferred taxes. The changes in actuarial losses resulting from application of the new IAS 19 standard, are also included in revenue reserves.

Dividends
The Company distributes dividends in accordance with section 58 (2) AktG based on net profit in the financial statements of GRAMMER AG, which are prepared according to the German Commercial Code. On December 31, 2012, GRAMMER AG posted net retained profit of EUR 15.4 million. This takes into account the profit of EUR 8.6 million carried forward, the allocation of EUR 6.8 million to other revenue reserves and net profit of EUR 13.6 million. The Executive Board will propose to the Annual General Meeting that a dividend of EUR 0.50 be paid per share and that the remaining EUR 9.8 million be carried forward. This decision takes into account that the Company holds a total of 330,050 own shares, which are not dividend bearing. If the number of shares according dividend rights should increase before the date of the Annual General Meeting on June 5, 2013, the Executive Board and Supervisory Board of GRAMMER AG will present an accordingly adjusted dividend proposal to the meeting.

In fiscal year 2012, a dividend was distributed totalling EUR 4.5 million.

Own shares
As of March 31, 2013 and as of December 31, 2012, GRAMMER AG holds a total of 330,050 own shares, all of which were acquired in fiscal year 2006 for a total purchase price of EUR 7,441 thousand. These shares have a total value of EUR 844,928 and represent 2.8589 % of share capital.

Authorizations
The Annual General Meeting on May 28, 2009 approved a conditional increase in share capital in the amount of EUR 13,434 thousand. The conditional capital increase will be carried out only to the extent that holders of options or conversion rights exercise their

rights, or the bond holders who are under the obligation to convert their bonds or exercise their options comply with such obligations under bonds with warrants or convertible bonds issued or guaranteed by the Company until May 27, 2014 on the basis of the authorization given to the Executive Board, and provided no other forms of performance are implemented with respect to the condition (conditional capital 2009).

Moreover, the Annual General Meeting on May 26, 2011 also granted approval until May 25, 2016 for new authorized capital in the amount of EUR 14,777 thousand (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 more than once by up to a total of EUR 14,777 thousand through the issue of shares against cash contribution and/or contribution in kind. 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, however, shall have the right, upon approval of the Supervisory Board, to exclude shareholders' statutory subscription rights

a) if necessary to eliminate fractional amounts;

b) if the shares are issued against contribution in kind for the purpose of acquiring 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 make no use of the authorization under the new section 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 shareholder subscription rights during the term of the authorization does not exceed 20% of existing share capital.

Non-current liabilities
Non-current financial liabilities totaled EUR 79.4 million (2012: 76.8). Non-current financial liabilities comprise a debenture bond with a total nominal value of EUR 60.0 million, featuring both fixed and variable rates of interest on tranches of three, five and seven years, as well as the remaining tranches of the debenture bond with a fixed interest rate of 4.8% and a KfW loan in the amount of EUR 10.0 million.

Retirement benefit obligations
Retirement benefit obligations were recognized to cover commitments under retirement, disability and benefits for surviving dependents. The obligations of the Group vary according to the legal, tax and economic circumstances of each individual country, and are generally dependent on the term of service and salary of the respective employee. Pensions in the Group are based on defined benefit plans. Retirement benefit obligations totaled EUR 95.1 million (2012: 94.0) after transitioning to the amended IAS 19 standard.

The pension expense for the interim period is calculated on a year-to-date basis using a preliminary estimate based on the previous year's expert opinion adjusted to reflect significant events.

Current liabilities
Current financial liabilities totaling EUR 73.7 million are higher year-over-year (2012: 72.8). The item reflects the short-term portion of the debenture bond totaling EUR 60.5 million with a fixed interest rate of 4.8%, which falls due at the end of August 2013. Our financing strategy takes into account this payment date. The global credit facility has been expanded from EUR 78.5 million to EUR 110 million and the maturity extended until mid-2015. Current financial liabilities include existing credit lines from bank overdrafts under the global credit facility, the majority of which bear interest at money market-based rates plus a fixed credit margin. GRAMMER Group has initiated the necessary steps for restructuring the short-term portion of the debenture bond.

Other current liabilities
Other current liabilities of EUR 67.3 million are substantially higher than the prior-year level (2012: 48.3) as a result of business developments. This item consists primarily of social security obligations owed to social security authorities and liabilities to employees from outstanding leave, overtime, flextime etc. It also includes liabilities relating to value added tax. Income tax liabilities principally comprise income taxes for fiscal 2012 and the first three months of 2013.

Provisions
Provisions contain amounts allocated for risks from the sale of parts and products, including development. These primarily comprise warranty claims calculated on the basis of previous claims and estimated future claims. This item also includes provisions for rebates, bonuses etc. that must be granted based on legal or constructive obligations and are payable after the reporting date but caused by sales prior to the reporting date.

Other provisions contain obligations related to personnel and social benefits such as partial retirement schemes and anniversary bonuses, as well as a number of identifiable specific risks and contingent liabilities, such as provisions for 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 to include 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 liabilities. 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 value as well as the carrying amounts of financial assets and liabilities:

EUR k

	Classification under IAS 39	Carrying amount Mar. 31, 2013	Fair Value Mar. 31, 2013	Carrying amount Dec. 31, 2012 adjusted [1]	Fair Value Dec. 31, 2012 adjusted [1]
Assets					
Cash and short-term deposits	LaR	46,091	46,091	73,133	73,133
Trade accounts receivable	LaR	177,405	177,405	140,857	140,857
Other financial assets					
Loans and receivables	LaR	10,505	10,505	9,998	9,998
Receivables from construction contracts	LaR	62,914	62,914	54,550	54,550
Financial assets available for sale	AfS	518	518	800	800
Financial assets held for trading	FAHfT	0	0	15	15
Derivatives (hedging instruments)	n.a.	95	95	0	0
Liabilities					
Trade accounts payable	FLAC	135,881	135,881	119,359	120,867
Current and non-current financial liabilities	FLAC	153,158	156,983	149,600	155,117
Other financial liabilities					
Other financial liabilities	FLAC	649	649	6,131	6,131
Liabilities from financial leases	n.a.	5,484	5,484	3,192	3,192
Derivatives (non-hedging instruments)	FLHfT	0	0	0	0
Derivatives (hedging instruments)	n.a.	2,500	2,500	2,560	2,560
Aggregated by valuation class pursuant to IAS 39					
Loans and receivables	LaR	296,915	296,915	278,538	278,538
Financial assets available for sale	AfS	518	518	800	800
Financial assets held for trading	FAHfT	0	0	15	15
Financial liabilities at measured at amortized cost	FLAC	289,688	289,688	275,090	282,115
Financial liabilities held for trading	FLHfT	0	0	0	0

[1] adjusted prior-year figures

The following table provides an overview of our financial instruments measured at fair value in the three levels of the fair value hierarchy:

EUR k

March 31, 2013	Carrying amount	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Derivatives				
hedging instrument	95		95	
non-hedging instrument	0		0	
Financial liabilities measured at fair value				
Derivatives				
hedging instrument	2,500		2,500	
non-hedging instrument	0		0	

EUR k

March 31, 2012 adjusted [1]	Carrying amount	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Derivates				
hedging instrument	0		0	
non-hedging instrument	15		15	
Financial liabilities measured at fair value				
Derivates				
hedging instrument	2,560		2,560	
non-hedging instrument	0		0	

[1] adjusted prior-year figures

The following levels of the fair value hierarchy reflect the type of data used for measurement:

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.

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 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".

The relevant information on the Group's operating segments can also be found in the Consolidated Financial Statements for the year ended December 31, 2012. The segment information is as follows:

Operating segments

EUR k

Fiscal year as of March 31, 2013	Seating Systems	Automotive	Central Services/ Reconciliation	GRAMMER Group
Revenue to external customers	115,064	193,293	0	308,357
Inter-segment revenue	4,514	446	–4,960 [1]	0
Total revenue	119,578	193,739	–4,960	308,357
Segment earnings (Operating profit)	8,851	9,027	–4,064	13,814

[1] Sales to and income from other segments are strictly at arm's length.

EUR k adjusted [1]

Fiscal year as of March 31, 2012	Seating Systems	Automotive	Central Services/ Reconciliation	GRAMMER Group
Revenue to external customers	112,803	169,864	0	282,667
Inter-segment revenue	5,060	29	–5,089 [2]	0
Total revenue	117,863	169,893	–5,089	282,667
Segment earnings (Operating profit)	7,279	7,566	–2,546	12,299

[1] adjusted prior-year figures

[2] Sales to and income from other segments are strictly at arm's length.

Reconciliation

Reconciliation of the segment result (operating profit) with pre-tax profit is calculated as follows:

EUR k

	01 – 03 2013	01 – 03 2012 [1]
Segment earnings (Operating profit)	17,878	14,845
Central Services	–4,961	–1,780
Eliminations	897	–766
Group earnings (Operating profit)	13,814	12,299
Financial result	–2,395	–2,908
Profit/loss (–) before income taxes	11,419	9,391

[1] adjusted prior-year figures
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 details transactions with related parties as of March 31, 2013 and 2012:

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	2013	838	0	7,662	0
	2012 [1]	561	0	4,932	–40

[1] adjusted prior-year figures
As a result of application of IFRS 11 in 2013, the joint venture GRA-MAG is consolidated "at equity" rather than proportionately.

Contingent liabilities

Guarantees in the amount of EUR 656 thousand are in place primarily for leased offices and as contract guarantees to ensure against breaches of contract as of March 31, 2013.

Changes to the Supervisory and Executive Board

Effective February 21, 2013, Mr. Bernhard Hausmann was appointed by the Amberg Local Court as a member of the Supervisory Board. Mr. Hausmann will serve as employee representative to the Supervisory Board, succeeding Mr. Bodensteiner, who left the Board on December 29, 2012.

Financial Calendar and Trade Fair Dates 2013

Important dates for shareholders and analysts

Interim Report 1st Quarter 2013	05/08/2013
Annual General Meeting 2013 Location: ACC (Amberger Congress Centrum), 92224 Amberg	06/05/2013
Interim Report 2nd Quarter 2013	08/07/2013
Interim Report 3rd Quarter 2013	11/13/2013

Important trade fair dates[1]

Moscow International Motor Show, Moscow, Russia	08/26 – 08/29/2013
Expo 1520, Moscow, Russia	09/11 – 09/14/2013
GIE Expo, Louisville, USA	10/23 – 10/25/2013
Agritechnica, Hanover, Germany	11/10 – 11/16/2013
Convex, Istanbul, Turkey	11/14 – 11/17/2013
METS, Amsterdam, Netherlands	11/19 – 11/21/2013

[1] All dates above are tentative and subject to change.

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 66 000
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

Imprint

Published by
GRAMMER AG
P.O. Box 14 54
D – 92204 Amberg

Release date
May 8, 2013

Concept, Layout and Realization
Kirchhoff Consult AG, Hamburg

Printing
Druckerei Frischmann, Amberg

Translated by
THINKFAST Text and
Translation Service, Frankfurt

GRAMMER AG

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

www.grammer.com