



Half Year 2007 Results Conference Call

Amberg, August 14, 2007

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The Presentation Team



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Member of the Board
CFO



Dr. Rolf-Dieter Kempis
Member of the Board
CEO

- 1. GRAMMER: SHORT INTRODUCTION**
2. HIGHLIGHTS Q1-2 2007
3. FINANCIAL RESULTS Q1-2 2007
4. OUTLOOK 2007
5. APPENDIX
6. DISCLAIMER

Grammer: Short Introduction



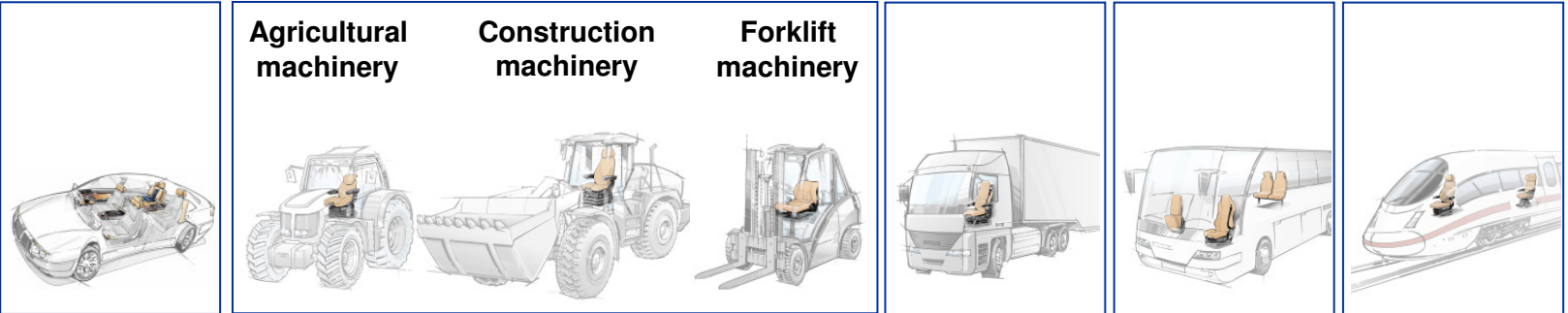
Board responsibility



Strategic business fields



Sectors / markets



Segments



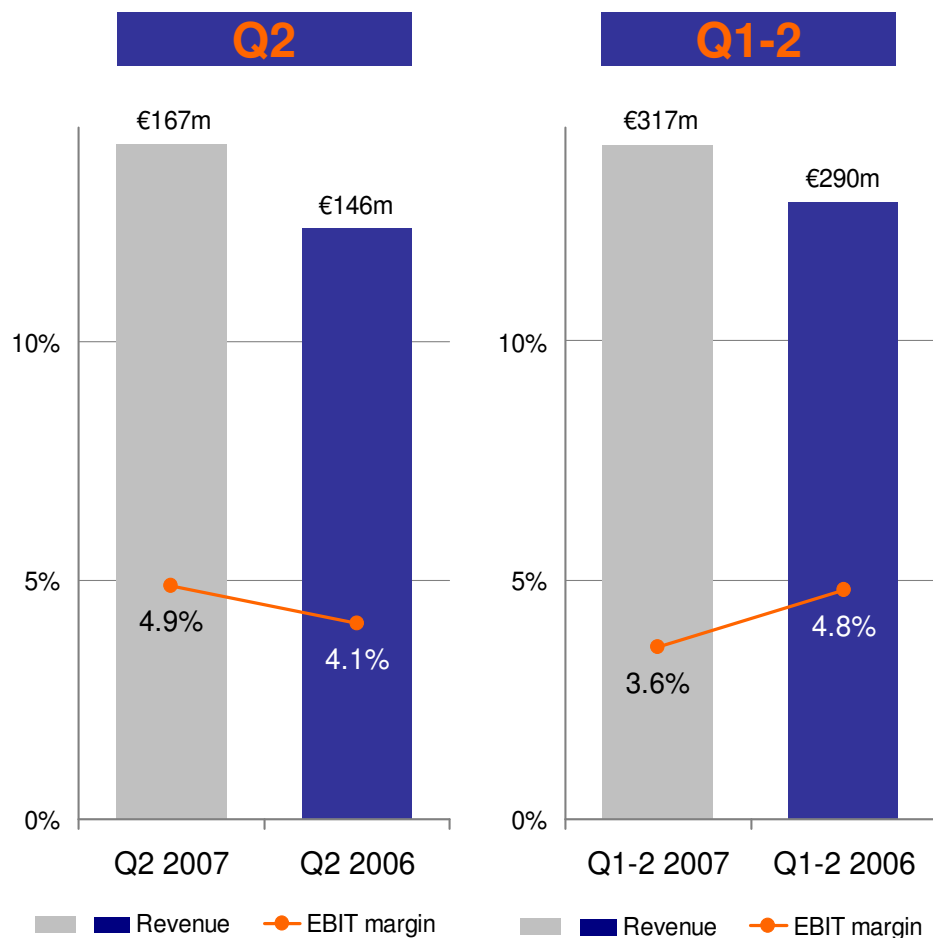
Key: - 2006 revenues in € million; % of total revenues

1. GRAMMER: SHORT INTRODUCTION
- 2. HIGHLIGHTS Q1-2 2007**
3. FINANCIAL RESULTS Q1-2 2007
4. OUTLOOK 2007
5. APPENDIX
6. DISCLAIMER

Grammer Group:

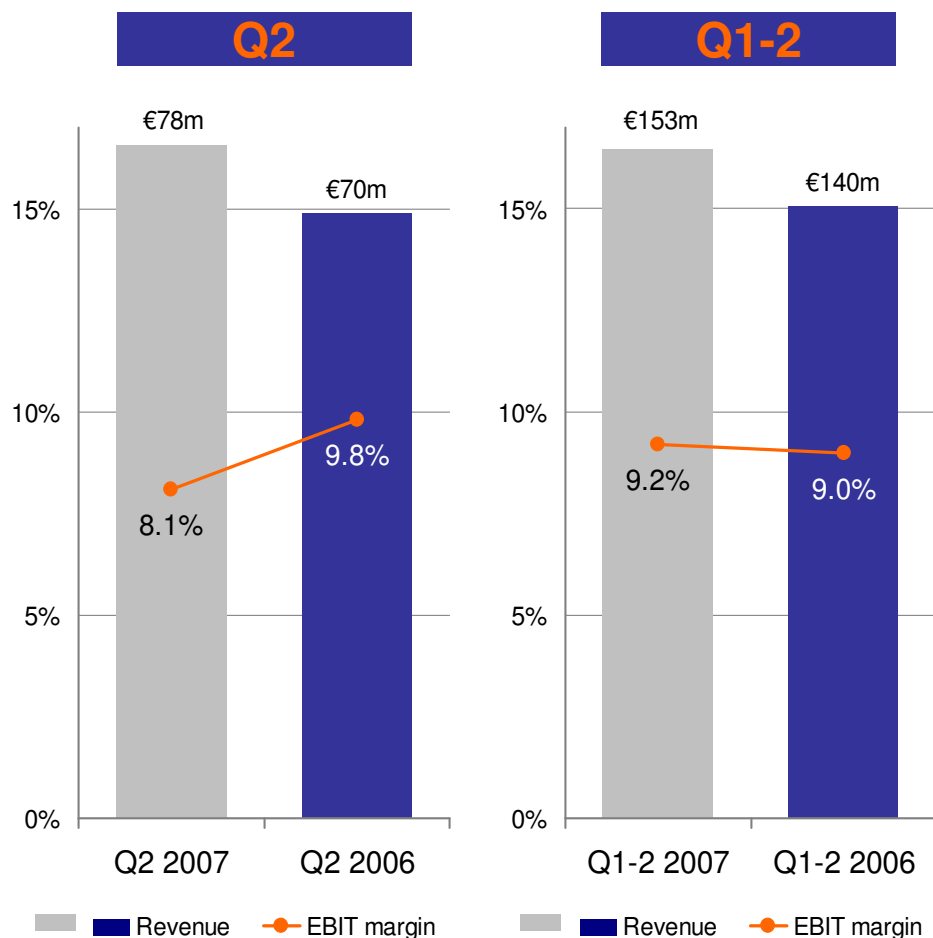
- Grammer performed well in Q1-2 2007 with revenue growth of 9.8%.
- EBIT caught up in Q2 again and exceeded the level of Q2 2006. All in all, the profit situation in Q1-2 has been influenced by the various start-ups in Q1.
- Grammer profited from the positive market development and good order situation:
 - Strong demand in the truck and off-road industry
 - Strong demand for the new models in Automotive which are of importance to Grammer (e.g. BMW X5 and 5 Series, Mercedes C-Class)
 - Continued increase in orders in the rail industry
- Ongoing increase in price of raw materials based on steel and crude oil.
- Sale of Grammer s.r.l. (Italy) in June, our main site for bus passenger seats in Europe.
- Automotive expansion in Asia: New sales office in Tokyo and creation of production site in Shanghai.

Key facts - Automotive



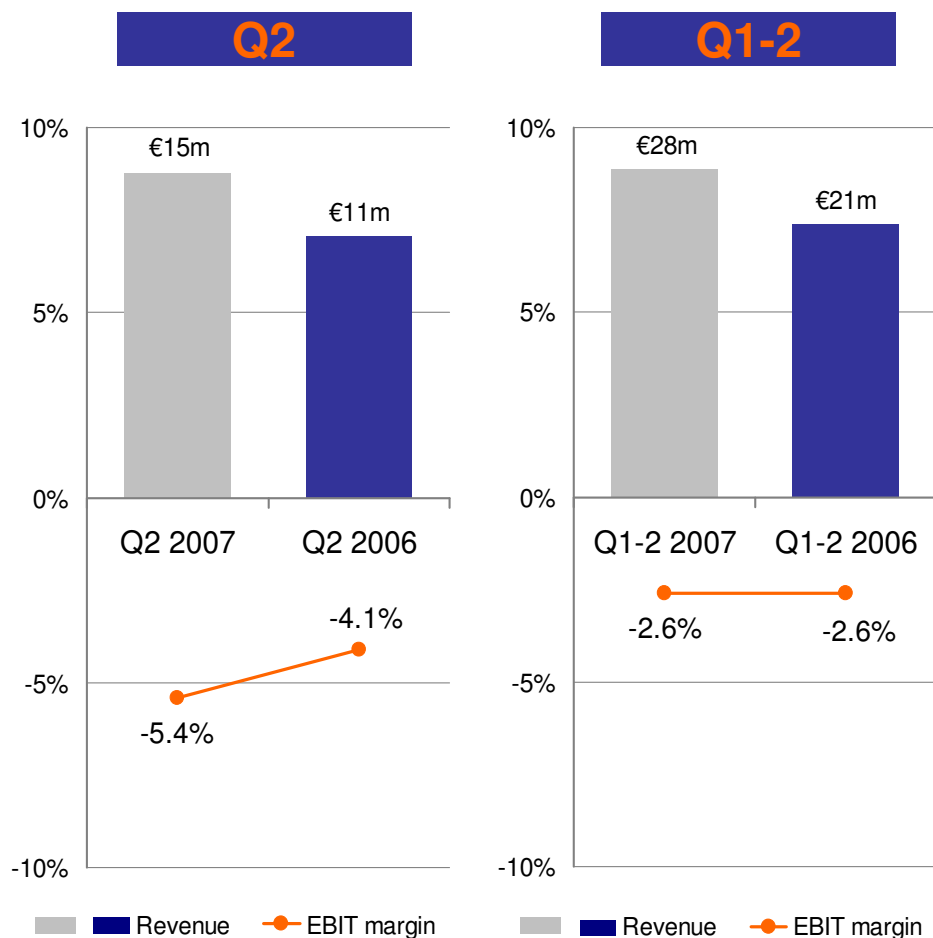
- After the start-ups in Q1, the main focus in Q2 was on strengthening our profitability (implementation of an activity program).
- Further positive market trends in Q2 improved sales and earnings.
- Complex product start-ups in Q1 still impacted negatively on Q1-2 profit margin.
- Further activities concerning international growth and cost optimization: New production locations in Serbia and China, sales office in Japan.

Key facts - Driver seats



- Sales up by more than EUR 13 million in Q1-2 2007 due to strong order situation in off-road segment and ongoing dynamic performance in truck market.
- Exchange rate (TRY, USD) had a negative impact on Q2 division earnings.
- Further rise in steel prices: currently 5-10% above the level we estimated for 2007.
- New projects for truck seats acquired in Brazil.
- Further activities with the MOTIS project: Agreement with shipping company to test the MOTIS cabin.

Key facts - Passenger seats



- Sales in Q1-2 up by a further EUR 7 million thanks to new international projects in rail segment and slight rise in demand in bus segment.
- The lack of capacity due to higher sales and increasing material costs had a negative impact on Q2 revenues.
- Large number of new projects leading to high R&D and production demand.
- The sale of Grammer s.r.l. included in Q2 results.

1. GRAMMER: SHORT INTRODUCTION
2. HIGHLIGHTS Q1-2 2007
- 3. FINANCIAL RESULTS Q1-2 2007**
4. OUTLOOK 2007
5. APPENDIX
6. DISCLAIMER

Financial Results Q1-2 2007



Grammer Group: Key financial figures - operating

in tsd. EUR	Q2				Q1-2			
	2007	% of revenue	2006	% of revenue	2007	% of revenue	2006	% of revenue
Revenue	254,256		225,494		491,926		448,092	
EBITDA	20,206	7.9%	17,877	7.9%	36,008	7.3%	36,141	8.1%
EBIT	14,190	5.6%	12,039	5.3%	24,262	4.9%	24,510	5.5%
Net income	9,127	3.6%	6,889	3.1%	12,749	2.6%	12,897	2.9%
Operating cash flow	17,501		775		2,984		-4,999	
Free cash flow	17,717		-2,759		-2,936		-12,690	
Earnings per share in €	0.89		0.66		1.25		1.23	

Financial Results Q1-2 2007



Grammer Group: Key financial figures - balance sheet

in tsd. EUR	Q1-2 2007	Q1-2 2006	%-change
Assets			
Non-current assets	191,145	184,081	4%
Current assets	315,804	270,139	17%
Liabilities			
Equity	178,848	171,392	4%
Non-current liabilities	142,662	72,733	96%
Current liabilities	185,439	210,095	-12%
Total Assets	506,949	454,220	12%
Capital expenditure	11,435	11,052	3%
Equity-to-assets ratio in %	35.3	37.7	-7%
Net debt	73,989	64,477	15%

1. GRAMMER: SHORT INTRODUCTION
2. HIGHLIGHTS Q1-2 2007
3. FINANCIAL RESULTS Q1-2 2007
- 4. OUTLOOK 2007**
5. APPENDIX
6. DISCLAIMER

Outlook 2007: Divisions



Automotive

- Expected serial turnover above 2006 level
- EBIT slightly above 2006 level
- EBIT margin influenced by pricing, raw material prices and currency effects

Driver Seats

- Sales volume higher than previous year
- Agritechnica in November will give additional impulse to the market
- Purchasing and SCM measures will almost compensate for the negative impact of steel price
- EBIT margin expected to remain stable

Passenger S.

- Further significant sales growth expected
- Additional development and production capacities required
- Considerable challenges involved in start-up of new projects
- EBIT is improving continuously

Grammer Group

- New CEO for management team since August 1: Dr. Rolf-Dieter Kempis
- Year-on-year sales growth above 7% possible
- US dollar exchange rate and commodity prices could influence the group results
- EBIT slightly up on 2006
- Return to a comfortable level of free cash flow
- Long term target 2009:
 - Revenues of EUR 1 billion, EBIT margin above 5%
 - With improvement in production and launch management back to operative excellence

1. GRAMMER: SHORT INTRODUCTION
2. HIGHLIGHTS Q1-2 2007
3. FINANCIAL RESULTS Q1-2 2007
4. OUTLOOK 2007
- 5. APPENDIX**
6. DISCLAIMER

Grammer Group: Income statement

Q2

in tsd. EUR	Q2 2007	Q2 2006	%-change
Revenue	254,256	225,494	13%
Cost of sales	212,948	187,325	14%
Gross profit	41,308	38,169	8%
Selling expenses	11,256	10,160	11%
Administrative expenses	18,028	17,643	2%
Other operating income	2,166	1,673	29%
Profit from operations (EBIT)	14,190	12,039	18%
Financial costs	-1,435	-1,798	-20%
Earnings before income tax	12,755	10,241	25%
Income tax	3,627	3,353	8%
Net income	9,127	6,889	32%

Q1-2

in tsd. EUR	Q1-2 2007	Q1-2 2006	%-change
Revenue	491,926	448,092	10%
Cost of sales	409,463	371,073	10%
Gross profit	82,463	77,019	7%
Selling expenses	21,008	19,714	7%
Administrative expenses	40,821	35,757	14%
Other operating income	3,628	2,962	22%
Profit from operations (EBIT)	24,262	24,510	-1%
Financial costs	-3,943	-3,575	10%
Earnings before income tax	20,319	20,935	-3%
Income tax	7,570	8,038	-6%
Net income	12,749	12,897	-1%

Grammer Group: Cash flow statement

Q1-2

in tsd. EUR	Q1-2 2007	Q1-2 2006	change in € '000
Net income for the year	12,749	12,897	-148
Amortization, Depreciation	11,746	11,631	115
Changes provisions, working capital and other changes	-21,511	-29,527	8,016
Operating Cash Flow	2,984	-4,999	7,983
Cash flow from investing activities	-5,920	-7,691	1,771
Free Cash Flow	-2,936	-12,690	9,754
Dividend payment	-10,165	-10,495	330
Changes in non-current financial liabilities	-5,786	-3,877	-1,909
Net change in cash and cash equivalents	-18,887	-27,062	8,175
Cash and equivalents at beginning of period	16,258	9,594	6,664
Net change in cash and cash equivalents	-18,887	-27,062	8,175
Cash and equivalents at end of period	-2,629	-17,468	14,839

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4. OUTLOOK 2007
5. APPENDIX
- 6. DISCLAIMER**

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