

German Investment Conference September 23, 2008



Well Positioned for Profitable Growth

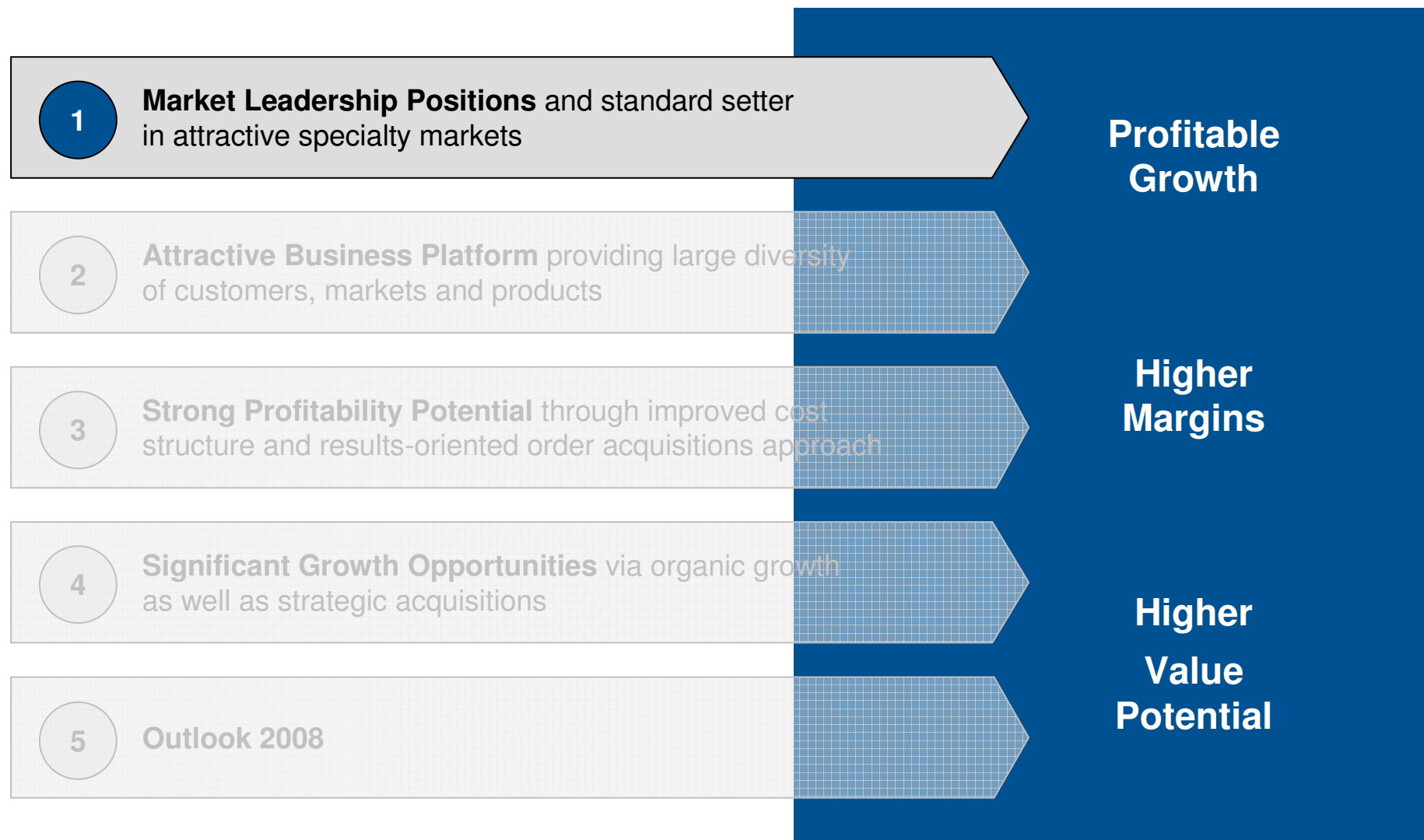




GRAMMER: Well Positioned for Profitable Growth



GRAMMER: Well Positioned for Profitable Growth



1 Market Leadership Positions

Group Overview



Grammer Group

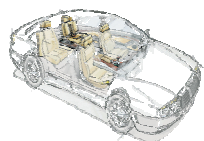
Automotive

15% of EBIT
65% of Sales

Seating Systems

85% of EBIT
35% of Sales

Automotive



Products

Head- & Armrests
Centre Console

Major Customers



Offroad



Products

Driver seats for offroad
commercial vehicles

Major Customers



Truck



Products

Driver seats for
commercial trucks

Major Customers



Railway



Products

Passenger seats for
trains

Major Customers



Bus



Products

Driver seats for
busses

Major Customers

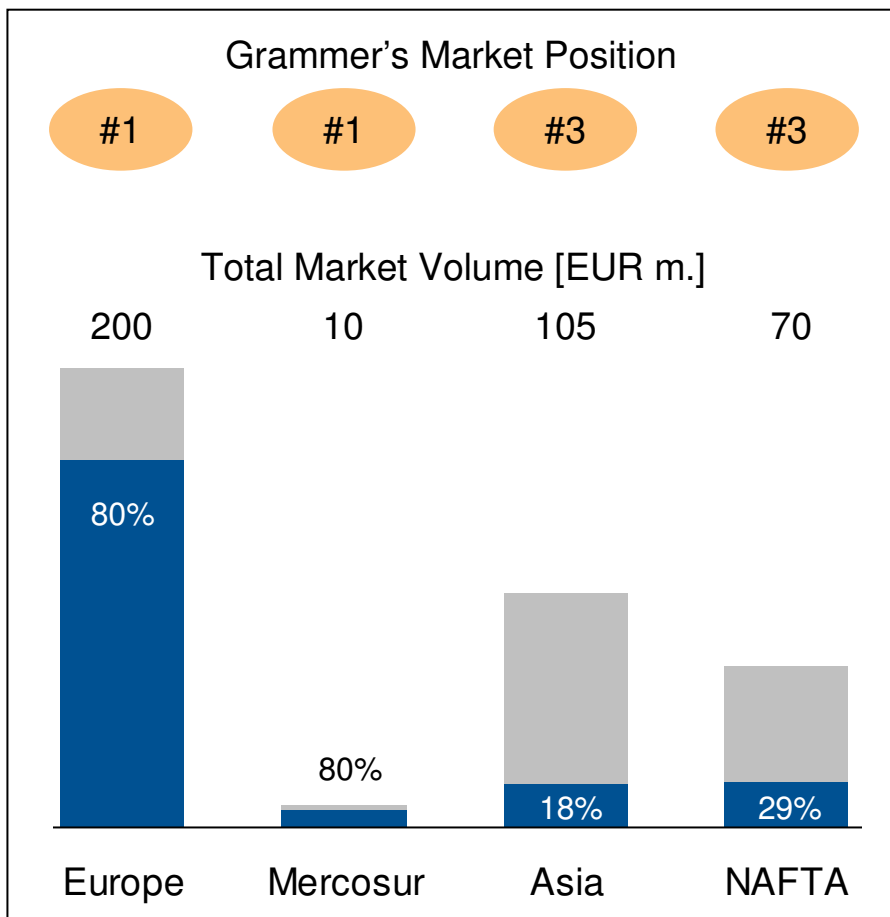


1 Market Leadership Positions

Seating System – Offroad – Global Market



Global Market - Offroad



Market Trends - Offroad

- **MEGATREND**
 - Generation of alternative energy
- **EUROPE**
 - Modernization of existing vehicles in Eastern Europe
 - New regulations of body-vibration
 - Integration of seat & cabin suspension
- **MERCOSUR**
 - General market trend towards comfort seating
 - Higher production of agricultural machines due to increased cultivation of grain and sugar cane
- **ASIA**
 - Easier market entry with JV or cooperation
 - High demand for low-spec, functional seating
 - Local content is key for market participation
- **NAFTA**
 - Growth potential: turf care and aftermarket
 - Comfort seating customized to local standards

1 Market Leadership Positions

Seating System – Offroad – Grammer’s Market Position



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**Grammer’s Market Position
Seating System - Offroad**

**Market and
technology
leader in Europe**

**Strong
brand image and
broad customer base**

**Global player with
local content in all key
markets**

Highly innovative

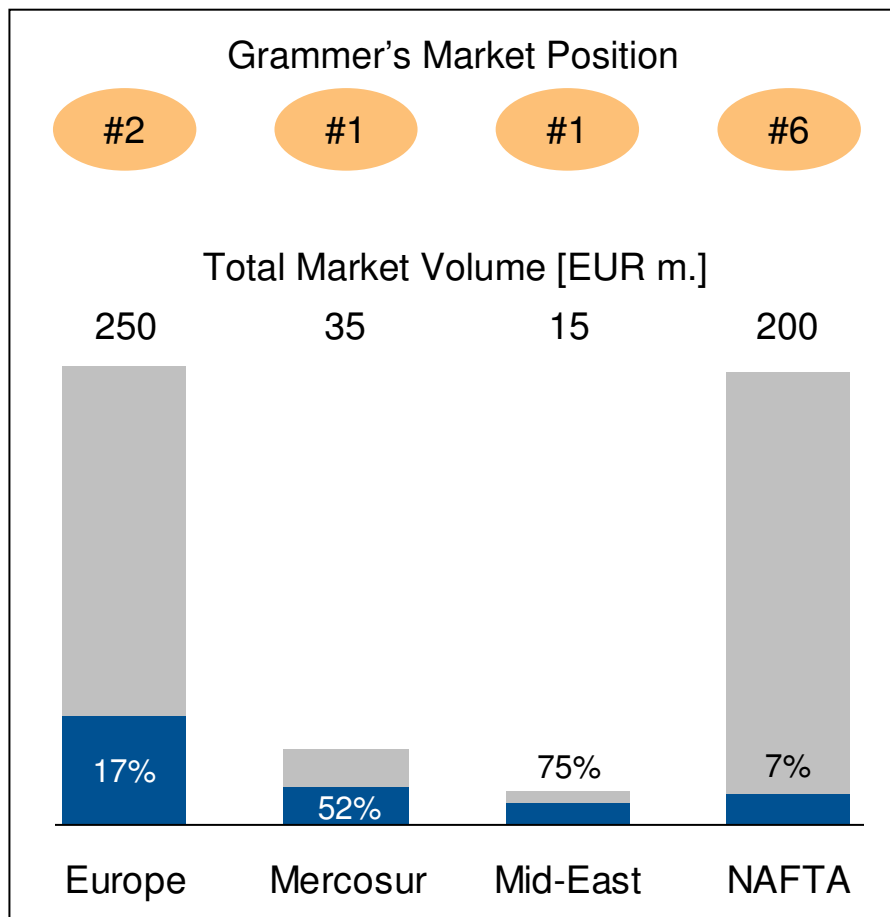
Strong leading market positions in regional niche markets

1 Market Leadership Positions

Seating System – Truck – Global Market



Global Market - Truck



Market Trends - Truck

- **EUROPE**
 - Several model changes in 2009-2011
 - Dual sourcing strategy of OEM's
 - Very competitive market, dominated by ISRI
 - Potential new market entry by Recaro/Keiper
- **MERCOSUR**
 - Continuous increase in demand
 - Demand for better comfort and design
- **ASIA / MID-EAST**
 - Biggest growth in China, Russia and Japan
 - Demand for better comfort and design
 - Local content is key for market participation
- **NAFTA**
 - Dynamic market climate due to new emissions regulations
 - Trend towards higher comfort and design and customization to local standards

1 Market Leadership Positions

Seating System – Truck – Grammer’s Market Position



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Grammer’s Market Position Seating System - Truck

**New seat
generation “Echo”**

**Positive
brand image in China
and India**

**Successful market
entry in Russia with
customer KAMAZ**

**Technology and
market leadership in
South America**

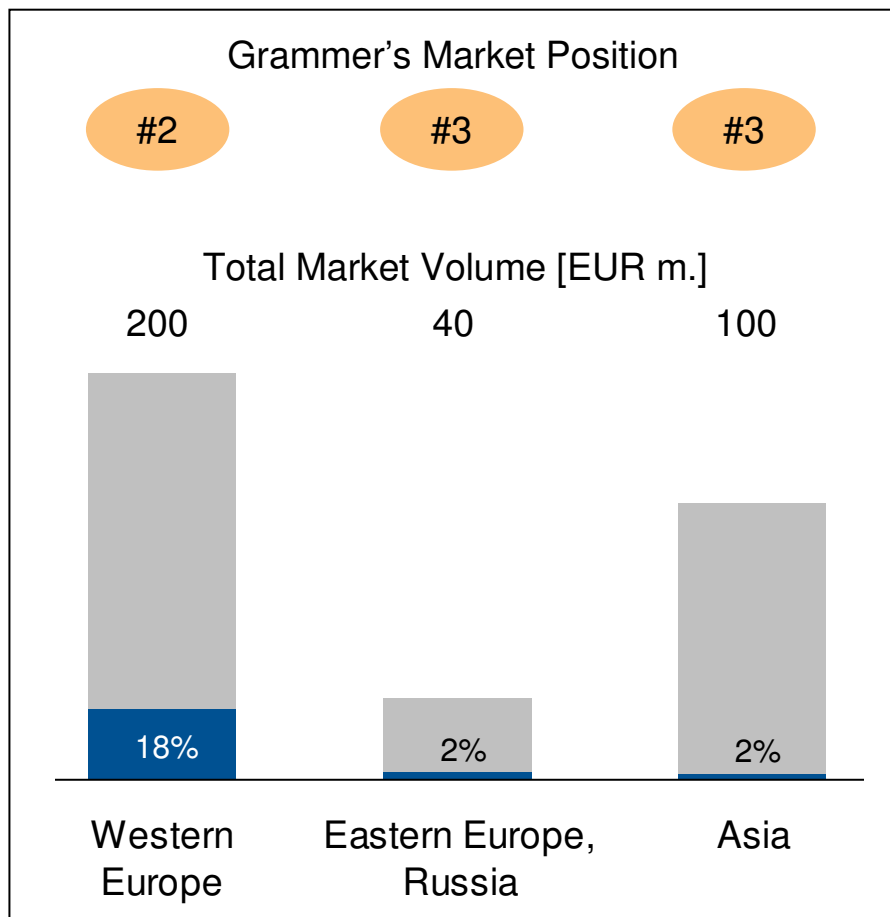
Strong market position in key markets with high growth potential in Asia and NAFTA

1 Market Leadership Positions

Seating System – Railway – Global Market



Global Market - Railway



Market Trends - Railway

- **WESTERN EUROPE**
 - Still largest market for next 10 years
 - Strongest future growth in France
 - Need for market consolidation on Tier 2 level
- **EASTERN EUROPE / RUSSIA**
 - Refurbishment of existing train fleet
 - Higher demand due to expansion of railway systems
- **FAR EAST**
 - Expansion of regional railway-system in the Gulf-region with exclusive interior
- **ASIA / RoW**
 - High-speed projects in China
 - High investment in railway system expected
 - Local content is key for market participation

1 Market Leadership Positions

Seating System – Railway – Grammer’s Market Position



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Grammer’s Market Position Seating System - Railway

**Strong reputation in
innovation, design
and ergonomics**

**Strong
brand image**

**Market leader in high-
speed and long-
distance trains**

**Only “real”
global Player**

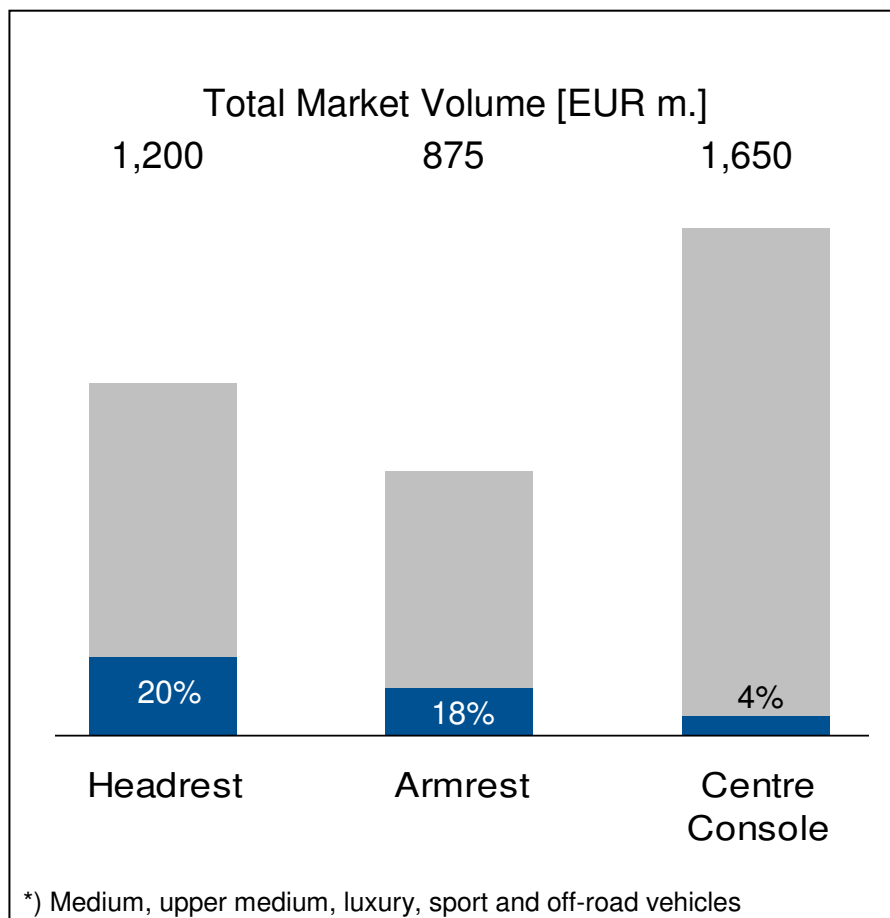
Strong market position in regional niche markets with high growth potential in Asia

1 Market Leadership Positions

Automotive – Global Market



Global Market – Premium Automotive Segment*



Market Trends - Automotive

- **Headrests**
 - Adoption of European safety features in the NAFTA region (CAK)
 - Low cost products for Asian markets
- **Armrests**
 - Integration of front armrest into center console
 - Functional connection of rear armrest and rear-seat / rear-headrest
 - Integration of comfort and technical features
- **Center Consoles**
 - Develop Grammer as a core supplier for center consoles
 - Premium segment: Further integration of technical and electronic features
 - Mid-class segment: Standard versions for volume based market

1 GRAMMER Market Leadership Positions

Automotive - Grammer's Market Position



Grammer's Market Position Automotive

**Strong reputation for
design, quality and
competitiveness**

**Experienced
development partner
with all western based
OEM's**

**Attractive product and
customer mix in
premium and compact
class**

**R&D centers USA,
Europe and Asia**

Attractive position in the OEM/Tier 1/Tier 2 universe with competitive, high quality volume products



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2 Attractive Business Platform

Grammer's Product Portfolio



Attractive product portfolio providing innovation, safety and comfort...

Seating Systems

Offroad



Maximo Evolution active

Truck



Kingman

Railway



Premium Seat



Primo XL



MSG 90.6



ICE 3000 AVE Club

Automotive

Headrests



Crash Active Headrest (CAK)



Comfort Headrest

Armrest & Centre Consoles



Armrest



Centre Console

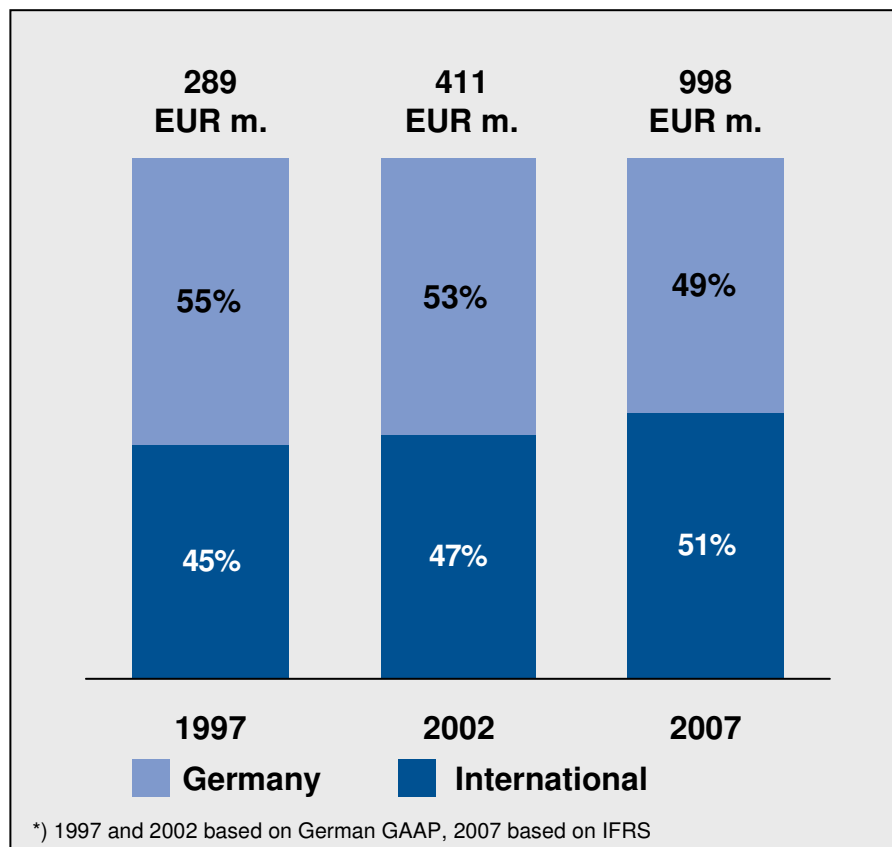
2 Attractive Business Platform

Sales by Region

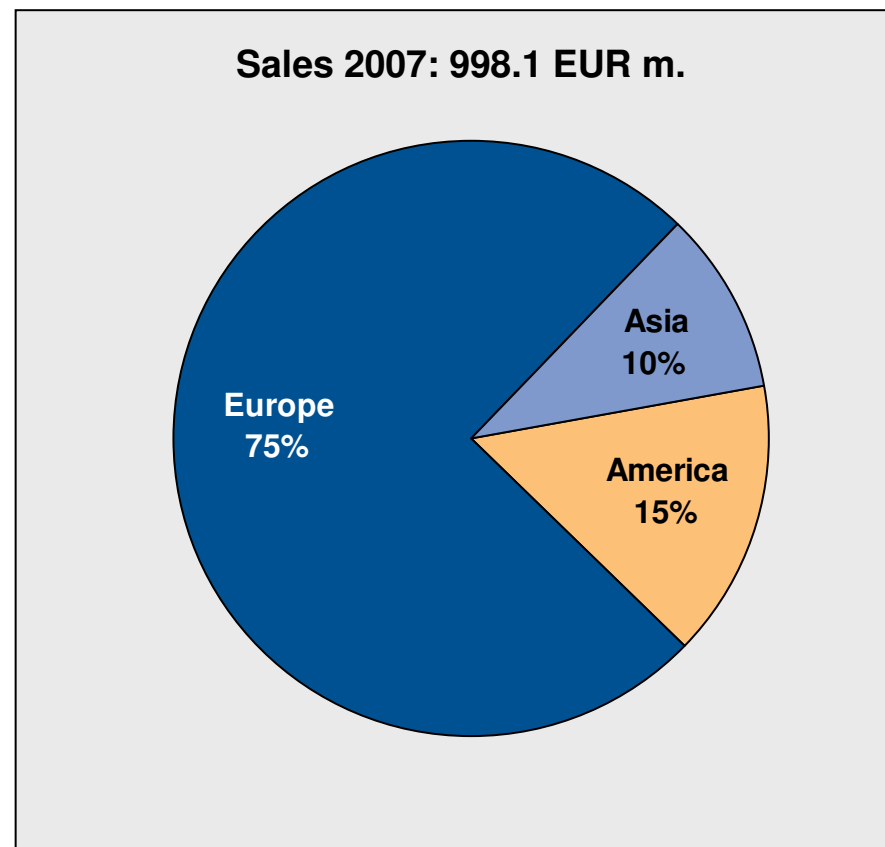


...with a continuously increased global focus...

Grammer Sales 1997–2007 – Domestic and International*



Grammer Sales 2007 by Region



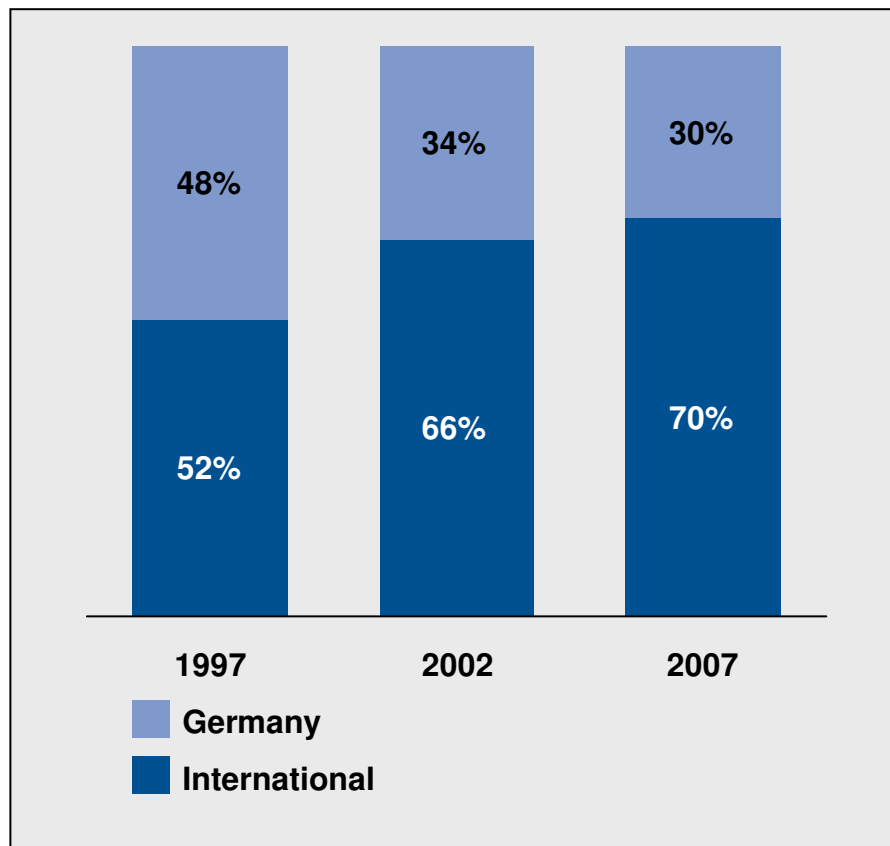
2 Attractive Business Platform

Global Footprint

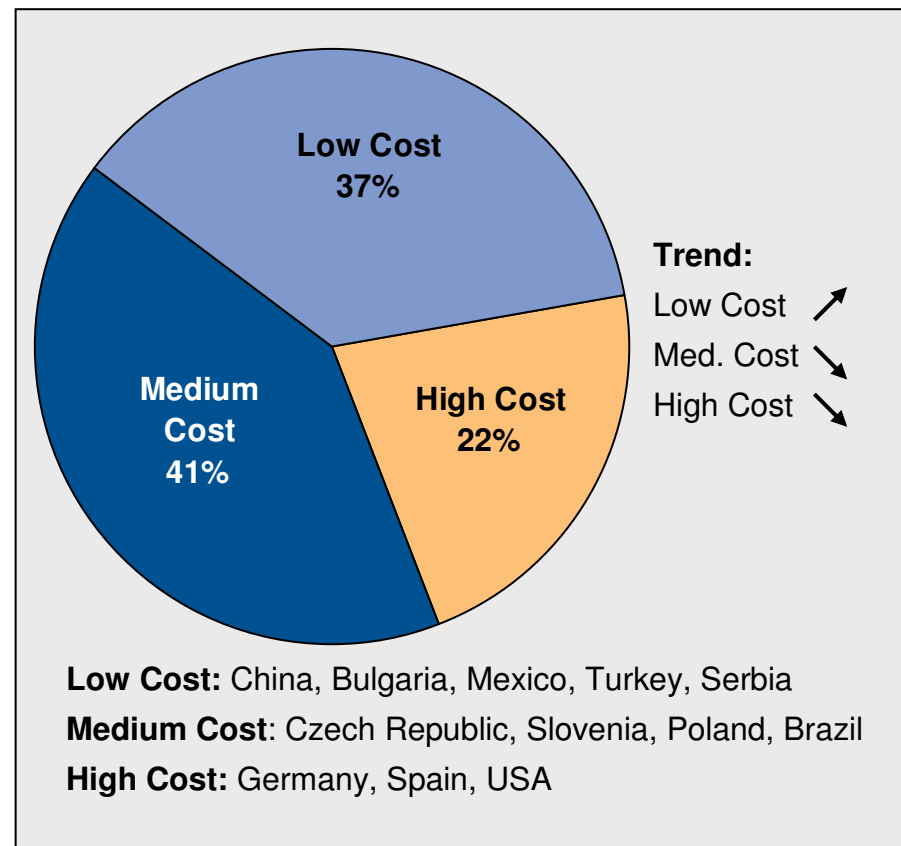


...supported by an increasingly low cost, global production network.

Total Employees in Germany / International 1997 - 2007



Direct Production Employees 2007 by Location





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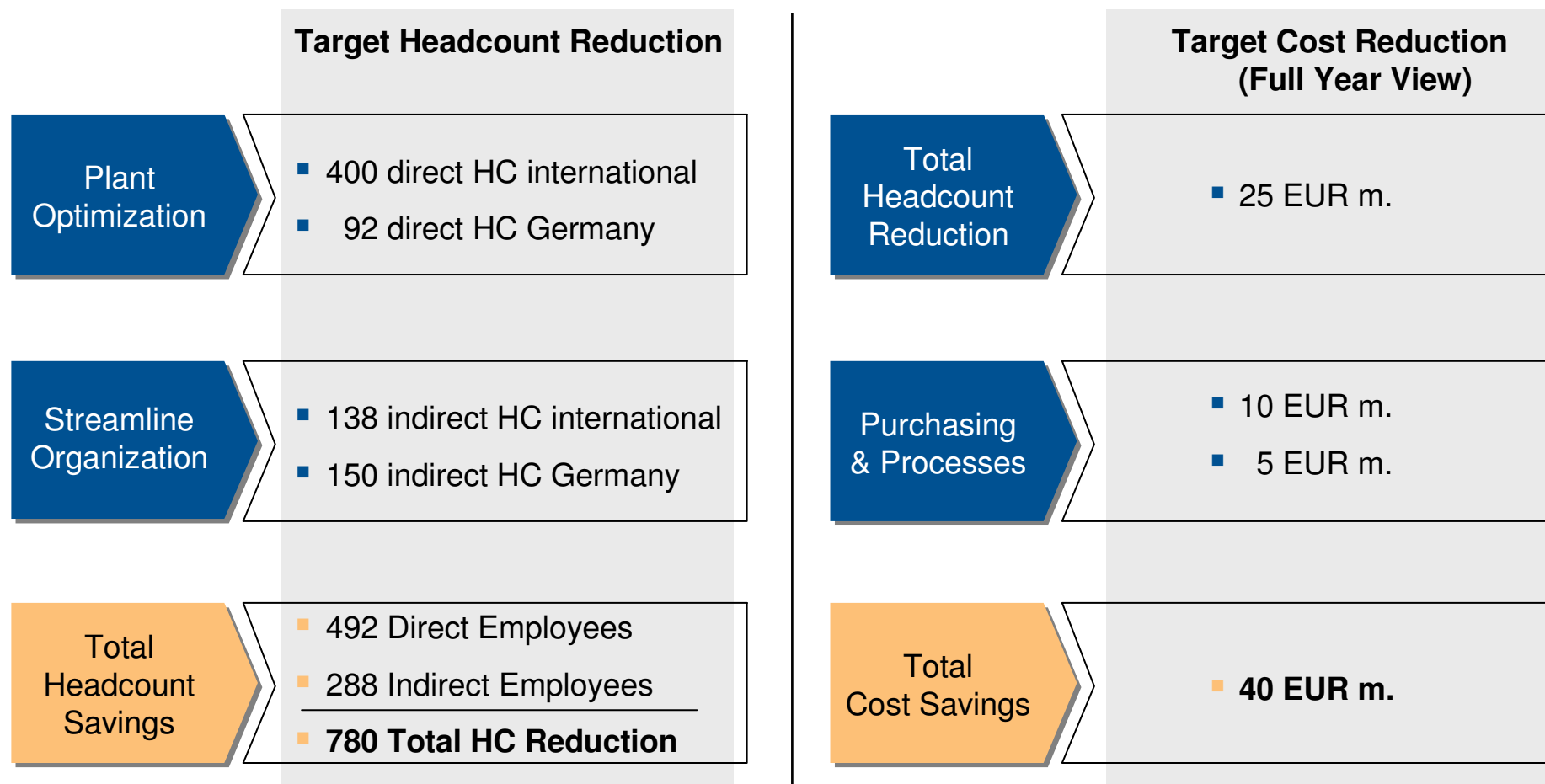


3 Strong Profitability Potential

Key Success Drivers - *Grammer's Fitness Program*



Grammer's Fitness Program results in a leaner and more efficient organization and therefore improves our cost structure and competitiveness significantly.





Leading system supplier with highly innovative products

Offroad

- Seatcab: Integration of seat & cabin suspension
- Growth in high margin service and aftermarket business: New contract with US distribution network
- Leading supplier to all major material handling and agricultural OEM's
- USA: Turf care and "Bobcat"-segment.
- Asia: New orders from major construction equipment OEM's

Truck & Railway

- New contract in 2008 to supply driver seats to the biggest Russian truck producer KAMAZ
- New seat generation "ECHO" targeted for various model changes 2009/2011 in Europe
- Extend business relationship with truck producer in NAFTA region with customized products
- Dubai metro (Dubai Rail Link) passenger seats for 395 cars
- Austrian National Railway: All passenger seats for 23 new "Railjet" trains

Automotive

- Several new or follow-up orders in premium and compact-class segment
- Acquisition of new business with our crash-active-headrest
- Develop Grammer as a major supplier for center consoles
- New center console orders: VW Touareg, Audi A6, Daimler SLK, GM USA/Europe: Gamma Platform, GM Asia: Buick GL8 and Chery B13, GM Mexico: Chevy Captiva



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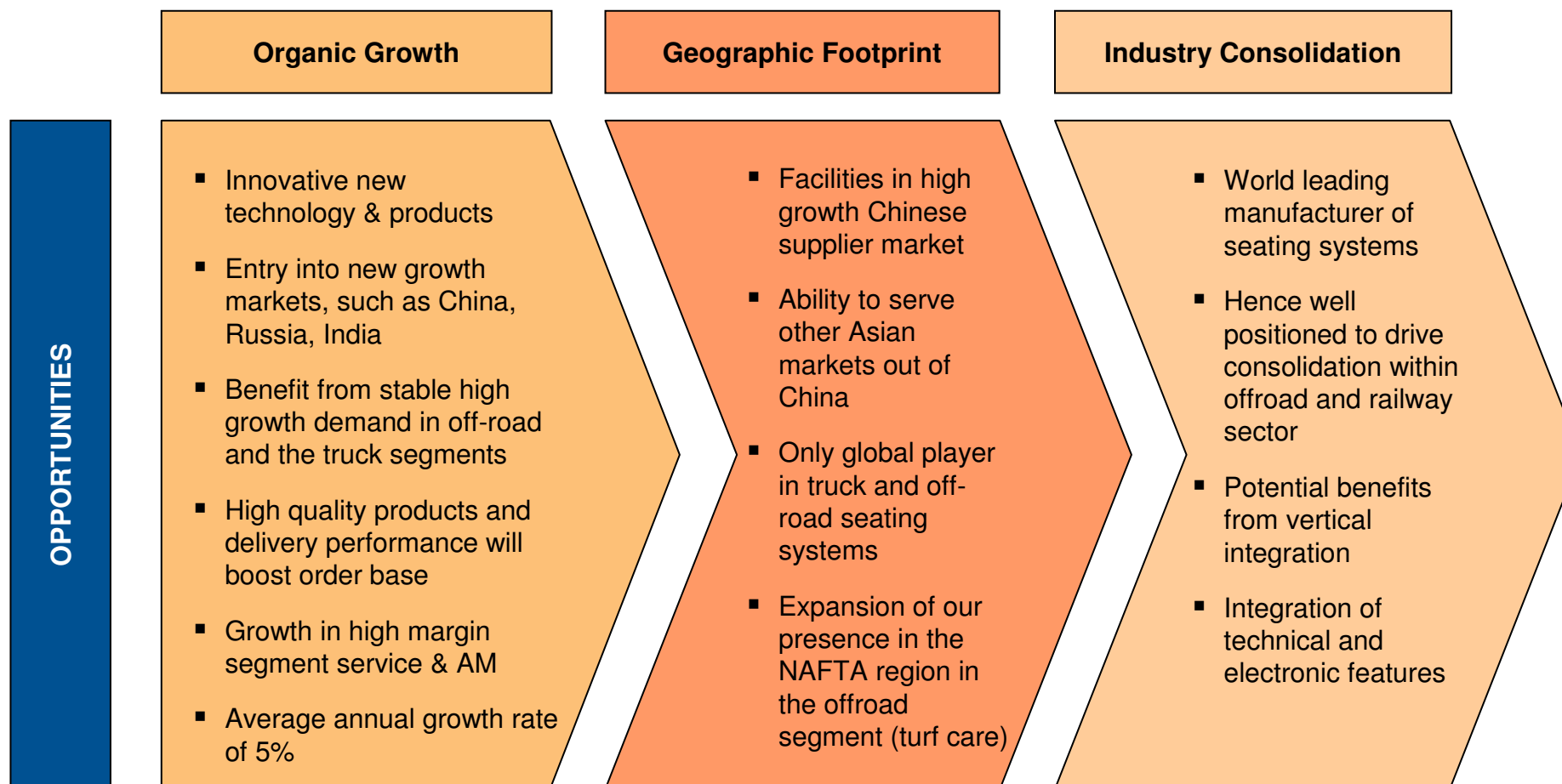
4 Significant Growth Potential

Grammer to exploit different opportunities for profitable growth



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Grammer's Focused Growth Model





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Automotive

- The established automotive markets could face a significant downturn in the 2nd half of 08. However, booming sales in China, India and Russia mean that the global passenger car market could record a slight growth in 2008.
- Grammer Automotive division with higher sales in 2008 based on a strong performance in H1 08, high exports and rising demand for compact-class vehicles. Due to announced production cuts by BMW and Daimler our sales performance will be less impressive in the 2nd half-year.
- Operative performance in 2008 influenced by potential material price increases in 2nd half-year, currency development, raising infrastructure cost and restructuring activities.

Seating Systems

- High demands in vehicles in agricultural and material handling segment are estimated to continue during the 2nd half of 2008. Risk of significant decrease in demand for construction equipment vehicles.
- Moderate development in train segment with lower order intake but improved segment profitability.
- Actions are implemented to limit the impacts to our profitability of potential higher material prices (esp. steel).
- Despite the threat of a downturn in the construction industry and potential risks of higher raw material prices, we see the Seating Systems division with a continuing strong performance in sales and profitability in 2008 as major growth driver of the Grammer Group.

Group

- For the fiscal year 2008 we are expecting revenues to grow moderately compared to 2007.
- Actual Q2 and H1 sales growth rates can not be projected for 2008 as a whole due to our strong sales performance in 2nd half-year of 2007 and the expected market development as described above.
- Due to our solid performance in the first six months of 2008 and based on reasonable labor agreements, moderate development of currencies and of material prices, we are still expecting a slight increase in EBIT in 2008 despite the negative impact of our restructuring activities.

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Ralf Hoppe (39), Vice President Investor Relations

- Before joining Grammer in February 2008, Mr. Hoppe was heading the Automotive Controlling of Schaeffler Canada Inc. in Stratford, Ontario, Canada
- Member of the FAG defence team during the takeover offer of the private INA Group in Sep. 2001
- Degree in business management and administration from university of applied sciences in Würzburg



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Backup - Key Financials Q2-2008

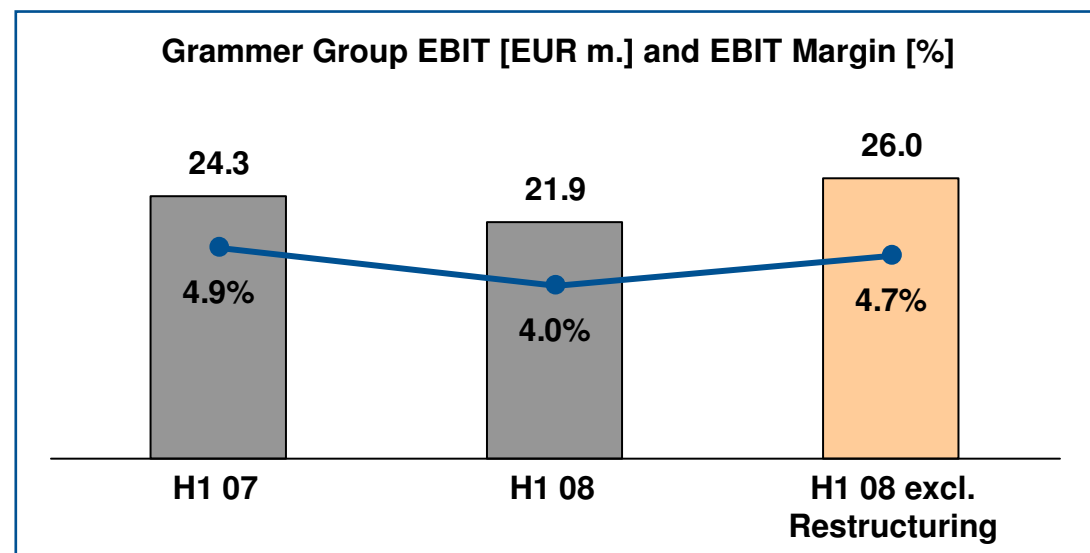
GRAMMER - Financial Highlights Q2-2008

Group P&L



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<i>in EUR m.</i>	Jan-Jun 08	Jan-Jun 07	Change in %
Revenue	547.8	491.9	11.4%
EBITDA	33.1	36.0	-8.1%
EBITDA Margin	6.0%	7.3%	-1.3%-points
EBIT	21.9	24.3	-9.9%
EBIT Margin	4.0%	4.9%	-0.9%-points
Profit before tax	17.2	20.3	-15.3%
Profit after tax	11.2	12.7	-11.8%



Grammer Group Highlights

- Continuing strong sales performance by both divisions with double-digit growth rates
- H1 08 Group revenue increased by +11.4% vs. 2007
- Significant sales increase in region “Asia/RoW” with +49% vs. 2007
- Group profitability is still significantly impacted by restructuring activities and therefore slightly below 2007 results despite a very strong performance of Seating Systems
- H1 08 EBIT 21.9 EUR m. including -4.1 EUR m. expenses for restructuring activities (H1 07: 24.3)
- Excluding restructuring charges H1 08 EBIT is 26.0 EUR m.

GRAMMER - Financial Highlights Q2-2008

Group Balance Sheet and Capex

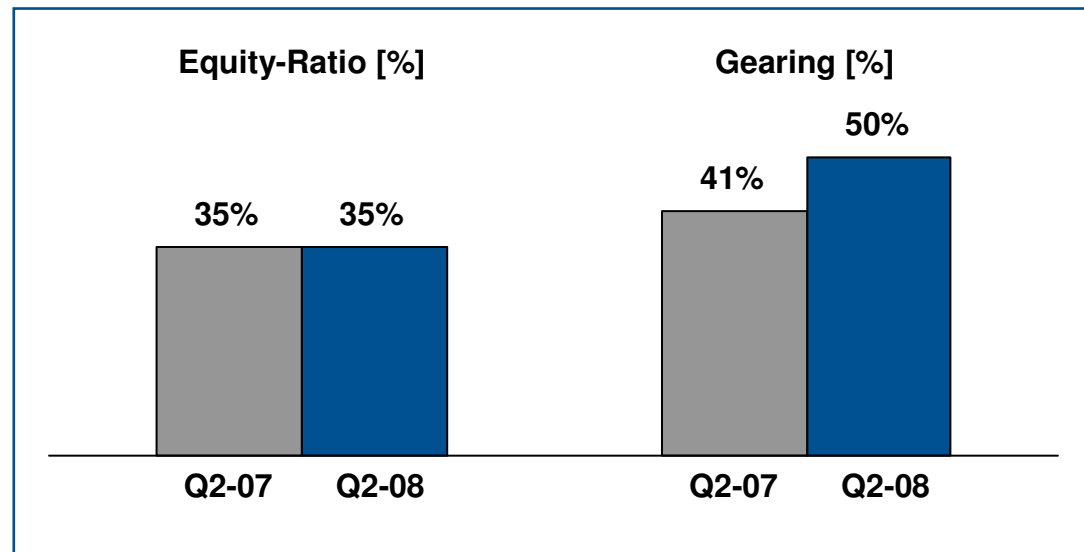


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<i>in EUR m.</i>	Jun 30, 08	Jun 30, 07	Change in %
Balance Sheet Total	531.2	506.9	4.8%
Equity	186.6	178.8	4.4%
Net Debt	92.8	74.0	25.4%
Capex	13.1	11.4	14.9%
Depreciation	11.2	11.7	-4.3%

Grammer Group Highlights

- Increased balance sheet total due to higher business, seasonal influences and initial consolidation of 2 new companies
- Equity-ratio June 30, 2008 is 35%, (June 30, 2007: 35%)
- Financing of higher business activities results in increased net debt and higher gearing
- Capex in Automotive (8.5 EUR m.) mainly for production ramp-up and location projects in China, Eastern Europe and Mexico
- Investments of the Seating Systems division range within normal levels (4.2 EUR m.)



GRAMMER - Financial Highlights Q2-2008

Group Cash Flow and Employees



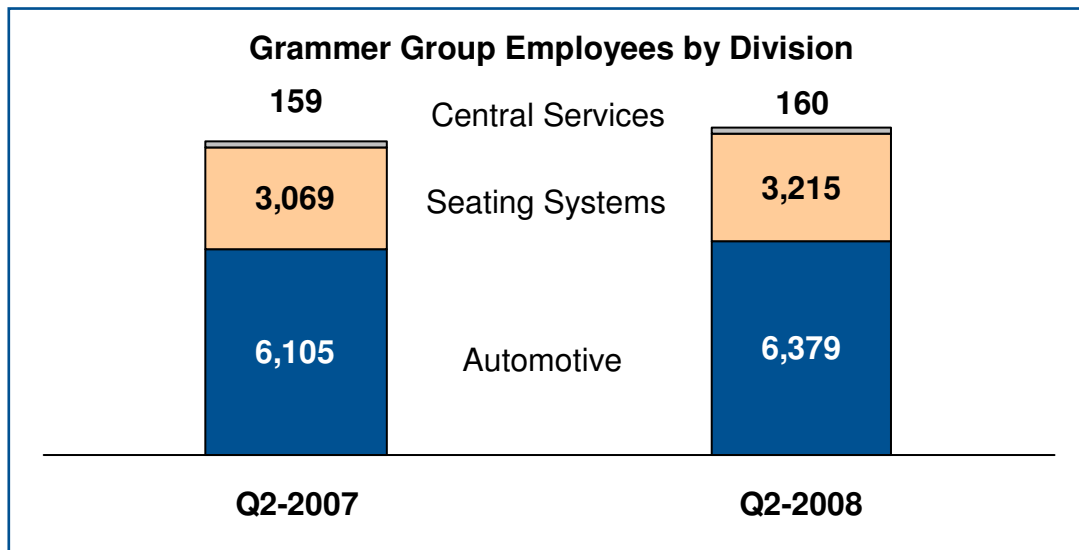
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<i>in EUR m.</i>	Jun 30, 08	Jun 30, 07	Change in %
Operative Cash-Flow	0.3	4.0	---
Free Cash-Flow	-12.6	-5.9	---
Employees (30.06.)	9,754	9,333	4.5%
Employees (30.06.) adjusted	9,486	9,333	1.6%

Note: adjusted = without newly consolidated companies

Grammer Group Highlights

- H1 08 free cash flow negatively impacted by lower pre-tax result, and higher investment activities
- Due to our streamlining and productivity activities the increase in average headcount January to June is significantly lower than the increase in sales
- Increase in headcount mainly due to the initial consolidation of our new companies in Serbia and China (+268 in total)
- Adjusted for the newly consolidated companies, Group headcount as of on June 30, 08 is +1.6% higher than June 30, 07 or -1.0% vs. Dec. 31, 07



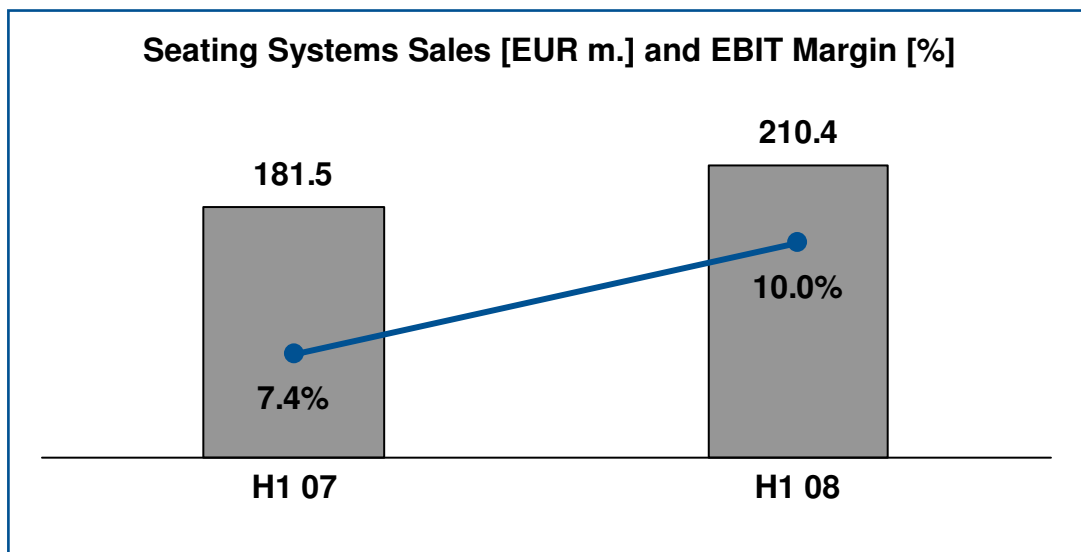
GRAMMER - Financial Highlights Q2-2008

Seating Systems



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<i>in EUR m.</i>	Jan-Jun 08	Jan-Jun 07	Change in %
Revenue	210.4	181.5	15.9%
EBIT	21.1	13.4	57.3%
EBIT Margin	10.0%	7.4%	2.6%-points
Capex	4.2	6.6	-36.0%
Employees (30.06.)	3,215	3,069	4.8%



Seating Systems Highlights

- Once again the Grammer Seating Systems division showed a very strong performance in sales and profitability Q2-2008
- Q2 sales increase was +16.4% due to good order situation in the offroad-segment as well as a continuing positive development in the truck market
- The excellent performance of the Seating Systems division resulted in EBIT increase of +93% in Q2 and +57% for the period Jan. to Jun.
- EBIT margin YTD +10.0% (H1 07: 7.4%)
- H1 08 average sales by employee is higher by +10% vs. prev. period

GRAMMER - Financial Highlights Q2-2008

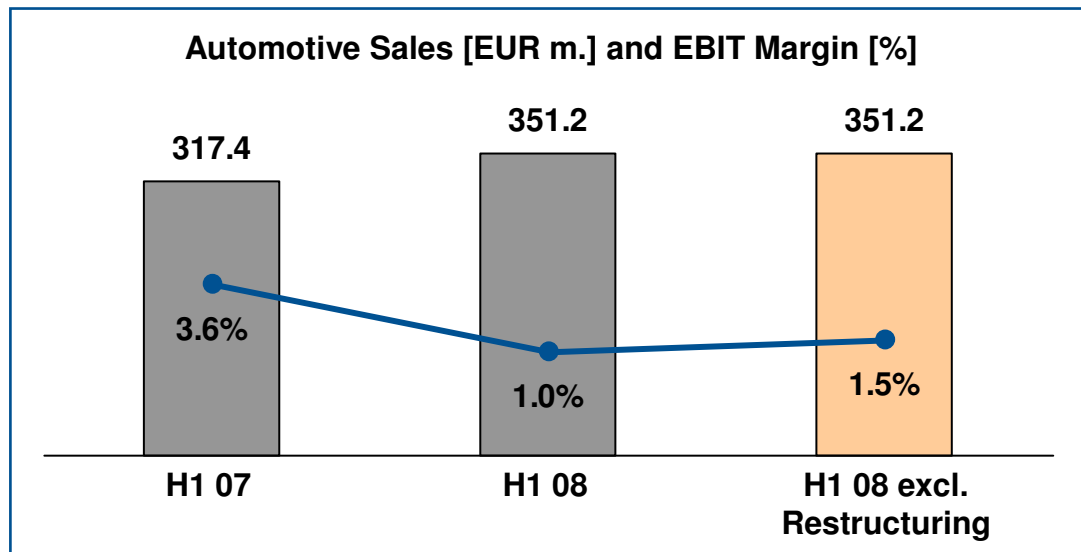
Automotive



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<i>in EUR m.</i>	Jan-Jun 08	Jan-Jun 07	Change in %
Revenue	351.2	317.4	10.7%
EBIT	3.6	11.3	-68.1%
EBIT Margin	1.0%	3.6%	-2.6%-points
Capex	8.5	4.2	102.4%
Employees (30.06.)	6,379	6,105	4.5%
Employees (30.06.) adjusted	6,111	6,105	0.1%

Note: adjusted = without newly consolidated companies



Automotive Highlights

- YTD sales growth +10.7% vs. previous year, despite slower sales growth in Q2 (+6.4%)
- Grammer's broad product range could more than compensate the decline in large vehicles with high fuel consumption through growth in compact class
- Profitability of the Automotive division was continuously impacted by our restructuring, negative currency development and higher cost at our East-European plants
- First results of the restructuring activities led to a positive EBIT trend in Q2 compared with prev. months
- H1 08 average sales by employee is higher by 7% vs. prev. period