



German Equity Forum November 11, 2008

Well Positioned for Profitable Growth



Market & Technology Leadership

Strong Brand Name

Highly Innovative

Broad Customer & Product Portfolio

Global Player

Strong Sales Growth Record

Our Vision

- Global market leader for off-road seating
- Leading global player for automotive interior
- Leading global player for commercial vehicles and railway seating

Our Mission

- Strengthen the position as an innovative leader
- Produce products with superior quality, safety, ergonomics and comfort
- Create value for our customers and shareholders

Our Group Financial Objectives

- Organic sales growth of 5% per year
- EBIT margin > 5%
- ROCE 3 %-points above cost of capital

GRAMMER Group: Divisional Overview



Grammer Group (Sales 2007: 998.1 EUR m. / EBIT: 32.1 EUR m.)

Seating Systems

Automotive

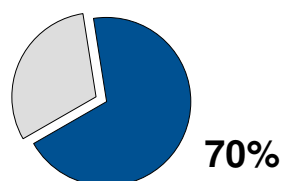
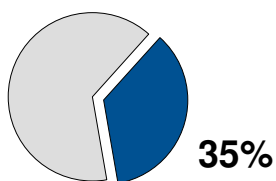
Product Segments

- **Offroad**
Driver seats for offroad commercial vehicles
- **Truck & Bus**
Driver seats for trucks and busses
- **Railway**
Passenger seats for trains

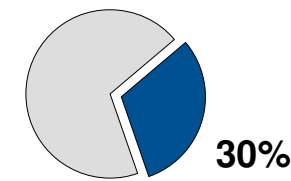
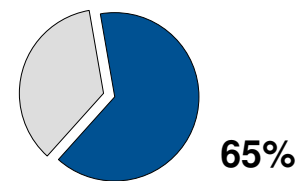
- **Headrests**
- **Armrests**
- **Center Consoles**
- **Side and trim covers**
- **Integrated Child Safety Seats**

Highlights 2007

- **Sales:** 363.3 EUR m.
- **EBIT:** 24.1 EUR m. (Margin: 6.6%)
- **Employees:** 3,153 (Dec 31)
- **Sales Contribution** **EBIT Contribution**



- **Sales:** 657.7 EUR m.
- **EBIT:** 10.7 EUR m. (Margin: 1.6%)
- **Employees:** 6,216 (Dec 31)
- **Sales Contribution** **EBIT Contribution**



2007 Highlights

Revenue	998.1 EUR m.	+ 13.3 % vs. 2006
EBIT	32.1 EUR m.	- 17.4 % vs. 2006
EBIT-Margin	3.2 %	- 1.2 %-Points vs. 2006
Net Profit	17.6 EUR m.	- 17.6 % vs. 2006
Equity-Ratio	37.1 %	+ 0.4 %-Points vs. 2006
Gearing	37.9 %	+ 4.7 %-Points vs. 2006
Operative Cash-Flow	38.5 EUR m.	+ 29.6 % vs. 2006

Market Leadership Positions

Offroad

- World #1 in offroad seating systems with a global market share > 50%
- Dominant market position in Europe and South America with a market share of 80%

Truck

- Market Leader in South America and Mid-East. No.2 in Europe.
- Successful entry in growth market Russia by supplying seats to “Kamaz”

Railway

- European market is dominated by three players: Grammer, Compin and Antolin
- Market leader in high-speed and long-distance trains

Automotive

- Strong market position in arm- and headrests with an attractive customer and product mix
- Attractive position in OEM/Tier 1/Tier 2 universe with competitive, high quality products

Leading market and technology positions in all relevant key markets
Strong brand name with high reputation for innovation, design, quality and ergonomics

As a global leader in technology and innovation...

Offroad

- Highly innovative driver seats with active suspension system, seat A/C and moisture absorption
- Next evolution: SeatCab-project: The integration of driver cabin and seat suspension for optimized vibration absorption



Truck

- New GRAMMER seat generation "ECHO" targeted for various model changes in Europe
- Special materials and designs for light-weight construction
- Specifically customized products to meet local US standards



Railway

- Grammer railway seats are leading in innovation, design and ergonomics
- Engineered products to meet the toughest customer's technical and safety specs
- "RedDot" design award for new premium railway seat



Automotive

- Crash-active dynamic plus highly sensible sensor technology for the innovative, electronic headrest to minimize the risk of an injury
- Center consoles and armrests with stylish designs, high-end surfaces and integrated electronic functions



...we are able to secure new business and gain access to new markets and customers

Offroad

- Major contract with US distribution network to develop high-margin aftermarket segment
- Single supplier for new Toyota fork-lift “Tonero”
- Seating kits for compact construction machines and professional gardening and landscaping equipment



Truck

- Production of driver and passenger seats for Russia’s largest truck manufacturer Kamaz
- High-end and economy seats to advance as the core supplier of Daewoo bus, South Korea
- New seat generation “ECHO” for truck models in Europe and NAFTA



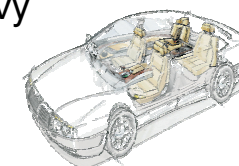
Railway

- Single seat supplier for all 23 new “Railjet”-trains of the Austrian national railway
- 395 cars of the new Dubai Metro will be equipped with GRAMMER seats
- New orders for passenger seats from the national railway in Norway and UK



Automotive

- New orders for center console business for VW Touareg, Audi A6, Daimler SLK, GM Gamma & Epsilon platform, Buick, Cery and Chevy
- New crash-active-headrest business for Chrysler USA



Market trends support GRAMMER's leading position and future growth potential

Offroad

- Generation of alternative energy => High demand for agricultural vehicles
- New regulations of body-vibration-limits => Premium, high-quality seating systems

Truck

- Biggest growth is China, Asia and Russia => Local content is key for market participation
- Trend towards better comfort and designs => Premium, high-quality truck driver seats

Railway

- High investment in railway system in Asia and Far East expected
- 3 major players dominate the market => Industry consolidation necessary

Automotive

- Adoption of European safety features in NAFTA region => Crash-Active-Headrest
- Integration of front armrest into center console => Provide full center console system

**As a leading system supplier with highly innovative products,
GRAMMER will capitalize on these markets trends to secure future profitable growth**

Strategic Highlights and Key Success Factors

Offroad

- Strengthen global leadership in innovation and technology as the solution provider in “Human body vibration”
- Secure dominant market position in Europe
- Access new market segments in USA
- Realize growth potentials in emerging markets

Truck

- Launch new GRAMMER seat generation “ECHO” in Europe and NAFTA
- Market access in Russia, India and China with local production and partnerships
- Realize “must-win” projects to strengthen Grammer as a leading global player

Railway

- Drive actively the industry consolidation on Tier 1 and Tier 2 level
- Improve cost structure by reduction of complexity and through-put times
- Optimize supply chain
- Launch new high-speed and regional projects

Automotive

- Establish Grammer as a Tier 1 system-supplier of center consoles
- Optimization of cost structures at Eastern European production locations
- Strengthen business relationship with Daimler
- Strengthen core processes and increase low cost sourcing

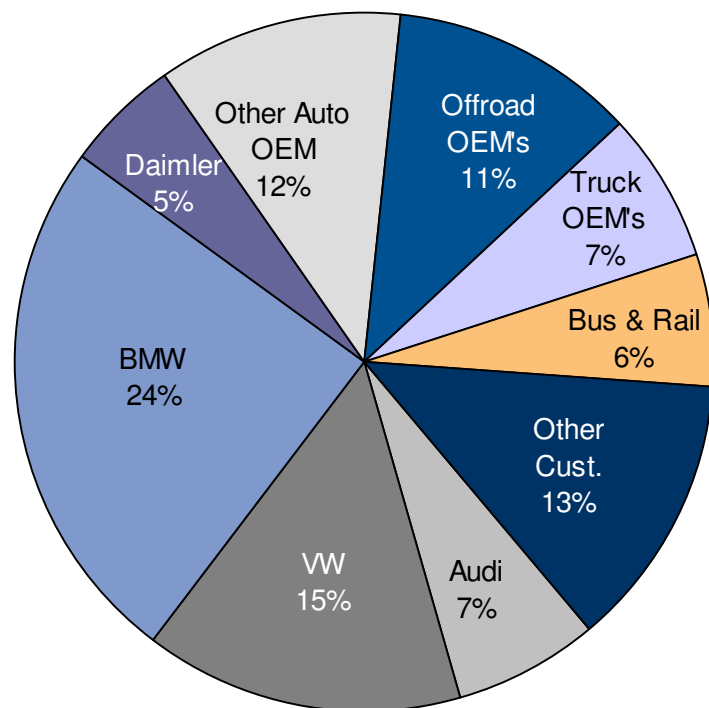
GRAMMER: Broad Customer & Product Portfolio



GRAMMER offers an attractive product portfolio to a well balanced customer base

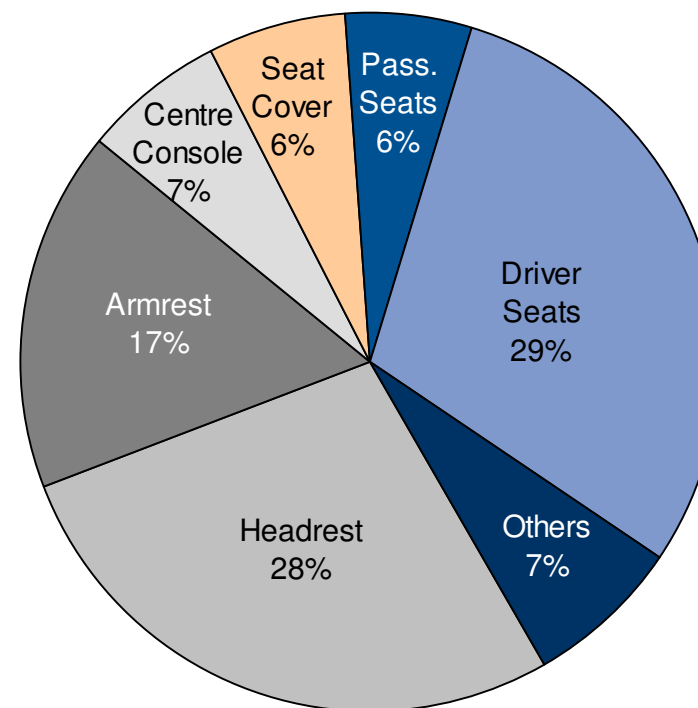
Grammer Sales 2007 by Customer Group

Sales 2007: 998.1 EUR m.

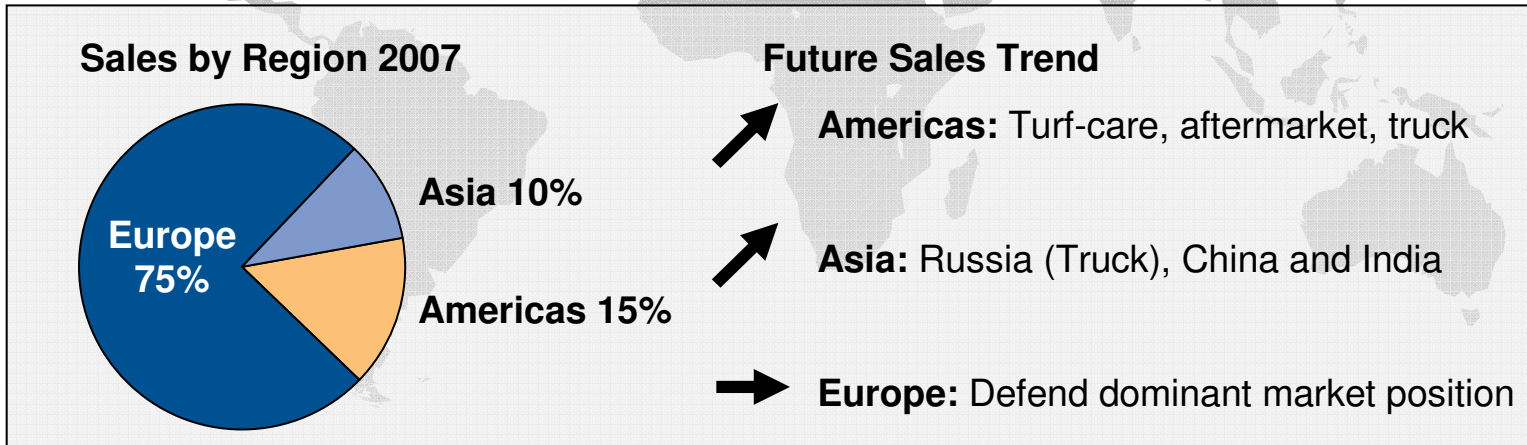
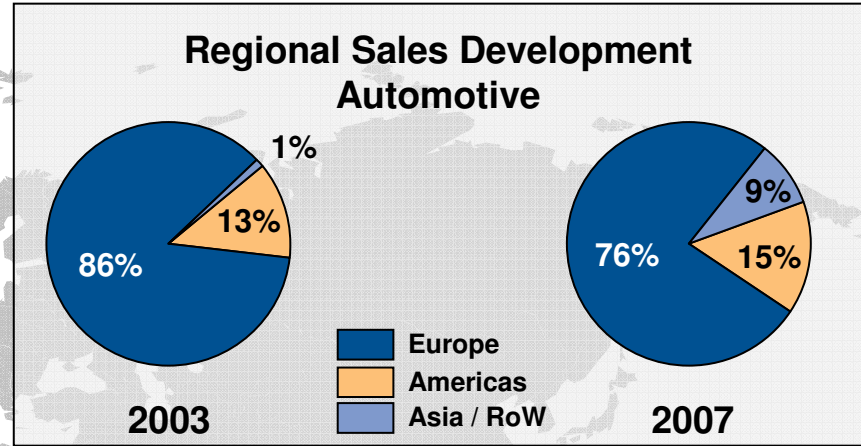
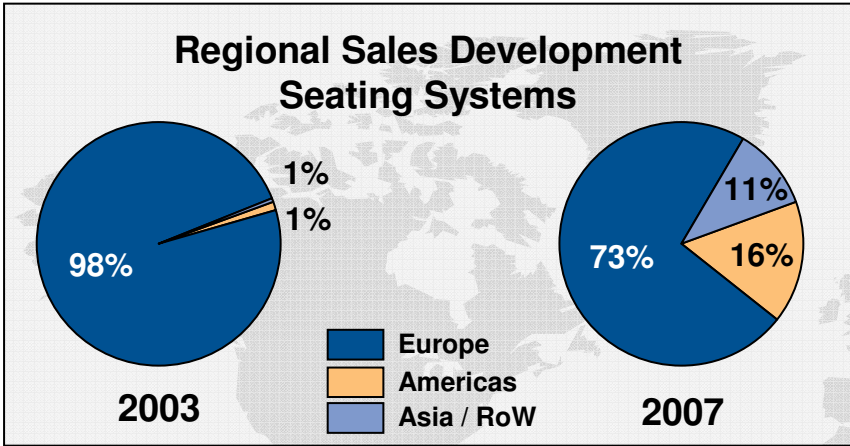


Grammer Sales 2007 by Product Group

Sales 2007: 998.1 EUR m.



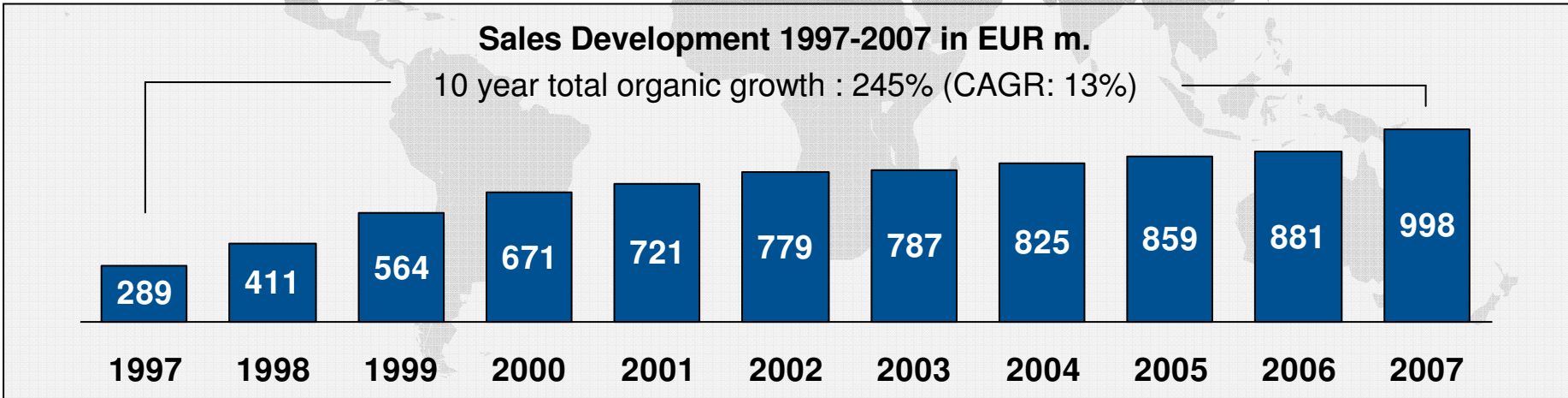
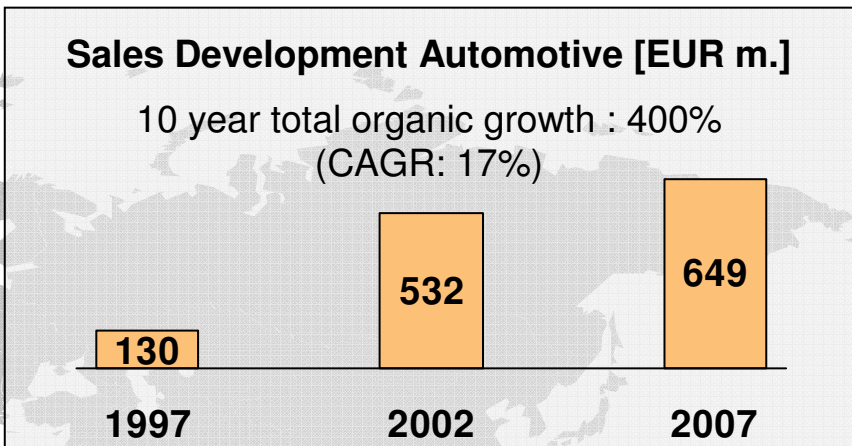
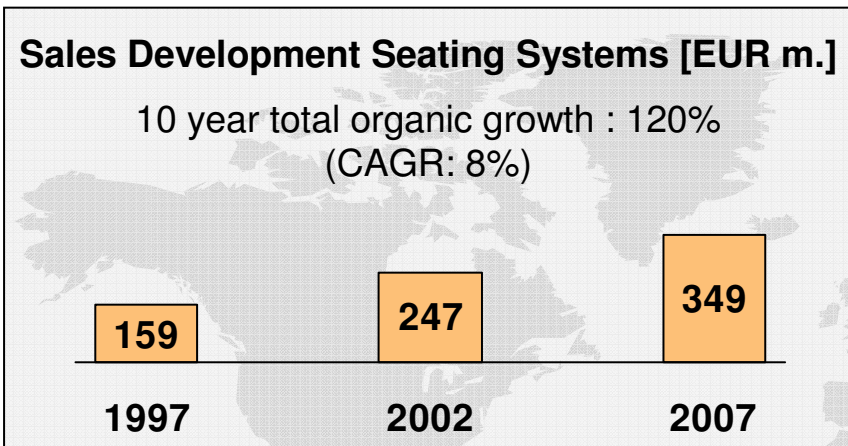
GRAMMER continuously increased global focus in revenue



GRAMMER: Strong Sales Growth Record



In the last 10 years GRAMMER could achieve an impressive organic sales growth



Note: Net sales to external customers, 1997-2003: German GAAP (HGB), 2004-2007: IFRS

Leaner and more efficient organization with improved cost structure and competitiveness

Status-quo

Poor margin development of our Automotive Division

Major Issues

- Raising labour and infrastructure cost at Eastern European locations
- Raising raw material costs
- High fixed-cost structure
- Program start-up problems

Key Actions

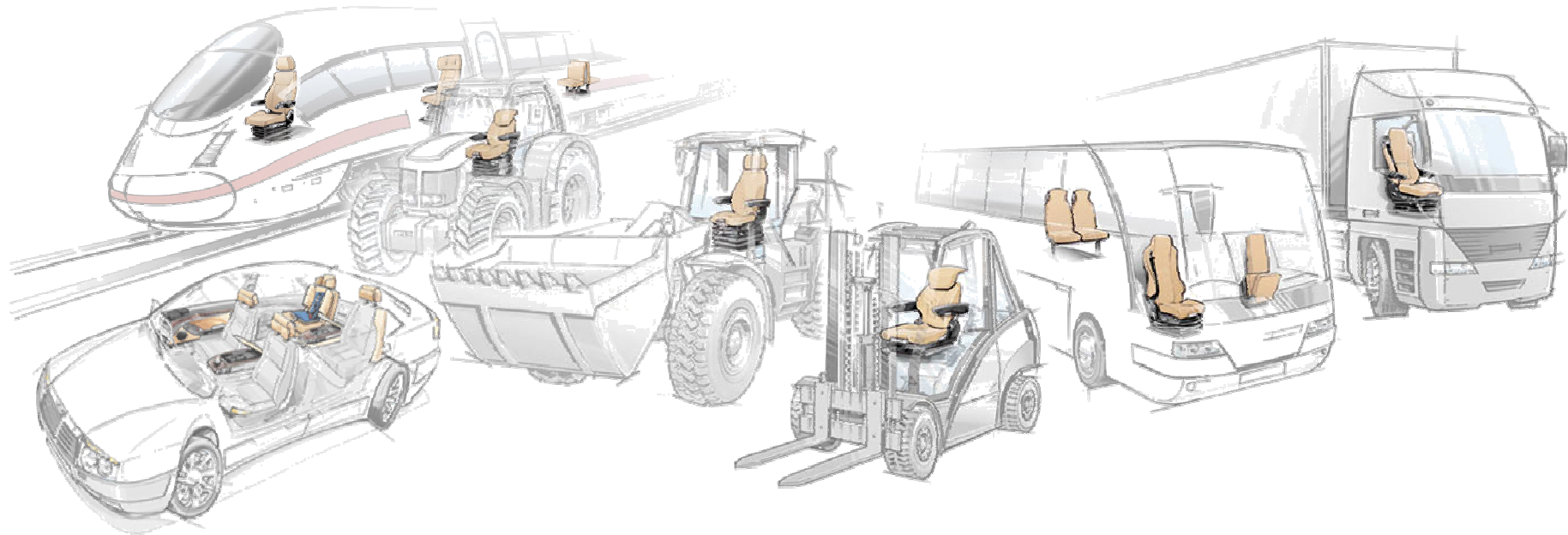
- Efficiency + productivity increase in all plants
- Process, value chain and footprint optimization
- Set-up low-cost location in Serbia (cut & sew)
- Global commodity strategy with defined supplier base and focus on low cost sources
- Improve launch and project management
- Implement BU Concept
- Integration of central functions Seating & Auto.

First Results

- All organizational projects have been completed
- Successful transformation of major plants into a lean manufacturing concept
- Set-up our new low-cost location in Serbia for all of our cut&sew processes
- Successful transfer of headrest production from Greenville (US) to Mexico
- Adjusted Headcount -5% vs prev. year (Group)
- Adjusted Automotive headcount -520 or -8%



GRAMMER



The Third Quarter – January to September 2008

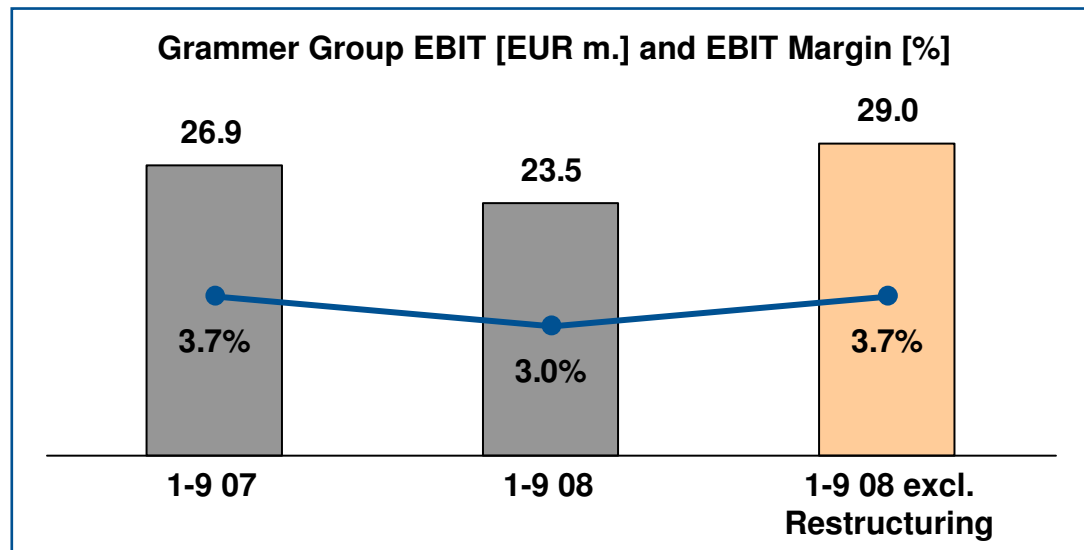


GRAMMER Group Q1-Q3 2008: P&L Highlights

<i>in EUR m.</i>	Jan-Sep 08	Jan-Sep 07	Change in %
Revenue	787.4	735.1	7.1%
EBITDA	40.6	44.4	-8.6%
EBITDA Margin	5.2%	6.0%	-0.8%-points
EBIT	23.5	26.9	-12.6%
EBIT Margin	3.0%	3.7%	-0.7%-points
Profit before tax	18.1	20.0	-9.5%
Profit after tax	10.8	13.0	-16.9%

Grammer Group Highlights

- Continuing sales increase, but lower growth rate
- 1-9 08 Group revenue increased by +7.1% vs. 2007
- Q3 sales declined due to lower Automotive revenue
- Group profitability is impacted by restructuring activities and lower Automotive demand and therefore below 2007 results despite a strong performance of Seating Systems
- 1-9 08 EBIT 23.5 EUR m. including -5.5 EUR m. expenses for restructuring activities (1-9 07: 26.9)
- Excluding restructuring charges 1-9 08 EBIT is 29.0 EUR m.



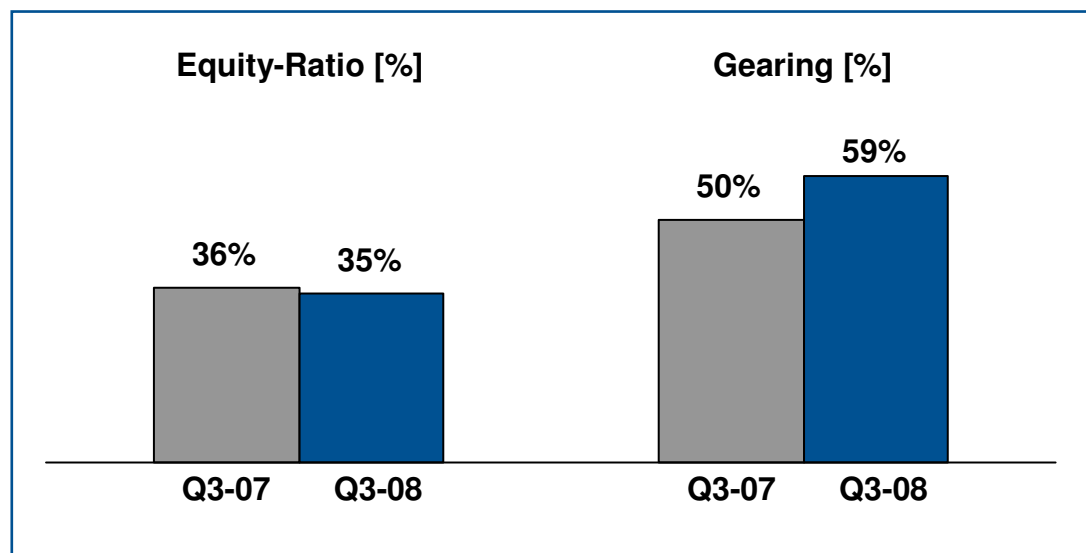
GRAMMER Group Q3-2008: Balance Sheet and Capex



<i>in EUR m.</i>	Sep 30, 08	Sep 30, 07	Change in %
Balance Sheet Total	525.2	501.9	4.6%
Equity	184.2	180.2	2.2%
Equity Ratio	35%	36%	-0.7%-points
Net Debt	109.4	89.5	22.2%
Gearing	59%	50%	9%-points
Capex	22.3	19.5	14.4%
Depreciation	17.1	17.5	-2.3%

Grammer Group Highlights

- Increased balance sheet total due to higher business and initial consolidation of 2 new companies
- Equity-ratio Sep 30, 2008 is 35%, (June 30, 2007: 36%)
- Financing of higher business activities results in increased net debt and higher gearing
- Long-term financial debt: 70 EUR m. debenture loan, due Aug. 2013, fixed rate of 4.82%
- Current financial debt: 46 EUR m. overdraft facilities with various German banks, fixed until Dec 2009, daily variable rate based on EONIA





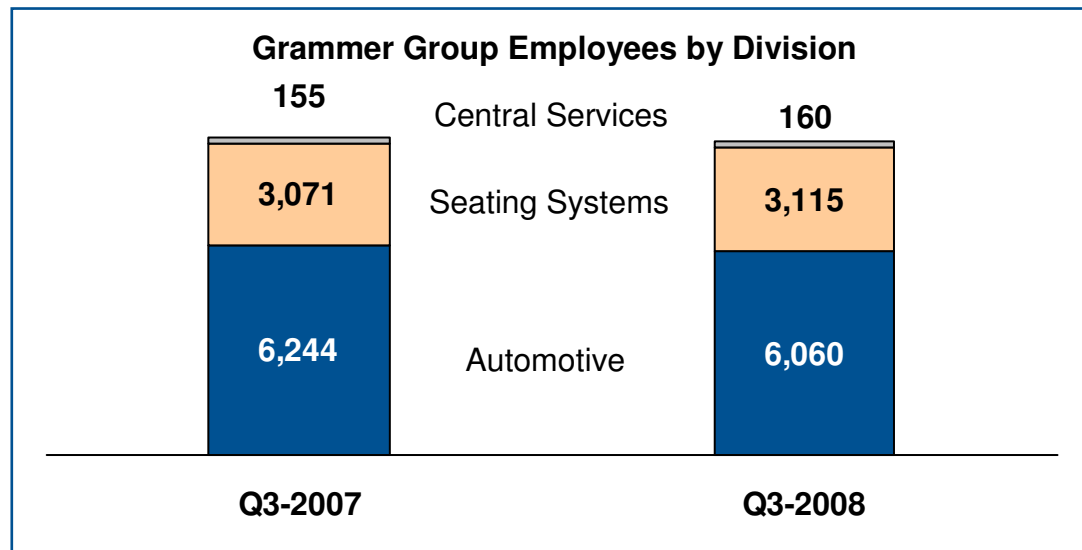
GRAMMER Group Q3-2008: Cash Flow & Employees

<i>in EUR m.</i>	Sep 30, 08	Sep 30, 07	Change in %
Operative Cash-Flow	-5.9	0.0	---
Free Cash-Flow	-29.2	-21.4	---
Employees (30.09.)	9,335	9,470	-1.4%
Employees (30.09.) adjusted	8,999	9,470	-5.0%

Note: adjusted = without newly consolidated companies

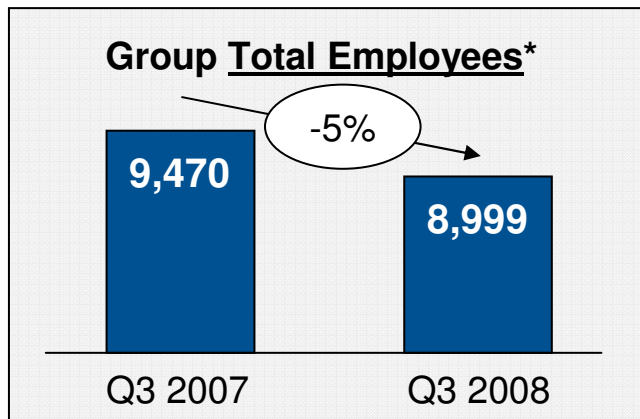
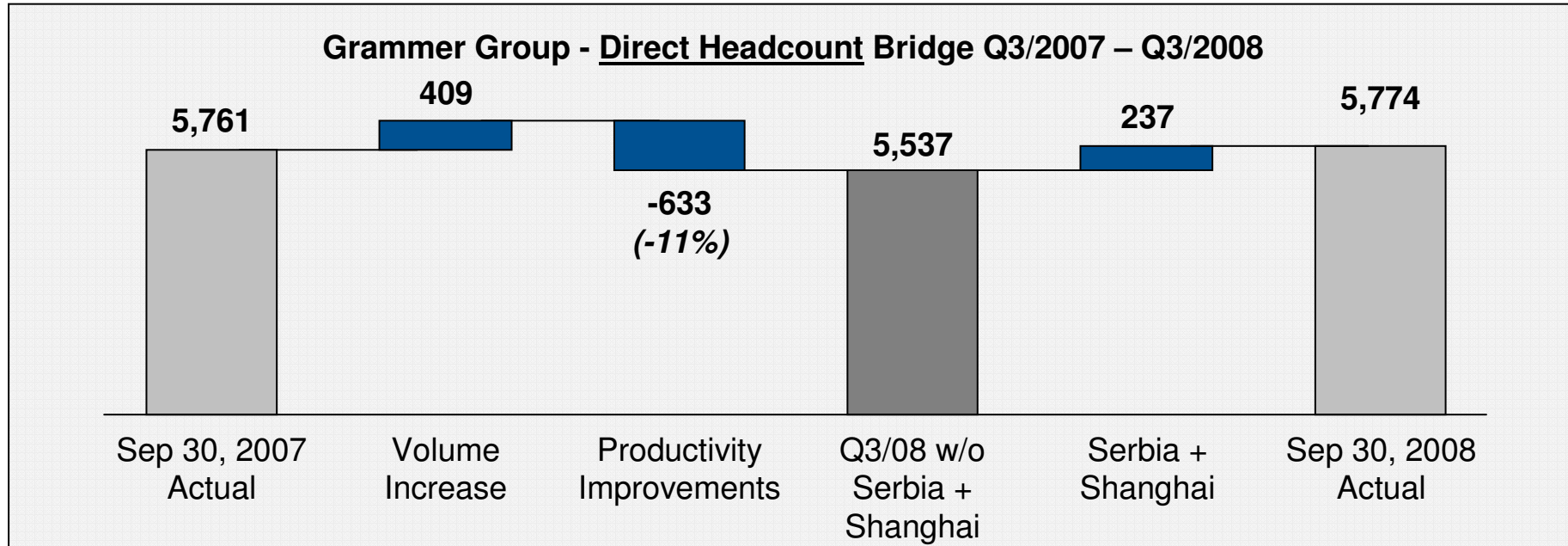
Grammer Group Highlights

- 1-9 08 free cash flow negatively impacted by lower pre-tax result, higher working capital and higher investment activities
- Due to our streamlining and productivity activities the increase in sales Jan-Sep 08 of +7.1% could be achieved within an average headcount increase of only +1%
- Increase in headcount mainly due to the initial consolidation of our new companies in Serbia and China (+336 in total)
- Adjusted for the newly consolidated companies, Group headcount as of Sep 30, 08 is -5% lower than prev. year and -6% lower than December 31, 2007

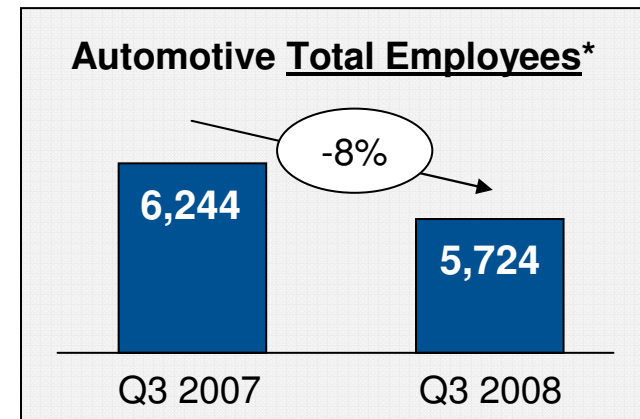




GRAMMER Q3-2008: Headcount Development



*) adjusted = without newly consolidated companies



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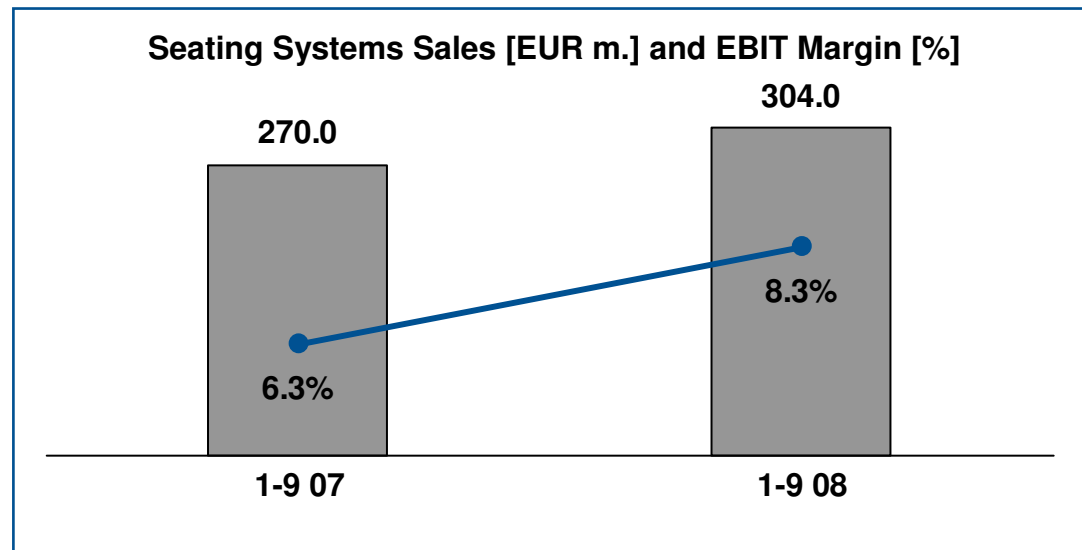


Grammer Seating Systems Q1-Q3 2008: Highlights

<i>in EUR m.</i>	Jan-Sep 08	Jan-Sep 07	Change in %
Revenue	304.0	270.0	12.6%
EBIT	25.1	17.0	47.6%
EBIT Margin	8.3%	6.3%	2.0%-points
Capex	7.4	9.7	-23.7%
Employees (30.09.)	3,115	3,071	1.4%

Seating Systems Highlights

- Continuing positive development in Q3 2008 with higher sales and EBIT compared to previous year
- 1-9 08 sales up 12.6%, however, sales growth rate in Q3 lower (+6%)
- Stable order situation in offroad-segment. Truck and construction machinery show first signs of clouding in Q4.
- Due to seasonality Q3 margin dropped to 4.3%, but still above previous year
- The profitable growth of the Seating Systems division resulted in an EBIT increase of 48% in the first 9 months of 2008 with an EBIT margin +8.3%
- 1-9 08 average sales by employee is higher by +8% vs. prev. period

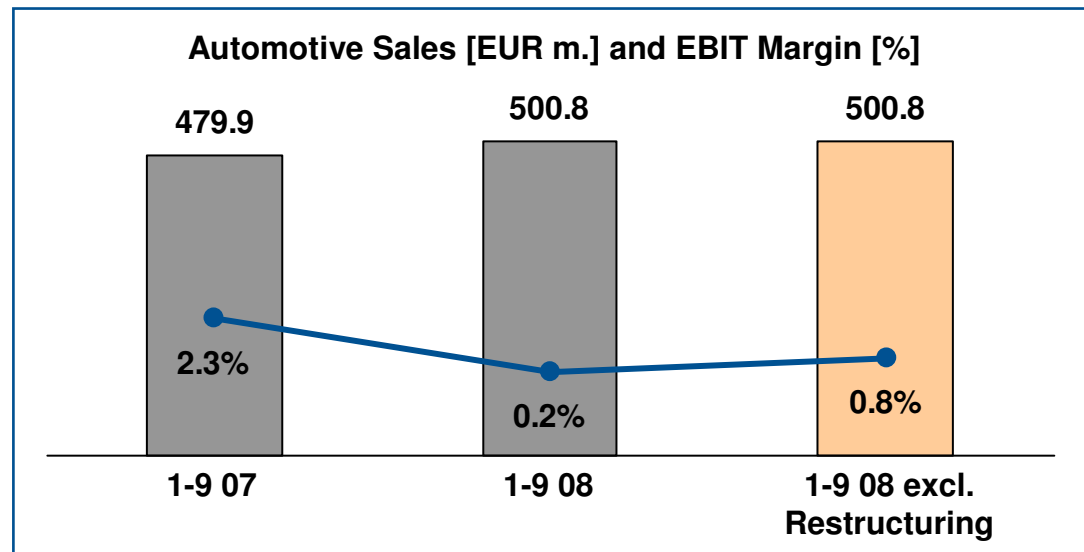




Grammer Automotive Q1-Q3 2008: Highlights

<i>in EUR m.</i>	Jan-Sep 08	Jan-Sep 07	Change in %
Revenue	500.8	479.9	4.4%
EBIT	1.1	11.1	-90.1%
EBIT Margin	0.2%	2.3%	-2.1%-points
Capex	13.9	8.6	61.6%
Employees (30.09.)	6,060	6,244	-2.9%
Employees (30.09.) adjusted	5,724	6,244	-8.3%

Note: adjusted = without newly consolidated companies



Automotive Highlights

- YTD sales growth still +4.4% vs. previous year, despite a revenue drop in the third quarter
- Q3 sales down -8% due to weak demand in Europe and USA
- Higher demand for compact cars could only partly compensate the decline in the overall auto market
- Profitability of the Automotive division was continuously impacted by our restructuring, negative currency development and higher costs at our East-European plants
- Accelerated headcount reduction due to lower demand
- Adjusted headcount -520 or -8% lower than Q3-2007 and -319 vs. June 30, 2008

Automotive

- Due to the financial crises, the weaker economic outlook and the production cut-backs by many car manufacturer, we expect a further sales decline in Q4 2008.
- Despite the weaker Q4, we are expecting moderate revenue growth for 2008 as a whole, due to the strong performance in the first half and rising demand for compact-class vehicles, predominantly with our customer VW.
- Operative performance in 2008 influenced by material price increases, currency development, higher infrastructure cost, restructuring activities and the adjustments of production capacity implemented at our various sites due to falling demand.

Seating Systems

- We continue to be optimistic for this segment and anticipate a positive revenue and earnings development in the 4th quarter, however truck and construction machinery show first signs of clouding in Q4.
- The growth is based on a stable order situation in the off-road segments. The positive development of the South American market can only partly offset the falling demand in the European truck market.
- The Seating Systems division is the key growth driver in the Grammer Group and will thus have a positive influence on revenue and overall earnings of our company.

Group

- Grammer still anticipates a slight revenue growth and expects to reach the targeted billion mark for the first time in the current financial year.
- This assumption is mainly based on the positive development in the Seating Systems division and the double-digit revenue growth in the first half of 2008.
- Due to the solid performance in the Automotive division in the first 6 months and in particular the significant increase in profit in the Seating Systems division, we are assuming that we will be able to achieve a result in line with our existing EBIT guidance despite of the unfavorable general economic conditions.

Financial Calendar 2009

- Annual Report 2008: March 31, 2009
 - Analyst & Press Conference: March 31, 2009
 - Interim Report Q1-2009: May 12, 2009
 - AGM 2009 in Amberg: May 28, 2009
 - Interim Report Q2-2009: August 11, 2009
 - Interim Report Q3-2009: November 10, 2009
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