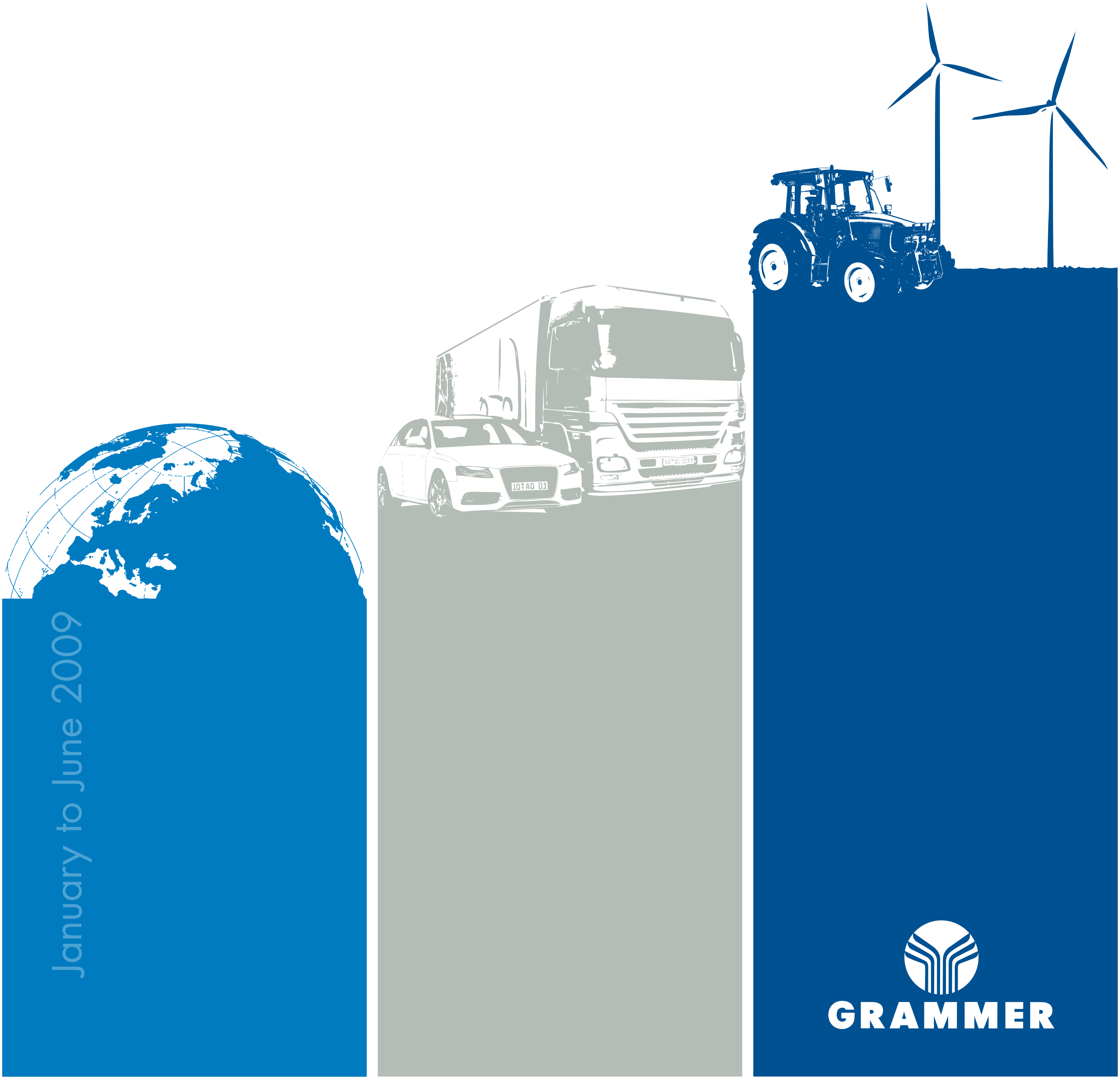
First Half Year
January to June 2009

GRAMMER Facts



GRAMMER

Key Figures[1)]

in EUR m

	Q2 2009	Q2 2008	01 – 06 2009	01 – 06 2008
Group revenue	169.9	280.4	341.7	547.8
Automotive revenue	116.8	177.2	221.5	351.2
Seating Systems revenue	56.4	108.4	125.9	210.4
Income statement				
EBITDA	- 4.8	19.5	- 7.1	33.1
EBITDA margin (in %)	- 2.8	6.9	- 2.1	6.0
EBIT	- 10.9	13.7	- 19.4	21.9
EBIT margin (in %)	- 6.4	4.9	- 5.7	4.0
Profit/loss (-) before income tax	- 12.4	13.0	- 22.4	17.2
Net profit/loss (-)	- 12.9	8.8	- 22.8	11.2
Statement of financial position				
Total assets	475.7	531.2	475.7	531.2
Equity	155.2	186.6	155.2	186.6
Equity ratio (in %)	33	35	33	35
Net financial debt	95.4	92.8	95.4	92.8
Gearing (in %)	61	50	61	50
Capital expenditure	5.7	8.2	14.5	13.1
Depreciation and amortization	6.1	5.8	12.3	11.2
Employees (June 30)			7,320	9,754
Key share data			June 30, 2009	June 30, 2008
Share price (Xetra closing price in EUR)			5.90	16.27
Number of shares			10,495,159	10,495,159
Market capitalization (in EUR m)			61.9	170.8
52-week high (closing price)			16.55	22.85
52-week low (closing price)			2.53	15.16

1) according to IFRS

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Company Profile

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

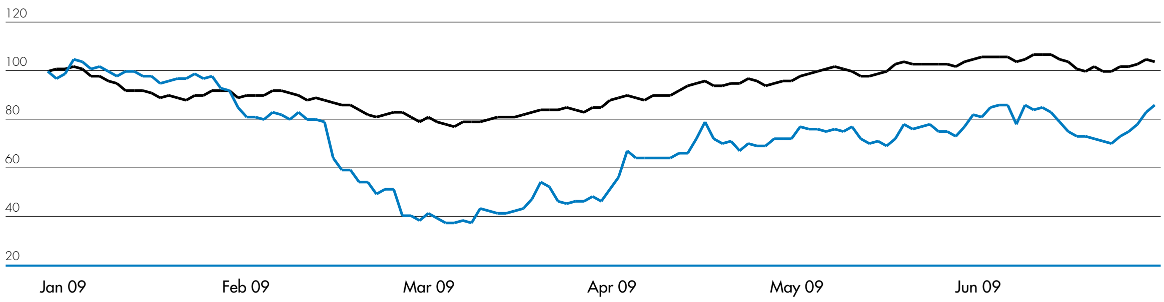
Our Seating Systems division comprises the truck and offroad seat segments as well as train and bus seating. In the Automotive division, we supply headrests, armrests, center console systems and integrated child safety seats to premium automakers and automotive system suppliers.

GRAMMER is represented in 17 countries worldwide with a workforce of approx. 7,300 employees across its 23 fully consolidated subsidiaries.

GRAMMER shares are listed in the SDAX segment of the German Stock Exchange, and are traded on the Munich and Frankfurt stock exchanges, via the Xetra electronic trading platform and on the OTC markets of the Stuttgart, Berlin and Hamburg stock exchanges.

Share

Price trend GRAMMER share and SDAX Performance Index – January to June 2009 (in %)



Closing price as of December 31, 2008 = 100%

— GRAMMER AG
— SDAX Performance Index

GRAMMER share loses ground

On June 30, 2009, the GRAMMER share closed at a price of EUR 5.90 (Xetra), down 14.49% from the final 2008 close.

Indexes back to year-end 2008 levels

By the end of the first six months of 2009, many indexes had fallen back to levels very close to where they stood at the beginning of the year. On June 30, 2009, the DAX closed at 4,809, one point lower than the 2008 year-end close.

The SDAX was up slightly, nearly 4% from its level on December 31, 2008.

GRAMMER share

After pronounced declines in the first quarter as a result of the financial and economic crisis, a very negative market environment and the decision to suspend dividend payments, the GRAMMER share regained some strength in the second quarter of 2009. On June 30, 2009, the price was EUR 5.90, nearly 50% higher than the closing price on March 31, 2009 (EUR 3.29).

No dividend for fiscal year 2008

As proposed by the Executive Board and Supervisory Board, the Annual General Meeting on May 28, 2009 resolved not to pay a dividend for the past fiscal year, in order to further strengthen the equity base of the Company in time of crisis.

Shareholder structure unchanged

Electra QMC Europe Development Capital Funds plc remains the largest shareholder of GRAMMER AG (10.0% of shares, notification in accordance with section 21 of the German Securities Trading Act (WpHG) dated November 23, 2006). The Austrian Polytec Group continues to hold around 9.6% of the shares in Grammer AG (notifications in accordance with section 21 WpHG on January 15, 2008 and April 10, 2008). Alongside Axxion S.A. (5.6%, section 21 WpHG notification dated September 6, 2005), Polytec is thus one of our largest shareholders.

Investor relations

The main objectives of financial communication are to convey a high degree of credibility, deliver transparent information and establish a trust-based dialogue with all of GRAMMER AG's target groups. At the annual press conference and analysts' conference in Frankfurt, as well as the Annual General Meeting in Amberg, the Executive Board of GRAMMER AG presented the developments of the business over the course of the past fiscal year, focusing particularly on the current market situation and the measures necessary in response to it.

The first half year of GRAMMER Group

Revenues in decline as a result of the financial crisis

Both the Automotive and Seating Systems divisions of GRAMMER Group were faced with serious revenue declines in the first half of 2009, triggered by the ongoing financial and economic crisis. Consolidated group revenues fell by 37.6 % to EUR 341.7 million (01 – 06 2008: 547.8). Group EBIT deteriorated substantially, falling to EUR – 19.4 million (01 – 06 2008: 21.9) after restructuring costs.

Revenue and Earnings

Global economic developments point to an easing of the recession and move towards stabilization in 2009

Initial signs hold some promise that comprehensive stimulus is helping the global economy to stabilize at a very low level. The measures implemented by the governments of the world are meant to reinvigorate output and soften the blow of the crisis, and they are beginning to have the desired effect given the indications of a marginal recovery from Q1 to Q2 2009, at least in some sectors.

Although industrial production in the US was down again in June 2009 by 0.4 %, this was the smallest decline in 8 months. In the first quarter of 2009, the US economy contracted by 19.1 %. The decline in the second quarter, however, was markedly more modest, at 11.6 %.

The Chinese economy grew by 7.9 % in the second quarter of 2009, despite the worldwide financial and economic woes. GDP in China increased by 7.1 % in the first half of 2009.

Euro area industrial production rose by 0.5 % in May 2009 as compared to the previous month. This is the first increase since the middle of last year and could point to a bottoming out of the recession.

The German Federal Ministry of Economics anticipates finding that the decline in aggregate economic performance leveled off in the second quarter of 2009 and was stagnant as compared to the first three months of the year. It is also a hopeful sign that the ifo Business Climate Index rose for the third consecutive month. In June 2009, the level increased from 84.3 points to 85.9 points. Industrial orders in Germany were also up in May 2009, with new orders rising 4.4 %, the third increase in a row.

Many experts now see a stabilization of the economy, but no sustained recovery. They are warning against exaggerated hopes for the time when the stimulus programs, such as Germany's "environmental bonus", come to an end.

Group revenue continues to slide

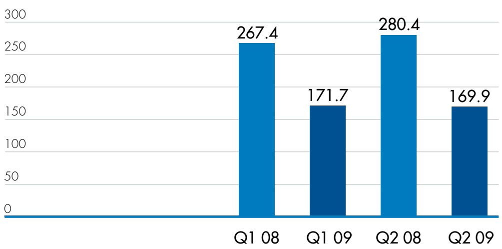
In the current economic environment, Group revenue sank considerably in the period until June 30, 2009 to EUR 341.7 million (01 – 06 2008: 547.8). In the quarter under review, weaker demand again resulted in a pronounced decline in revenues to EUR 169.9 million (Q2 2008: 280.4). Compared to the second quarter of last year, this equates to a 39.4 % reduction in revenue. Thus, the revenue declines seen in the first quarter of 2009 continued unabated in Q2. The downward trend impacted all regions, but particularly Europe at EUR 249.7 million (01 – 06 2008: 404.1), Overseas at EUR 44.4 million (01 – 06 2008: 82.6) and RoW at EUR 47.6 million (01 – 06 2008: 61.1).

In Europe, various government programs aimed at boosting car sales resulted in at least a low-level stabilization for the Automotive division. Other infrastructure measures, however, have failed to deliver significant impetus in the remaining product segments, so that production continued to lag far behind previous-year levels. Exports were also unable to muster a turnaround, instead contributing merely to a stabilization at an extremely low level. Sales volumes in overseas of both divisions of the Company were also down substantially. The bankruptcies of GM and Chrysler took an additional toll on the Automotive division, as a result of delays in projects and production launches. In Brazil, the markets also saw significant deterioration after the peak sales figures seen last year. In Asia, revenue growth in the first half of 2009 was down slightly from previous-year levels in both divisions; only the Middle East experienced more substantial declines.

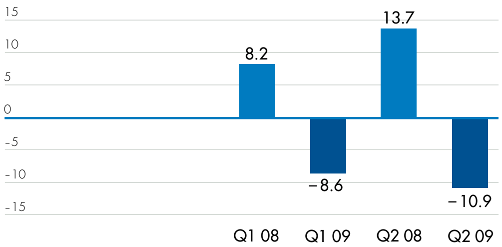
Consolidated earnings affected by crisis and restructuring

The measures aimed at overcoming the crisis and restructuring continued to affect consolidated earnings before interest and tax (EBIT). Consequently, the Company is reporting an operating loss of EUR 19.4 million, after generating a profit in the same period last year (01 – 06 2008: 21.9). Despite all measures taken for capacity adjustment, it was not possible to reduce costs quickly enough to keep pace with revenue declines. In particular, the necessary restructuring costs along with currency volatility and bankruptcies within the industry weighed on operating results.

Group revenue development by quarter (in EUR m)



Group EBIT development by quarter (in EUR m)



Automotive Division

Rapid decline slows in the Automotive division

The worldwide financial and economic crisis continued to weigh heavily on the automotive industry in the second quarter of 2009. This is reflected clearly in the numerous bankruptcies witnessed in recent weeks. With Chrysler and GM, two of the largest US automakers have fallen victim to the crisis. As the next link in the chain, automotive suppliers were inevitably impacted by the negative effects, with roughly 50 companies filing for bankruptcy since last November in Germany alone.

Whereas the downward spiral has been brought under control somewhat in Western Europe through various incentive systems, the car market in the US shrank by nearly one-third in the first six months of 2009. Sales in the US light vehicles market were down 35 % in the first half with a total of 4.8 million vehicles. Higher monthly sales figures (857,600 vehicles) in June 2009, however, provide a glimmer of hope. The bottom, thus, may have been reached in the American auto market.

In South America, developments were mixed. Light vehicle sales in Brazil grew by 4 % in the initial half year of 2009, while Argentina faced a decline of 30 %.

The Russian automotive market came to a virtual standstill in the first half of the year 2009, with new vehicle registrations falling by 49 %.

The Chinese market is showing positive signs. State-sponsored buyer incentives and a strengthening local economy pushed sales figures 19 % higher in the first half of the year 2009, bringing the total to 3.6 million vehicles.

In the first half of the year 2009 auto sales in Europe fell by 11 % from the same period last year with 7.4 million cars sold. Total sales in Western Europe were down by roughly 10 %. In this context, Spain saw the most dramatic decline, with sales falling by 38 %. But Great Britain (– 26 %) and Italy (– 10 %) are also reporting significant drops.

In the new EU countries, new registration numbers fell by a total of 27 % in the first half year of 2009. Of these countries, positive growth occurred only in Slovakia (+ 18 %) and the Czech Republic (+ 8 %) as a result of governmental support measures.

In Germany, over 40 % more vehicles (427,000) were registered in June 2009 than in the previous years month. This is primarily attributable to the environmental bonus and the reform of the motor vehicle tax. The number of new vehicle registrations rose by 26 % to 2.06 million vehicles in the first half year of 2009. The small car segments have been the most active. New registrations of minicars increased by 124 %, along with 79 % in the small cars and 27 % in the compact segments. Registrations numbers in the mid-sized and luxury car segments were down by double digits, with declines of 19 % and 24 % respectively.

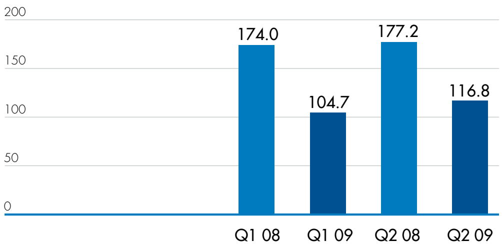
The premium carmakers that are so important for GRAMMER are faced with competition from the trend towards less expensive, lower-emission small cars, heavier imports and weaker demand abroad. Auto exports were down 35 % in the first half of 2009. The lack of strong demand outside of Germany caused car production volumes to be cut by 24 % in the first half of 2009. Up to now, there have been no decisive improvements for premium vehicle manufacturers like BMW and Daimler.

Restructuring the central theme in Automotive business

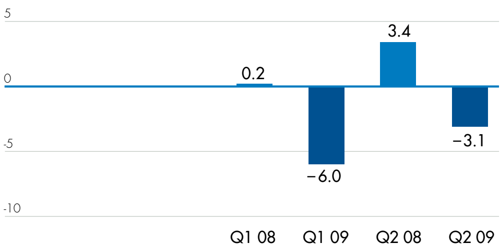
During the initial six months of 2009, the considerable slowdown of business in our Automotive division has continued to be heavily influenced by restructuring and capacity adjustment measures in Germany and at our eastern EU locations, which are aimed at balancing the above disadvantages through greater productivity gains and merging of capacities. The weak growth in demand for some premium vehicles of our customers is being negatively impacted by the unfavorable exchange rate situation caused by the strengthening Euro in their export markets, which is delaying the recovery. In all, the weak economic situation in Europe and the US, and the related impact on sales, resulted in significantly lower revenue during the second quarter of 2009, which fell 34.1 % or EUR 60.4 million to EUR 116.8 million (Q2 2008: 177.2). The operating result was also weighed down by the problems described above, sinking from EUR 3.4 million as compared to the same quarter last year to EUR – 3.1 million. Although the decline was less substantial in the second quarter of 2009 than in the first quarter of 2009, the ongoing restructuring and sustained period of weak sales in Europe and the US are still having a significant effect on overall results in this division.

Still, the marked trend towards declining revenues and earnings was brought under control somewhat in the second quarter 2009 as compared to the first three months of the current fiscal year.

Automotive revenue development by quarter (in EUR m)



Automotive EBIT development by quarter (in EUR m)



Seating Systems Division

Seating Systems: Heavy declines in all markets
Slumping economic output numbers, restrictive lending practices and a lack of willingness to invest have now begun to have a significant effect on commercial vehicle manufacturers. Consequently, both domestic and foreign markets in the individual product segments have seen major declines – the end of the slowdown is not yet in sight.

Demand in Europe has been falling steeply. In the first half of 2009, the number of new registrations for commercial vehicles was down by more than 30 %.

Only 121,000 commercial vehicles were registered in Germany in the initial six months of the year 2009, the worst showing in 20 years. As compared to 2008, this represents a drop of 29 %, affecting all vehicle weight classes. The decline for makers of commercial vehicles over 16 t was as a high as 33 % in the first six months of 2009.

June 2009 saw a decrease of nearly 33 % to 20,325 truck registrations. The most drastic decline was in commercial vehicles over 16 t, with registrations down by nearly 48 % in June 2009.

Exports of commercial vehicles up to 6 t sank by 66 % in the first half year of 2009, and 69 % for those over 6 t. The extremely poor state of export business has forced OEMs to make drastic cuts in production. Manufacturing of heavy commercial vehicles has had to be scaled back by 66 %.

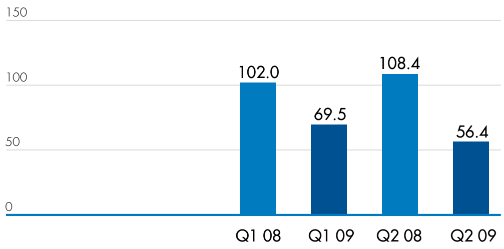
In light of the current slump, the construction machinery industry is expecting order volumes to plunge out revenues to decline even further. Investment demand among customers has fallen off and many export markets have collapsed. The main markets for German truck makers (e.g. France, Russia, the US and UK) are facing enormous declines reaching into the double digits.

The high degree of uncertainty in the market and restrictive lending practices among the banks have reduced willingness to invest in the agricultural machinery segment over the past several months. This has resulted in massive market and demand deterioration in the area of agricultural and forestry machinery. Order volumes, too, were far below previous year levels – though it must be noted that order levels were very high last year.

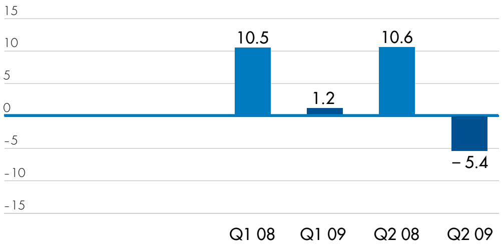
The effects of the economic crisis are now also impacting the rail industry. According to the market research institute SCI, the business climate in the German rail industry worsened in the second quarter of 2009.

Business trend remains critical
The development of the Seating Systems division was decidedly negative in the first half of 2009. The weakness in sales has now spread to all areas of business in the division. In addition to the critical order situation in the area of trucks, GRAMMER was unable to escape the pull of plummeting demand in the Offroad segment in the second quarter of 2009. As compared to the same period last year, business was down markedly in the offroad markets overseas and in Asia. Here as well, we were unable to achieve our sales targets. Even the railway market saw unexpectedly negative development in the second quarter of 2009. Consequently, revenue in the Seating Systems division fell 40.2 %, from EUR 210.4 million in the first half year of 2008 to EUR 125.9 million. In the second quarter of 2009, the decline was even greater, with revenue totaling EUR 56.4 million, only 52,0 % of the EUR 108.4 million reached in the previous year. The initiated cost and capacity rationalization offensive failed to counteract the decline in the Offroad segment quickly enough, so that the operating result fell to EUR – 5.4 million in the second quarter of 2009, as compared to EUR 10.6 million in the second quarter of 2008. By contrast, the operating result in the first quarter of 2009 remained positive with revenue of EUR 69.5 million.

Seating Systems revenue development by quarter (in EUR m)



Seating Systems EBIT development by quarter (in EUR m)



Financial Position

Note on accounting figures: 2008 = December 31, 2008

Statement of financial position on par with 2008
As of June 30, 2009, the total assets of GRAMMER Group amounted to EUR 475.7 million (2008: 481.0). This represents a slight decrease of EUR 5.3 million as compared to the close of 2008. Seasonal effects and the financial crisis primarily impacted current assets, the value of which fell EUR 7.8 million to EUR 256.5 million. Trade accounts receivables increased to EUR 98.0 million (2008: 88.2) and other current financial assets to EUR 46.5 million (2008: 45.9). Inventories, on the other hand, declined by EUR 8.4 million to EUR 82.4 million. Non-current assets were up EUR 2.6 million to EUR 219.3 million (2008: 216.7).

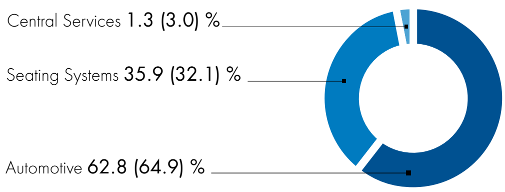
GRAMMER Group's equity was down from the close of 2008 at EUR 155.2 million (2008: 173.0), as a result of the first-half loss. Due to the repeated quarterly loss, the equity ratio was slightly below the level on December 31, 2008 at 33 % (2008: 36 %).

To finance ongoing business, current liabilities increased by only EUR 8.2 million to EUR 168.0 million (2008: 159.8), despite the difficult environment. This change is primarily reflected in current financial liabilities EUR + 8.5 million and the reduction in trade accounts liabilities EUR – 14.3 million.

Non-current liabilities totaled EUR 152.6 million, more or less on a level with last year (2008: 148.2); non-current financial liabilities are repaid in regular installments, the increase was a result of higher pension obligations and other financial liabilities.

Investments for new production launches intensified
As compared to the same period last year, investments by GRAMMER Group were down in Q2 2009 to EUR 5.7 million (Q2 2008: 8.2). After heavy spending on expansion in the Seating Systems division last year, the Company continued the previous year's level of investment in property, plant and equipment. EUR 0.9 million were spent on replacements and rationalization. In the Automotive division, investments totaled EUR 4.6 million (Q2 2008: 6.2), which was used primarily for expansion as the result of orders received 2009 for production starts in early 2010, as well as building of production capacities in Mexico and Schmölln. In light of the economic environment, there were only marginal investments made in the Central Services.

Investments by division, January to June 2009
(Previous year in brackets)



in EUR m	01 – 06 2009	01 – 06 2008
Automotive	9.1	8.5
Seating Systems	5.2	4.2
Central Services	0.2	0.4
Total	14.5	13.1

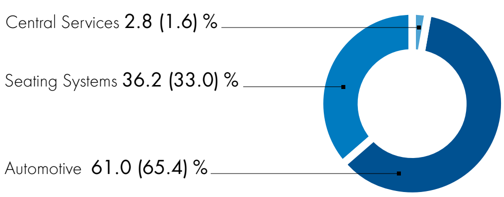
Employees

As of June 30, 2009, GRAMMER Group had a total of 7,320 employees (June 30, 2008: 9,754). The number of people employed in the Automotive division decreased by roughly 30 % to 4,463 (June 30, 2008: 6,379). New production starts and restructuring measures resulted in increased numbers of employees in China and Serbia; the other production locations made significant staffing cuts. As of June 30, 2009, the Seating Systems division employed a total of 2,647 people (June 30, 2008: 3,215). The Central Services had a staff of 210 (June 30, 2008: 160); the increase is primarily attributable to the merging of functions and reorganization rather than new hiring.

As a result of the collapse in order volumes and the continued slump in revenues, the number of employees was reduced in all areas as of June 30, 2009 compared to the same period last year. As the Company pushed forward with the rationalization measures implemented worldwide, the number of employees was reduced by a total of 2,434 compared to the second quarter of 2008. Moreover, in July 2009, capacities were adjusted in line with the declining orders of our customers through the reconciliation of interests and social plan signed for the locations of GRAMMER AG with the labor and employee representatives. With the most recent developments in the Offroad segment, however, further steps have become necessary and have already been initiated at the Amberg location, to adjust to the long-term declines in the Offroad segment.

With implementation of the measures such as restructuring and job cuts at GRAMMER AG, closure of a plant in the Czech Republic and other staff reductions in the remaining countries, cost structures and productivity in both divisions have been measurably optimized. Going forward, the financial position and earnings of the Company will be additionally supported by the short-time work program implemented across the board in Germany and other similar steps taken in other countries.

Employees by division, June 30, 2009
(Previous year in brackets)



as of June 30

	2009	2008
Automotive	4,463	6,379
Seating Systems	2,647	3,215
Central Services	210	160
Total	**7,320**	**9,754**

Outlook

Economic environment

Initial positive signs of an end to the global recession further down the road

The growing economic impetus and gradual stabilization of the financial markets are signs that the global economy could enter into a low level recovery in the second half of 2009.

The World Bank, on the other hand, is projecting a further 2.9% decline in global GDP this year, with a recovery to start in 2010. According to the bank, GDP could then grow by 2% from its low baseline. For the current year, growth of 1.2% is expected only for the developing world.

For the United States, a contraction of 3.3% is being forecasted. Action Economics foresees a 4% decline in industrial production for the US in the third quarter of 2009. The recession is also leaving its mark on the job market in the United States. In the current year, the unemployment rate is expected to climb to 10%, which will have a clear negative effect in consumption habits in the US and prevent a rapid recovery. The untypical development towards greater savings rates among Americans as a result of the crisis is also impacting the economy.

According to a study by the Association of Financial Professionals (AFP), the availability of credit in the United States will not improve in the coming twelve months. It is therefore likely that companies will resolve to postpone or cancel investment projects.

Real GDP in the EU will fall by 4% in 2009 according to the forecast by the Kiel Institute for the World Economy. In the Euro area, the decline will be even more significant, at 4.3%.

Projections of GDP in Germany are at – 6% for the full year in 2009. The ifo institute is forecasting a contraction of – 0.3% for the coming year. Furthermore, it is assumed that the number of unemployed will increase to 3.6 million, which could have a negative impact on private consumption. And, if lending by banks doesn't kick into gear soon, experts see mounting difficulties that could threaten the existence of more companies in Germany.

The major economic institutions continue to forecast a difficult economic situation for the coming months and beyond into the beginning of 2010. The uncertainty resulting from the financial crisis is weighing heavily on both private consumption and business investment activity. The current lull in commodities prices, the key rate cuts by central banks and the various economic rescue packages adopted by governments have had a stabilizing effect on the economy. But, no real momentum is building, and predictions vary widely as to the further development after the stimulus runs out.

Automotive: No rapid recovery in sight

According to a study by PwC, only roughly 8 million vehicles will be produced in North America in 2009. This represents a decline of 36% as compared to the previous year. According to the study, production in Japan could drop by nearly 25% compared to 2008, to 8.1 million vehicles.

Only in China and India is production volume expected to increase. In China, growth of 13.8% to 8.5 million vehicles is being forecast. This would make China the world's largest producer of automobiles. India is expected to build 2.1 million vehicles in 2009. India produces mostly small cars, which are being increasingly exported abroad.

For Germany, forecasters are expecting that the export markets will stabilize in the second half of 2009 and bottom out at a low level. The German Association of the Automotive Industry (VDA) projects that a total of 3.5 million cars will be registered.

Since the funds for government-sponsored buyers incentives are limited to 2 million vehicles and were already largely spent by the end of June, demand for new cars, which primarily benefited makers of small cars and importers, could fall off over the coming months.

Many market players have been hesitant to make concrete forecasts for 2009. The situation in the market remains unclear. For instance, some big-name premium manufacturers in Germany have announced partial increases in production for the second half of 2009 and a reduction in short-time work and shift cancellations – but are not reporting concrete sales figures. Thus, the outlook for the luxury and premium segments of the market is still obscure.

Seating Systems: Market continues to slide

The industry is in the throes of a sales crisis in the commercial vehicle segment. According to forecasts, the European market will shrink by as much as 50 % in 2009. And North America is not immune to the situation either, with large OEMs expecting a decline of up to 40 %.

As a result of the very difficult market situation, Germany's Association of International Motor Vehicle Manufacturers (VDIK) has lowered forecast for the German commercial vehicle market. In 2009, a total of 250,000 commercial vehicles are expected to be registered. This would be the lowest number of new registration in 20 years.

The construction machinery industry is not anticipating any improvement of the situation in the coming months, and sees little likelihood of growth in the market before the second half of 2010.

The agricultural equipment segment is also digging in for a long recession, with no sign of a recovery in the coming months.

The bottom is also yet to be reached in the rail industry. According to a survey by SCI, order volumes at the participating companies continue to decline. The companies are looking to China and Russia in hopes of some positive impetus.

Automotive division

In the Automotive division, we continue to expect falling revenues in 2009 as a result of the financial crisis and its real economic impact, as well as the production cuts announced by car manufacturers. We expect demand from our customers BMW and Daimler in particular, as well as US carmakers after their bankruptcies, to remain comparatively low until the end of the year, despite various production starts and initial signs of recovery. But, the bottom seems to have been reached, and the market is beginning to stabilize at a low level. Assuming that the new production starts already begun in the premium and luxury segments perform as planned, they will contribute to further recovery in the coming months.

In addition to the revenue expectations, the 2009 operating result will also be affected by the above-mentioned restructuring measures as well as a reduction in fixed costs and exchange rate developments. Based on the results for the second quarter of 2009, the measures appear to be working. The initiated rationalization measures and adjustments of local production capacities have also begun to impact results. With a moderate improvement in sales, operating results could climb further, as long as ongoing production is continued as planned by the customer and no changes arise that could result in additional fixed costs.

Seating Systems division

In the Seating Systems division, the Offroad segment is facing considerable revenue declines, which are resulting in overcapacities and thus structural and earnings problems. In addition to the deteriorating order situation in the Offroad segment, truck business remains difficult. There is little chance of improvement for the rest of 2009, as the initial months of the year traditionally set the tone and, thus, we will not be able to offset the losses in the first half. Additional complications are now also arising in rail business, as infrastructure projects in some countries like Russia have been unexpectedly put on hold as a result of inadequate income from raw materials exports.

Given the abrupt fall-off of business in Offroad and the ongoing slump within the industry, we expect that the lack of demand from our customers will continue to have a negative impact on the performance of the Seating Systems division in the remaining months of 2009 as well, despite our good market position. Through introduction of additional structural and capacity rationalization measures, we will continue our work to mitigate the effects on our business, but this will also result in further restructuring costs.

Outlook for full-year 2009 – GRAMMER Group

The worldwide economic situation remains extremely tense given the drastic effects of the financial crisis. Economic performance going forward currently presents fewer opportunities than risks. Any glimmers of hope have all too often been coupled with negative developments. GRAMMER Group's business performance is closely tied to macroeconomic and industry-specific conditions, and is thus largely determined by external factors. The risks of bankruptcy among OEMs and other customers are very difficult to assess in the current environment, as bank lending remains very restrictive. The lending practices of the banks can impact decisions with respect to necessary investments at GRAMMER as well as the investments of our customers and suppliers. Consequently, despite relatively stable debt levels and successful restructuring, significant earnings and liquidity problems could result for the Company. For the current fiscal year, GRAMMER continues to expect substantial declines in revenue and significant expenses relating capacity adjustment. Revenue performance for full-year 2009 will lag behind previous-year levels by roughly 30 % as the positive trend in the Automotive division is being partially offset by negative developments in Seating Systems. Continuation of capacity adjustments and fixed cost reduction will remain the central focus at the headquarters of GRAMMER Group in the coming months. Due to the associated cost burdens and the significant decline in revenues, earnings forcast for the current fiscal year cannot be seen as positive. The operating result will improve following implementation of the measures, but the overall result will be negative as a result of the restructuring costs.

Summary statement by the Executive Board

With a view to the business situation in the first half of 2009 and the minimal improvement of the economic environment, our outlook for GRAMMER Group is very subdued. The initiated restructuring measures and workforce reductions have resulted in additional costs, which will lead to a loss for the fiscal year as a whole. In all, after the deterioration of business in the Offroad segment, 2009 is set to be a very difficult year, as falling revenues in the second quarter have already had a significant impact and could remain at this low level for some time. Nevertheless, assuming a stabilization of the economic situation, we also have a foundation in place for anew growth after 2009 and a successful turnaround in 2010, which will return the Company to profitability.

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, 2008, the facts described in the "Outlook" section of this report are currently relevant to the situation of the Company. The section named contains forward-looking statements reflecting the opinions of the management of GRAMMER AG with respect to future events. These statements are based on the currently applicable plans, estimates and expectations of the Company. Consequently, they are subject to risks and factors of uncertainty.

Responsibility statement

We hereby affirm to the best of our knowledge that, in accordance with the applicable accounting principles, the Consolidated Financial Statements/Interim Consolidated Financial Statements present a true and fair view of the net assets, financial position and earnings performance 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, August 2009

GRAMMER AG
Executive Board

Consolidated Income Statement as of June 30, 2009

EUR k

	Q2 2009	Q2 2008	01 – 06 2009	01 – 06 2008
Revenue	169,945	280,364	341,684	547,801
Cost of sales	- 153,361	- 240,637	- 308,971	- 471,125
Gross profit	16,584	39,727	32,713	76,676
Selling expenses	- 6,796	- 9,102	- 14,116	- 17,368
Administrative expenses	- 22,638	- 19,733	- 41,193	- 41,186
Other operating income	1,977	2,791	3,163	3,739
Operating profit/loss (–)	– 10,873	13,683	– 19,433	21,861
Financial income	581	550	1,145	1,112
Financial expenses	- 2,132	- 1,258	- 4,081	- 5,772
Profit/loss (–) before income tax	– 12,424	12,975	– 22,369	17,201
Income tax expenses	- 459	- 4,149	- 459	- 6,049
Net profit/loss (–)	– 12,883	8,826	– 22,828	11,152
Of which attributable to:				
Shareholders of the parent company	- 12,868	8,807	- 22,808	11,118
Minority interests	- 15	19	- 20	34
	– 12,883	8,826	– 22,828	11,152

Disclosure of income and expenses recognized in Group's equity as of June 30, 2009

EUR k

	Q2 2009	Q2 2008	01 – 06 2009	01 – 06 2008
Net profit/loss (–)	– 12,883	8,826	– 22,828	11,152
Gains/losses (-) from currency translation for foreign subsidiaries	3,145	3,946	2,751	1,281
Gains/losses (-) from cash flow hedges	1,666	- 279	1,307	- 56
Gains/losses (-) from hedging of a net investment	270	162	994	- 356
Income and expenses recognized directly in equity after tax	5,081	3,829	5,052	869
Income and expenses recognized in equity	– 7,802	12,655	– 17,776	12,021
Of which attributable to:				
Shareholders of the parent company	– 7,791	12,628	– 17,755	12,003
Minority interests	– 11	27	– 21	18

Earnings/loss (–) per share

	01 – 06 2009	01 – 06 2008
Basic/diluted earnings/loss (-) per share in EUR	- 2.24	1.09

Consolidated Statement of Financial Position as of June 30, 2009

ASSETS

EUR k

	June 30, 2009	December 31, 2008
Non-current assets		
Property, plant and equipment	139,663	138,132
Intangible assets	49,157	49,526
Other financial assets	8,481	8,043
Deferred income tax assets	21,986	21,044
	219,287	**216,745**
Current assets		
Inventories	82,351	90,836
Trade accounts receivable	97,951	88,195
Other current financial assets	46,517	45,893
Income tax assets	1,621	6,113
Cash and short-term deposits	6,627	13,330
Other current assets	21,393	19,894
	256,460	**264,261**
Total assets	**475,747**	**481,006**

EQUITY AND LIABILITIES

EUR k

	June 30, 2009	December 31, 2008
Equity attributable to shareholders of the parent company		
Subscribed capital	26,868	26,868
Capital reserve	58,237	58,237
Own shares	- 7,441	- 7,441
Retained earnings	77,037	94,792
Equity before minority interests	**154,701**	**172,456**
Minority interests	480	526
Total equity	**155,181**	**172,982**
Non-current liabilities		
Non-current financial liabilities	69,741	69,741
Other financial liabilities	7,385	4,159
Other liabilities	1,246	1,200
Retirement benefit obligations	55,730	54,450
Deferred income tax liabilities	18,466	18,634
	152,568	**148,184**
Current liabilities		
Current financial liabilities	32,271	23,785
Trade accounts payable	62,170	76,476
Other current financial liabilities	5,599	8,535
Other current liabilities	55,665	40,401
Current income tax liabilities	2,917	3,008
Provisions	9,376	7,635
	167,998	**159,840**
Total liabilities	**320,566**	**308,024**
Total equity and liabilities	**475,747**	**481,006**

Consolidated Cash Flow Statement as of June 30, 2009

EUR k

	Q2 2009	Q2 2008
1. Cash flow from operating activities		
Profit/loss (–) before income tax	- 22,369	17,201
Non-cash items:		
Depreciation and impairment of property, plant and equipment	10,794	10,107
Amortization and impairment of intangible assets	1,517	1,077
Changes in provisions and pension provisions	2,762	5,241
Other non-cash changes	3,359	189
Changes in net working capital		
Decrease/Increase (–) in trade accounts receivable and other receivables	- 11,879	- 41,237
Decrease/Increase (–) in inventories	8,485	- 8,610
Decrease/Increase (–) in other assets	3,550	2,974
Decrease (–)/Increase in accounts payable and other liabilities	85	13,401
Gains/Losses from disposal of assets	- 465	- 9
Income taxes paid	0	0
Cash flow from operating activities	**–4,161**	**334**
2. Cash flow from investing activities		
Purchases		
Purchases of property, plant and equipment	- 13,441	- 12,441
Purchases of intangible assets	- 1,102	- 708
Purchases of investments	- 460	- 456
Disposals		
Disposal of property, plant and equipment	3,143	175
Disposal of intangible assets	- 8	8
Disposal of investments	90	3,098
Interest received	1,145	1,112
Government grants received	0	0
Cash flow from investing activities	**–10,633**	**–9,212**
3. Cash flow from financing activities		
Dividend payments	0	- 10,165
Purchase of own shares	0	0
Repayment of bond	0	0
Changes in non-current liabilities to banks	0	- 2,219
Changes in current liabilities to banks	- 6,078	- 2,528
Changes in lease liabilities	3,101	- 28
Interest paid	- 3,496	- 3,703
Cash flow from financing activities	**–6,473**	**–18,643**
4. Cash and cash equivalents at end of period		
Net change in cash and cash equivalents (sub-total of items 1 – 3)	- 21,267	- 27,521
Effects of exchange rate differences	0	0
Cash and cash equivalents as of January 1	736	15,505
Cash and cash equivalents as of June 30	**–20,531**	**–12,016**
5. Analysis of cash and cash equivalents		
Cash and short-term deposits	6,627	9,840
Securities	0	11
Bank overdrafts	- 27,158	- 21,867
Cash and cash equivalents as of June 30	**–20,531**	**–12,016**

Consolidated Statement of Changes in Equity as of June 30, 2009

EUR k

	Subscribed capital	Capital reserve	Revenue reserve	Own shares	Other reserves	Total	Minority interests	Group equity
As of January 1, 2009	26,868	58,237	101,387	−7,441	−6,595	172,456	526	172,982
Net gains/losses (-) from cash flow hedges	0	0	0	0	1,307	1,307	0	1,307
Currency translation	0	0	0	0	2,752	2,752	- 1	2,751
Net gains/losses (-) from hedging of a net investment	0	0	0	0	994	994	0	994
Sum of gains/losses recognized directly in equity	0	0	0	0	5,053	5,053	−1	5,052
Net profit/loss (-) for the period	0	0	- 22,808	0	0	−22,808	- 20	−22,828
Total net profit/loss (–)	0	0	−22,808	0	5,053	−17,755	−21	−17,776
Dividends	0	0	0	0	0	0	0	0
Own shares	0	0	0	0	0	0	0	0
Purchase of minority interests	0	0	0	0	0	0	- 25	−25
As of June 30, 2009	26,868	58,237	78,579	−7,441	−1,542	154,701	480	155,181

as of June 30, 2008

EUR k

	Subscribed capital	Capital reserve	Revenue reserve	Own shares	Other reserves	Total	Minority interests	Group equity
As of January 1, 2008	26,868	58,237	97,502	−7,441	9,049	184,215	493	184,708
Net gains/losses (-) from cash flow hedges	0	0	0	0	- 56	−56	0	−56
Currency translation	0	0	0	0	1,297	1,297	- 16	1,281
Net gains/losses (-) from hedging of a net investment	0	0	0	0	- 356	−356	0	−356
Sum of gains/losses recognized directly in equity	0	0	0	0	885	885	−16	869
Net profit/loss (-) for the period	0	0	11,118	0	0	11,118	34	11,152
Total net profit/loss (–)	0	0	11,118	0	885	12,003	18	12,021
Dividends	0	0	- 10,165	0	0	−10,165	0	−10,165
Own shares	0	0	0	0	0	0	0	0
Purchase of minority interests	0	0	0	0	0	0	- 4	−4
As of June 30, 2008	26,868	58,237	98,455	−7,441	9,934	186,053	507	186,560

Selected Notes to the GRAMMER AG Consolidated Income Statement for the Period from January 1 to June 30, 2009 and the Consolidated Statement of Financial Position as of June 30, 2009

Accounting

GRAMMER AG prepared its consolidated financial statements for fiscal year 2008 and the present interim financial statements for the period ended June 30, 2009 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 June 30, 2009, 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 2008. 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, 2009, 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, 2009. 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. The new or revised standards and interpretations of the IASB and IFRIC that came into effect on January 1, 2009 did not have a significant impact on the net assets, financial position and earnings performance of the Company, or were not relevant to the preparation of the consolidated financial statements and will generally result in additional information in the notes or changes in the form of presentation. 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 periods under review. The results for the second quarter or in the initial six months of 2009 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 June 30, 2009 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, 2008. These principles and methods are described in detail in the notes to the 2008 consolidated financial statements, which were published in their entirety in the 2008 annual report. As of January 1, 2009, new standards have been applicable for reporting. For the most part, these standards provide for more extensive disclosure requirements and information in the notes. The revised version of IAS 1 "Presentation of Financial Statements" now requires a separate statement of comprehensive income in addition to the income statement, which presents both period income and all nonowner changes in equity in the period not recognized in the income statement.

Estimates and assumptions

In preparing the interim 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 in the reporting period. Actual amounts may deviate from these estimates.

Scope of consolidation

In addition to GRAMMER AG, the scope of consolidation includes four domestic and eighteen foreign companies that are directly or indirectly controlled by GRAMMER AG within the meaning of IAS 27. In addition, a joint venture within the meaning of IAS 31 is proportionately consolidated. GRAMMER AG holds 50 % of the voting rights in this joint venture. All intragroup transactions, balances and liabilities are eliminated in the course of consolidation. The uniform reporting date for all of the consolidated companies is June 30, 2009.

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 income. 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 daily rates. Monetary items are translated at the closing rate of the balance sheet date. 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 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 euros from the respective local currency at the middle rate on the balance sheet date. Income statement items are translated into euros at the average exchange rate for the year. The net income for the year so determined is taken to the consolidated statement of financial position. 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 Euro zone that are of relevance to the Group:

		Average rate		Closing rate	
		First Half Year 2009	First Half Year 2008	June 30, 2009	June 30, 2008
Argentina	ARS	0.205	0.208	0.187	0.209
Brazil	BRL	0.338	0.383	0.363	0.396
Bulgaria	BGN	0.511	0.511	0.511	0.511
China	CNY	0.109	0.092	0.104	0.092
United Kingdom	GBP	1.113	1.295	1.173	1.261
India	INR	0.015	0.016	0.015	0.015
Japan	JPY	0.008	0.006	0.007	0.006
Canada	CAD	0.619	0.653	0.614	0.627
Mexico	MXN	0.053	0.061	0.054	0.062
Poland	PLN	0.223	0.286	0.224	0.298
Russia	RUB	0.023	0.027	0.023	0.027
Switzerland	CHF	0.665	0.621	0.655	0.622
Serbia	RSD	0.011	0.012	0.011	0.013
Czech Republic	CZK	0.037	0.040	0.039	0.042
Turkey	TRY	0.464	0.533	0.462	0.517
USA	USD	0.744	0.652	0.708	0.633

Revenue

GRAMMER Group generates revenue primarily from the sale and delivery of its products to customers. Revenue is composed as follows:

EUR k

	Q2 2009	Q2 2008	01 – 06 2009	01 – 06 2008
Gross revenue	171,024	281,470	343,579	549,970
Sales deductions	- 1,079	- 1,106	- 1,895	- 2,169
Net revenue	**169,945**	**280,364**	**341,684**	**547,801**

Revenue as of June 30, 2009 of EUR 341,684 thousand includes contract revenue of EUR 9,100 thousand (01 – 06 2008: 10,659) determined using the PoC method. Revenue for the second quarter in the amount of EUR 169,945 thousand includes contract revenue of EUR 3,112 thousand (Q2 2008: 6,510) determined in accordance with PoC method. These revenues relate to development activities as well as operating funds 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 3,163 thousand as of June 30, 2009 (01 – 06 2008: 3,739) includes income from the reversal of provisions and proceeds from the sale of scrap metal and materials handling costs, as well as proceeds from the sale of property, plant and equipment.

Financial result

EUR k

	Q2 2009	Q2 2008	01 – 06 2009	01 – 06 2008
Financial income	581	550	1,145	1,112
Financial expenses	- 2,132	- 1,258	- 4,081	- 5,772
Financial result	**–1,551**	**–708**	**–2,936**	**–4,660**

Financial income relates mainly to temporary surplus cash invested in the context of active cash management. Temporary changes in the fair value of interest rate swaps must be recognized as income according to IAS 39, which leads to unrealized gains and losses within the financial result. The financial result also contains the interest component of pension contributions and the interest component of lease payments in accordance with IAS 17.

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 as of June 30, 2009, which are recognized as an expense in cost of sales amount to EUR 290,635 thousand (01 – 06 2008: 447,302).

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 other staff departments. This item also includes income from exchange rate fluctuations during the period to June 30, 2009 in the amount of EUR 6,995 thousand (01 – 06 2008: 12,768) and mainly relates 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 9,695 thousand (01 – 06 2008: 12,637) are also recognized under other administrative expenses.

Restructuring costs

As a result of the restructuring of GRAMMER Group initiated in the current fiscal year to optimize operations due to the re-orientation of business and ongoing weakness of demand, costs were incurred in the first half year of 2009 in the amount of EUR 9,797 thousand. The majority of these costs a recognized with EUR 2,565 thousand under cost of sales and EUR 6,536 thousand under administrative costs.

Earnings per share

Basic earnings per share are calculated by dividing consolidated net profit/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 – 06 2009	01 – 06 2008
Weighted average number of no-par value shares used to calculate basic/diluted earnings per share	10,165,109	10,165,109
Consolidated net profit/loss (-) (in EUR thousand)	- 22,808	11,118
Basic/diluted earnings/loss (-) per share in EUR	- 2.24	1.09

No transactions involving no-par value shares or potential no-par value shares of the Group were effected in the period between the reporting date and preparation of the consolidated financial statements. No changes or further acquisitions of own shares occurred as of December 31, 2008.

Intangible assets

Intangible assets include capitalized goodwill as well as capitalized development costs. In the period under review, EUR 352 thousand were invested in licenses and software. Amortization costs totaled EUR 1,517 thousand (01 – 06 2008: 1,077).

Property, plant and equipment

In the period to June 30, 2009, EUR 13,441 thousand was invested in property, plant and equipment. Depreciation in the same period totaled EUR 10,794 thousand (01 – 06 2008: 10,107).

Inventories

The reduction in inventories to EUR 82.4 million (2008: 90.8) is primarily attributable to the slowdown in business activities.
All inventories are carried at cost. There were no significant write-downs to the lower fair value.

Trade accounts receivable

The EUR 98.0 million (2008: 88.2) in trade accounts receivable can be attributed to revenue performance in the first half. The fair values of trade accounts receivables are equal to their carrying amount. Some trade accounts receivable in foreign currency were hedged by means of currency forwards. There are no restrictions on ownership or disposition.

Other current financial assets

Other current financial assets primarily consist of receivables from construction contracts amounting to EUR 45.3 million (2008: 44.9), as well as other receivables in the amount of EUR 1.2 million (2008: 1.0).

Other current assets

Other current assets of EUR 21.4 million (2008: 19.9) include other assets totaling EUR 18.6 million (2008: 17.6) and prepaid expenses totaling EUR 2.8 million (2008: 2.3). 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 and reserves

The development of the GRAMMER Group's equity is presented in the consolidated statement of changes in equity. The Group's balance sheet profit as of June 30, 2009 amounted to EUR 40,4 million after EUR 60.9 million for the 2008 fiscal year. The Company distributes dividends in accordance with section 58 (2) AktG balance sheet profit net profit in the financial statements of GRAMMER AG, which totaled EUR 10.3 million as of December 31, 2008. This takes into account EUR 21.8 million carried forward, the dividend payout of EUR 10.2 million and the allocation of EUR 4.8 million to other revenue reserves in accordance with section 58 (2a) AktG, as well as the neutral transfer from the reserve for own shares totaling EUR 3.0 million to other revenue reserves. At the Annual General Meeting of GRAMMER AG, the required majority voted to suspend payment of a dividend for the past fiscal year, and to allocate EUR 7.0 million to revenue reserves and carry forward the remaining EUR 3.3 million to the current fiscal year. For resolutions on dividends, the fact that the Company holds 330,050 own shares must be taken into account.

Other reserves mainly comprise differences arising from the translation of the financial statements of foreign subsidiaries and the effects of the subsequent measurement of financial instruments in equity, as well as adjustments from net investments in accordance with IAS 21 and the related deferred taxes. Other reserves developed as follows:

Development of other reserves

EUR k

	Unrealized gains/losses (–)	Foreign exchange differences	Total
As of January 1, 2009	–2,284	–4,311	–6,595
Currency translation adjustment for foreign subsidiaries	0	2,752	2,752
Gains/Losses (-) from cash flow hedges	1,307	0	1,307
Exchange differences arising on monetary items that form part of a net investment	0	994	994
As of June 30, 2009	–977	–565	–1,542

EUR k

	Unrealized gains/losses (–)	Foreign exchange differences	Total
As of January 1, 2008	–272	9,321	9,049
Currency translation adjustment for foreign subsidiaries	0	1,297	1,297
Gains/Losses (-) from cash flow hedges	- 56	0	–56
Exchange differences arising on monetary items that form part of a net investment	0	- 356	–356
As of June 30, 2008	–328	10,262	9,934

Non-current liabilities
Non-current financial liabilities relate to a long-term debenture bond with a fixed interest rate of 4.8 % and maturity at the end of August 2013.

The increase in pension obligations to EUR 55.7 million (2008: 54.5) is due to existing commitments. 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 32.3 million are substantially higher than the prior-year level (2008: 23.8) as a result of business developments. They include bank overdrafts due on demand on which interest is charged at the daily EONIA rate, and current loans which are due for repayment after one year.

Other current liabilities of EUR 55.7 million are substantially higher than the prior-year level (2008: 40.4) 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 and the procurement of goods.

Tax liabilities principally comprise income taxes for fiscal 2008 and the first half year 2009.

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. Additionally, it comprises costs for Group restructuring.

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 cash flow statement presents the Group's cash flows 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 profit/loss before income tax, which is adjusted to include non-cash expenses (primarily depreciation, amortization and impairment) and income. Cash flow from operating activities is calculated under consideration of the changes in working capital. Investing activities comprise payments for property, intangible assets and investment property. Financing activities include cash outflows for dividend payments and repayments of debt, as well as changes in other financial liabilities. GRAMMER Group includes cash and short-term money market funds, less current account liabilities to banks in cash and cash equivalents.

Segment reporting

Information on the Group's business segments can be found in the consolidated financial statements for the year ended December 31, 2008. The segment information is as follows:

EUR k

	Seating Systems		Automotive		Central Services/Consolidation		Total Group	
	01 – 06 2009	01 – 06 2008	01 – 06 2009	01 – 06 2008	01 – 06 2009	01 – 06 2008	01 – 06 2009	01 – 06 2008
Revenue	125,883	210,385	221,536	351,213	- 5,735	- 13,797	341,684	547,801
Operating profit/loss (-)	- 4,244	21,081	- 9,077	3,635	- 6,112	- 2,855	- 19,433	21,861
Profit/loss (-) before income tax	- 5,763	19,891	- 11,822	237	- 4,784	- 2,927	- 22,369	17,201
Net profit/loss (-)	- 5,306	14,750	- 12,236	- 586	- 5,286	- 3,013	- 22,828	11,152
Capital expenditure	5,203	4,221	9,127	8,569	213	359	14,543	13,149

EUR k

	Seating Systems		Automotive		Central Services/Consolidation		Total Group	
	Q2 2009	Q2 2008	Q2 2009	Q2 2008	Q2 2009	Q2 2008	Q2 2009	Q2 2008
Revenue	56,364	108,416	116,788	177,246	- 3,207	- 5,298	169,945	280,364
Operating profit/loss (-)	- 5,439	10,611	- 3,101	3,459	- 2,333	- 387	- 10,873	13,683
Profit/loss (-) before income tax	- 6,184	10,728	- 5,049	2,611	- 1,191	- 364	- 12,424	12,975
Net profit/loss (-)	- 6,092	7,293	- 5,125	1,956	- 1,666	- 423	- 12,883	8,826
Capital expenditure	863	1,949	4,628	6,232	212	73	5,703	8,254

Contingent liabilities

Guarantees in the amount of EUR 3,304 thousand, primarily for leased offices and as contract guarantees to ensure against breaches of contract, remained unchanged from December 31, 2008.

Events after the balance sheet date

No significant events occurred between the balance sheet date and the date of publication.

Financial Calendar 2009

Important dates for shareholders and analysts

Interim Report, second quarter and half-year 2009	08/11/2009
German Investment Conference (Munich)	09/22 to 24/2009
German Equity Forum (Frankfurt)	11/09 to 11/2009
Interim Report, third quarter 2009	11/10/2009

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