INTERIM REPORT

January to September 2014

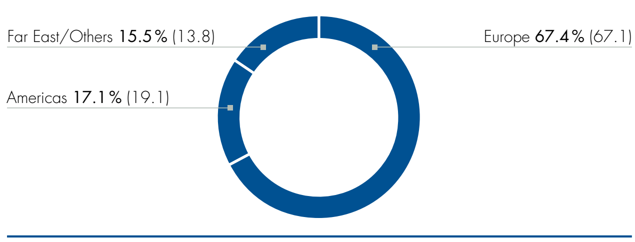
GRAMMER

Key figures according to IFRS
GRAMMER Group

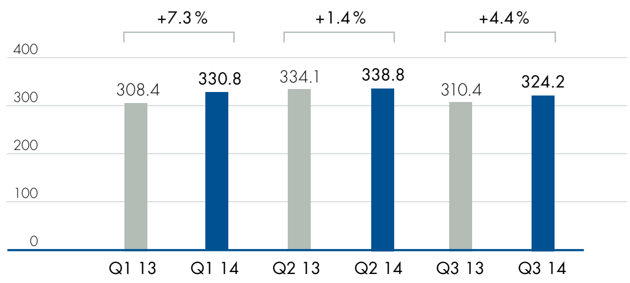
in EUR m

	Q3 2014	Q3 2013	01 – 09 2014	01 – 09 2013
Group revenue	324.2	310.4	993.8	952.9
Automotive revenue	214.2	201.1	642.1	607.2
Seating Systems revenue	116.0	115.0	369.0	361.1
Income statement				
EBITDA	21.8	21.9	69.8	68.5
EBITDA margin (in %)	6.7	7.1	7.0	7.2
EBIT	12.2	13.2	43.1	43.3
EBIT margin (in %)	3.8	4.3	4.3	4.5
Profit/loss (–) before income taxes	10.8	9.5	36.8	34.1
Net profit/loss (–)	7.5	6.6	25.8	23.9
Statement of financial position				
Total assets	808.1	764.8	808.1	764.8
Equity	234.8	225.1	234.8	225.1
Equity ratio (in %)	29	29	29	29
Net financial debt	120.6	110.5	120.6	110.5
Gearing (in %)	51	49	51	49
Investments (without M&A)	10.4	15.5	32.2	31.0
Depreciation and amortization	9.6	8.7	26.7	25.2
Employees (September 30)			10,499	9,580
Key share data			September 30, 2014	September 30, 2013
Share price (Xetra closing price in EUR)			30.66	28.25
Earnings per share (in EUR)			2.37	2.15
Market capitalization (in EUR m)			354.0	326.1

Revenue by regions (previous year in brackets)



Group revenue development by quarter (in EUR m)



Company Profile

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

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

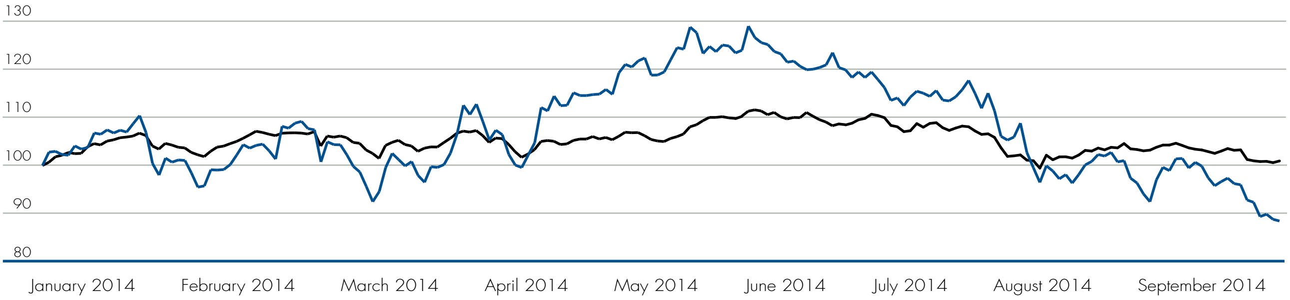
With more than 10,000 employees in 29 companies, GRAMMER has locations in 19 countries worldwide.

GRAMMER shares are listed in the SDAX, and traded on the Frankfurt and Munich stock exchanges via the electronic trading system, Xetra, as well as in over-the-counter trading at the Stuttgart, Berlin and Hamburg stock exchanges.

Content

GRAMMER Share

Price trend GRAMMER share and SDAX Performance Index – January to September 2014 (in %)



December 31, 2013 = 100%

— GRAMMER AG
— SDAX Performance Index

DAX and SDAX

In the first two quarters of the year, the international equities markets performed well, with indices reaching new highs on the strength of upbeat economic conditions. However, the markets became increasingly volatile in the third quarter and the previously upward move began to falter, causing equities to retreat.

The German blue-chip index DAX exceeded 10,000 points for the first time in June. However, the correction in the international markets also spread to the German stock market in the second half of the year. The DAX closed the third quarter at 9,474 points and was thus virtually unchanged compared with the end of 2013.

The SDAX, an index of selected small and mid-cap companies, in which GRAMMER is also included, tracked the DAX in the first nine months of the year, losing around 1% between January and September after initially performing well, and closed at 6,853 points.

GRAMMER share in a volatile market

The GRAMMER share entered the 2014 trading year on an upbeat note, reaching a new high of EUR 38.25 in January. It posted substantial gains in the second quarter, which culminated in an all-time high of EUR 44.70 in June. The GRAMMER share closed the first half of the year at EUR 41.00, thus substantially outperforming the DAX and the SDAX. In the third quarter, however, it faced increasingly volatile conditions. Dragged down by the corrections in the markets and heightened selling of small-cap and automotive stocks, it also dropped sharply. At the end of trading on September 30, 2014, the GRAMMER share stood at EUR 30.66, down just under 12% on the closing price on the final day of trading in 2013.

Key figures GRAMMER share

as of September 30

	2014	2013
Share price (Xetra closing price in EUR)	30.66	28.25
Annual high (in EUR)	44.70	29.90
Annual low (in EUR)	30.66	16.39
Number of shares	11,544,674	11,544,674
Market capitalization (in EUR m)	354.0	326.1
Earnings per share (in EUR)	2.37	2.15

Investor Relations

GRAMMER AG held its annual general meeting in Amberg on May 28, 2014, with almost 50% of voting share capital represented. A large majority of shareholders voted to formally approve the activities of the Executive Board and Supervisory Board in the previous year. Similarly, the shareholders passed a resolution approving a higher dividend of EUR 0.65 per share, equivalent to an increase of 30% over the previous year in which a dividend of EUR 0.50 had been distributed. All the other items on the agenda were also passed with the necessary majority.

In the first nine months of the year, the Executive Board of GRAMMER AG and the GRAMMER investor relations team held numerous one-on-one conversations with national and international investors, analysts and financial journalists. We attended capital market conferences among others in Hamburg, Munich, Baden-Baden, London and Warsaw. Roadshows took the Executive Board and the IR team to European financial centers as well as Montreal and Toronto in Canada.

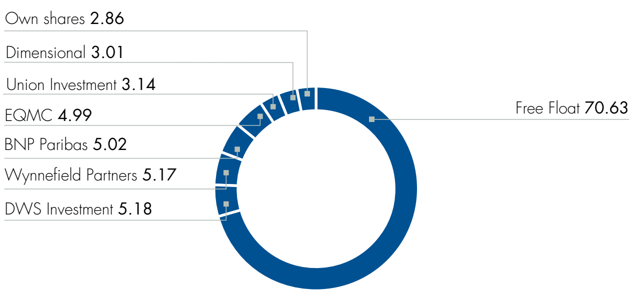
The heightened attention paid to the company and its share is reflected in the numerous meetings with investors as well as the growing coverage by analysts at renowned banks and research companies.

GRAMMER attaches key importance to intensive and immediate dialog with existing and potential investors. To this end, financial reports, press releases, presentations and all other important information on the share are available permanently in the Investor Relations section of the GRAMMER AG website.

Shareholder structure

The shareholder structure was as follows on September 30, 2014:

Shareholder structure (in %)



as of September 30, 2014

Only notifications relating to voting right holdings of greater than 3% are shown here. The current shareholder structure is disclosed in the Investor Relations section of the GRAMMER AG website.

In the first nine months of 2014, GRAMMER AG received the following voting right notifications in accordance with Section 21 (1) of the German Securities Trading Act (WpHG):

Date on which threshold was crossed	Notifying shareholder	Threshold crossed	Share of voting rights according to notification
January 29, 2014	JP Morgan Asset Management	Under 5%	4.86% (561,429)
February 6, 2014	JP Morgan Asset Management	Over 5%	5.15% (595,046)
February 7, 2014	JP Morgan Asset Management	Under 5%	4.98% (575,300)
February 10, 2014	JP Morgan Asset Management	Under 5%	4.74% (546,859)
February 25, 2014	JP Morgan Asset Management	Over 5%	5.13% (592,135)
March 3, 2014	JP Morgan Asset Management	Under 5%	4.88% (562,936)
March 11, 2014	JP Morgan Asset Management	Under 3%	2.41% (278,794)
April 2, 2014	BNP Paribas Investment	Over 3%	3.12% (360,621)
April 25, 2014	BNP Paribas Investment UK	Over 3%	3.11% (358,635)
April 25, 2014	BNP Paribas Investment Belgium	Over 3%	3.11% (358,635)
May 9, 2014	EQMC	Under 5%	4.99% (576,604)
May 14, 2014	JP Morgan Asset Management	Over 3%	3.30% (381,209)
May 16, 2014	BNP Paribas Investment	Over 5%	5.02% (579,914)
August 13, 2014	JP Morgan Asset Management	Under 3%	2.99% (346,070)

Interim Management Report

Net Assets, Financial Condition and Results of Operations

The GRAMMER Group from January to September 2014

- Revenue growth of appreciable 4.3 % to EUR 993.8 million
- At EUR 43.1 million, EBIT on a par with the previous year despite up-front costs
- 10.2 % increase in earnings per share to EUR 2.37

Global economy growing at a moderate rate

The global economy expanded at a modest rate in the third quarter. Whereas the recovery continued in the United States, the Eurozone fell short of expectations, while the emerging markets painted a mixed picture. Only the Chinese economy was able to generate any impetus.

The US economy continued to grow, expanding by a better than expected 1.2 % in the second quarter of the year. It painted a mixed picture at the beginning of the second half. While retail sales rose slightly in July and August as expected, industrial production weakened in July and was in fact down 0.2 % month on month in August. In September, it picked up again and was up 1 % on the previous month.

Economic momentum continued in China. However, the growth rates of the past were no longer achieved. Thus, industrial production rose by only 6.9 % over the previous year in August, marking the weakest rate of growth in six years. Retail sales were also up only 11.9 % in August. Accordingly, the Chinese economy remains dependent on government stimulus measures.

In Japan, the hike in the VAT rate appears to be having a lasting adverse effect on economic growth. Thus, gross domestic product (GDP) contracted by just under 2 % in the second quarter, with capital spending in the corporate sector declining by 5.1 % over the previous quarter in the same period.

In the Eurozone, the economic recovery did not prove to be sustainable. Impetus was generated by the formerly crisis-ridden countries of Spain, Portugal and Greece. In Spain, production has been expanding for four quarters, accompanied by a pick-up in domestic demand. In Portugal, gross domestic product has risen since the beginning of the year, while in Greece the economy is also stabilizing. Negative trends are evident in France and Italy, where gross domestic product has been flatlining.

As the year proceeded, the German economy did not continued on the expansionary trajectory of the first quarter. In addition to general weakness in the Eurozone and the fallout from the international crises, sagging domestic demand and a decline in capital spending in the corporate sector left traces. This is also reflected in the ifo business confidence indicator, which dropped for the fifth consecutive time in September.

Key figures of GRAMMER Group

in EUR m

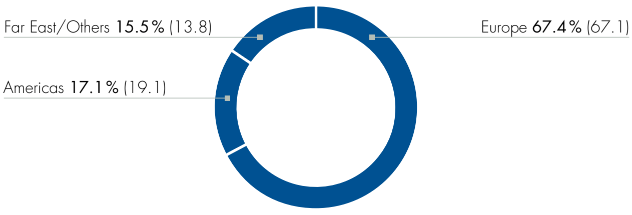
	01 – 09 2014	01 – 09 2013	Change
Revenue	993.8	952.9	4.3%
EBIT	43.1	43.3	–0.5%
EBIT margin	4.3%	4.5%	–0.2%-pts.
Investments	32.2	31.0	3.9%
Employees (reporting date)	10,499	9,580	9.6%

GRAMMER with continued appreciable revenue growth

In the first nine months of the current year, the GRAMMER Group achieved an appreciable 4.3 % increase in revenue to EUR 993.8 million (01 – 09 13: 952.9) despite mixed market conditions. This includes negative currency-translation effects of around EUR 24 million, which prevented an even better performance. During the period under review, both Divisions were able to boost their business volumes, with the Automotive Division registering a 5.7 % increase in revenue, thus outpacing the Seating Systems Division, where revenue was up 2.2 %. On a further encouraging note, growth accelerated substantially in the third quarter (4.4 %) at the Group level compared with the second quarter (1.4 %).

Regionally, revenue painted a mixed picture again. Whereas the Group achieved increases in both Divisions in the European market, with revenue rising by 4.8 % to EUR 670.1 million (01 – 09 13: 639.6), a 6.4 % decline to EUR 170.1 million (01 – 09 13: 181.7) arose in the Americas primarily due to muted conditions in the Brazilian market and the weak Brazilian real. The Far East/Others continued to perform very favorably, with revenue climbing by a significant 16.7 % to EUR 153.6 million (01 – 09 13: 131.6) thanks to both Divisions' performance.

Revenue by regions (previous year in brackets)



in EUR m

	01 – 09 2014	01 – 09 2013	Change
Europe	670.1	639.6	4,8%
Americas	170.1	181.7	–6,4%
Far East/Others	153.6	131.6	16,7%
Total	993.8	952.9	4,3%

Despite negative currency-translation effects of around EUR 14 million, revenue in the Automotive Division was tangibly higher thanks to contributions made by all business areas within the Division. Driven by projects which had been gained in earlier years and are now gradually going into full-scale production, business in center consoles and armrests was very encouraging. Headrest business also continued to grow despite very challenging competitive conditions. Whereas revenue in the Americas remained at the previous year's level, the Division achieved perceptible growth in Europe and substantial gains in the Far East/Others.

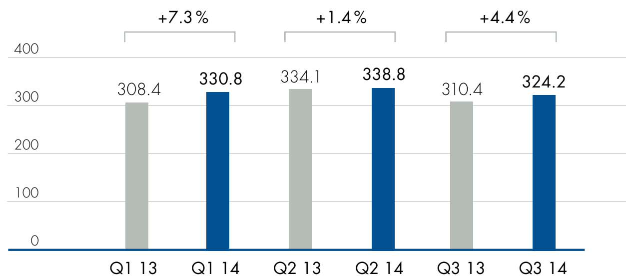
In the Seating Systems Division, conditions in the main sell-side markets remained disparate, although revenue was up slightly overall. Business in Europe widened appreciably thanks to increased volume sales of the new-generation MSG 115 seat compared with the previous year as well as the substantial project-related growth in revenue in the railway segment. By contrast, revenue in the Americas declined substantially. In addition to negative currency-translation effects, the contraction of the Brazilian truck market particularly exerted pressure. On the other hand, business in the Far East/Others continued to expand dynamically, achieving high percentage growth rates.

EBIT unchanged over the previous year despite high advance outlays

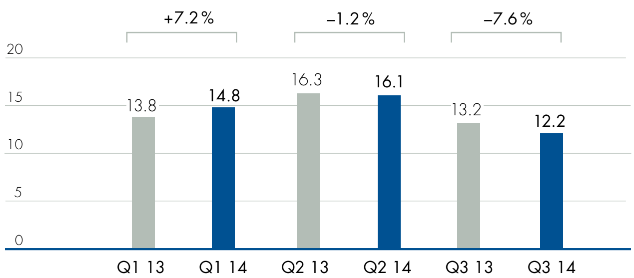
Consolidated earnings before interest and taxes (EBIT) came to EUR 43.1 million in the first nine months and were thus unchanged over the same period of the previous year (01 – 09 13: 43.3). Advanced outlays on the growth and optimization projects being executed in the current year continued to exert pressure. The EBIT margin came to 4.3 %, down from 4.5 % in the same period of the previous year. Operating profit was materially underpinned by the Seating Systems Division. In line with expectations, operating profit in the Automotive Division fell short of the previous year due to the numerous project start-ups and related expenses for capacity expansion as well as projects for optimizing production structures in Eastern Europe. With the successful implementation of these activities, we are creating the basis for achieving the GRAMMER Group's growth and profitability targets in the long term.

Net profit after tax came to EUR 25.8 million in the reporting period (01 – 09 13: 23.9). In this connection, net finance income/finance expense made a positive contribution as a result of more favorable finance costs compared with the previous year. Earnings per share rose by 10.2 %, standing at EUR 2.37 at the end of the first nine months (01 – 09 13: 2.15).

Group revenue development by quarter (in EUR m)



EBIT development Group by quarter (in EUR m)



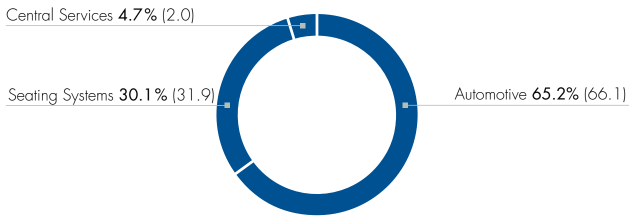
Capital spending influenced by expansion and optimization measures

At EUR 32.2 million, spending by the GRAMMER Group on property, plant and equipment and intangible assets was slightly higher than in the previous year (01 – 09 13: 31.0) as of September 30, 2014. Specifically, capital spending in the Seating Systems Division came to EUR 9.7 million and was thus virtually unchanged over the previous year (01 – 09 13: 9.9). In the Automotive Division, it climbed slightly to EUR 21.0 million (01 – 09 13: 20.5). Capital spending was chiefly targeted at enlargements of production capacities and optimization of production structures in Eastern Europe.

At EUR 10.4 million, capital spending by the GRAMMER Group was down EUR 5.1 million on the same quarter of the previous year (Q3 13: 15.5) for billing reasons following the increase recorded in the second quarter.

Capital spending in the Central Services Division remained at a low level.

Investments by segments January to September (previous year in brackets)



in EUR m

	01 – 09 2014	01 – 09 2013
Automotive	21.0	20.5
Seating Systems	9.7	9.9
Central Services	1.5	0.6
Total	32.2	31.0

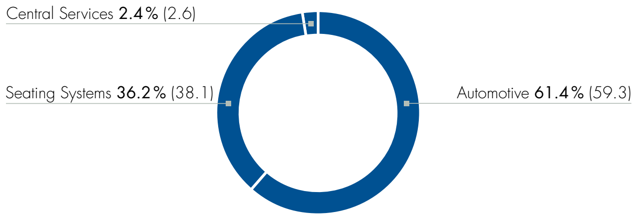
Employees

As of September 30, 2014, the GRAMMER Group had a total of 10,499 employees (September 30, 2013: 9,580). The headcount in the Automotive Division climbed to 6,444 (September 30, 2013: 5,685). Additional employees were recruited in Serbia in particular in response to the strong order intake and in order to expand internal sewing capacities. The number of employees in the Czech Republic and Mexico also continued to rise due to additions to production activities in these countries.

The headcount in the Seating Systems Division climbed to 3,796 as of September 30, 2014 (September 30, 2013: 3,648). This increase is attributable to the business-induced expansion of sewing capacities in Bulgaria as well as the establishment of new facilities in Tupelo. Staff numbers also rose in Germany for volume-related reasons.

The Central Services Division had 259 employees (September 30, 2013: 247).

Employees by segments, September 30, 2014 (previous year in brackets)



as of September 30

	2014	2013
Automotive	6,444	5,685
Seating Systems	3,796	3,648
Central Services	259	247
Total	10,499	9,580

Total assets up on the previous year due to business growth

Condensed Balance Sheet of the GRAMMER Group

in EUR k

	September 30, 2014	December 31, 2013	Change
Non-current assets	306,168	298,453	7,715
Current assets	501,922	467,431	34,491
Held-for-sale assets	0	144	–144
ASSETS	808,090	766,028	42,062
Equity	234,752	224,671	10,081
Non-current liabilities	293,568	276,051	17,517
Current liabilities	279,770	265,306	14,464
EQUITY AND LIABILITIES	808,090	766,028	42,062

Note on accounting figures: 2013 = December 31, 2013

As of September 30, 2014, the GRAMMER Group had total assets of EUR 808.1 million (2013: 766.0). This is equivalent to an increase of EUR 42.1 million compared with the end of 2013 and chiefly reflects higher working capital.

Non-current assets rose by EUR 7.7 million to EUR 306.2 million. Within this item, property, plant and equipment climbed by EUR 8.5 million to EUR 188.7 million. At EUR 74.7 million, intangible assets remained virtually unchanged at the previous year's level (2013: 75.1). Deferred income tax assets came to EUR 42.3 million and were also unchanged over the previous year (2013: 42.2).

Current assets climbed by EUR 34.5 million to EUR 501.9 million as a result of the increased revenue in both Divisions as well as up-front costs for future orders and temporary precautionary stockpiling in connection with relocation activities. Trade accounts receivable increased to EUR 182.4 million (2013: 153.9) as of the reporting date, with other current financial assets also rising to EUR 103.5 million (2013: 86.2) due to business growth. At EUR 145.7 million, inventories were substantially up on the previous year (2013: 115.6) due to the large number of projects and precautionary stockpiling in connection with the optimization of production structures in Eastern Europe. Cash and short-term deposits stood at EUR 45.8 million as of the reporting date (2013: 91.3).

The GRAMMER Group's equity rose from EUR 224.7 million to EUR 234.8 million. However, the increased earnings are not fully reflected in equity due to the higher actuarial losses of EUR 13.2 million on pension obligations recorded within equity and the dividend distribution of EUR 7.3 million.

The equity ratio came to around 29 %, i.e. on a par with the previous year (2013: 29).

At EUR 293.6 million, non-current liabilities were up on the previous year (2013: 276.1) primarily as a result of an EUR 21.4 million increase in pension provisions which arose from the substantially lower discount rate compared with the end of the previous year. At EUR 146.6 million, non-current financial liabilities remained at the previous year's level (2013: 146.8).

Current liabilities came to EUR 279.8 million, up on the previous year (2013: 265.3). The favorable business performance resulted in an increase of EUR 17.2 million in trade accounts payable to EUR 167.6 million. Other liabilities came to EUR 71.4 million (2013: 56.9). Current financial liabilities dropped to EUR 19.8 million (2013: 37.7) following the repayment in September 2014 of the maturing portion of the 2011 debenture bond.

Gearing stood at 51 % as of September 30, 2014 (2013: 41), with net financial liabilities coming to EUR 120.6 million (2013: 93.2).

Automotive Division

Global automotive markets generally expanding

In the United States and China, the passenger vehicle market continued to expand. Despite positive fundamentals, the situation in Western Europe is not as clear-cut.

The US market grew in the first nine months of the year. At 12,371,200 as of the end of September, new registrations of passenger vehicles (including light vehicles) were up a solid 5 % on the previous year.

In China, demand for passenger vehicles remains unabated. In September alone, around 1.6 million vehicles were sold (up 8 %). With new passenger-vehicle registrations coming to 13,086,200 between January and September, growth remained in the double digits (up 13 %).

The Brazilian market continued to shrink. Thus, new registrations were down 17 % (259,490 units) in August. However, the pace of this decline slowed to 4 % in September (282,900 vehicles sold). In the first three quarters, new vehicles registrations were down just under 9 % (2,407,400 vehicles).

The Japanese passenger-vehicle market grew by just under 6 % in the first nine months of the year to 3,671,100 units due to pull-forward effects arising from planned increase in the rate of value added tax as of April 1, 2014. Since this date, however, new registrations of passenger vehicles have been on the decline, coming to 281,326 in August (down 9 %). In September, the month-on-month drop slowed to only 3 % (431,800 units).

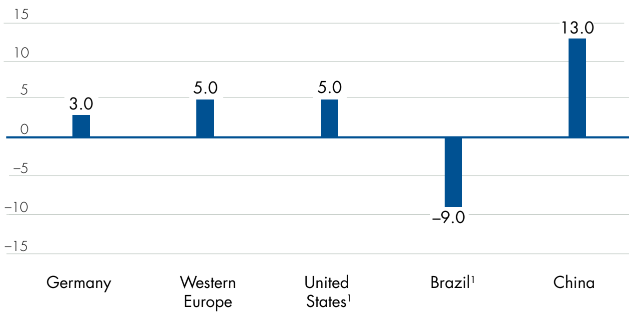
The Western European passenger-vehicle market continued to expand, albeit at differing rates. The Spanish market is expanding, growing by 17 % over the previous year in the year to September (640,673 new registrations). The UK market remained strong. In the year to date, 1,958,196 vehicles (up 9 %) have been sold in this market. France is painting a mixed picture. Although the passenger vehicle market continued to decline in August (down 3 %), sales in September were up 6 % on the same month in the previous year. In the period from January to September, new passenger-vehicle registrations rose by 2 % to 1,337,315.

There was pronounced growth in the smaller Western European markets, particularly the formerly crisis-afflicted countries of Portugal (up 35 %) and Greece (up 22 %), in the first nine months of the year.

All told, new registrations came to 9,240,000 in the first nine months of the year (up 5 %).

Driven by favorable macroeconomic conditions, new passenger-vehicle registrations in Germany rose by 3% to 2,281,700 in the first nine months of the year. In fact, passenger vehicle production expanded by as much as 4% to 4,246,400 units in this period. After contracting by 30% over the previous year in August, it picked up again in September (527,800 units, up 3%).

Change in automotive sales volumes in selected countries
January to September 2014 (in %)



[1] including Light Vehicles
Source: VDA

Automotive Division dominated by the establishment of new plants and optimization measures

Key figures Automotive Division

in EUR m

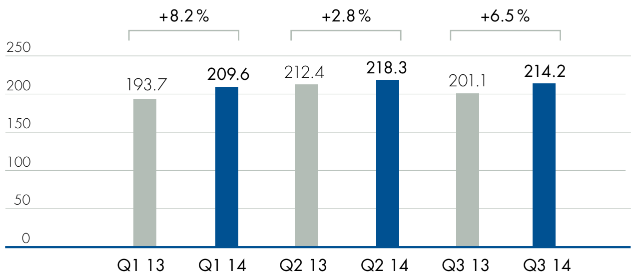
	01 – 09 2014	01 – 09 2013	Change
Revenue	642.1	607.2	5.7%
EBIT	21.4	24.7	–13.4%
EBIT margin	3.3%	4.1%	–0.8%-pts
Investments	21.0	20.5	2.4%
Employees (reporting date)	6,444	5,685	13.4%

Revenue in the Automotive Division rose again appreciably in the first nine months of 2014, with momentum picking up substantially again compared with the second quarter. This favorable performance was achieved despite the negative currency-translation effects of some EUR 14 million. As of September 30, 2014, revenue in the Division was up 5.7% or EUR 34.9 million, rising to EUR 642.1 million (01 – 09 13: 607.2), due to persistently strong demand in the premium segment and the reinforcement of our market position. Growth was driven by strong performance in all business areas; as expected, business in consoles and armrests expanded more swiftly than business in headrests. In the third quarter, the Division was able to again exceed the very high level of revenue recorded in the previous year. Thus, revenue in the third quarter climbed from EUR 201.1 million to EUR 214.2 million. In constant-currency terms, this increase would have been even more pronounced.

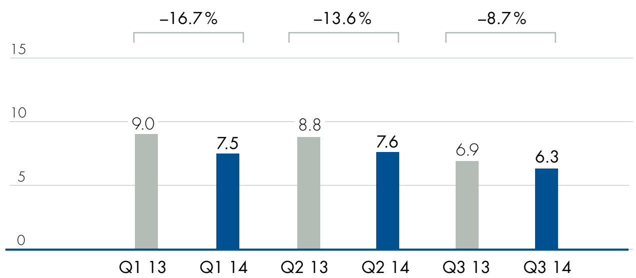
Revenue in Europe was up substantially in the reporting period, allowing GRAMMER to additionally reinforce its strong position in the middle and premium segment in Europe. The Division also recorded substantial top-line growth in the Far East/Others. After muted performance in the first quarter with revenue remaining virtually flat, business in this region gained substantial momentum from the second quarter of the year onwards due to the expected increase in order intake. On the other hand, business in the Americas remained at the previous year's level due to negative currency-translation effects and customers' tendency to substitute premium-quality products for simpler ones.

Operating profit in the Automotive Division came to EUR 21.4 million in the first nine months of the year, thus falling short of the previous year's figure of EUR 24.7 million as expected. The Division achieved an EBIT margin of 3.3% in the reporting period (01 – 09 13: 4.1). Earnings in the first nine months of 2014 were again influenced by scheduled expenditure in connection with ongoing optimization of production structures in Eastern Europe as well as necessary capacity enlargements and start-up costs in all three regions. This expense is necessary to ensure future growth and to additionally enhance the Division's earnings potential.

Revenue development Automotive Division by quarter (in EUR m)



EBIT development Automotive Division by quarter (in EUR m)



Seating Systems Division

Large disparities in the commercial vehicle markets
In the first nine months of the year, the international commercial vehicle markets continued to paint a mixed picture.

Solid economic conditions and particularly also heightened demand in the transportation sector left traces in the United States. New registrations of heavy trucks (over 6 t) reached 295,363 in the first nine months of the year, equivalent to an increase of 16 %. In September alone, new registrations came to 37,054 units (up 29 %).

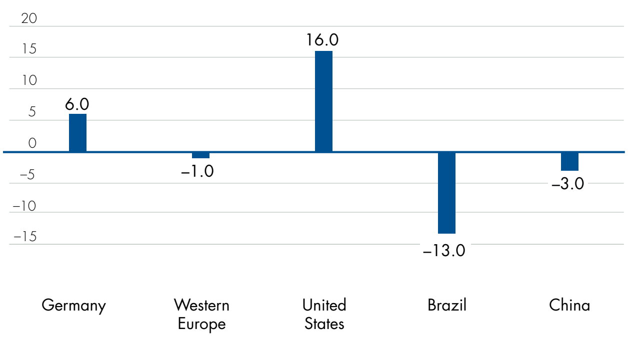
Contrary to trends in North America, the Brazilian truck market weakened in the period under review. Against the backdrop of muted economic conditions, the commercial vehicle markets continued to decline, with sales of heavy trucks coming to 96,224 in the period from January to September (down 13 %).

The Chinese truck market continued to cool off. In the year to September 763,125 heavy trucks were sold, down 3 % on the same period of the previous year. In September alone, sales of trucks over 6 t fell by 15 % to 74,491 units.

In Western Europe the market for heavy trucks is losing momentum, with sales in August dropping by 8 % over the same month of the previous year. Consequently, sales in the year to date are down, coming to 164,486 units in the first nine months of the year (down 1 %). The large Western European markets in particular were weaker in the first nine months of the year: United Kingdom down –23 % (22,411 units), the Netherlands down –10 % (6,964 units) and France down –9 % (26,675 units). Spain and Portugal continued to grow. In the first nine months of the year, new registrations of heavy trucks rose by 24 % to 9,343 in Spain and by 34 % to 1,684 in Portugal.

The German truck market continued to feel the effects of the introduction of the Euro VI emissions standard. At the same time, there has been a decline in capital spending. As a result, new registrations of heavy trucks dropped by 6 % to 5,523 in August. In the year to date, however, the market has expanded by 6 % to 60,660 units.

Change in commercial vehicle sales volumes (trucks above 6 t) in selected countries
January to September 2014 (in %)



Source: VDA

Agricultural machinery industry
The German agricultural machinery industry generated revenue of some EUR 4.6 billion in the first half of the year, meaning that the market for tractors and other agricultural machines contracted by 5.1 %.

New registrations of tractors in Germany reached 26,191 in the first eight months of the year, equivalent to a decline of 1.2 %.

Material handling
Confidence in the material handling industry remains upbeat. According to a survey conducted by industry association Bundesverband der Baumaschinen-, Baugeräte und Industriemaschinenfirmen e. V. (bbi), 80 % of the companies polled expect revenue to match or exceed the previous year in the third quarter, while only 20 % anticipate a decline.

Construction machinery
Revenue in the construction machinery industry rose by around 9 % from January to July. After this good start to the year, however, conditions cooled off slightly in August and September.

Railway industry
The German railway industry achieved solid performance in the first half of 2014, with revenue rising by 18 % to EUR 5.2 billion. After the record previous year, order intake contracted by 37 % to EUR 5.6 billion in the same period.

Substantial increase in earnings in the Seating Systems Division

Key figures Seating Systems Division

in EUR m

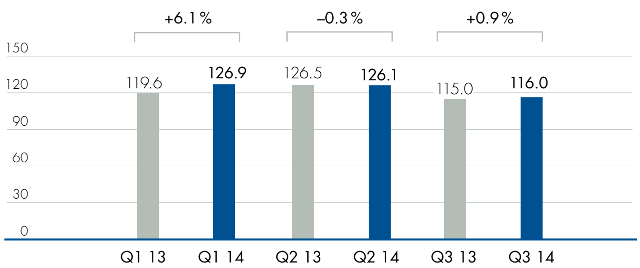
	01 – 09 2014	01 – 09 2013	Change
Revenue	369.0	361.1	2.2%
EBIT	30.0	27.0	11.1%
EBIT margin	8.1%	7.5%	0.6%-pts
Investments	9.7	9.9	–2.0%
Employees (reporting date)	3,796	3,648	4.1%

In the period under review, revenue in the Seating Systems Division was slightly higher than in the previous year. Reflecting macroeconomic conditions in the main markets, it again performed disparately but was able to hold on to and, in some cases, extend its market position. All told, revenue in the Seating Systems Division came to EUR 369.0 million in the first nine months, 2.2 % higher than in the same period of the previous year (01 – 09 13: 361.1). Accordingly, business volumes continued to grow despite contraction in the Brazilian market, the mounting clouds looming over the European agricultural machinery market and negative currency-translation effects. The Division's earnings proved to be very encouraging, with EBIT rising substantially by EUR 3.0 million to EUR 30.0 million, translating into an operating margin of 8.1 % at the end of the first nine months (01 – 09 13: 7.5 %).

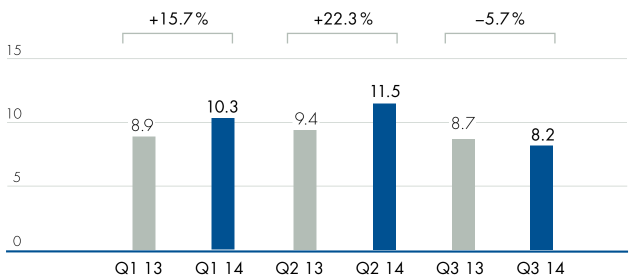
In the third quarter, the Division recorded only a small increase in revenue of EUR 116.0 million compared with the previous year (01 – 09 13: 115.0) chiefly as a result of the substantial cooling of the Brazilian truck market and negative currency-translation effects. At the same time, the significant decline in the Americas caused by the Brazilian market was slightly more than made up for by growth in the Far East/Others. In the third quarter, the Division registered operating profit of EUR 8.2 million, thus falling somewhat short of the previous year (01 – 09 13: EUR 8.7 million). The operating margin came to 7.1 %, down from 7.6 % in the third quarter of 2013.

Against the backdrop of disparate market conditions, offroad revenue was up slightly in the reporting period. Truck business came under pressure from market weakness in Brazil and negative currency-translation effects, with revenue retreating slightly. Business volumes in the rail segment were encouraging, with revenue substantially up on the previous year for project-related reasons.

Revenue development Seating Systems Division by quarter (in EUR m)



EBIT development Seating Systems Division by quarter (in EUR m)



Full-year outlook for 2014

Global economic outlook

The protracted political conflicts around the world and particularly the situation in the Middle East and Ukraine are placing a damper on growth in the global economy. Leading economic research institutions expect the output of the individual economies to expand only moderately this year and have recently scaled back some of their forecasts significantly.

Similarly, the International Monetary Fund (IMF) has revised its economic projections for the current year. In the October edition of its World Economic Outlook, it lowered some of its forecasts over the July edition.

Consequently, the IMF now expects the global economy to expand by 3.3 % this year, down 0.1 percentage point compared with its previous forecast.

However, it projects solid growth for the United States and has raised its forecast by 0.5 percentage points to 2.2 % for this year. This suggests that the slump in the economy which had been caused by the protracted winter conditions at the beginning of the year has been overcome.

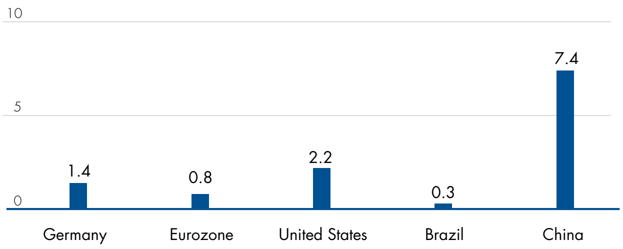
The Brazilian economy is continuing to contract. In fact, the IMF has scaled back its forecast drastically by 1 percentage point and is now expecting growth of only 0.3 % this year.

This contrasts with the IMF's forecast for China. Although the growth rates of earlier years are unlikely to be repeated, the IMF's unchanged projection for the Chinese economy is for growth of 7.4 %.

In the Eurozone, the economic recovery in Spain and Portugal is likely to continue, while Greece now also appears to have bottomed out. On the other hand, attention is increasingly shifting to France and Italy, where delays in implementing reforms are exerting a drag on the economy. This has prompted the IMF to lower its forecast for the Eurozone as well. Accordingly, it is now projecting growth of 0.8 % this year, a drop of 0.3 percentage points over its previous forecast.

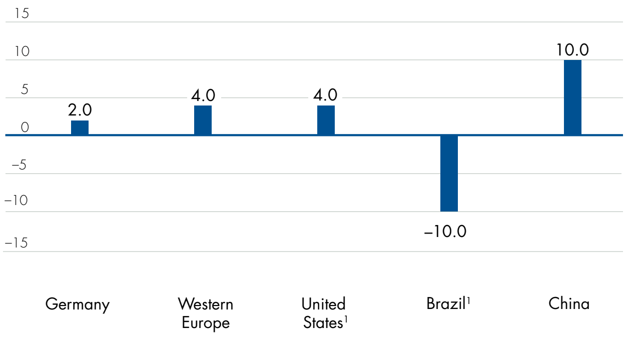
Leading economic research institutions expect the German economy to continue slowing. The German federal government recently also scaled back its forecast for German economic growth from 1.8 % to 1.2 %. Domestic demand and particularly capital spending in the corporate sector as well as foreign demand are likely to remain muted this year. Otherwise, the Eurozone will not be able to generate any impetus. The IMF is likewise lowering its forecast for Germany and now projects growth of only 1.4 %, a downward revision to its previous forecast of 0.5 percentage points.

Economic growth (gross domestic product) in selected countries
2014 (in %)



Source: IMF

Expected development of automotive sales volumes in selected countries
2014 (in %)



[1] including light vehicles
Source: VDA

Automotive industry – outlook for 2014

Growth in the global automotive industry
The global passenger-vehicle industry is continuing to expand. However, in its latest forecast, German Association of the Automotive Industry (VDA) now expects growth to be weaker than it did at the beginning of the year. The VDA projects global new registrations of around 74.7 million vehicles this year, an increase of 2 % over the previous year. This expansion will be particularly underpinned by the United States and China, although Western Europe will also exhibit signs of growth.

VDA expects sales of around 16.1 million passenger vehicles (including light vehicles) in the United States this year. Following the revision which VDA made to its forecast in July, this translates into growth of 4 % this year.

VDA assumes that the Chinese market for passenger vehicles will also continue to grow swiftly in the current year, with sales set to rise by 10 % to roughly 17.9 million units.

In Japan, the increase in the rate of VAT at the beginning of the second quarter is likely to continue taking its toll. Thus, the VDA forecast points to full-year new registrations of some 4.7 million, i.e. up 2 % on the previous year.

VDA also sees contraction in Brazil this year, with this market set to contract by 10 % to around 3.2 million vehicles.

In July, VDA doubled its forecast for Western Europe. In its latest bulletin, it continues to assume that the market will expand by 4 %, equivalent to sales of some 12 million vehicles. The greatest advances will be achieved in the formerly crisis-afflicted countries of Spain (up 15 %), Portugal (up 32 %) and Greece (up 20 %). By contrast, there will be only moderate growth in France (1 %) and Italy (3 %).

According to the VDA forecasts, new registrations in Germany will increase by 2 % over the previous year to roughly 3 million. Passenger-vehicle production is also likely to be well up. With VDA projecting a figure of around 5.6 million vehicles (up 2 %) in Germany this year.

Commercial vehicle industry – outlook for 2014

Disparate conditions in the commercial vehicle market
The international commercial vehicle markets will continue to perform disparately this year with the negative trends strengthening in individual markets.

With the US market for heavy trucks expanding significantly over the last few months, VDA expects strong growth this year and assumes that the market will expand by 15 % to around 405,000 units.

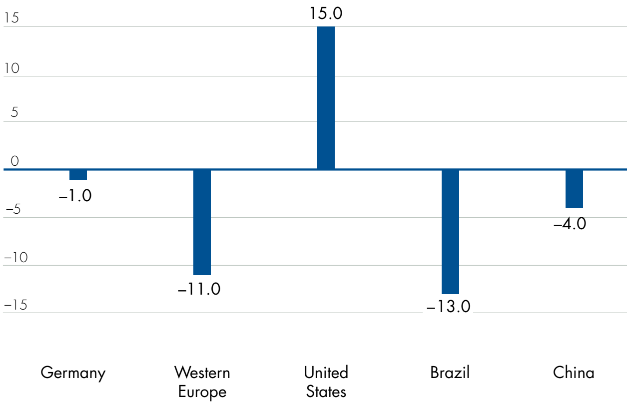
The Brazilian market is continuing to contract sharply, reflecting muted macroeconomic conditions. VDA forecasts a 13 % decline to around 130,000 heavy trucks for the year as a whole.

In China, the heavy truck market will remain volatile. VDA now assumes that the market will contract by 4% over the year as a whole (1.0 million vehicles).

Conditions in Western Europe remain highly disparate. VDA expects the overall market for heavy trucks to shrink by 11 % to around 219,000 units. Declines will particularly be registered in the United Kingdom (down 36 %), the Netherlands (down 26 %) and France (down 17 %), while Greece should expand by 20 % and Spain by 10 %.

The German market for trucks over 6 t will also decline this year according to VDA, with sales falling by 1 % to around 80,000 units.

Expected development of commercial vehicle sales volumes (trucks above 6 t) in selected countries 2014 (in %)



Source: VDA

Agricultural machinery industry

In a forecast published in May, the German Mechanical and Plant Engineering Association (VDMA) assumes that revenue in the German agricultural machinery industry will come to around EUR 7.9 billion this year, thus contracting by 6% over the previous year. Various agricultural machinery manufacturers – particularly in Europe and North America - are responding to the muted demand with reduced working hours or redundancies.

Material handling

According to industry association bbi (Bundesverband der Baumaschinen-, Baugeräte- und Industriemaschinenfirmen), companies in this sector are expecting solid 6% revenue growth this year.

Construction machinery

VDMA projects growth of around 5% in the construction machinery industry this year, underpinned by impetus generated in North America and Germany. According to this forecast, construction machinery sales should climb to over 25,000 units in Germany following on from the expansion of around 9% in the first half of the year.

Railway industry

The German Rail Industry Association (VDB) expects the market to grow in the medium term and assumes that the global market for rail technology will expand by 2.7% per year through 2017.

Opportunities and risks

In addition to the opportunities and risks to which we refer in the Management Report of the Annual Report for the fiscal year ended December 31, 2013, the facts described in the "Outlook" section of this report are additionally relevant to the company's situation at this stage. This section contains forward-looking statements reflecting the opinions of GRAMMER AG's management with respect to future events. These statements are based on the company's current planning, estimates and expectations. Consequently, they are subject to risks and uncertainty. In particular, it should be noted that further shifts in the exchange-rate parities between the euro and the foreign currencies of main importance for the Group as well as a deterioration in underlying macroeconomic in the markets which we address may exert a negative effect on our net assets, financial position and results of operations. Similarly, other risks which are currently not known to us or considered to be immaterial may also influence the results of our business. In the Executive Board's view, the risks described and known are currently manageable and do not pose any risk to the Group's going-concern status either individually or in their entirety.

In addition, the Executive Board takes the view that the Group has not yet utilized all potential for further optimization of its processes and cost structures. Accordingly, various projects are currently ongoing to render our organization more efficient and effective and these may have a positive impact on our net assets, financial condition and results of operations.

Outlook for the GRAMMER Group

Our forecast for the GRAMMER Group and its Divisions is based on the general trends expected for global economy and the projections for the markets addressed by the Automotive Division and the Seating Systems Division as outlined above. The Group is exposed to currency translation effects particularly in the countries of material importance for its business such as Brazil, China, Mexico, the Czech Republic, Turkey and the United States. By making adjustments to our production activities, we have been able to improve natural hedging effects all around the world; however, the shifts in exchange-rate parities in the euro, particularly against the aforementioned currencies, are leaving traces on revenue and earnings as a result of currency-translation effects.

In the fourth quarter of the year, the Automotive Division will see new product launches, related capacity enlargements and specific measures to optimize production structures particularly in Eastern Europe. We expect revenue in this Division to grow appreciably in 2014, although the above-mentioned activities will continue to exert pressure on the cost side.

Given the sustained and worsening weakness of the Brazilian market and the deterioration which has emerged in the last few weeks in conditions in the global markets for agricultural machinery, we now expect revenue in the Seating Systems Division to decline in the fourth quarter. The expected growth in China will presumably not be sufficient to fully make up for this effect. All told, we assume that full-year revenue in this Division will be slightly up on the previous year in 2014.

The numerous optimization and expansion measures at our plants in China, North and South America and Eastern Europe are expected to continue influencing operating profit in the Automotive Division in particular in the final quarter of the year.

All told, we still consider the outlook for the GRAMMER Group to be favorable in 2014. Even so, the macroeconomic risks as well as the risks to which GRAMMER is exposed in the individual markets which it addresses have risen over the past few weeks. This may impact customer demand in the short term and thus exert an influence on GRAMMER's business performance. Overall, we still project an appreciable increase in revenue over the previous year to more than EUR 1.3 billion. Despite planned up-front costs of around EUR 7 – 10 million in 2014 as a whole, we expect the GRAMMER Group's operating profit (EBIT) to more or less match the previous year. This assessment is based on the above forecasts for the global economy as well as our main sell-side markets. However, any deterioration in these underlying economic or political conditions may have negative repercussions for GRAMMER's business and earnings. Moreover, the GRAMMER Group's business may generally also deviate from the forecast as a result of the opportunities and risks described in the risk and opportunity report. Looking ahead to 2015, we project further top-line growth assuming stable macroeconomic conditions.

Forward-looking statements

This document contains forward-looking statements based on current assumptions and estimates by GRAMMER's management of future trends. Such statements are subject to risks and uncertainties which GRAMMER can neither estimate nor influence with any precision, e.g. future market conditions and the macroeconomic environment, the behavior of other market participants, the successful integration of newly acquired companies, the materialization of expected synergistic benefits and government actions. If any of these or other factors of uncertainty or imponderability's occur or if any of the assumptions on which these statements are based prove to be incorrect, actual results could differ materially from the results expressed or implied in these statements. GRAMMER neither intends nor is under any obligation to update any forward-looking statements in the light of any changes occurring after the publication of this document.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles for financial reporting, the Consolidated Financial Statements/Interim Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Amberg, November 10, 2014

GRAMMER AG
The Executive Board

Consolidated Statement of Income

January 1 – September 30 of the respective financial year

EUR k

	Q3 2014	Q3 2013	01 – 09 2014	01 – 09 2013
Revenue	324,206	310,407	993,840	952,862
Cost of sales	–291,325	–270,974	–875,880	–828,923
Gross profit	**32,881**	**39,433**	**117,960**	**123,939**
Selling expenses	–7,341	–6,780	–22,079	–19,947
Administrative expenses	–18,137	–22,636	–64,928	–67,310
Other operating income	4,852	3,178	12,171	6,621
Operating profit/loss (–)	**12,255**	**13,195**	**43,124**	**43,303**
Financial income	289	441	1,271	1,103
Financial expenses	–2,756	–3,161	–8,318	–9,121
Other financial result	968	–1,013	752	–1,146
Profit/loss (–) before income taxes	**10,756**	**9,462**	**36,829**	**34,139**
Income taxes	–3,228	–2,839	–11,049	–10,242
Net profit/loss (–)	**7,528**	**6,623**	**25,780**	**23,897**
Of which attributable to:				
Shareholders of the parent company	7,836	6,835	26,600	24,135
Non-controlling interests	–308	–212	–820	–238
	7,528	**6,623**	**25,780**	**23,897**

Earnings/loss per share				
			01 – 09 2014	01 – 09 2013
Basic/diluted earnings/loss (–) per share in EUR			2.37	2.15

Consolidated Statement of Comprehensive Income
January 1 – September 30 of the respective financial year

EUR k

	Q3 2014	Q3 2013	01 – 09 2014	01 – 09 2013
Net profit/loss (–)	7,528	6,623	25,780	23,897
Amounts not to be recycled in income in future periods				
Actuarial Gains/Losses (–) from defined benefit plans				
Gains/Losses (–) in the current period	–8,032	0	–18,680	0
Tax expenses (–)/Tax income	2,337	0	5,449	0
Actuarial Gains/Losses (–) from defined benefit plans (after tax)	–5,695	0	–13,231	0
Total amount not to be recycled in income in future periods	–5,695	0	–13,231	0
Amounts recycled in income in future periods				
Gains/Losses (–) from currency translation of foreign subsidiaries				
Gains/Losses (–) arising in the current period	3,266	–5,280	4,345	–8,546
Less transfers recognized in the Income Statement	0	0	0	0
Tax expenses (–)/Tax income	0	0	0	0
Gains/Losses (–) from currency translation of foreign subsidiaries (after tax)	3,266	–5,280	4,345	–8,546
Gains/Losses (–) from cash flow hedges				
Gains/Losses (–) arising in the current period	–373	–60	–2,046	838
Less transfers recognized in the Income Statement	350	214	571	157
Tax expenses (–)/Tax income	10	–7	445	–257
Gains/Losses (–) from cash flow hedges (after tax)	–13	147	–1,030	738
Gains/Losses (–) from net investments in foreign operations				
Gains/Losses (–) arising in the current period	1,021	–1,361	1,507	–937
Less transfers recognized in the Income Statement	0	0	0	0
Tax expenses (–)/Tax income	0	0	0	0
Gains/Losses (–) from net investments in foreign operations (after tax)	1,021	–1,361	1,507	–937
Total amount to be recycled in income in future periods	4,274	–6,494	4,822	–8,745
Other comprehensive income	–1,421	–6,494	–8,409	–8,745
Total comprehensive income (after tax)	6,107	129	17,371	15,152
Of which attributable to:				
Shareholders of the parent company	6,301	414	18,102	15,469
Non-controlling interests	–194	–285	–731	–317

Consolidated Statement of Financial Position

as of September 30, 2014 and December 31, 2013

ASSETS

EUR k

	September 30, 2014	December 31, 2013
Non-current assets		
Property, plant and equipment	188,699	180,194
Intangible assets	74,691	75,116
Other financial assets	439	865
Income tax assets	21	44
Deferred tax assets	42,318	42,234
	306,168	298,453
Current assets		
Inventories	145,744	115,649
Trade accounts receivable	182,426	153,928
Other current financial assets	103,506	86,203
Short-term income tax assets	5,112	4,867
Cash and short-term deposits	45,793	91,315
Other current assets	19,341	15,469
	501,922	467,431
Assets classified as held for sale	0	144
Total assets	808,090	766,028

EQUITY AND LIABILITIES

EUR k

	September 30, 2014	December 31, 2013
Equity		
Subscribed capital	29,554	29,554
Capital reserve	74,444	74,444
Own shares	–7,441	–7,441
Retained earnings	178,733	159,423
Accumulated other comprehensive income	–42,319	–33,821
Equity attributable to shareholders of the parent company	232,971	222,159
Non-controlling interests	1,781	2,512
Total equity	234,752	224,671
Non-current liabilities		
Non-current financial liabilities	146,597	146,788
Trade accounts payable	1,317	2,320
Other financial liabilities	3,293	4,648
Other liabilities	26	93
Retirement benefit obligations	117,731	96,330
Income tax liabilities	–131	575
Deferred tax liabilities	24,735	25,297
	293,568	276,051
Current liabilities		
Current financial liabilities	19,751	37,682
Current trade accounts payable	167,604	150,381
Other current financial liabilities	4,964	3,784
Other current liabilities	71,445	56,889
Current income tax liabilities	4,137	5,024
Provisions	11,869	11,546
	279,770	265,306
Total liabilities	573,338	541,357
Total equity and liabilities	808,090	766,028

Consolidated Statement of Cash Flow

January 1 – September 30 of the respective financial year

EUR k

	01 – 09 2014	01 – 09 2013
1. Cash flow from operating activities		
Profit/Loss (–) before income taxes	36,829	34,139
Non-cash items		
Depreciation of property, plant and equipment	20,575	19,839
Amortization of intangible assets	6,149	5,375
Changes in provisions and pension provisions	6,248	7,792
Other non-cash changes	219	–4,744
Changes in net working capital		
Decrease/Increase (–) in trade accounts receivable and other receivables	–48,662	–54,484
Decrease/Increase (–) in inventories	–29,445	–10,588
Decrease/Increase (–) in other assets	–270	809
Decrease (–)/Increase in accounts payable and other liabilities	22,032	29,328
Gains/Losses from disposal of assets	1	96
Income taxes paid	0	0
Cash flow from operating activities	**13,676**	**27,562**
2. Cash flow from investing activities		
Purchases		
Purchase of property, plant and equipment	–26,853	–26,765
Purchase of intangible assets	–5,349	–4,270
Purchase of financial investments	0	–390
Acquisition of subsidiaries (less acquired cash)	0	–21,896
Disposals		
Disposal of property, plant and equipment	1,826	1,001
Disposal of intangible assets	4	8
Disposal of financial investments	188	346
Interest received	1,271	1,104
Government grants received	1,260	2,071
Cash flow from investing activities	**–27,653**	**–48,791**
3. Cash flow from financing activities		
Dividend payments	–7,290	–5,612
Changes in non-current liabilities to banks	–192	69,915
Changes in current liabilities to banks	–5,712	–43,378
Changes in lease liabilities	–967	1,651
Interest paid	–5,585	–6,528
Cash flow from financing activities	**–19,746**	**16,048**
4. Cash and cash equivalents at end of period		
Net changes in cash and cash equivalents (sub-total of items 1–3)	–33,723	–5,181
Other changes	421	0
Effects of exchanges rate differences of cash and cash equivalents	0	0
Cash and cash equivalents as of January 1	78,919	71,219
Cash and cash equivalents as of September 30	**45,617**	**66,038**
5. Analysis of cash and cash equivalents		
Cash and short-term deposits	45,793	67,858
Securities	0	0
Bank overdrafts	–176	–1,820
Cash and cash equivalents as of September 30	**45,617**	**66,038**

Consolidated Statement of Changes in Equity
as of September 30, 2014

EUR k

	Subscribed capital	Capital reserve	Revenue reserve	Own shares
As of January 1, 2014	29,554	74,444	159,423	–7,441
Net profit/loss (–) for the period	0	0	26,600	0
Other comprehensive income	0	0	0	0
Total comprehensive income	0	0	26,600	0
Dividends	0	0	–7,290	0
Non-controlling interests from business combinations	0	0	0	0
As of September 30, 2014	29,554	74,444	178,733	–7,441

Consolidated Statement of Changes in Equity
as of September 30, 2013 (adjusted)

EUR k

	Subscribed capital	Capital reserve	Revenue reserve	Own shares
As of January 1, 2013 before adjustments	29,554	74,444	131,426	–7,441
Accounting method changes	0	0	3,609	0
As of January 1, 2013 (adjusted)	29,554	74,444	135,035	–7,441
Net profit/loss (–) for the period	0	0	24,135	0
Other comprehensive income	0	0	0	0
Total comprehensive income	0	0	24,135	0
Dividends	0	0	–5,608	0
Non-controlling interests from business combinations	0	0	0	0
As of September 30, 2013	29,554	74,444	153,562	–7,441

Accumulated other comprehensive income						
Cash flow hedges	Currency translation	Net investments in foreign operations	Actuarial gains/losses from defined benefit plans	Total	Non-controlling interests	Group equity
–816	–6,058	–6,608	–20,339	222,159	2,512	224,671
0	0	0	0	26,600	–820	25,780
–1,030	4,256	1,507	–13,231	–8,498	89	–8,409
–1,030	4,256	1,507	–13,231	18,102	–731	17,371
0	0	0	0	–7,290	0	–7,290
0	0	0	0	0	0	0
–1,846	–1,802	–5,101	–33,570	232,971	1,781	234,752

Accumulated other comprehensive income						
Cash flow hedges	Currency translation	Net investments in foreign operations	Actuarial gains/losses from defined benefit plans	Total	Non-controlling interests	Group equity
–1,831	6,946	–5,575	0	227,523	522	228,045
0	–3,251	172	–18,325	–17,795	0	–17,795
–1,831	3,695	–5,403	–18,325	209,728	522	210,250
0	0	0	0	24,135	–238	23,897
738	–8,467	–937	0	–8,666	–79	–8,745
738	–8,467	–937	0	15,469	–317	15,152
0	0	0	0	–5,608	–4	–5,612
0	0	0	0	0	2,500	2,500
–1,093	–4,772	–6,340	–18,325	219,589	2,701	222,290

Selected Notes to the GRAMMER AG consolidated Statement of Income for the period from January 1 to September 30, 2014 and the Consolidated Statement of Financial Position as of September 30, 2014

Principles and methods of accounting in the Interim Financial Statements
GRAMMER AG prepared its Consolidated Financial Statements for fiscal year 2013 and the present Interim Financial Statements for the period ending September 30, 2014 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 September 30, 2014, 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 2013. 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, 2014, 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, 2014. 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 preparation of the Consolidated Financial Statements in accordance with the pronouncements of the IASB requires that assumptions be made for certain items, which affect the carrying amounts in the Consolidated Statement of Financial Position and the Consolidated Income Statement, as well as the data on contingent assets and liabilities.

The present Interim Consolidated Financial Statements have not been audited and contain all customary and ongoing adjustments necessary to provide a true and fair representation of the company's business development in the period under review. The results for the initial nine months of 2014 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). Individual amounts and percentages may not exactly equal the aggregated amounts due to rounding differences.

Accounting and valuation principles
In preparing the Interim Financial Statements for the period ending September 30, 2014, 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 ending December 31, 2013. These principles and methods are described in detail in the Notes to the 2013 Consolidated Financial Statements, which were published in their entirety in the 2013 Annual Report.

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 of the reporting period. Actual amounts may deviate from these estimates.

Companies consolidated

The following companies are included in the consolidated financial statements:

	National	Abroad	Total
Fully consolidated companies (incl. GRAMMER AG)	5	23	28
Companies consolidated "at equity"	0	1	1
Group	5	24	29

In addition to GRAMMER AG, four domestic and 23 foreign companies that are directly or indirectly controlled by GRAMMER AG within the meaning of IFRS 10 are consolidated.

The companies consolidated "at equity" comprise the GRA-MAG joint venture, in which GRAMMER AG holds 50 % of the voting rights. The NingBo nectec Jifeng Automotive Parts Company, Limited joint venture acquired through the takeover of nectec Automotive s.r.o. was sold to the joint venture partner effective April 14, 2014.

GRAMMER Wackersdorf GmbH, with registered offices in Wackersdorf, Germany, was merged with GRAMMER AG and GRAMMER Wörth GmbH, with registered offices in Kümmersbruck, Germany, with GRAMMER System GmbH with retroactive effect from January 1, 2014.

All intragroup transactions, balances and liabilities are eliminated in the course of consolidation. The uniform reporting date for all of the consolidated companies is September 30, 2014.

Currency translation

In the single-entity financial statements of GRAMMER AG and its consolidated subsidiaries, foreign currency transactions are translated at the exchange rate applicable on the date of initial recognition of the respective transaction. Any resulting gains or losses are recognized in profit or loss. Financial statements prepared in foreign currencies and transactions denominated in foreign currencies are translated in accordance with the functional currency concept as set out in IAS 21. Accordingly, the functional currency is the currency of the primary economic environment in which the entity operates, its activities and financial structure are to be presented in the consolidated financial statements as they present themselves in that currency. Transactions in foreign currencies are translated into the functional currency at historical rates. Monetary items are translated at the closing rate. Any resulting translation differences are recognized in profit or loss. An exception is made for translation differences from loans or credits in foreign currencies, insofar as they have been recognized directly in equity to hedge net investments that are included in net income for the period only after their disposal.

Any deferred taxes resulting from these translation differences are also recognized directly in equity. The financial statements of Group companies whose functional currency differs from the reporting currency of the Group (EUR) are translated using the modified closing rate method. In the consolidated financial statements, the assets and liabilities of foreign Group companies are translated into EUR from the respective local currency at the middle rate on the balance sheet date.

Income statement items are translated into EUR at the average exchange rate for the year. The net income for the year so determined is taken to the consolidated balance sheet. Any translation differences are recorded in equity with no effect on income.

For currency translation purposes, the following exchange rates were applied for the major currencies outside the Eurozone that are of relevance to the Group:

		Average rate		Closing rate	
		01 – 09 2014	01 – 09 2013	September 30, 2014	September 30, 2013
Argentina	ARS	0.093	0.144	0.094	0.128
Brazil	BRL	0.322	0.359	0.324	0.329
China	CNY	0.120	0.123	0.129	0.121
United Kingdom	GBP	1.233	1.177	1.287	1.196
Japan	JPY	0.007	0.008	0.007	0.008
Mexico	MXN	0.056	0.059	0.059	0.056
Poland	PLN	0.239	0.238	0.239	0.236
Czech Republic	CZK	0.036	0.039	0.036	0.039
Turkey	TRY	0.341	0.406	0.347	0.364
USA	USD	0.740	0.759	0.795	0.740

Revenue

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

EUR k

	Q3 2014	Q3 2013	01 – 09 2014	01 – 09 2013
Gross revenue	324,851	311,448	995,824	955,845
Sales deductions	−645	−1,041	−1,984	−2,983
Net-revenue	**324,206**	**310,407**	**993,840**	**952,862**

The revenue of EUR 993,840 thousand for the period ending September 30, 2014 includes a sum of EUR 44,582 thousand calculated using the POC method (01 – 09 13: 43,488). This revenue arises from development activities as well as supplies which the GRAMMER Group must expense and prefinance until a product reaches series production and generates initial revenue. It is chiefly attributable to the Automotive Division.

Other income

Other operating income totaling EUR 12,171 thousand as of September 30, 2014 (01 – 09 13: 6,621) includes income from the reversal of provisions and valuation allowances and proceeds from the sale of scrap metal and material handling costs, as well as proceeds from the sale of property, plant and equipment.

Financial result

EUR k

	Q3 2014	Q3 2013	01 – 09 2014	01 – 09 2013
Financial income	289	441	1,271	1,103
Financial expenses	−2,756	−3,161	−8,318	−9,121
Other financial result	968	−1,013	752	−1,146
Financial result	**−1,499**	**−3,733**	**−6,295**	**−9,164**

Financial income chiefly comprises surpluses from active cash management which are deposited in short-term investments. Changes in the fair value of interest rate swaps which do not qualify for hedge accounting must be recorded through profit and loss in accordance with IAS 39, resulting in unrealized expenses and income within the financial result.

Financial expenses include the corresponding interest expense on loans and current-account facilities. They also include additions to retirement benefits and the interest component of lease payments in accordance with IAS 17.

Other financial result mainly comprises gains and losses from the currency translation of borrowings and loans as well as from the measurement of financial assets and liabilities at the reporting date.

Cost of sales

The cost of sales includes the manufacturing costs attributable to sales and the cost of merchandise. This item also includes costs for operating below capacity and any other production-related overheads and administrative expenses. The expenditure required to set up reserves for warranty purposes is covered by this item as well. The cost of sales also includes non-capitalized research and development costs as well as amortization of development costs. Expenses relating to the development and expansion of plant locations in preparation for forthcoming series production ("industrialization costs") are included in the cost of sales to the extent that these expenses cannot be deferred. Development in the Seating Systems Division is generally performed on a "design to market" basis, with the corresponding costs recognized accordingly. The costs of inventories until September 30, 2014, which are recognized as an expense in cost of sales, amounted to EUR 831,019 thousand (01 – 09 13: 786,791).

Selling expenses

Selling expenses involve all sales-related costs and primarily refer to costs incurred by the Sales, Advertising and Marketing departments as well as overheads allocable to these departments or activities. Freight, commissions and forwarding charges are also included in selling expenses.

Administrative expenses

Administrative expenses include all administrative expenditure which cannot be assigned directly to other functions, including expenditure for general administration, management and centralized departments. Other administrative expenses include income from exchange rate differences until September 30, 2014 in the amount of EUR 11,659 thousand (01 – 09 13: 9,037) and mainly relate to foreign exchange gains between the origination and settlement of foreign currency receivables and liabilities as well as foreign exchange gains resulting from measurement at the balance sheet date. Foreign exchange losses amounting to EUR 6,424 thousand (01 – 09 13: 9,327) are also recognized under other administrative expenses.

Earnings per share

Basic earnings per share are calculated by dividing consolidated net income/net loss by the nominal number of shares outstanding during the fiscal year.

In addition to basic earnings per share, diluted earnings per share must be disclosed if a company has potential shares (i. e., financial instruments and other contracts entitling the holders to subscribe for no-par value shares of the company, such as convertible bonds and options). Since GRAMMER Group has not issued any such financial instruments or entered into any such contracts, its basic and diluted earnings per share are identical.

	01 – 09 2014	01 – 09 2013
Weighted average number of no-par value shares used to calculate basic/diluted earnings per share	11,214,624	11,214,624
Consolidated net profit/loss (–) (in EUR k)	26,600	24,135
Basic/diluted earnings/loss (–) per share in EUR	2.37	2.15

On April 14, 2011, GRAMMER AG implemented a capital increase from authorized capital by way of an accelerated book building procedure to place 1,049,515 new shares with qualified institutional investors in Germany and Europe. After the conclusion of the capital increase, the share capital of the company totals EUR 29,554,365.44 divided into 11,544,674 shares.

The new shares were placed at a price of EUR 18.20 per share for gross proceeds totaling EUR 19.1 million. In the period between April 14, 2011 and the preparation of the consolidated annual financial statements, no further transactions have been concluded with ordinary shares or potential ordinary shares of the company. No changes or further acquisitions of own shares occurred as of September 30, 2014.

Intangible assets

Intangible assets include capitalized goodwill as well as capitalized development expenses. In the period under review, a sum of EUR 5,349 thousand was spent on licenses, software and other intangible assets. Amortization expense came to EUR 6,149 thousand (01 – 09 13: 5,375).

Property, plant and equipment

Capital spending on property, plant and equipment came to EUR 26,853 thousand in the year to September 30, 2014. Depreciation expense equaled EUR 20,575 thousand in the same period (01 – 09 13: 19,839).

Investments measured at equity

The GRAMMER Group early adopted as of January 1, 2013 the new IFRS 11 standard, which must be applied to financial statements for accounting periods commencing on or after January 1, 2014. Application of the standard resulted in a change in the recognition of the joint venture GRA-MAG Truck Interior Systems LLC (GRA-MAG LLC), as a result of which it is now accounted for using the equity method in lieu of proportionate consolidation. GRA-MAG LLC is not recorded in the balance sheet due to its negative equity.

EUR k

	GRA-MAG LLC
September 30, 2014	
Percentage stake	50%
At Equity carrying amount	0
At Equity result (01 – 09 2014)	–370
December 31, 2013	
Percentage stake	50%
At Equity carrying amount	0
At Equity result (01 – 12 2013)	–1,847

Inventories

Inventories were valued at EUR 145.7 million (2013: 115.6) due to new project launches and temporary precautionary stockpiling in connection with the optimization of production structures in Eastern Europe. All inventories are carried at cost. No significant fair-value impairments were recorded.

Trade accounts receivable

The receivables of EUR 182.4 million (2013: 153.9) reflect the structure of the revenue generated in the last few months. The fair value of the trade accounts receivable matches their carrying amounts.

Other current financial assets

Other current financial assets chiefly comprise receivables from construction contracts of EUR 93.1 million (2013: 74.5) and other receivables of EUR 10.2 million (2013: 11.1).

Other current assets

Other current assets of EUR 19.3 million (2013: 15.5) include other assets of EUR 14.8 million (2013: 13.0) and prepaid expenses of EUR 4.5 million (2013: 2.4). Other assets mainly comprise passthrough taxes such as valued added tax, receivables from employees and receivables from creditors with a debit balance.

Subscribed capital

As of December 31, 2013 and September 30, 2014, subscribed capital of GRAMMER Group amounted to EUR 29,554 thousand divided into 11,544,674 no-par value shares. All shares accord the same rights, shareholders have a right to payment of the defined dividend (with the exception of own shares) and may exercise one vote for each share at the Annual General Meeting.

Capital reserve

As of September 30, 2014, the capital reserve totaled EUR 74,444 thousand (2013: 74,444). The capital reserve includes share premiums from the capital increases in 1996, 2001 and 2011, less incurred costs.

Retained earnings
GRAMMER AG's retained earnings include the statutory reserve totaled EUR 1,183 thousand as of September 30, 2014 (2013: 1,183) and are not available for the payment of dividends. Retained earnings additionally include income earned in the past by the consolidated companies not paid out as dividends. This item rose from EUR 159,423 thousand in the previous year to EUR 178,733 thousand. However, the growth in the company's earnings in the first nine months of the year is not fully reflected in retained earnings due to the dividend payment of EUR 7.3 million.

Accumulated other comprehensive income
Accumulated other comprehensive income chiefly comprises the differences recorded within equity resulting from currency translation of the financial statements of foreign subsidiaries, the effects of cash flow hedges and adjustments to net investments in accordance with IAS 21 including related deferred taxes.

In addition, it includes changes arising from the application of the new guidance in IAS 19 with respect to actuarial losses.

This item also includes cumulative currency-translation effects on loans classified as net investments in a foreign operation in accordance with IAS 21 including the currency-translation effects accruing up until adjustments under IFRS 11 to the loan to GRA-MAG LLC.

Dividends
The GRAMMER Group distributes dividends pursuant to section 58 (2) AktG based on the annual financial statements prepared by GRAMMER AG in accordance with the German Commercial Code. GRAMMER AG posted an unappropriated surplus of EUR 15.4 million as of December 31, 2013. This takes into account the profit of EUR 9.8 million carried forward, the allocation of EUR 5.6 million to retained earnings and the net profit of EUR 11.2 million. In accordance with the resolution passed at the Annual General Meeting on May 28, 2014, GRAMMER AG distributed a dividend of EUR 0.65 per share for the 2013 fiscal year. Excluding own shares (330,050 shares), on which no dividend is payable, the total distribution stood at EUR 7.3 million (2013: 5.6). The balance of EUR 8.2 million was carried forward.

Own shares
As of September 30, 2014 and December 31, 2013, GRAMMER AG holds a total of 330,050 own shares, all of which were acquired in fiscal year 2006 for a total purchase price of EUR 7,441 thousand. These shares have a total value of EUR 844,928 of the share capital and represent 2.8589% of share capital.

Authorizations
Moreover, the Annual General Meeting on May 26, 2011 also granted approval until May 25, 2016 for new authorized capital in the amount of EUR 14,777 thousand (authorized capital 2011). The Executive Board is authorized, with the consent of the Supervisory Board, to increase the share capital of the company once or more than once by up to a total of EUR 14,777 thousand through the issue of shares against cash contribution and/or contribution in kind. A general shareholder subscription right applies to the new shares. The shares may also be underwritten by one or more banks subject to an obligation to offer them for subscription to shareholders. The Executive Board, however, shall have the right, upon approval of the Supervisory Board, to exclude shareholders' statutory subscription rights

a) if necessary to eliminate fractional amounts;

b) if the shares are issued against contribution in kind for the purpose of acquiring companies, parts of companies, or for the purpose of acquiring receivables payable by the company,

c) if a capital increase made against a cash contribution does not exceed 10% of share capital and the issue price of the new shares is not substantially lower than the exchange price (section 186 (3) sentence 4 AktG), if use is made of the authorization in conjunction with an exclusion of shareholder rights in accordance with section 186 (3) sentence 4 AktG, the exclusion of subscription rights under other authorizations is to be taken into account pursuant to section 186 (3) sentence 4 AktG.

With the resolution on May 18, 2011, the Executive Board of GRAMMER AG declared its intent:

(1) to make no use of the authorization under the new section 5 (3) of the Articles of Association to increase the share capital of the company against cash and/or contributions in kind with statutory subscription rights for shareholders during the term of the authorization if this would lead to issuance of an amount of shares in GRAMMER AG in excess of 30% of existing share capital;

(2) to limit use of the authorization to exclude shareholders' statutory subscription rights in the event that shares are issued against contributions in kind for the purpose of acquiring companies, parts of companies, or for the purpose of acquiring receivables payable by the company during the term of the authorization to no more than 20% of the company's existing share capital.

(3) to ensure that the sum of any capital increases from authorized capital excluding shareholder subscription rights during the term of the authorization does not exceed 20% of existing share capital.

Contingent Capital 2009 expired on May 27, 2014. At the Annual General Meeting held on May 28, 2014, a resolution was passed to grant new authorization to issue option bonds and/or convertible bonds with the possibility of excluding the shareholders' preemptive subscription rights, to create new Contingent Capital 2014/I and to make a corresponding amendment to the company's Articles of Association: The company's share capital was increased by up to EUR 14,777,182.72 on a contingent basis through the issue of up to 5,772,337 new bearer shares (Contingent Capital 2014/I). The contingent capital was issued so that shares can be granted to the bearers of convertible or option bonds issued in accordance with the corresponding authorization. The Executive Board may exercise this authorization with the Supervisory Board's approval on or before May 27, 2019.

Non-current liabilities
Non-current liabilities break down as follows:

EUR k	September 30, 2014	December 31, 2013
Debenture bond	141,097	140,952
KfW loan	3,750	5,000
Others	1,750	836
Total non-current liabilities	146,597	146,788

The debenture bond item of EUR 141.1 million (2013: 141.0) comprises a debenture bond issued in 2011 with a total nominal value of EUR 60.0 million. This debenture bond is subject to both fixed and floating interest rates and has differing maturities of five and seven years. A renewed part of the 2006 debenture bond of EUR 9.5 million is also included in this line.

In addition, this item includes a debenture bond with a total nominal value of EUR 73.5 million which GRAMMER AG issued in May 2013. The new debenture bond comprises four tranches of up to 6 years with both fixed and floating interest rates. A renewed part of the 2006 debenture bond of EUR 16.5 million is also included in this item.

In addition, there is a KfW loan of EUR 3.8 million and non-current liabilities at the level of foreign subsidiaries.

Retirement benefits and similar obligations
Provisions for retirement benefit obligations are calculated on the basis of benefit plans for the provision of old-age, invalidity and surviving dependents benefits. The benefits provided by the Group vary according to the legal, tax and economic situation in the individual countries and generally depend on the employees' service period and remuneration. The Group's occupational pension scheme is based on defined benefit obligations. Retirement benefits and similar obligations are valued at EUR 117.7 million (2013: 96.3). The increase in the first nine months of 2014 is chiefly due to a lower discount rate.

Retirement benefit expense for the interim period is calculated during the year on the basis of a preliminary estimate derived from the previous year's report, which is adjusted to allow for any material events.

Current liabilities

The current liabilities break down as follows:

EUR k	September 30, 2014	December 31, 2013
Debenture bond	1,191	19,562
Syndicated loan contract	10,000	0
KfW loan	2,500	2,500
Others	6,060	15,620
Total current liabilities	19,751	37,682

Current financial liabilities come to a total of EUR 19.8 million and are therefore down on the previous year (2013: 37.7). The debenture bond item includes interest on the debenture bond of EUR 1.2 million. The current part of the 2011 debenture bond of EUR 18.0 million was repaid in September 2014.

A syndicated loan contract providing for a facility of EUR 180.0 million was signed between domestic GRAMMER companies and six commercial banks in 2013. Following the exercise of a one-year renewal option in September 2014, the loan now expires on October 31, 2019. An option for renewal by a further year is available. The cash credit facilities may be drawn on as an overdraft or as loans with fixed interest periods of up to six months. Interest is charged on the basis of a money market rate plus a fixed credit margin. GRAMMER Group companies bear joint and several liability for the credit facilities. Beyond this, no other collateral backing exists. As of the reporting date, a sum of EUR 10.0 million had been drawn from the syndicated loan.

In addition, there is a KfW loan of EUR 2.5 million and current liabilities on the part of foreign subsidiaries.

Other current liabilities

Other current liabilities stand at EUR 71.4 million and are substantially up on the previous year (2013: 56.9) for business reasons. They chiefly comprise social security liabilities, liabilities to employees arising from unused vacation entitlement, overtime, flexible working hours or the like as well as valued added tax liabilities. Income tax liabilities primarily comprise income tax for 2013 and the first nine months of 2014.

Provisions

Provisions are made up of amounts set side for risks arising from the sale of parts and products including development. These are chiefly warranty claims calculated on the basis of past and estimated future claims. Provisions are also set aside for legal or constructive obligations to grant discounts, bonuses or the like arising after the reporting date but caused by revenue generated prior to the reporting date.

Provisions also include personnel and social benefit obligations such as partial retirement schemes and long-service bonuses as well as a large number of discernible risks and contingent liabilities such as litigation costs, which are recognized at their probable amounts.

Cash flow statement

The statement of cash flow presents the Group's cash flow situation broken down into cash inflows and outflows from operating activities, investing activities and financing activities, irrespective of the balance sheet classification of the respective items. Cash flow from operating activities is derived indirectly from net profit before taxes, which is adjusted to include non-cash expenses (primarily depreciation and amortization) and income. Cash flow from operating activities is calculated under consideration of the change in working capital. Investing activities comprise payments for property, plant and equipment and investments in intangible assets and investment property. Financing activities include cash outflows for dividend payments and repayments of loans, as well as changes in other financial liabilities. At GRAMMER Group, cash and cash equivalents consists of cash and short-term money market funds, less current account liabilities to banks.

Additional information on financial instruments

The following table shows the market values and carrying amounts of financial assets and liabilities:

EUR k

	Classification under IAS 39	Carrying amount September 30, 2014	Fair Value September 30, 2014	Carrying amount December 31, 2013	Fair Value December 31, 2013
Assets					
Cash and short-term deposits	LaR	45,793	45,793	91,315	91,315
Trade accounts receivable	LaR	182,426	182,426	153,928	153,928
Other financial assets					
Loans and receivables	LaR	10,492	10,492	11,521	11,521
Receivables from construction contracts	LaR	93,095	93,095	74,523	74,523
Financial assets available for sale	AfS	129	129	442	442
Financial assets held for trading	FAHfT	0	0	1	1
Derivatives (hedging instruments)	n.a.	229	229	581	581
Liabilities					
Trade accounts payable	FLAC	168,921	168,921	152,701	152,724
Current and non-current financial liabilities	FLAC	166,348	166,348	184,470	185,897
Other financial liabilities					
Other financial liabilities	FLAC	416	416	743	743
Liabilities from financial leases	n.a.	4,983	4,983	5,950	6,039
Derivatives (non-hedging instruments)	FLHfT	0	0	0	0
Derivatives (hedging instruments)	n.a.	2,858	2,858	1,739	1,739
Aggregated by valuation class pursuant to IAS 39					
Loans and receivables	LaR	331,806	331,806	331,287	331,287
Financial assets available for sale	AfS	129	129	442	442
Financial assets held for trading	FAHfT	0	0	1	1
Financial liabilities measured at amortized cost	FLAC	335,685	335,685	337,914	339,364
Financial liabilities held for trading	FLHfT	0	0	0	0

Fair value measurement
The following table sets out the quantitative parameters for measuring the fair value of the assets and liabilities on the basis of the fair value hierarchy as of September 30, 2014 and December 31, 2013.

Quantitative disclosures on the measurement of the fair value of assets and liabilities by hierarchical level as of September 30, 2014

EUR k

	Total	Level 1	Level 2	Level 3
Assets measured at fair value				
Derivative financial assets				
Currency forwards	229	0	229	0
Interest-rate swaps	0	0	0	0
Liabilities measured at fair value				
Derivative financial liabilities				
Currency forwards	199	0	199	0
Interest-rate swaps	2,659	0	2,659	0
Liabilities for which a fair value is disclosed				
Interest-bearing loans				
Obligations under finance leases and rental contracts	6,741	0	6,741	0
Current and non-current financial liabilities	166,348	0	166,348	0

Quantitative disclosures on the measurement of the fair value of assets and liabilities by hierarchical level as of December 31, 2013

EUR k

	Total	Level 1	Level 2	Level 3
Assets measured at fair value				
Derivative financial assets				
Currency forwards	38	0	38	0
Interest-rate swaps	544	0	544	0
Liabilities measured at fair value				
Derivative financial liabilities				
Currency forwards	53	0	53	0
Interest-rate swaps	1,686	0	1,686	0
Liabilities for which a fair value is disclosed				
Interest-bearing loans				
Obligations under finance leases and rental contracts	11,280	0	11,280	0
Current and non-current financial liabilities	185,897	0	185,897	0

The levels of the fair value hierarchy reflect the importance of the input data for the calculation of fair value and break down as follows:

Level 1: Quoted prices (non-adjusted) in active markets for identical assets or liabilities;

Level 2: Directly or indirectly observable input data is available for the asset or liability, which do not constitute quoted prices in accordance with Level 1;

Level 3: Unobservable input data is used for measurement of the asset or liability.

There were no changes between Level 1 and Level 2 in the year under review.

Segment reporting

Segment information
For the purpose of management control, the Group is organized into operating segments by relevant products and services. The breakdown of segments is based on the corresponding internal organizational and reporting structure. The Group comprises two reportable segments:

The **Automotive Division** is the segment involved in development and production of headrests, armrests and center consoles. The segment is a supplier to automotive OEMs, particularly in the luxury and premium segments, as well as their Tier 1 suppliers.

In the **Seating Systems Division**, the company is a supplier to the commercial vehicle industry. Activities here involve the development and production of driver and passenger seats for trucks and driver seats for offroad equipment (agricultural machinery, construction machinery and forklifts), and marketing of these to commercial vehicle manufacturers and in aftermarket sales. The division also develops and produces driver and passenger seats for bus and railway vehicle manufacturers and railway operators.

Corporate items and elimination of intragroup transactions are recognized under the heading "Central Services/Reconciliation".

Details on the areas of activity are also included in the consolidated financial statements as of December 31, 2013. Segment information is presented below:

Operating segments

EUR k

Fiscal year as of September 30, 2014	Seating Systems	Automotive	Central Services/ Reconciliation	GRAMMER Group
Revenue to external customers	352,612	641,228	0	993,840
Inter-segment revenue	16,391	822	−17,213[1]	0
Total revenue	369,003	642,050	−17,213	993,840
Segment earnings (Operating profit)	30,027	21,387	−8,290	43,124

EUR k

Fiscal year as of September 30, 2013	Seating Systems	Automotive	Central Services/ Reconciliation	GRAMMER Group
Revenue to external customers	346,154	606,708	0	952,862
Inter-segment revenue	14,959	475	−15,434[1]	0
Total revenue	361,113	607,183	−15,434	952,862
Segment earnings (Operating profit)	26,996	24,716	−8,409	43,303

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

Reconciliation

Total segment earnings (operating profit) are reconciled with earnings before tax in the following table:

EUR k

	01 – 09 2014	01 – 09 2013
Segment earnings (Operating profit)	51,414	51,712
Central Services	−6,644	−9,277
Eliminations	−1,646	868
Group earnings (Operating profit)	43,124	43,303
Financial result	−6,295	−9,164
Profit/loss (–) before income taxes	36,829	34,139

The item Central Services includes areas centrally administrated by the Group headquarters. Transactions between the segments are eliminated in the reconciliation statement.

Related party disclosures

The following table sets out transactions with related parties as of September 30, 2014 and September 30, 2013.

EUR k

Related parties		Sales to related parties	Purchases from related parties	Receivables from related parties	Liabilities to related parties
Jointly-controlled entity in which the parent is a venturer:					
GRA-MAG Truck Interior Systems LLC	2014	6,092	0	10,180	0
	2013	4,124	0	9,279	0

Contingent liabilities

Guarantees valued at EUR 1,456 thousand are outstanding as of September 30, 2014 primarily for leased office space and in the form of performance guarantees for contract breaches.

Changes to the Supervisory Board and the Executive Board

Effective January 31, 2014, Ms. Tanja Jacquemin, an employee representative, stepped down from the Supervisory Board. She was replaced by employee representative Ms. Tanja Fondel effective February 8, 2014. Similarly, Mr. Bernhard Hausmann, who had replaced Mr. Martin Bodensteiner and had stepped down from the Supervisory Board on January 21, 2014, returned to the Supervisory Board again on February 8, 2014 as an employee representative. Mr. Anton Kohl, employee representative, left the Supervisory Board at the end of the day on August 31, 2014. In a ruling dated September 17, 2014, Mr. Lars Schelenz was appointed to the Supervisory Board by the Amberg Local Court.

Financial calendar and trade fair dates 2014 [1]

Important dates for shareholders and analysts

Interim Report, third quarter of 2014 .... Nov. 12, 2014

Important Trade Fair Dates[1]

EIMA, Bologna, Italy .... Nov. 12, 2014 – Nov. 16, 2014

METS 2014, Amsterdam, Netherlands .... Nov. 18, 2014 – Nov. 20, 2014

Bauma China 2014, Shanghai, China .... Nov. 25, 2014 – Nov. 28, 2014

[1] All dates are tentative and subject to change. Subject to change without notice

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