INTERIM REPORT

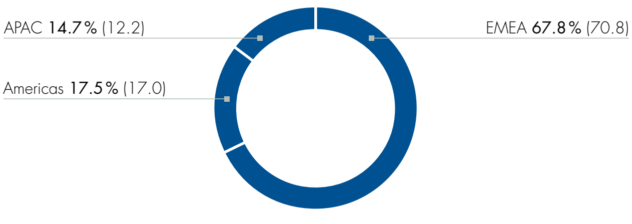
January to March 2015

GRAMMER

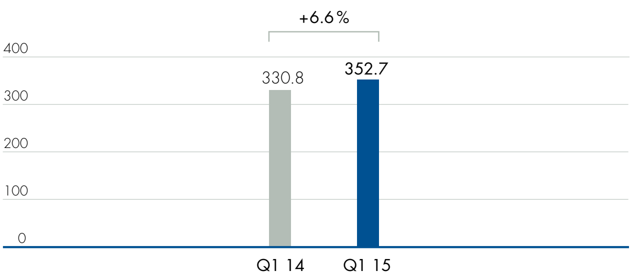
Key figures according to IFRS
GRAMMER Group

in EUR m	01 – 03 2015	01 – 03 2014
Group revenue	352.7	330.8
Automotive revenue	245.3	209.6
Seating Systems revenue	116.6	126.9
Income statement		
EBITDA	26.2	23.4
EBITDA margin (in %)	7.4	7.1
EBIT	16.5	14.8
EBIT margin (in %)	4.7	4.5
Profit/loss (–) before income taxes	15.8	12.2
Net profit/loss (–)	9.8	8.5
Statement of financial position		
Total assets	864.5	778.2
Equity	238.1	228.1
Equity ratio (in %)	28	29
Net financial debt	125.8	120.9
Gearing (in %)	53	53
Investments (without M&A)	8.8	10.1
Depreciation and amortization	9.7	8.6
Employees (March 31)	10,693	10,476
Key share data	March 31, 2015	March 31, 2014
Share price (Xetra closing price in EUR)	34.47	35.55
Market capitalization (in EUR m)	397.9	410.4
Earnings per share (in EUR)	0.87	0.78

Revenue by regions (previous year in brackets)



Group revenue development by quarter (in EUR m)



Company Profile

GRAMMER AG, Amberg, Germany, specializes in the development and production of components and systems for automotive interiors as well as driver and passenger seats for commercial vehicles.

In the Automotive Division, we supply headrests, armrests and center console systems to premium automakers and automotive system suppliers. The Seating Systems Division comprises the truck and offroad seat segments as well as train and bus seats.

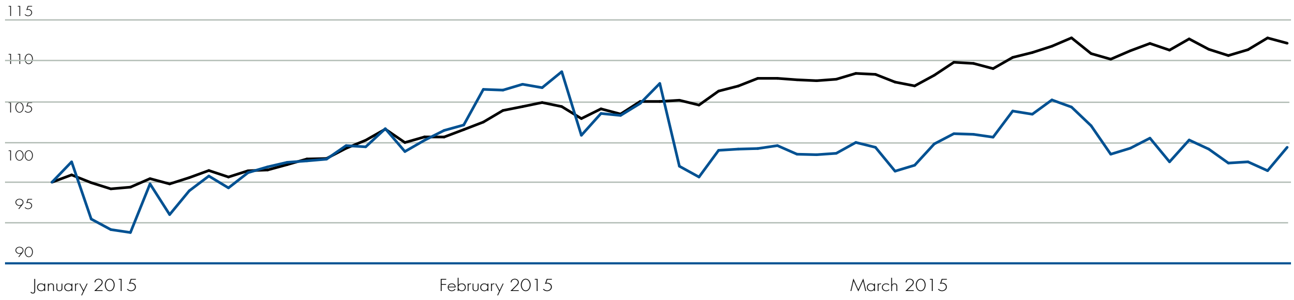
GRAMMER is represented in 20 countries worldwide with a workforce of over 10,500 employees across its 30 subsidiaries.

The GRAMMER share is 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 March 2015 (in %)



December 31, 2014 = 100%

GRAMMER AG
SDAX Performance Index

Favorable performance by the DAX and SDAX

The international equity markets performed dynamically in the first quarter of 2015, materially underpinned by upbeat underlying economic conditions and central-bank policies which supplied the markets with copious liquidity. The risks arising from the conflict in Ukraine or the situation in Greece failed to trigger any sustained corrections in stock prices.

The German bluechip DAX index reached further highs in the first quarter of 2015. On March 16, 2015, it closed at 12,168 points, thus reaching an all-time high. At the end of the quarter on March 31, 2015, the DAX stood at 11,966 points, up 22 % on the end of 2014. The SDAX, an index of selected small and mid-cap companies, in which GRAMMER is also included, tracked the DAX, closing the quarter at 8,417 points, equivalent to an increase of 17 % from January to March 2015.

GRAMMER share on an upward trajectory

After sagging briefly in January, the GRAMMER share got off to a strong start to the new year, reaching a high for the year of EUR 37.55 on February 6, 2015. However, it was unable to maintain this high level throughout the rest of the quarter, initially retreating and then recovering to a level above EUR 36.00 in March. It closed the quarter on March 31, 2015 at EUR 34.47, up 4 % on the end of 2014. In the period under review, the GRAMMER share was one of the most liquid small caps in the German equity market. With average daily trading volumes of 138,000 shares in March, it ranked a very good 53rd in Deutsche Börse's SDAX liquidity statistics.

Key figures GRAMMER share

	March 31, 2015	March 31, 2014
Share price (in EUR, Xetra)	34.47	35.55
Annual high (in EUR)	37.55	38.25
Annual low (in EUR)	31.00	32.06
Number of shares	11,544,674	11,544,674
Market capitalization (in EUR m)	397.9	410.4
Earnings per share (in EUR)	0.87	0.78

Investor relations

GRAMMER AG published its full annual report for 2014 on March 30, 2015. The annual analyst and press conference was held on the same day in Frankfurt/Main. The Executive Board of GRAMMER AG provided investors, analysts and business journalists with details of the Group's performance last year and the outlook for 2015. Following the presentation, the members of the Executive Board were available for one-on-ones and interviews.

The Executive Board and investor relations team at GRAMMER also maintained this policy of open and comprehensive communications at numerous conferences and roadshows during the first quarter of 2015.

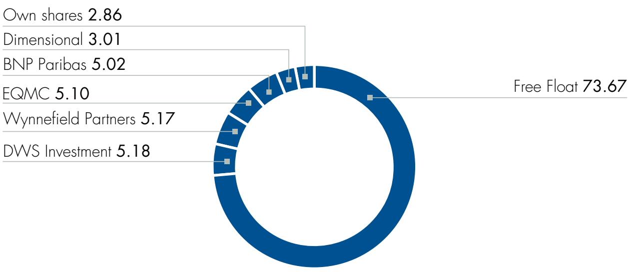
We were available for discussion at international conferences in Frankfurt/Main and in London as well as on road shows held in financial centers in Scandinavia, the United Kingdom and continental Europe.

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 March 31, 2015:

Shareholder structure (in %)



as of March 31, 2015

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 quarter of 2015, 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
March 10, 2015	Source Markets	Over 5%	6.26% (722,761)
March 10, 2015	Source Holdings	Over 5%	6.26% (722,761)
March 10, 2015	Source Investments Management	Over 5%	6.26% (722,761)
March 11, 2015	Source Markets	Under 3%	0.85% (98,366)
March 11, 2015	Source Holdings	Under 3%	0.85% (98,366)
March 11, 2015	Source Investments Management	Under 3%	0.85% (98,366)

Interim Management Report

Net Assets, Financial Position and Results of Operations

GRAMMER Group from January to March 2015

- Substantial 6.6 % growth in revenue to EUR 352.7 million
- At EUR 16.5 million, EBIT well up on the previous year
- Increase in net profit to EUR 9.8 million

Growing momentum in the global economy
The global economy continued to grow in the first quarter of 2015, spurred by continued expansionary monetary policies and lower oil prices. Economic trends in the individual regions increasingly converged following the very disparate conditions prevailing in the previous year.

In the United States, the cold winter weather placed a strain on domestic demand, leaving corresponding traces on the economy in the first quarter. This is reflected in a decline in retail sales in February (down 0.6 % on January) and muted growth in US industrial production (up 0.1 % in February). Industrial production dropped by 0.6 % again over the previous month in March.

The Chinese economy also entered 2015 on a more subdued note, with industrial production expanding by only 6.4 % in the first quarter, i.e. more slowly than at any time since 2009. Retail sales were also down on earlier periods, growing by an average of only 10.7 % in the first two months.

The Japanese economy saw robust exports but restrained domestic demand in the first quarter. This was due to the knock-on effects from the VAT hike on April 1, 2014. However, given signs of an appreciable increase in salaries, the domestic economy should pick up.

The Eurozone economy continued to gain momentum, with employment and salaries rising, resulting in increased consumer spending.

The German economy continued to perform well thanks to resilient domestic demand. Foreign trade made a neutral contribution to growth.

Key figures of GRAMMER Group

in EUR m

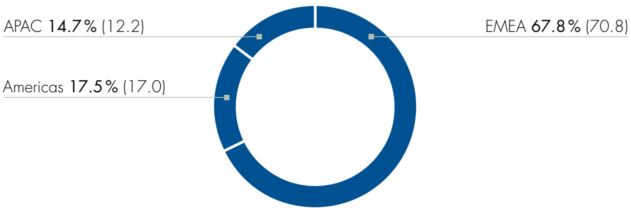
	01 – 03 2015	01 – 03 2014	Change
Revenue	352.7	330.8	6.6%
EBIT	16.5	14.8	11.5%
EBIT margin	4.7%	4.5%	0.2%-points
Investments (without M&A)	8.8	10.1	–12.9%
Employees (Number, March 31)	10,693	10,476	2.1%

GRAMMER entering the new year with substantial revenue growth
To reflect the Group's growing international footprint, the designations of the regions have been revised. The previous term "Europe" has been replaced by "EMEA" (Europe, Middle East, Africa), the previous term "Overseas" by "Americas" and the previous term "Far East/Others" by "APAC" (Asia Pacific). At the same time, the regions have been restructured. As a result, Turkey and South Africa are now allocated to EMEA. These companies had previously been assigned to the Far East/Others. The figures for the previous year have been duly adjusted in the interests of comparability.

In the first quarter of 2015, GRAMMER was able to substantially boost revenue over the year-ago period once more, continuing the successful performance which it had achieved in 2014. Thus, Group revenue came to EUR 352.7 million in the period under review (01 – 03 14: 330.8), an increase of EUR 21.9 million or 6.6 % over the same period in the previous year. This growth was driven solely by the Automotive Division, which was able to continue the previous year's dynamic performance and achieve a 17.0 % increase in revenue in the period under review. On the other hand, revenue in the Seating Systems Division contracted by 8.1 % over the same quarter of the previous year on account of market conditions. Revenue was up in all three regions. Following on from the substantial growth achieved in the previous year, revenue in the Group's domestic EMEA market climbed only slightly by 2.2 % to EUR 239.3 million (01 – 03 14: 234.2). The other regions performed very encouragingly. After contracting in the same period of the previous year, revenue in the Americas grew again sizably by 9.4 % to EUR 61.6 million (01 – 03 14: 56.3).

The APAC region continued to perform very dynamically, achieving above-average growth of 28.5% to EUR 51.8 million (01 – 03 14: 40.3). In addition to organic growth in the Automotive Division, the higher revenue generated in the Americas and APAC was also due to currency translation effects.

Revenue by regions (previous year in brackets)



in EUR m

	01 – 03 2015	01 – 03 2014	Change
EMEA	239.3	234.2	2.2%
Americas	61.6	56.3	9.4%
APAC	51.8	40.3	28.5%
Revenues	352.7	330.8	6.6%

The Automotive Division was the clear growth driver in the period under review with a further substantial increase in sales. Console and armrest business was very dynamic, while revenue from headrests also rose substantially year on year in the period under review. All told, the Division reported substantial growth in all three regions and was thus able to more than make up for the market-induced decline in the Seating Systems Division. This upbeat performance was mainly underpinned by the numerous new projects for which volume production had commenced in the previous year and the still very robust global automotive sector.

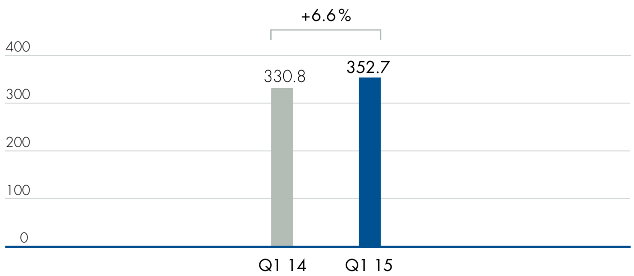
On the other hand, important sell-side markets addressed by GRAMMER in the Seating Systems Division contracted, thus preventing the Division from repeating the year-ago quarter's favorable performance. The main factors here are the persistent weakness of the Brazilian market and the muted state of the global agricultural machinery sector. Moreover, the Chinese truck market slowed compared with the same quarter of the previous year, while the rail segment also contributed lower revenue for project-related reasons after a very strong year-ago quarter.

Further increase in consolidated earnings

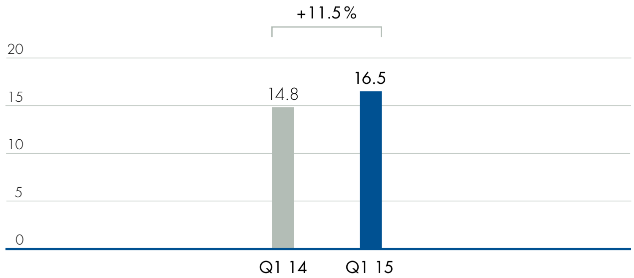
Despite the lower revenue in the high-margin Seating Systems Division, consolidated earnings before interest and taxes (EBIT) came to EUR 16.5 million in the first quarter of 2015, up EUR 1.7 million on the previous year (01 – 03 14: 14.8). This translated into a margin of 4.7% (01 – 03 14: 4.5). Operating profit was underpinned by the substantially larger contribution made by the Automotive Division, which was able to post substantially higher EBIT despite the ongoing strain caused by the implementation of the global growth strategy. On the other hand, operating profit in the Seating Systems Division fell short of the previous year accompanied by an overall decline in business caused solely by the aforementioned weakness of the Division's core markets. In addition, currency translation effects had a positive effect on operating profit in the 1st quarter.

After taxes, consolidated net profit climbed to EUR 9.8 million (01 – 03 14: 8.5) thanks to the increased operating profit as well as improved financial result.

Group revenue development by quarter (in EUR m)



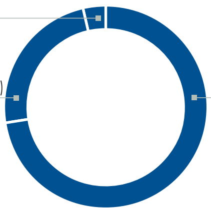
EBIT development Group by quarter (in EUR m)



Capital spending focused on expansion

At EUR 8.8 million, capital spending by the GRAMMER Group was down EUR 1.3 million on the same quarter of the previous year (01 – 03 14: 10.1). Spending on property, plant and equipment and intangible assets in the Seating Systems Division was lower than in the previous year, coming to EUR 2.1 million (01 – 03 14: 2.6). In the Automotive Division, capital spending totaled EUR 6.4 million (01 – 03 14: 7.0) and was chiefly related to production expansion and optimization. Capital spending in the Central Services Division remained at a low level.

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



in EUR m

	01 – 03 2015	01 – 03 2014	Change
Automotive	6.4	7.0	–9.0%
Seating Systems	2.1	2.6	–19.2%
Central Services	0.3	0.5	–40.0%
Investments	8.8	10.1	–13.0%

Employees

As of March 31, 2015, the GRAMMER Group had a total of 10,693 employees (March 31, 2014: 10,476).

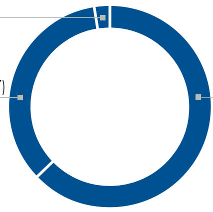
The headcount in the Automotive Division climbed to 6,728 (March 31, 2014: 6,383). Specifically, sewing capacity was enlarged in Serbia to accommodate new product launches and to increase local sourcing. Employee numbers in the Czech Republic, China and Germany also increased as a result of further additions to production capacity.

The headcount in the Seating Systems Division dropped to 3,703 as of March 31, 2015 (March 31, 2014: 3,838) primarily as a result of business-related layoffs in Brazil.

The Central Services Division had 262 employees (March 31, 2014: 255).

Despite the higher headcount and pay-scale increases, the staff cost ratio rose only marginally over the previous year.

Employees by segments, March 31, 2015 (previous year in brackets)



	March 31, 2015	March 31, 2014	Change
Automotive	6,728	6,383	5.4%
Seating Systems	3,703	3,838	–3.5%
Central Services	262	255	2.7%
Employees	10,693	10,476	2.1%

Total assets up on the previous year due to business growth

Condensed Balance sheet of the GRAMMER Group

in EUR k

	March 31, 2015	December 31, 2014	Change
Non-current assets	325,546	319,114	6,432
Current assets	538,915	517,429	21,486
Assets	864,461	836,543	27,918
Equity	238,127	231,761	6,366
Non-current liabilities	325,874	306,810	19,064
Current liabilities	300,460	297,972	2,488
Equity and liabilities	864,461	836,543	27,918

Note on accounting figures: 2014 = December 31, 2014

As of March 31, 2015, the GRAMMER Group had total assets of EUR 864.5 million (2014: 836.5). This is equivalent to an increase of EUR 28.0 million compared with the end of 2014 and chiefly reflects the business-related growth in working capital.

Non-current assets rose by EUR 6.4 million to EUR 325.5 million. Within this item, property, plant and equipment climbed by EUR 5.1 million to EUR 196.3 million. At EUR 77.6 million, intangible assets were down on the previous year (2014: 79.2) due to amortization effects. Deferred tax assets increased by EUR 3.0 million to EUR 51.3 million.

Current assets climbed by EUR 21.5 million to EUR 538.9 million as a result of the higher revenue in the Automotive Division. Trade accounts receivable rose to EUR 209.2 million (2014: 169.6), with other current financial assets also increasing to EUR 120.4 million (2014: 111.0) due to growth in the Automotive Division. At EUR 132.1 million, inventories were slightly up on the previous year (2014: 128.3) for business-related reasons. Cash and short-term deposits stood at EUR 50.1 million as of the reporting date (2014: 84.0).

The GRAMMER Group's equity rose from EUR 231.8 million to EUR 238.1 million. However, the increased earnings are not fully reflected in equity due to the accounting effects which are required to be recorded within equity. These chiefly comprise from actuarial losses from defined-benefit pension plans, currency translation gains from foreign subsidiaries and gains from net investments in foreign operations.

The equity ratio came to around 28 %, i. e. on a par with the previous year (2014: 28).

Non-current liabilities rose over the previous year to EUR 325.9 million (2014: 306.8) primarily as a result of an EUR 17.9 million increase in pension provisions which arose from a further substantial reduction in the discount rate compared with the end of the previous year. At EUR 146.3 million, non-current financial liabilities remained at the previous year's level (2014: 145.3).

Current liabilities came to EUR 300.5 million and were thus also largely unchanged over the previous year (2014: EUR 298.0). Gearing stood at 53 % as of March 31, 2015 (2014: 37), with net financial debt coming to EUR 125.8 million (2014: 86.7).

Trade accounts payable dropped by EUR 14.4 million to EUR 177.8 million. Other current liabilities rose by EUR 13.6 million to EUR 69.5 million for seasonal reasons.

Automotive Division

Global automotive markets on a growth trajectory

The global automotive sector is continuing to expand, underpinned by growth in the Eurozone as well as in the United States and China. On the other hand, markets which had contracted in the previous year were still weak at the beginning of the new year.

In the first three months of the year, new vehicle registrations were up around 6 % in the United States (3,937,000 light vehicles). Strong consumer confidence and stable employment spurred sales.

Demand for passenger vehicles also remained strong in China at the beginning of the year. At 4,978,700, new vehicle registrations were up 11 % in the first three months of the year.

The Brazilian light vehicles market continued to slump with a 16 % decline to 649,000 units in the first three month. In January alone, the drop was as much as 27 %. By contrast, there was weaker growth of 8 % in February.

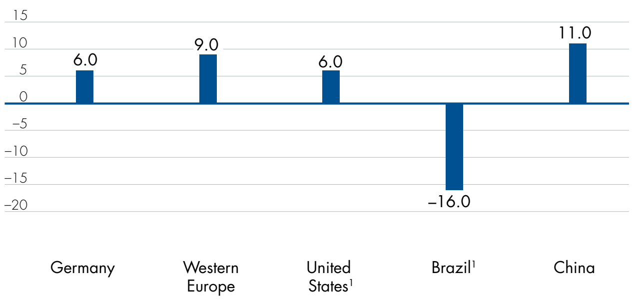
In Japan, new registrations of light vehicles dropped by 15 % to 1,344,000 in the first quarter. However, it should be borne in mind in this connection that pull-forward effects had arisen in the first quarter of the previous year ahead of the VAT hike in April 2014.

Alongside the United States and China, the Western European market is also driving automotive growth.

In the first three months of the year, the Western European automotive market expanded by around 9 %, with new registrations coming to 3,401,800. With the exception of Belgium (158,929 vehicles, down 1 %) all major passenger vehicle markets were up. Double-digit growth rates were registered in Spain (32 %, 267,137 vehicles) and Italy (14 %, 428,464 vehicles), with the other major markets also showing solid growth. In Germany, new vehicle registrations were up 6 % (757,630 units), while France and the United Kingdom recorded a 7 % increase (477,319 and 734,588 units, respectively). At 3 %, growth in the Netherlands was weaker (110,158 vehicles).

This encouraging performance was due to impetus caused by the domestic economy as well as incentive schemes in Spain and the United Kingdom. In the United Kingdom a program offering tax incentives for company cars continued until the end of the quarter.

Change in automotive sales volumes in selected countries
January to March 2015 (in %)



[1] including light vehicles
Source: VDA

Substantial top and bottom line growth in the Automotive Division

Key figures Automotive Division GRAMMER

in EUR m

	01 – 03 2015	01 – 03 2014	Change
Revenue	245.3	209.6	17.0%
EBIT	11.0	7.5	46.7%
EBIT margin	4.5%	3.6%	0.9%-points
Investments (without M&A)	6.4	7.0	–8.6%
Employees (Number, March 31)	6,728	6,383	5.4%

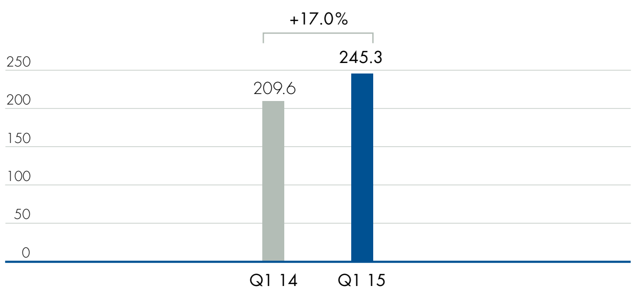
The Automotive Division posted substantial revenue growth in the first three months of 2015. As of March 31, 2015, revenue in the Division was up 17.0 % or EUR 35.7 million, rising to EUR 245.3 million (01 – 03 14: 209.6) due to persistently strong demand in the premium segment. Above-average gains were recorded with consoles and armrests, while headrest business was also up substantially in the period under review. Whereas in the same quarter of the previous year the impetus for this Division had primarily come from the EMEA region, substantially greater growth was achieved in regions outside Europe in the quarter under review.

EMEA remained by far the Division's largest region in terms of business volumes, rising substantially by 7.8 % in the period under review. As a result, the Division was able to additionally expand its market position in EMEA.

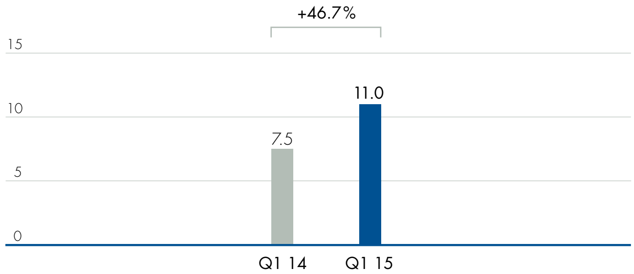
Substantially above-average growth rates were recorded in the Americas (28.2 %) and APAC (44.6 %). In addition to the aforementioned currency translation effects, this also reflects the success of the strategy implemented in these regions over the last few years, which allowed the Division to systematically generate new business and widen its share of the market.

Operating profit in the Automotive Division came to EUR 11.0 million in the first three months of the year, an increase over the previous year's figure of EUR 3.5 million. The Division achieved an EBIT margin of 4.5 % in the period under review (01 – 03 14: 3.6). Earnings in the first quarter of 2015 were influenced by persistent cost-side pressure caused by production expansion and the large number of new product launches. On the other hand, volume and currency-translation effects exerted a positive effect, resulting in an overall increase in operating profit.

Revenue development Automotive Division by quarter (in EUR m)



EBIT development Automotive Division by quarter (in EUR m)



Seating Systems Division

Disparate conditions in the commercial vehicle market
At the beginning of the year, the international commercial vehicle markets painted a fairly mixed picture both regionally and in terms of the individual size classes.

In the United States, new registrations of medium and heavy trucks came to 99,869 in the first three months of the year, up 18 % on the previous year. This trend was influenced by favorable financing costs and low diesel prices.

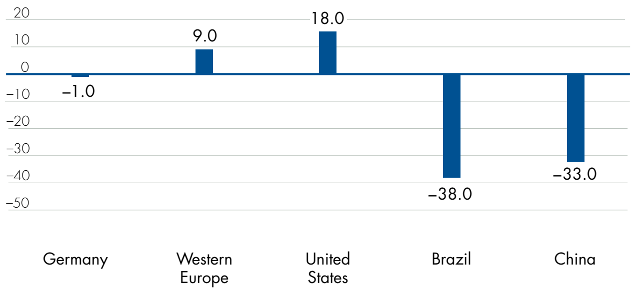
In contrast to the United States, the Brazilian commercial vehicle market continued to slide in the first three months of 2015, with sales of medium and heavy trucks down 38 % over the previous year (18,337 units) This enormous drop in sales volumes reflects the difficult state of the overall economy and expensive financing costs.

The Chinese commercial vehicle market also cooled noticeably. Sales in the over 6 t segment in January to March fell by 33 % over the previous year to 179,780 trucks. Delays in the implementation of a new emissions standard and slower economic growth left appreciable traces on the market.

Conditions in Western Europe were mixed, reflecting a strong baseline effect – the introduction of the Euro VI emissions standard in 2013 had led to pull-forward effects. Strong impetus arose in the Netherlands (128 %, 3,861 units), the United Kingdom (53 %, 8,716 units) and Spain (24 %, 4,460 units). Contracting by 8 % to 9,572 units, the French market was disappointing. In the first three months of the year, new registrations of trucks above 6 t came to 59,154 in Western Europe as a whole, an increase of 9 % over the same period in the previous year.

In Germany there was no evidence of the baseline effect which had resulted in sharp gains in the Netherlands and the United Kingdom. Instead, many of the trucks bought in 2013 were registered in the first half of 2014. This is one of the reasons for the 1 % decline in sales of heavy trucks (over 6 t) in the first three months of the year (19,113 units). By contrast, commercial vehicle sales across all size classes were up 7 % in Germany in the same period (74,837 units).

Change in commercial vehicle sales volumes (trucks above 6t) in selected countries
January to March 2015 (in %)



Source: VDA

Agricultural machinery industry
The European agricultural machinery markets continued to contract sharply. In the first three months of the year, 6,955 new tractors were registered in Germany, down 12 % compared with the same period in the previous year. At 17 %, the decline in sales of tractors with an output of 51 HP or more was even more pronounced.

In France, the second largest European market, 5,700 new tractors were registered during this period (down 14 %). Substantial declines were also reported in Spain (down 7 %) and the United Kingdom (down 19 % for tractors in the 50 HP plus class).

Material handling
According to industry association Bundesverband der Baumaschinen-, Baugeräte und Industriemaschinenfirmen e. V. (bbi), material handling companies achieved average growth of 4.5 % in 2014. Confidence in the material handling industry remained upbeat at the beginning of the year. A survey conducted by bbi indicates that most companies in the industry expect higher revenue in the first quarter of 2015. Around 65 % of the companies polled assume that revenue will remain at the same level as in the same period of the previous year, while some 30 % anticipate higher sales during this period. They assume that revenue will grow by around 4 % in the year as a whole.

Construction machinery industry
The German construction machinery industry reported an 8 % increase in revenue to EUR 8.4 billion in 2014, remaining at this level at the beginning of 2015.

Railway industry
The German railway industry achieved record revenue in 2014. The member companies of industry association Bahnindustrie in Deutschland e. V. reported total revenue of EUR 12.5 billion, equivalent to an increase of 25 %. This trend was also intact at the beginning of 2015.

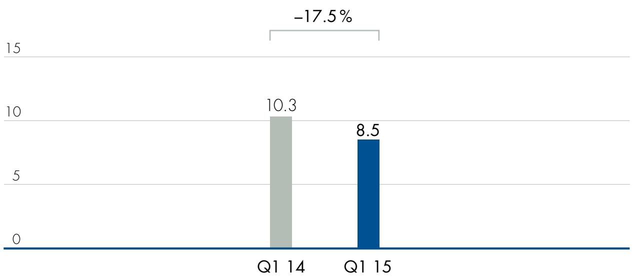
Lower margin in the Seating Systems Division

Key figures Seating Systems Division GRAMMER

in EUR m

	01 – 03 2015	01 – 03 2014	Change
Revenue	116.6	126.9	–8.1%
EBIT	8.5	10.3	–17.5%
EBIT margin	7.3%	8.1%	–0.8%-points
Investments	2.1	2.6	–19.2%
Employees (Number, March 31)	3,703	3,838	–3.5%

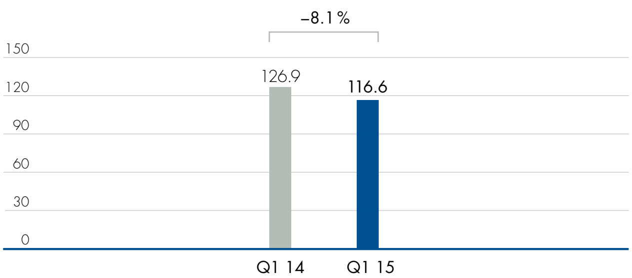
EBIT development Seating Systems Division by quarter (in EUR m)



Against the backdrop of market contraction in key segments, the Seating Systems Division sustained an 8.1% drop in revenue over the previous year in the 1st quarter of 2015. In absolute figures, revenue in the Seating Systems Division came to EUR 116.6 million, EUR 10.3 million lower than the previous year's figure of EUR 126.9 million. This was likewise reflected in operating profit, which dropped by EUR 1.8 million over the previous year to EUR 8.5 million. As the muted revenue performance tended to affect those segments with wider margins, the EBIT margin also narrowed by 0.8 percentage points to 7.3% (01 – 03 14: 8.1).

Specifically, revenue in the truck segment dropped due to the persistently weak market conditions in Brazil and the slower Chinese economy, which the continued growth in Europe was unable to offset. Subdued conditions in the global agricultural machinery market resulted in lower revenue in the offroad segment which it was not possible to make up for with the gains in revenue from products for material handling equipment. In the rail segment, business volumes returned to normal after a very sharp project-related increase in the same quarter of the previous year. All told, the segment, which holds a leading market position in many areas, was unable to shrug off the negative market determinants.

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



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, 2014, 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.

Full-year Outlook for 2015

Global Economic Outlook

Leading economic research institutes expect the momentum of economic growth to strengthen this year. Spurred by continued accommodative monetary policies and low commodity prices, the advanced economies in particular will achieve higher growth rates. At the same time, the emerging markets will benefit from increased demand from the industrialized nations.

The International Monetary Fund (IMF) also forecasts slight growth in the economy. In its April 2015 World Economic Outlook, it projects growth of 3.5 % for the global economy this year.

According to the IMF, the US economy should expand by 3.1 % this year. The IMF has thus lowered its forecast by 0.5 percentage points since its January report. The employment market should generate impetus. On the other hand, a possible increase in interest rates, which some experts expect for June, could place a damper on the economy.

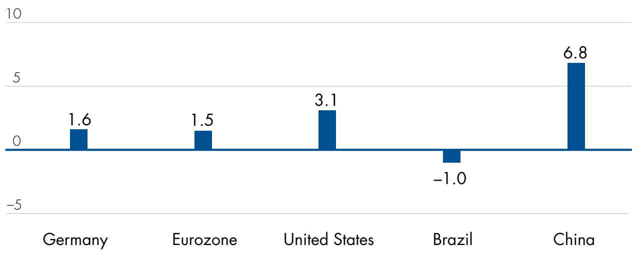
There is still no sign of any economic recovery in Brazil. Accordingly, the IMF assumes that the country's economy will contract by 1.0 % this year.

Similarly, the Chinese economy is growing more slowly. The IMF expects economic growth of 6.8 % this year. This is below the Chinese government's official target, which sees growth at around 7 % for 2015.

The economic recovery in the Eurozone is expected to continue, albeit at a moderate rate. It will be driven by domestic demand, which is benefiting from declining energy prices, a brisk employment market and stronger wage and salary hikes. At the same time, investment activity is being buoyed by the improved outlook for exports and cheaper borrowing costs. The IMF expects the Eurozone economy to expand by 1.5 % this year.

At 1.6 %, the German economy should expand at a slightly swifter rate than the global economy this year according to the IMF thanks to the expansionary monetary policies. Consumer spending should also continue rising at a sharp rate.

Economic growth (gross domestic product) in selected countries
2015 (in %)



Source: IMF

Outlook for the Automotive Industry

Continued growth in the global automotive industry
The general consensus is that the global passenger vehicle markets will continue growing in 2015. Thus, the German Association of the Automotive Industry (VDA) projects new registrations of around 77.0 million vehicles in 2015, an increase of around 1 %. Upbeat underlying economic conditions and low commodity prices are spurring the automotive sector particularly in the Eurozone, the United States and China.

VDA expects new registrations of light vehicles in the United States to rise by 2 % to around 16.7 million. The current growth rate factors in the good start to the year in 2015 but is conservative given the severe winter weather in 2014.

In Japan, new registrations of passenger vehicles should drop by 6 % to around 4.4 million. The market is likely to contract this year in view of the pull-forward effects which arose last year ahead of the VAT hike in the second quarter of 2014.

After the sharp declines in the Brazilian light vehicles market at the beginning of the year, VDA assumes that new registrations will drop by 8 % this year (3.1 million units).

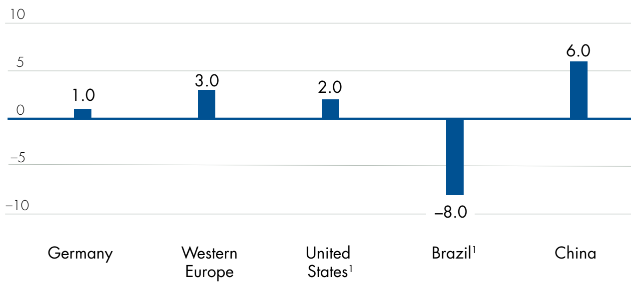
According to the VDA, the Chinese automotive market is likely to grow at a slower pace than in the last few years, with new vehicle registrations of around 19.5 million expected this year (up 6 %).

The VDA forecasts new registrations of light vehicles of around 12.5 million this year in Western Europe (up 3 %), with all five major Western European markets achieving growth: Germany (up 1 %), the United Kingdom (up 2 %), France (up 2 %), Italy (up 5 %) and Spain (up 10 %).

EU-wide production will come to around 15.9 million vehicles (up 3 %) according to VDA. US production of light vehicles will also be up 3 % (around 11.7 million units). VDA projects swifter growth of 6 % in production in China to roughly 19.7 million vehicles.

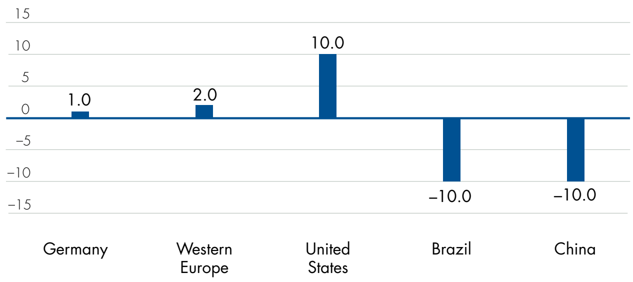
VDA projects above-average growth of 2 % in the growth of passenger-vehicle production in Germany. Accordingly, some 5.7 million passenger vehicles will be produced in Germany this year.

Expected development of automotive sales volumes in selected countries
2015 (in %)



[1] including light vehicles
Source: VDA

Expected development of commercial vehicle sales volumes (trucks above 6t) in selected countries 2015 (in %)



Source: VDA

Outlook for the Commercial Vehicle Industry

Disparate conditions expected in the commercial vehicle market
The commercial vehicle market is expected to paint a mixed picture.

There are signs of pent-up demand for heavy trucks in particular in the United States. After good double-digit growth at the beginning of the year, VDA expects a full-year increase of 10% in new registrations of medium and heavy trucks to around 448,000.

On the other hand, the slump in the Brazilian truck market will persist. After dropping by half in January from an already low level, new registrations of medium and heavy trucks look set to decline by a further 10% to around 120,000 units according to VDA calculations.

The Chinese market is also likely to shrink. Slower economic growth and delays in the implementation of the China IV emissions standard are particularly placing a damper on demand for heavy trucks (over 6t). According to VDA forecasts, sales of heavy trucks should come to some 893,000 this year, i.e. down 10% on the previous year.

Mixed conditions are expected for Western Europe. All in all, VDA expects new registrations of around 233,000 heavy trucks (up 2%). However, the UK market look set to contract by 2%, although the other major Western European markets should expand: the Netherlands by 5%, France by 6%, Italy by 3% and Spain by 10%.

VDA forecasts a small 1% increase to around 80,000 heavy trucks in Germany.

Agricultural machinery industry
The German Mechanical and Plant Engineering Association (VDMA) assumes that the German agricultural machinery market will shrink by around one tenth this year, with total market volume coming to around EUR 4.9 billion. The declines will be less pronounced with tractors (down 9%), combine harvesters (down 5%) and forage harvesters (down 9%).

Material handling
After the strong performance of 2014 with sales up 4.5% and high confidence in the sector in the first quarter of 2015, industry association bbi (Bundesverband der Baumaschinen-, Baugeräte- und Industriemaschinenfirmen), expects continued 4% revenue growth this year.

Construction machinery industry
VDMA assumes that the global construction machinery market will drift sideways this year. The markets achieving growth will offset the effects of contraction in other markets. VDMA projects only stable conditions for Germany, while further declines are expected in France. VDMA sees continued good prospects for North America. Conditions in South America will remain muted.

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.

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 and the United States. Although we have been able to improve natural hedging effects all around the world through the ongoing localization of our production activities, significant exchange-rate changes between relevant currencies may still have an adverse effect on earnings in the currently very volatile market environment.

Looking forward over the rest of the current year, the Automotive Division will be spurred by new product launches and projects. Given the product lifecycles of our order books and the upbeat market forecasts, we expect to achieve enduring revenue growth in 2015. After the steady growth rates of the last few years, revenue in the Seating Systems Division looks set to weaken in the further course of the year as a result of expected market trends. The off-road markets in particular are expected to continue declining in the wake of the muted environment for agricultural machinery. We currently do not see any signs of a sustained recovery in the Brazilian truck market, while the Chinese truck market will also tend to soften. Against this backdrop, we do not anticipate any significant expansion of business volumes in the Seating Systems Division in 2015 and assume appreciably lower revenue compared with 2014.

All told, we are still guardedly optimistic about the outlook for the GRAMMER Group in 2015. We project an appreciable increase in revenue over the previous year to more than EUR 1.4 billion. Operating profit will be influenced by further cost pressure as a result of the ongoing expansion and optimization projects as well as weak market conditions in individual segments in the Seating Systems Division. On the other hand, we expect the Automotive Division to make a positive contribution to earnings thanks to the increased business volumes. Against this backdrop, we expect the GRAMMER Group to be able to report substantial EBIT which will be on a par with the previous year in 2015. Given the expected revenue growth, the possibility of slight contraction in the operating margin cannot be entirely ruled out.

This assessment is based on the above forecasts for the global economy as well as our main sell-side markets. Any deterioration in these underlying economic or political conditions may also have an adverse effect on GRAMMER's business and earnings. On the other hand, a recovery in the agricultural machinery markets and stabilization of the Brazilian truck markets could leave positive traces on business performance. Moreover, the GRAMMER Group's business may also deviate from the forecast as a result of the opportunities and risks described in the risk and opportunity report. Looking ahead to 2016, we project further growth in revenue and earnings 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 imponderabilities 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.

Events subsequent to the reporting date

At its meeting of March 26, 2015, the Supervisory Board decided to accept CFO Volker Walprecht's request for early release from his contract. CFO Volker Walprecht will be stepping down from his position as the Company's Chief Financial Officer at the end of May 2015 in full agreement with the Supervisory Board. Accordingly, Mr. Walprecht will be relinquishing his position on GRAMMER AG's Executive Board at the end of the upcoming Annual General Meeting on May 20, 2015.

At an extraordinary meeting held on May 4, 2015, the Supervisory Board appointed Mr. Gérard Cordonnier new CFO of GRAMMER AG effective June 01, 2015 to replace Mr. Walprecht. He will be joining Chief Executive Officer Hartmut Müller and Manfred Pretscher on the Company's Executive Board, which will thus continue to comprise three members.

Amberg, May 5, 2015

GRAMMER AG
The Executive Board

Consolidated Statement of Income
January 1 – March 31 of the respective financial year

EUR k	01 – 03 2015	01 – 03 2014
Revenue	352,706	330,752
Cost of sales	–315,679	–289,486
Gross profit	37,027	41,266
Selling expenses	–8,038	–7,105
Administrative expenses	–15,461	–23,599
Other operating income	2,997	4,204
Operating profit/loss (–)	16,525	14,766
Financial income	294	426
Financial expenses	–2,518	–2,860
Other financial result	1,502	–135
Profit/loss (–) before income taxes	15,803	12,197
Income taxes	–6,038	–3,659
Net profit/loss (–)	9,765	8,538
Of which attributable to:		
Shareholders of the parent company	9,747	8,742
Non-controlling interests	18	–204
Net profit/loss (–)	9,765	8,538
Earnings/loss per share		
Basic/diluted earnings/loss (–) per share in EUR	0.87	0.78

Consolidated Statement of Comprehensive Income

January 1 – March 31 of the respective financial year

EUR k	01 – 03 2015	01 – 03 2014
Net profit/loss (–)	9,765	8,538
Amounts not to be recycled in income in future periods		
Actuarial Gains/Losses (–) from defined benefit plans		
Gains/Losses (–) in the current period	–16,873	–7,204
Tax expenses (–)/Tax income	4,910	2,096
Actuarial Gains/Losses (–) from defined benefit plans (after tax)	–11,963	–5,108
Total amount not to be recycled in income in future periods	–11,963	–5,108
Amounts recycled in income in future periods		
Gains/Losses (–) from currency translation of foreign subsidiaries		
Gains/Losses (–) arising in the current period	6,537	–597
Gains/Losses (–) from currency translation of foreign subsidiaries (after tax)	6,537	–597
Gains/Losses (–) from cash flow hedges		
Gains/Losses (–) arising in the current period	–304	–985
Less transfers recognized in the Income Statement	207	159
Tax expenses (–)/Tax income	31	240
Gains/Losses (–) from cash flow hedges (after tax)	–66	–586
Gains/Losses (–) from net investments in foreign operations		
Gains/Losses (–) arising in the current period	2,093	78
Gains/Losses (–) from net investments in foreign operations (after tax)	2,093	78
Total amount to be recycled in income in future periods	8,564	–1,105
Other comprehensive income	–3,399	–6,213
Total comprehensive income (after tax)	6,366	2,325
Of which attributable to:		
Shareholders of the parent company	6,347	2,575
Non-controlling interests	19	–250

Consolidated Statement of Financial Position
as of March 31, 2015 and December 31, 2014

ASSETS

EUR k

	March 31, 2015	December 31, 2014
Non-current assets		
Property, plant and equipment	196,273	191,155
Intangible assets	77,584	79,199
Other financial assets	323	358
Income tax assets	22	22
Deferred tax assets	51,344	48,380
	325,546	**319,114**
Current assets		
Inventories	132,146	128,330
Trade accounts receivable	209,211	169,588
Other current financial assets	120,372	110,970
Short-term income tax assets	6,346	5,435
Cash and short-term deposits	50,062	83,999
Other current assets	20,778	19,107
	538,915	**517,429**
Total assets	**864,461**	**836,543**

EQUITY AND LIABILITIES

EUR k

	March 31, 2015	December 31, 2014
Equity		
Subscribed capital	29,554	29,554
Capital reserve	74,444	74,444
Own shares	–7,441	–7,441
Retained earnings	194,252	184,505
Accumulated other comprehensive income	–53,429	–50,029
Equity attributable to shareholders of the parent company	**237,380**	**231,033**
Non-controlling interests	747	728
Total equity	**238,127**	**231,761**
Non-current liabilities		
Non-current financial liabilities	146,295	145,255
Trade accounts payable	1,252	1,072
Other financial liabilities	4,722	4,802
Other liabilities	18	0
Retirement benefit obligations	147,472	129,604
Income tax liabilities	0	8
Deferred tax liabilities	26,115	26,069
	325,874	**306,810**
Current liabilities		
Current financial liabilities	29,615	25,385
Current trade accounts payable	177,774	192,153
Other current financial liabilities	5,308	5,416
Other current liabilities	69,456	55,819
Current income tax liabilities	6,247	7,130
Provisions	12,060	12,069
	300,460	**297,972**
Total liabilities	**626,334**	**604,782**
Total equity and liabilities	**864,461**	**836,543**

Consolidated Statement of Cash Flow

January 1 – March 31 of the respective financial year

EUR k	01 – 03 2015	01 – 03 2014
1. Cash flow from operating activities		
Profit/Loss (–) before income taxes	15,803	12,197
Non-cash items		
Depreciation of property, plant and equipment	7,526	6,756
Amortization of intangible assets	2,211	1,840
Gains (–)/losses from disposal of assets	–13	1
Other non-cash changes	434	–5,920
Decrease (–)/Increase in provisions and pension provisions	314	6,746
Decrease/Increase (–) in trade accounts receivable and other receivables	–50,706	–29,941
Decrease/Increase (–) in inventories	–3,816	–13,343
Decrease (–)/Increase in accounts payable and other liabilities	–1,815	4,962
Income taxes paid	0	0
Cash flow from operating activities	**–30,062**	**–16,702**
2. Cash flow from investing activities		
Purchases		
Purchases of property, plant and equipment	–8,406	–9,140
Purchases of intangible assets	–361	–991
Disposals		
Disposals of property, plant and equipment	144	279
Disposals of financial assets	35	15
Interest received	294	425
Government grants received	1,128	0
Cash flow from investing activities	**–7,166**	**–9,412**
3. Cash flow from financing activities		
Dividend payments	0	0
Payments received from raising financial liabilities	4,207	2,875
Payments made for the settlement of financial liabilities	–189	–197
Decrease (–)/Increase in lease liabilities	–197	–177
Interest paid	–1,782	–1,880
Cash flow from financing activities	**2,039**	**621**
4. Cash and cash equivalents at end of period		
Net changes in cash and cash equivalents (sub-total of items 1–3)	–35,189	–25,493
Other changes	0	421
Cash and cash equivalents as of January 1	82,404	78,919
Cash and cash equivalents as of March 31	**47,215**	**53,847**
5. Analysis of cash and cash equivalents		
Cash and short-term deposits	50,062	55,765
Bank overdrafts	–2,847	–1,918
Cash and cash equivalents as of March 31	**47,215**	**53,847**

Consolidated Statement of Changes in Equity
as of March 31, 2015

EUR k

	Subscribed capital	Capital reserve	Revenue reserve	Own shares
As of January 1, 2015	29,554	74,444	184,505	–7,441
Net profit/loss (–)	0	0	9,747	0
Other comprehensive income	0	0	0	0
Total comprehensive income	0	0	9,747	0
Dividends	0	0	0	0
As of March 31, 2015	29,554	74,444	194,252	–7,441

Consolidated Statement of Changes in Equity
as of March 31, 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 (–)	0	0	8,742	0
Other comprehensive income	0	0	0	0
Total comprehensive income	0	0	8,742	0
Dividends	0	0	0	0
Other changes	0	0	1,083	0
As of March 31, 2014	29,554	74,444	169,248	–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
–1,846	–836	–6,345	–41,002	231,033	728	231,761
0	0	0	0	9,747	18	9,765
–66	6,536	2,093	–11,963	–3,400	1	–3,399
–66	6,536	2,093	–11,963	6,347	19	6,366
0	0	0	0	0	0	0
–1,912	5,700	–4,252	–52,965	237,380	747	238,127

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	8,742	–204	8,538
–586	–551	78	–5,108	–6,167	–46	–6,213
–586	–551	78	-5,108	2,575	–250	2,325
0	0	0	0	0	0	0
0	0	0	0	1,083	1	1,084
–1,402	–6,609	–6,530	–25,447	225,817	2,263	228,080

Selected Notes to the GRAMMER AG Consolidated Statement of Income for the period from January 1 to March 31, 2015 and the Consolidated Statement of Financial Position as of March 31, 2015

Principles and methods of accounting in the Interim Financial Statements

GRAMMER AG prepared its Consolidated Financial Statements for fiscal year 2014 and the present Interim Financial Statements for the period ending March 31, 2015 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 March 31, 2015, 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 2014. 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, 2015, 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, 2015. 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 three months of 2015 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 ended March 31, 2015, and the comparative prior-year figures, the same accounting policies and principles of consolidation were applied as for the Consolidated Financial Statements for the year ended December 31, 2014. These principles and methods are described in detail in the Notes to the 2014 Consolidated Financial Statements, which were published in their entirety in the 2014 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	24	29
Companies consolidated "at equity"	0	1	1
Group	5	25	30

In addition to GRAMMER AG, four domestic and 24 foreign companies that are directly or indirectly controlled by GRAMMER AG within the meaning of IFRS 10 are consolidated.

The companies consolidated using the equity method of accounting comprise the GRA-MAG joint venture, in which GRAMMER AG holds 50% of the voting rights.

All intragroup transactions, balances and liabilities are eliminated in the course of consolidation. The uniform reporting date for all of the consolidated companies is March 31, 2015.

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.

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 – 03 2015	01 – 03 2014	March 31, 2015	March 31, 2014
Argentina	ARS	0.102	0.097	0.106	0.091
Brazil	BRL	0.309	0.311	0.286	0.320
China	CNY	0.142	0.119	0.150	0.117
United Kingdom	GBP	1.341	1.209	1.375	1.207
Japan	JPY	0.007	0.007	0.008	0.007
Mexico	MXN	0.059	0.055	0.061	0.056
Poland	PLN	0.239	0.239	0.245	0.240
Czech Republic	CZK	0.036	0.036	0.036	0.036
Turkey	TRY	0.356	0.332	0.355	0.337
USA	USD	0.882	0.729	0.929	0.725

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

EUR k

	01 – 03 2015	01 – 03 2014
Gross revenue	353,552	331,403
Sales deductions	–846	–651
Net revenue	**352,706**	**330,752**

The revenue of EUR 352,706 thousand for the period ending March 31, 2015 includes a sum of EUR 14,499 thousand calculated using the POC method (01 – 03 14: 13,823). 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 2,997 thousand as of March 31, 2015 (01 – 03 14: 4,204) 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

	01 – 03 2015	01 – 03 2014
Financial income	294	426
Financial expenses	–2,518	–2,860
Other financial result	1,502	–135
Financial result	**–722**	**–2,569**

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 March 31, 2015, which are recognized as an expense in cost of sales, amounted to EUR 300,757 thousand (01 – 03 14: 274,092).

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 March 31, 2015 in the amount of EUR 14,353 thousand (01 – 03 14: 3,298) 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 4,665 thousand (01 – 03 14: 3,592) 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 – 03 2015	01 – 03 2014
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)	9,747	8,742
Basic/diluted earnings/loss (–) per share in EUR	0.87	0.78

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 March 31, 2015.

Intangible assets

Intangible assets include capitalized goodwill as well as capitalized development expenses. In the period under review, a sum of EUR 361 thousand was spent on licenses, software and other intangible assets. Amortization expense came to EUR 2,211 thousand (01 – 03 14: 1,840).

Property, plant and equipment

Capital spending on property, plant and equipment came to EUR 8,406 thousand in the year to March 31, 2015. Depreciation expense equaled EUR 7,526 thousand in the same period (01 – 03 14: 6,756).

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
March 31, 2015	
Percentage stake	50%
At Equity carrying amount	0
At Equity result (01 – 03 2015)	209
December 31, 2014	
Percentage stake	50%
At Equity carrying amount	0
At Equity result (01 – 12 2014)	–452

Inventories

Inventories rose to EUR 132.1 million (2014: 128.3) for business-related reasons. All inventories are carried at historical cost. There were no significant impairments.

Trade accounts receivable

Accounts receivable of EUR 209.2 million (2014: 169.6) 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 accounts receivable from construction contracts of EUR 108.9 million (2014: 100.9) and other receivables of EUR 11.1 million (2014: 9.7).

Other current assets

Other current assets of EUR 20.8 million (2014: 19.1) include other assets of EUR 14.6 million (2014: 14.2) and prepaid expenses of EUR 6.1 million (2014: 4.9). Other assets chiefly comprise pass-through taxes such as valued added tax and receivables from creditors with a debit balance.

Subscribed capital
As of December 31, 2014 and March 31, 2015, 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
The capital reserve totaled EUR 74,444 thousand (2014: 74,444) as of March 31, 2015. It includes premiums from the capital increases in 1996, 2001 and 2011, less transaction costs.

Retained earnings
GRAMMER AG's retained earnings totaled EUR 1,183 thousand as of March 31, 2015 (2014: 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. They rose from EUR 184,505 thousand in the previous year to EUR 194,252 thousand on account of the quarterly earnings.

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 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 23.6 million as of December 31, 2014. This takes into account the profit of EUR 8.1 million carried forward, the allocation of EUR 15.5 million to retained earnings and annual profit of EUR 31.0 million. The Executive Board and the Supervisory Board will be proposing to the Annual General Meeting that a dividend of EUR 0.75 per share be paid and that the balance of EUR 15.2 million be carried forward. This decision takes into account that the Company holds a total of 330,050 of its own shares, which are not dividend bearing. If the number of dividend-entitled shares changes before the date of the Annual General Meeting on May 20, 2015, the Executive Board and Supervisory Board of GRAMMER AG will present a duly adjusted dividend proposal to the meeting.

A dividend of EUR 7.3 million was paid in the fiscal year 2014 (2013: 5.6).

Own shares
As of March 31, 2015 and December 31, 2014, 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 14,777,182.72 (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 14,777,182.72 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 shareholders' 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 financial liabilites

Non-current financial liabilities break down as follows:

EUR k	March 31, 2015	December 31, 2014
Bonded loan	141,097	141,097
KfW loan	2,500	2,500
Others	2,698	1,658
Non-current financial liabilites	**146,295**	**145,255**

The bonded loan item of EUR 141.1 million (2014: 141.1) comprises a bonded loan issued in 2011 with a total nominal value of EUR 60.0 million. An amount of EUR 18.0 million of this was repaid on schedule in September 2014. The remaining installments are due for repayment in 2016 and 2018. This bonded loan is subject to both fixed and floating interest rates and has differing maturities of five and seven years.

The renewed parts of the 2006 bonded loan of EUR 26.0 million are due for settlement in 2016 – 2018.

In addition, GRAMMER AG issued a new bonded loan in May 2013 with a total nominal value of EUR 73.5 million. The new bonded loan comprises four tranches expiring in 2017 and 2019 with both fixed and floating interest rates.

In addition, there is a KfW loan of EUR 2.5 million and non-current liabilities at the level of foreign subsidiaries.

Retirement benefits 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 paid to the employee. The Group's occupational pension scheme is based on defined benefit obligations. Retirement benefits and similar obligations are valued at EUR 147.5 million (2014: 129.6). The increase in the first three months of 2015 is due to a reduction in the discount rate from 2.2% to 1.6%.

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 financial liabilities

Current financial liabilities break down as follows:

EUR k

	March 31, 2015	December 31, 2014
Bonded loan	2,079	1,497
Syndicated loan contract	10,000	10,000
KfW loan	2,500	2,500
Others	15,036	11,389
Current financial liabilities	**29,615**	**25,385**

Current financial liabilities come to a total of EUR 29.6 million and are therefore up on the previous year (2014: 25.4). This increase is due to the higher current liabilities held by foreign subsidiaries.

Deferred interest is reported under the bonded loan.

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

As well as this, there is a syndicated loan contract of EUR 180.0 million. The syndicated loan contract was entered into between domestic GRAMMER companies and six commercial banks.

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. The syndicated loan contract has a term of five years plus two one-year renewal options. GRAMMER exercised the first renewal option in 2014, meaning that the loan now expires on October 31, 2019 unless GRAMMER AG exercises the second one-year renewal option.

Other current liabilities

Other current liabilities stand at EUR 69.5 million and are substantially up on the previous year (2014: 55.8) 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 2014 and the first three months of 2015.

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 also include personnel and social benefit obligations such as phased 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 by 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

	Valuation category acc. to IAS 39	Carrying amount March 31, 2015	Fair Value March 31, 2015	Carrying amount December 31, 2014	Fair Value December 31, 2014
Assets					
Cash and short-term deposits	LaR	50,062	50,062	83,999	83,999
Trade accounts receivable	LaR	209,211	209,211	169,588	169,588
Other financial assets					
Loans and receivables	LaR	11,338	11,338	9,925	9,925
Receivables from construction contracts	LaR	108,868	108,868	100,904	100,904
Financial assets available-for-sale	AfS	129	129	129	129
Financial assets held-for-trading	FAHfT	0	0	12	12
Derivatives with hedge relationship	n.a.	360	360	358	358
Liabilities					
Trade accounts payable	FLAC	179,026	179,026	193,225	193,248
Current and non-current financial liabilities to banks	FLAC	175,910	175,910	170,640	174,842
Other financial liabilities					
Other financial liabilities	FLAC	434	434	576	576
Liabilities from financial leases	n.a.	6,509	6,509	6,650	6,358
Derivatives without hedge relationship	FLHfT	0	0	0	0
Derivatives with hedge relationship	n.a.	3,087	3,087	2,992	2,992
Aggregated by valuation class pursuant to IAS 39					
Loans and receivables	LaR	379,479	379,479	364,416	364,416
Financial assets available-for-sale	AfS	129	129	129	129
Financial assets held-for-trading	FAHfT	0	0	12	12
Financial liabilities measured at amortized cost	FLAC	355,370	355,370	364,441	368,666
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 March 31, 2015:

EUR k

	Total	Level 1	Level 2	Level 3
Assets measured at fair value				
Derivative financial assets				
Currency forwards	360	0	360	0
Interest-rate swaps	0	0	0	0
Liabilities measured at fair value				
Derivative financial liabilities				
Currency forwards	313	0	313	0
Interest-rate swaps	2,774	0	2,774	0
Liabilities for which a fair value is disclosed				
Interest-bearing loans				
Obligations under finance leases and rental contracts	8,652	0	8,652	0
Current and non-current financial liabilities	175,910	0	175,910	0

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 December 31, 2014:

EUR k

	Total	Level 1	Level 2	Level 3
Assets measured at fair value				
Derivative financial assets				
Currency forwards	370	0	370	0
Interest-rate swaps	0	0	0	0
Liabilities measured at fair value				
Derivative financial liabilities				
Currency forwards	410	0	410	0
Interest-rate swaps	2,582	0	2,582	0
Liabilities for which a fair value is disclosed				
Interest-bearing loans				
Obligations under finance leases and rental contracts	8,548	0	8,548	0
Current and non-current financial liabilities	174,842	0	174,842	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, 2014.

Operating segments

Segment information is presented below:

EUR k

Fiscal year as of March 31, 2015	Seating Systems	Automotive	Central Services/ Reconciliation	GRAMMER Group
Revenue to external customers	109,189	243,517	0	352,706
Inter-segment revenue	7,430	1,829	−9,259[1]	0
Revenues	116,619	245,346	−9,259	352,706
Segment earnings (Operating profit)	8,490	10,958	−2,923	16,525

EUR k

Fiscal year as of March 31, 2014	Seating Systems	Automotive	Central Services/ Reconciliation	GRAMMER Group
Revenue to external customers	121,236	209,516	0	330,752
Inter-segment revenue	5,615	59	−5,674[1]	0
Revenues	126,851	209,575	−5,674	330,752
Segment earnings (Operating profit)	10,318	7,529	−3,081	14,766

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

Reconciliation

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

EUR k

	01 – 03 2015	01 – 03 2014
Segment earnings (Operating profit)	19,448	17,847
Central Services	−2,322	−2,840
Eliminations	−601	−241
Group earnings (Operating profit)	16,525	14,766
Financial result	−722	−2,569
Profit/loss (−) before income taxes	15,803	12,197

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

Related party disclosures

The following table sets out transactions with related parties as of March 31, 2015 and March 31, 2014.

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	2015	1,442	0	11,109	0
	2014	1,740	0	8,470	0

Contingent liabilities

Guarantees valued at EUR 632 thousand are outstanding as of March 31, 2015 primarily for leased office space and in the form of performance guarantees for contract breaches.

Changes to the Supervisory Board and the Executive Board

At its meeting of March 26, 2015, the Supervisory Board decided to accept CFO Volker Walprecht's request for early release from his contract. CFO Volker Walprecht will be stepping down from his position as the Company's Chief Financial Officer at the end of May 2015 in full agreement with the Supervisory Board. Accordingly, Mr. Walprecht will be relinquishing his position on GRAMMER AG's Executive Board at the end of the upcoming Annual General Meeting on May 20, 2015.

At an extraordinary meeting held on May 4, 2015, the Supervisory Board appointed Mr. Gérard Cordonnier new CFO of GRAMMER AG effective June 01, 2015 to replace Mr. Walprecht. He will be joining Chief Executive Officer Hartmut Müller and Manfred Pretscher on the Company's Executive Board, which will thus continue to comprise three members.

Financial Calendar and Trade Fair Dates 2015 [1]

Important dates for shareholders and analysts

Annual General Meeting 2015 Location: ACC (Amberger Congress Centrum), 92224 Amberg	May 20, 2015
Interim Report, second quarter and first half-year of 2015	Aug. 5, 2015
Interim Report, third quarter of 2015	Nov. 4, 2015

Important Trade Fair Dates [1]

GIE EXPO 2015, Louisville, Kentucky, USA	Oct. 21, 2015 – Oct. 23, 2015
Agritechnica 2015, Hannover, Germany	Nov. 10, 2015 – Nov. 14, 2015
METS 2015, Amsterdam, Netherlands	Nov. 17, 2015 – Nov. 19, 2015

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

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