ON THE MOVE

INTERIM MANAGEMENT STATEMENTS

JANUARY TO MARCH 2016

GRAMMER

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 12,000 employees across its 32 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

GOOD START TO THE YEAR BY THE GRAMMER GROUP

In the first quarter 2016, the GRAMMER Group was able to continue the successful course of the fourth quarter of 2015 and, underpinned by further revenue growth, achieve important operating and strategic milestones for future profitable growth and an increase in enterprise value. Order receipts and contract signings continued to rise in all regions, with only the Seating Systems Division continuing to show signs of weakness in Brazil and China. With respect to earnings, the GRAMMER Group again achieved encouraging operating EBIT* of EUR 17.3 million, which was well in excess of the same quarter in the previous year (2015: 6.8) due to the successful implementation of measures taken in 2015 to optimize fixed costs and processes.

- Substantial 20.8 % growth in revenue to EUR 425.9 million
- EBIT of EUR 14.8 million
- Net profit of EUR 7.5 million

* The GRAMMER Group defines operating EBIT as EBIT adjusted for valuation-induced currency effects and other exceptional effects.

INTERIM MANAGEMENT STATEMENTS

KEY FIGURES GRAMMER GROUP ACCORDING TO IFRS

IN EUR M

	01 – 03 2016	01 – 03 2015
Group revenue	425.9	352.7
Automotive revenue	316.1	245.3
Seating Systems revenue	122.0	116.6
Income Statement		
EBITDA	26.2	26.2
EBITDA-margin (in %)	6.2	7.4
EBIT	14.8	16.5
EBIT-margin (in %)	3.5	4.7
Operating EBIT	17.3	6.8
Profit/loss (–) before income taxes	10.7	15.8
Net profit/loss (–)	7.5	9.8

GROUP REVENUE

In the first quarter of 2016, GRAMMER was able to substantially boost its revenue over the previous year, continuing the successful performance which it had achieved in 2015. Thus, Group revenue came to EUR 425.9 million in the period under review (01 – 03 15: 352.7), marking an increase of EUR 73.2 million or 20.8 % over the same period in the previous year. This is due to the integration of the REUM Group and particularly the performance of the Automotive Division whose console business continued to expand. The capital spending completed in prior years is revealing its strategic importance for the GRAMMER Group.

REVENUE BY REGIONS

The GRAMMER Group continued to grow in all markets with the exception of the region Americas, although momentum slowed slightly in China. Following on from the substantial growth achieved in the previous year, revenue in the Group's domestic EMEA market climbed substantially by 31.0 % over the previous year to EUR 313.6 million (01 – 03 15: 239.3) due in part to the acquisition of REUM. In the wake of the persistent crisis afflicting Brazil and the matters attracting public discussion in the Automotive Division, sales in the Americas fell short of the previous year. They dropped by EUR 3.4 million to EUR 58.2 million (01 – 03 15: 61.6). Despite the slower rate of growth in China and Japan, APAC grew by 4.4 % to EUR 54.1 million (01 – 03 15: 51.8). The appreciable macroeconomic influences in Brazil and China in particular primarily left traces on the Seating Systems Division.

GROUP PROFIT

At EUR 14.8 million as of March 31, 2016, Group earnings before interest and taxes (EBIT) were slightly down on the previous year (01 – 03 15: 16.5). However, the previous year's figure had been buoyed by strong positive exchange rate effects of EUR 9.7 million, whereas negative exchange rate effects exerted pressure on the figures for the first quarter of 2016. Despite the improvement in operations, the muted market conditions in Brazil left noticeable traces. Although the EBIT-margin of 3.5 % fell short of the same period in the previous year (01 – 03 15: 4.7), it was still higher than the full-year margin of 3.0 % in 2015. At EUR 7.5 million (01 – 03 15: 9.8 million), Group net profit was slightly down on the previous year.

KEY FIGURES GRAMMER GROUP ACCORDING TO IFRS

IN EUR M

	01 – 03 2016	01 – 03 2015
Statement of financial position		
Total assets	1,064.1	864.5
Equity	257.3	238.1
Equity ratio (in %)	24	28
Net financial debt	154.6	125.8
Gearing (in %)	60	53
Investments (without acquisitions)	9.0	8.8
Depreciation and amortization	11.4	9.7
Employees (March 31)	**12,029**	**10,693**

STATEMENT OF FINANCIAL POSITION[1]

As of March 31, 2016, the GRAMMER Group had total assets of EUR 1,064.1 million (2015: 992.0). This is equivalent to an increase of EUR 72.1 million compared with the end of 2015 and chiefly reflects the business-related growth in working capital as well as the expansion of strategic financing base. The increase over the same quarter of 2015 is chiefly due to the acquisition of the REUM Group and the strengthening of the Group's funding basis.

Whereas non-current assets changed only slightly from EUR 373.6 million at the end of 2015 to EUR 367.4 million due to property, plant and equipment and intangible assets, current assets climbed by EUR 78.3 million to EUR 696.7 million. Thus, trade accounts receivable rose from EUR 187.4 million to EUR 224.6 million due to the sharp growth in revenue. Cash and short-term deposits, which had already been strong at the end of the previous year, grew to EUR 160.0 million (2015: 127.3) due to the expansion in strategic financing and, in this connection, the proceeds from a bonded loan issued at the end 2015.

Equity rose only slightly from EUR 253.4 million at the end of 2015 to EUR 257.3 million due to currency translation netting. As total assets increased due to the strategic financing reserve, the equity ratio dropped from 26 (2015) to 24 %.

Non-current liabilities climbed from EUR 382.7 million at the end of 2015 to EUR 420.5 million, primarily as a result of the increase in non-current financial liabilities from EUR 218.7 million to EUR 257.5 million. In this way, the GRAMMER Group is again strengthening its financial base. At EUR 154.6 million, net financial debts were unchanged over the end of 2015 (155.5). The increase over the first quarter 2015 is due to the acquisition of the REUM Group at the end of 2015.

Current liabilities increased slightly over the end of 2015 from EUR 355.9 million to EUR 386.4 million due to business performance as of the reporting date. This reflects the business-induced increase in current trade accounts payable to EUR 207.9 million (2015: 186.7) and in other current liabilities to EUR 90.0 million (2015: 70.2).

CAPITAL SPENDING

As of March 31, 2016, capital spending by the GRAMMER Group stood at EUR 9.0 million and was thus on a par with the previous year (01 – 03 15: 8.8). Capital spending was used to expand business activities.

EMPLOYEES

As of March 31, 2016, the GRAMMER Group had a total of 12,029 employees (March 31, 2015: 10,693). The increase is predominantly due to the integration of the REUM Group.

[1] Note on accounting figures: 2015 is related to December 31, 2015.

AUTOMOTIVE DIVISION

KEY FIGURES AUTOMOTIVE DIVISION

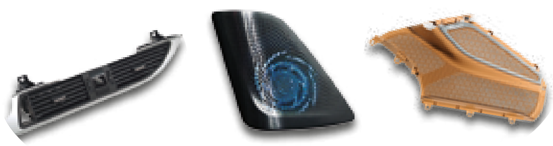
IN EUR M

	01 – 03 2016	01 – 03 2015	CHANGE
Revenue	316.1	245.3	28.9 %
EBIT	8.6	11.0	–21.8 %
EBIT-margin	2.7 %	4.5 %	–1.8 %-points
Operating EBIT	10.6	5.0	112.0 %
Investments (without acquisitions)	6.1	6.4	–4.7 %
Employees (number, as of March 31)	8,050	6,728	19.6 %

HEADRESTS

ARMRESTS

CENTER CONSOLES



NEW INTERIOR COMPONENTS

REVENUE

The Automotive Division posted substantial revenue growth in the first quarter of 2016. This was due to the consolidation of the REUM Group as well as further organic growth from product start-ups in 2015 together with consistently strong demand in the premium segment all around the world. As of March 31, 2016, Division revenue was up 28.9 % or EUR 70.8 million, rising to EUR 316.1 million (01 – 03 15: 245.3). EMEA remained by far the Division's largest region in terms of business volumes, climbing substantially by 43.5 % in the period under review due to both the consolidation of the REUM Group and organic growth.

Despite the crisis afflicting Brazil and negative public press coverage, revenue in the Americas remained steady at the previous year's level. Growth in APAC slowed substantially to 3.0 % for macroeconomic reasons.

EBIT

Earnings before interest and taxes (EBIT) in the Automotive Division came to EUR 8.6 million in the first three months of the year (01 – 03 15: 11.0), although it should be borne in mind in this connection that the previous year's figure had included currency-translation effects of around EUR 6.0 million. The Division achieved an EBIT-margin of 2.7 % in the period under review (01 – 03 15: 4.5). Accordingly, operating profit in the first quarter of 2016 reflects preliminary successes from the measures implemented but partially also the strain arising from product start-ups and ramp-ups.

CAPITAL SPENDING

As of March 31, 2016, capital spending in the Division stood at EUR 6.1 million and was thus on a par with the previous year (01 – 03 15: 6.4). It was used to expand business activities.

EMPLOYEES

The headcount in the Automotive Division climbed to 8,050 (March 31, 2015: 6,728). This was primarily due to the consolidation of the REUM Group as well as the expansion of production capacity in Serbia, the Czech Republic, Mexico and China.

SEATING SYSTEMS DIVISION

KEY FIGURES SEATING SYSTEMS DIVISION

IN EUR M

	01 – 03 2016	01 – 03 2015	CHANGE
Revenue	122.0	116.6	4.6 %
EBIT	9.2	8.5	8.2 %
EBIT-margin	7.5 %	7.3 %	0.2 %-points
Operating EBIT	9.4	5.3	77.4 %
Investments (without acquisitions)	2.7	2.1	28.6 %
Employees (number, as of March 31)	3,712	3,703	0.2 %

REVENUE

Against the backdrop of continued market contraction in Brazil and China, the Seating Systems Division achieved a 4.6 % increase in revenue over the previous year in the first three months of 2016. In absolute figures, revenue in the Seating Systems Division came to EUR 122.0 million, EUR 5.4 million up on the previous year. Specifically, revenue in the truck segment dropped marginally due to the persistently weak market conditions in Brazil and the slower Chinese economy. However, this effect was offset by the other segments thanks to growth in Europe and APAC.

EBIT

Earnings before interest and taxes (EBIT) in the Seating Systems Division came to EUR 9.2 million in the first three months of the year (01 – 03 15: 8.5). The Division achieved an EBIT-margin of 7.5 % in the period under review (01 – 03 15: 7.3). With the recovery in the EMEA markets and in the segments with larger margins, preliminary improvements in operating profit were achieved.

CAPITAL SPENDING

As of March 31, 2016, capital spending in the Division stood at EUR 2.7 million and was thus slightly up on the previous year (01 – 03 15: 2.1). It was used to expand business activities particularly in the United States and China.

EMPLOYEES

As of March 31, 2016, the Seating Systems Division had a total of 3,712 employees, i.e. more or less unchanged over the previous year (March 31, 2015: 3,703).

OFFROAD
Driver seats for commercial vehicles (land machinery, construction machinery, forklifts)

TRUCK & BUS
Driver seats for trucks and buses

RAILWAY
Passenger seats, driver seats

RISKS/OPPORTUNITIES

The opportunities and risks which we describe in the Management Report of the Annual Report for the fiscal year ended December 31, 2015 in detail continue to apply at this stage. We are observing market trends in Brazil as well as the ongoing public discussion on exhaust gas emissions critically.

OUTLOOK

On the basis of our macroeconomic assessment, we assume that the comments made in the 2015 Group Management Report continue to apply and that conditions will therefore remain difficult and complex. We assume that the forecast published in the 2015 Annual Report continues to hold true. We expect a slight increase in revenue in the GRAMMER Group's core business. Including the REUM Group, revenue should rise to over EUR 1.6 billion assuming unchanged exchange-rate parities. As already stated, EBIT for 2016 will increase compared to the previous year in absolute terms, while the operating margin will also widen slightly and thus also exceed the previous year's figure.

This assessment is based on the forecasts for the global economy as well as our main sell-side markets and OEM customers and assumes stable underlying economic or even political conditions. Moreover, the GRAMMER Group's business may also deviate from the forecast as a result of the factors described in the risk and opportunity report in the 2015 Annual Report.

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.

FINANCIAL INFORMATION

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Equity	257.3	238.1
Equity ratio (in %)	24	28
Net financial debt	154.6	125.8
Gearing (in %)	60	53
Investments (without acquisitions)	9.0	8.8
Depreciation and amortization	11.4	9.7
Employees (March 31)	12,029	10,693
Key share data	MARCH 31, 2016	MARCH 31, 2015
Share price (Xetra closing price in EUR)	35.04	34.47
Market capitalization (in EUR m)	404.5	397.9
Earnings per share (in EUR)	0.66	0.87

CONSOLIDATED STATEMENT OF INCOME

JANUARY 1ST – MARCH 31ST OF THE RESPECTIVE FINANCIAL YEAR

EUR K	01 – 03 2016	01 – 03 2015
Revenue	425,864	352,706
Cost of sales	−375,309	−315,679
Gross profit	**50,555**	**37,027**
Selling expenses	−9,376	−8,038
Administrative expenses	−29,357	−15,461
Other operating income	2,984	2,997
Earnings before interest and taxes (EBIT) [1]	**14,806**	**16,525**
Financial income	290	294
Financial expenses	−3,381	−2,518
Other financial result	−1,058	1,502
Profit/loss (−) before income taxes	**10,657**	**15,803**
Income taxes	−3,197	−6,038
Net profit/loss (−)	**7,460**	**9,765**
Of which attributable to:		
Shareholders of the parent company	7,413	9,747
Non-controlling interests	47	18
Net profit/loss (−)	**7,460**	**9,765**
Earnings per share		
Basic/diluted earnings/loss (−) per share in EUR	0.66	0.87

[1] Operating profit/loss (−) is now referred to as earnings before interest and taxes (EBIT).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

JANUARY 1ST – MARCH 31ST OF THE RESPECTIVE FINANCIAL YEAR

EUR K	01 – 03 2016	01 – 03 2015
Net profit/loss (–)	**7,460**	**9,765**
Amounts not to be recycled in income in future periods		
Actuarial gains/losses (–) from defined benefit plans		
Gains/losses (–) arising in the current period	0	–16,873
Tax expenses (–)/Tax income	0	4,910
Actuarial gains/losses (–) from defined benefit plans (after tax)	**0**	**–11,963**
Total amount not to be recycled in income in future periods	**0**	**–11,963**
Amounts recycled in income in future periods		
Gains/losses (–) from currency translation of foreign subsidiaries		
Gains/losses (–) arising in the current period	–2,038	6,537
Gains/losses (–) from currency translation of foreign subsidiaries (after tax)	**–2,038**	**6,537**
Gains/losses (–) from cash flow hedges		
Gains/losses (–) arising in the current period	–856	–304
Less transfers recognized in the Income Statement	–29	207
Tax expenses (–)/Tax income	258	31
Gains/losses (–) from cash flow hedges (after tax)	**–627**	**–66**
Gains/losses (–) from net investment in foreign operations		
Gains/losses (–) arising in the current period	–936	2,093
Gains/losses (–) from net investment in foreign operations (after tax)	**–936**	**2,093**
Total amount to be recycled in income in future periods	**–3,601**	**8,564**
Other comprehensive income	**–3,601**	**–3,399**
Total comprehensive income (after tax)	**3,859**	**6,366**
Of which attributable to:		
Shareholders of the parent company	3,813	6,347
Non-controlling interests	46	19

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF MARCH 31ST, 2016 AND DECEMBER 31ST, 2015

ASSETS

EUR K

	MARCH 31, 2016	DECEMBER 31, 2015
Property, plant and equipment	219,399	221,109
Intangible assets	88,243	90,856
Other financial assets	4,036	4,038
Income tax assets	11	11
Deferred tax assets	52,016	53,852
Other assets	3,707	3,707
Non-current assets	**367,412**	**373,573**
Inventories	151,086	145,905
Trade accounts receivable	224,610	187,376
Other current financial assets	131,871	127,086
Short-term income tax assets	4,767	6,272
Cash and short-term deposits	160,011	127,300
Other current assets	24,386	24,440
Current assets	**696,731**	**618,379**
Total assets	**1,064,143**	**991,952**

EQUITY AND LIABILITIES

EUR K

	MARCH 31, 2016	DECEMBER 31, 2015
Subscribed capital	29,554	29,554
Capital reserve	74,444	74,444
Own shares	−7,441	−7,441
Retained earnings	207,111	199,698
Accumulated other comprehensive income	−47,232	−43,632
Equity attributable to shareholders of the parent company	**256,436**	**252,623**
Non-controlling interests	846	800
Equity	**257,282**	**253,423**
Non-current financial liabilities	257,504	218,707
Trade accounts payable	1,491	1,325
Other financial liabilities	5,925	6,814
Other liabilities	73	54
Retirement benefit obligations	124,279	123,419
Deferred tax liabilities	31,198	32,359
Non-current liabilities	**420,470**	**382,678**
Current financial liabilities	57,148	64,128
Current trade accounts payable	207,860	186,714
Other current financial liabilities	6,066	5,028
Other current liabilities	90,043	70,193
Current income tax liabilities	5,226	11,066
Provisions	20,048	18,722
Current liabilities	**386,391**	**355,851**
Total liabilities	**806,861**	**738,529**
Total equity and liabilities	**1,064,143**	**991,952**

CONSOLIDATED STATEMENT OF CASH FLOWS

JANUARY 1ST – MARCH 31ST OF THE RESPECTIVE FINANCIAL YEAR

EUR K	01 – 03 2016	01 – 03 2015
1. Cash flow from operating activities		
Profit/loss (–) before income taxes	10,657	15,803
Reconciliation of earnings before tax with cash flow from operating activities		
Depreciation of property, plant and equipment	8,566	7,526
Amortization of intangible assets	2,874	2,211
Gains (–)/losses from the disposal of assets	–25	–13
Other non-cash changes	563	4,616
Financial result	4,149	722
Changes in operating assets and liabilities		
Decrease/increase (–) in trade accounts receivable and other assets	–42,109	–50,706
Decrease/increase (–) in inventories	–5,181	–3,816
Decrease (–)/increase in provisions and pension provisions	–940	314
Decrease (–)/increase in accounts payable and other liabilities	40,972	–1,815
Income taxes paid	–6,989	–4,904
Cash flow from operating activities	**12,537**	**–30,062**
2. Cash flow from investing activities		
Purchases		
Purchase of property, plant and equipment	–8,605	–8,406
Purchase of intangible assets	–391	–361
Disposals		
Disposal of property, plant and equipment	143	144
Disposal of financial assets	15	35
Interest received	290	294
Government grants received	0	1,128
Cash flow from investing activities	**–8,548**	**–7,166**
3. Cash flow from financing activities		
Payments received from raising financial liabilities	40,290	4,207
Payments made for the settlement of financial liabilities	–4,116	–189
Decrease (–)/increase in lease liabilities	–504	–197
Interest paid	–2,591	–1,782
Cash flow from financing activities	**33,079**	**2,039**
4. Cash and cash equivalents at end of period		
Net changes in cash and cash equivalents (sub-total of items 1– 3)	37,068	–35,189
Cash and cash equivalents as of January 1st	122,256	82,404
Cash and cash equivalents as of March 31st	**159,324**	**47,215**
5. Analysis of cash and cash equivalents		
Cash and short-term deposits	160,011	50,062
Bank overdrafts	–687	–2,847
Cash and cash equivalents as of March 31st	**159,324**	**47,215**

FINANCIAL CALENDAR 2016 AND TRADE FAIR DATES[1]

IMPORTANT DATES FOR SHAREHOLDERS AND ANALYSTS

Annual General Meeting 2016 Venue: ACC (Amberger Congress Centrum), 92224 Amberg	May 11, 2016
Interim Report, 2nd Quarter and 1st Half 2016	August 10, 2016
Interim Management Statements, 3rd Quarter 2016	November 9, 2016

IMPORTANT TRADE FAIR DATES

CeMAT 2016, Hanover, Germany	May 31 – June 3, 2016
Truck Grand Prix 2016, Nurburgring, Germany	July 1 – 3, 2016
Caravan Salon 2016, Dusseldorf, Germany	August 27 – September 4, 2016
IHMX 2016, Birmingham, United Kingdom	September 13 – 16, 2016
IBEX, Tampa, Florida, United States	September 15 – 17, 2016
Innotrans 2016, Berlin, Germany	September 20 – 23, 2016
IAA Nutzfahrzeuge 2016, Hanover, Germany	September 22 – 29, 2016
GIE Expo 2016, Louisville, Kentucky, United States	October 19 – 21, 2016
CeMAT 2016, Shanghai, China	November 1 – 4, 2016
EIMA 2016, Bologna, Italy	November 9 – 13, 2016
METS 2016, Amsterdam, Netherlands	November 15 – 17, 2016
Bauma China 2016, Shanghai, China	November 22 – 25, 2016

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

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