INTERIM REPORT

January to September 2013

GRAMMER

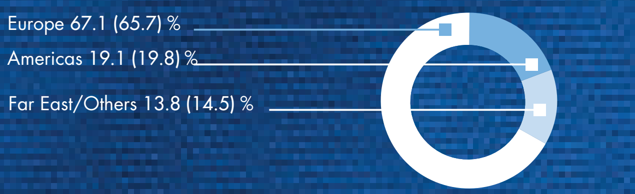
Key Figures according to IFRS

in EUR m

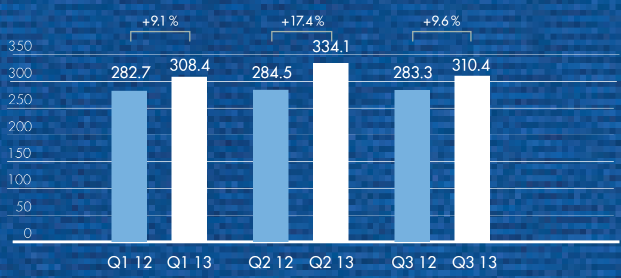
	Q3 2013	Q3 2012[1]	01 – 09 2013	01 – 09 2012[1]
Group revenue	310.4	283.3	952.9	850.5
Automotive revenue	201.1	180.8	607.2	524.7
Seating Systems revenue	115.0	106.7	361.1	339.4
Income statement				
EBITDA	21.9	18.3	68.5	57.1
EBITDA-margin (in %)	7.1	6.5	7.2	6.7
EBIT	13.2	11.0	43.3	35.3
EBIT-margin (in %)	4.3	3.9	4.5	4.2
Profit/loss (–) before income taxes	9.5	8.2	34.1	26.8
Net profit/loss (–)	6.6	5.9	23.9	19.2
Statement of financial position				
Total assets	764.8	649.3	764.8	649.3
Equity	225.1	219.6	225.1	219.6
Equity ratio (in %)	29	34	29	34
Net financial debt	110.5	97.9	110.5	97.9
Gearing (in %)	49	45	49	45
Investments (without acquisitions)	15.5	6.3	31.0	20.7
Depreciation and amortization	8.7	7.3	25.2	21.8
Employees (September 30)			9,580	8,809
Key share data			September 30, 2013	September 30, 2012
Share price (Xetra closing price, in EUR)			28.25	15.39
Earnings per share (in EUR)			2.15	1.71
Market capitalization (in EUR m)			326.1	177.7

[1] Prior-year figures were adjusted to reflect application of IFRS 11 and the amended version of IAS 19.

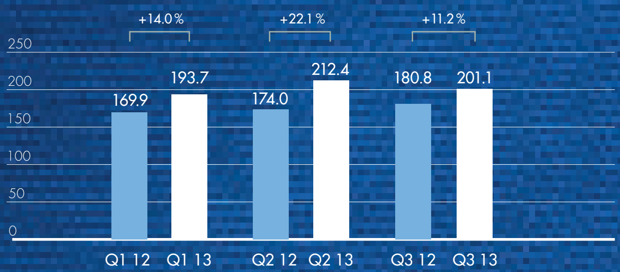
Revenue by region[1] (previous year in brackets)



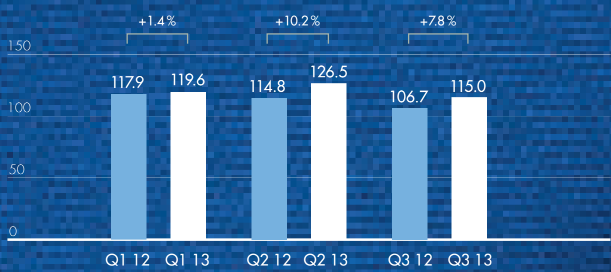
Group revenue development by quarter[1] (in EUR m)



Automotive revenue development by quarter[1] (in EUR m)



Seating Systems revenue development by quarter[1] (in EUR m)



[1] adjusted prior-year figures

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

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

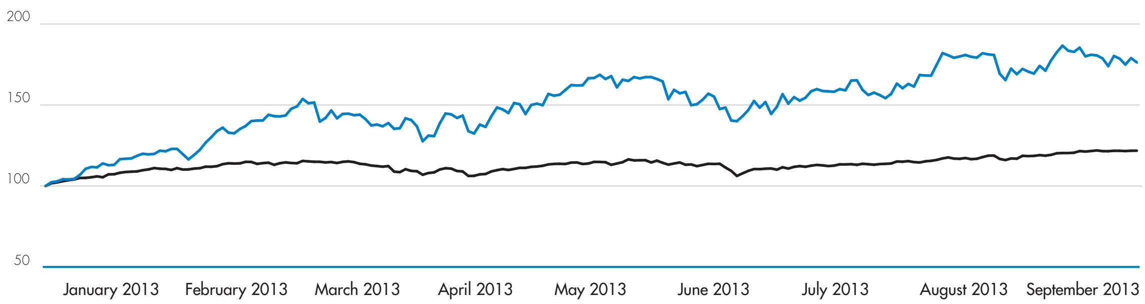
With more than 9,000 employees in 27 fully consolidated companies, GRAMMER has locations in 18 countries worldwide.

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

Contents

GRAMMER Share

GRAMMER share and SDAX Performance Index – January to September 2013 (in %)



Closing price as of December 31, 2012 = 100 %

— GRAMMER AG
— SDAX Performance Index

DAX and SDAX

The international stock markets continued to climb in the third quarter. At the beginning of the quarter, this upward trend had been dampened by concerns surrounding the monetary course which the US Fed planned to steer in the future, the debt ceiling question in the United States and possible intervention by the West in the Syria conflict. However, as the quarter progressed these factors failed to impede the upbeat conditions in the capital markets.

As a result, the DAX hit new highs in September, closing at 8,594 points on September 30, 2013, equivalent to a gain of just under 13 % since the beginning of the year. The SDAX advanced by around 22 % in the same period and closed the third quarter at just under 6,393 points on September 30, 2013.

GRAMMER share

The GRAMMER share made strong headway in the first half of 2013, continuing on this upward path in the third quarter. With the publication of the first-half figures on August 7, 2013, it reached new highs for the year, which, however, were exceeded in September when the share hit a price of EUR 29.90. At the end of the quarter on September 30, 2013, the share was trading at EUR 28.25, up a good 76 % on the end of 2012. Consequently, the market capitalization of the shares outstanding stood at around EUR 326 million. On October 31, the GRAMMER share reached a new high for the year of EUR 34.34.

Key figures GRAMMER share

as of September 30

	2013	2012
Share price Xetra (in EUR)	28.25	15.39
Annual high (in EUR)	29.90	18.01
Annual low (in EUR)	16.39	12.04
Number of shares	11,544,674	11,544,674
Market capitalization (in EUR m)	326.1	177.7

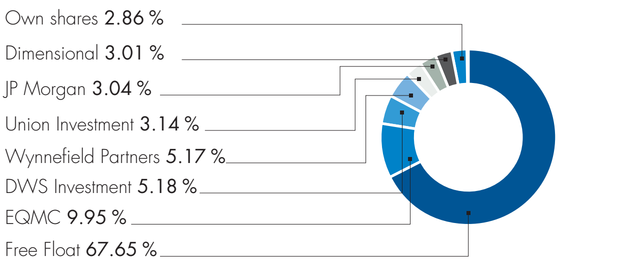
Investor relations
In the third quarter of 2013, financial communications focused on intensive and transparent communications with shareholders, analysts and the business press. To this end, the Executive Board and the Investor Relations department held open discussions in numerous conversations. We attended various road shows in European financial centers such as London, Zurich and Copenhagen.

In September, the Investor Relations department represented GRAMMER AG at two international capital market conferences in Munich: the Baader Investment Conference organized by Baader Bank and the German Investment Conference organized by UniCredit and Kepler Cheuvreux.

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 breaks down as follows:

Shareholder structure



as of September 30, 2013

In the third quarter of 2013, 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
August 19, 2013	Sterling Strategic Value	Below 3%	2.85% (328,788)
August 20, 2013	Union Investment	Above 3%	3.14% (362,099)

The current shareholder structure is published in the Investor Relations section of the GRAMMER AG website.

Interim Management Report

Net Assets, Financial Position and Results of Operations

The GRAMMER Group from January to September 2013

- Pace of growth sustained: 12 % increase in revenue to EUR 952.9 million
- Substantial 23 % improvement in EBIT to EUR 43.3 million
- After-tax earnings up 24 % on the previous year

Global economy continuing on its growth trajectory
The global economy continued to grow at a moderate pace in the third quarter, with the US Fed retaining its monetary policy. Meanwhile, the Eurozone appears to be emerging from its recessionary phase. On the other hand, growth expectations in the emerging markets – with the exception of China – have received a damper.

The US economy is continuing to recover. Industrial output and particularly also automobile production are still growing. In August, the unemployment rate fell to a new four year low of 7.3 %. Despite this favorable trend in the labor market, the US Fed continued its asset-buying program.

The pace of growth in China slowed in the second quarter. However, the economic outlook brightened unexpectedly at the beginning of the third quarter, with this situation continuing in August and September. August industrial production rose by more than 10 % again for the first time this year. There is growing demand for borrowing in the corporate sector, a sign that confidence in future market trends is growing. Further impetus is coming from exports, which climbed by 7.2 % in August over the previous month, as well as the tax relief adopted in July for small and mid-size companies.

In Japan, the economic recovery continued, with exports rising, resulting in the first increase in July in corporate spending in a year. On the other hand, consumer confidence continued to deteriorate.

The Eurozone is emerging from the recession. Gross domestic product rose again in the second quarter for the first time in two years, accompanied by sharp gains in exports. Consumer and capital spending also turned the corner after consistently declining in the previous few months.

Note: In September 2012, the amendments to IAS 19 "Employee benefits" were endorsed by the EU for mandatory application. The changed standard must be applied retroactively to financial statements for accounting periods commencing on or after January 1, 2013. Additionally, the GRAMMER Group early adopted as of January 1, 2013 the new IFRS 11 standard, which must be applied to financial statements for all accounting periods commencing on or after January 1, 2014. As required, the prior-year figures have been adjusted to reflect the effects of application of the standards.

As in the first half of the year, consumer spending is buoying the German economy. Employment remains high in Germany and, together with appreciable wage and salary hikes, this is allowing consumers to spend more money. By contrast, consumer spending remains muted.

Key figures GRAMMER Group

in EUR m	01 – 09 2013	01 – 09 2012[1]	Change
Revenue	952.9	850.5	12.0%
EBIT	43.3	35.3	22.7%
Investments (without acquisition)	31.0	20.7	49.8%
Employees (number)	9,580	8,809	8.8%

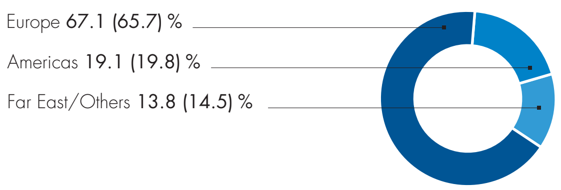
[1] adjusted prior-year figures

Group revenue up substantially on the previous year again
Against this macroeconomic backdrop, Group revenue came to EUR 952.9 million as of September 30, 2013 (01 – 09 12: 850.5), an increase of EUR 102.4 million or 12.0 % over the same period of the previous year. GRAMMER was able to continue on its substantial year-over-year growth trajectory in the third quarter of the current year as well. Thus, revenue rose from EUR 283.3 million in the same quarter of the previous year to EUR 310.4 million, although as expected the rate of growth in the quarter (9.6 %) was slower than in the first half of the year for seasonal reasons. This growth was underpinned by both Divisions, with the Automotive Division contributing the bulk of the increase thanks to upbeat macroeconomic conditions, new product launches and the acquisition of nectec Automotive s.r.o. together with increased project revenue.

GRAMMER's revenue rose in all regions in the first nine months of the year, with Europe posting disproportionately strong growth. In this region, Group revenue climbed by 14.4 % to EUR 639.6 million (01 – 09 12: 559.0). Overseas revenue grew appreciably by 8.2 %

to EUR 181.7 million (01 – 09 12: 168.0) thanks to the robust US economy and the recovery in the Brazilian market. Revenue in the Far East/Others region also expanded to EUR 131.6 million (01 – 09 12: 123.5).

Revenue by region (previous year in brackets)



in EUR m

	01–09 2013	01–09 2012[1]	Change
Europe	639.6	559.0	14.4%
Americas	181.7	168.0	8.2%
Far East/Others	131.6	123.5	6.6%
Total	**952.9**	**850.5**	**12.0%**

[1] adjusted prior-year figures

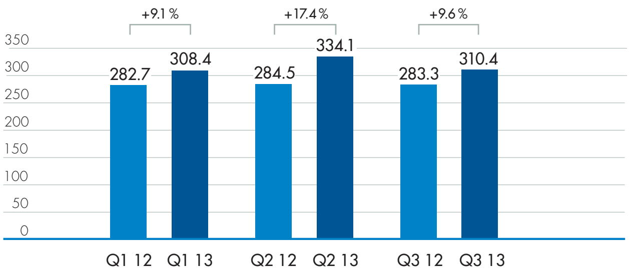
Revenue in the Automotive Division continued to rise substantially in the quarter under review, although in line with expectations it failed to repeat the rate of growth recorded in the first half due to seasonal factors. The very strong revenue performance in Europe was due to the launch of new products, strong vehicle sales in the premium segment, high revenue from development projects and the acquisition of nectec Automotive s.r.o. All in all, new registrations and exports declined in Europe in the first nine months. On the other hand, China recorded strong growth rates in new car registrations in the period under review. Overseas automotive markets continued to grow, with GRAMMER benefiting from this in the form of rising revenue in this region. On the other hand, sales volumes contracted slightly in Brazil.

In the Seating Systems Division, demand was muted in the European truck market as well as in the construction machinery segment of the high-growth Chinese market, whereas demand for trucks in Brazil, which is an important market for GRAMMER, was well up on the previous weak year. In the first nine months of the current year, revenue in the offroad market was virtually flat. However, it was possible to offset the weakness of the European truck market by gains in market share. Accordingly, the muted demand in Europe did not leave any direct traces on the revenue achieved by GRAMMER. Overseas markets were characterized by disparate trends. The NAFTA markets saw a slight decline in the economic performance in all of the Seating Systems Division's business segments. In Brazil, by contrast, the markets have continued to expand since the beginning of the year, resulting in substantial gains compared with the lackluster previous year, although growth weakened to some extent in the third quarter not least of all also due to currency translation effects. In Asia, revenue was down slightly on the previous year in the first nine months of 2013.

Continued growth in consolidated earnings

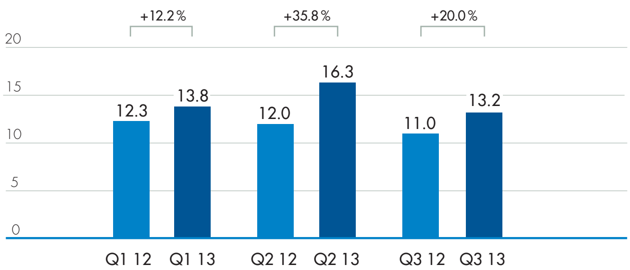
Consolidated earnings before interest and taxes (EBIT) came to EUR 43.3 million in the first nine months of 2013, substantially higher than in the same period of the previous year (01 – 09 12: 35.3). Operating earnings were influenced by the strong top-line performance, the recovery in the Brazilian market, the cost of setting up and expanding production facilities in China and the Czech Republic and the acquisition of nectec Automotive s.r.o. GRAMMER recorded an EBIT of EUR 13.2 million in the third quarter, up EUR 2.2 million on the same quarter of the previous year. In some cases, raw material prices have risen in the course of the year in individual regions, reflecting economic conditions and the related demand. In particular, mounting price pressure arose with steel and oil-based products. In contrast to the previous year, exchange-rate fluctuation has so far not exerted any influence.

Group revenue development by quarter[1] (in EUR m)



[1] adjusted prior-year figures

Group EBIT development by quarter[1] (in EUR m)

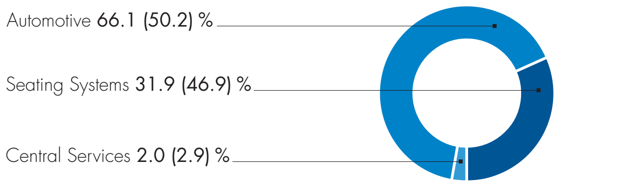


[1] adjusted prior-year figures

Capital spending focused on extensions and optimization measures

At EUR 15.5 million, capital spending by the GRAMMER Group was up on the same quarter of the previous year (Q3 12: 6.3). The increase of EUR 4.3 million (Q3 12: 2.0) in capital spending on property, plant and equipment and intangible assets in the division Seating Systems in the third quarter is chiefly due to the GRAMMER Seating (Jiangsu) Co. Ltd. joint venture, which was established in 2013. Capital spending in the Automotive Division totaled EUR 10.8 million (Q3 12: 4.1) and was chiefly related to extensions to our production capacities and optimization of our production structures. Capital spending in the Central Services Division was again distinctly restrained.

Investments by segments, January to September 2013
(previous year in brackets)



in EUR m

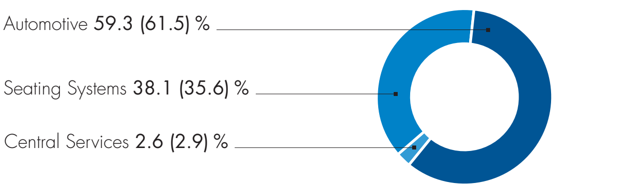
	01–09 2013	01–09 2012[1]	Change
Automotive	20.5	10.4	97.1%
Seating Systems	9.9	9.7	2.1%
Central Services	0.6	0.6	0%
Total	31.0	20.7	49.8%

[1] adjusted prior-year figures

Employees

As of September 30, 2013, the GRAMMER Group had a total of 9,580 employees (September 30, 2013: 8,809). The headcount in the Automotive Division rose to 5,685 (September 30, 2012: 5,419); this figure includes 240 employees who have joined the Group as a result of the acquisition of nectec Automotive s.r.o. In the Seating Systems Division, the number of employees increased to 3,648 as of September 30, 2013 (September 30, 2012: 3,139); of this, the GRAMMER Seating (Jiangsu) Co. Ltd. joint venture established in 2013 accounted for 190 additional recruitments. Further direct recruiting continued at the non-domestic sites primarily in response to business requirements. This was particularly the case in China as well as in Bulgaria and Brazil. The Central Services Division had 247 employees (September 30, 2012: 251). Adjusted for the newly consolidated companies, efficiency gains and also a lower personnel cost ratio were achieved despite the increase in staff numbers.

Employees by segments, September 30, 2013
(previous year in brackets)



as of September 30

	2013	2012[1]	Change
Automotive	5,685	5,419	4.9%
Seating Systems	3,648	3,139	16.2%
Central Services	247	251	–1.6%
Total	9,580	8,809	8.8%

[1] adjusted prior-year figures

Total assets up on the previous year due to funding operations and growth

Condensed Balance Sheet GRAMMER Group

in EUR k

	September 30, 2013	December, 31 2012 adjusted[1]	Change
Non-current assets	291,499	266,790	24,709
Current assets	473,298	402,144	71,154
ASSETS	764,797	668,934	95,863
Equity	225,134	213,094	12,040
Non-current liabilities	274,985	199,447	75,538
Current liabilities	264,678	256,393	8,285
EQUITY AND LIABILITIES	764,797	668,934	95,863

[1] adjusted prior-year figures

Note on accounting figures: 2012 = adjusted figures as of December 31, 2012

As of September 30, 2013, the GRAMMER Group had total assets of EUR 764.8 million (2012: 668.9). This is equivalent to an increase of EUR 95.9 million compared with the end of 2012 and chiefly reflects the increase in trade accounts receivable, other current financial assets and the acquisition of nectec Automotive s.r.o.

The EUR 24.7 million increase in non-current assets to EUR 291.5 million was primarily due to the acquisition of nectec Automotive s.r.o. Within this item, property, plant and equipment rose by EUR 11.5 million to EUR 177.7 million and intangible assets by EUR 16.6 million to EUR 73.5 million. The acquisition resulted in a preliminary addition of EUR 17.7 million to intangible assets including proportionate goodwill of EUR 3.8 million and patents and capitalized customer orders of EUR 13.9 million. Deferred taxes relate to the effects of pension revaluations in connection with the amendments to IAS 19 which were applied as of January 1, 2013.

Current assets climbed by EUR 71.2 million to EUR 473.3 million as a result of the higher revenue in the Automotive Division and the acquisition of nectec Automotive s.r.o. Trade accounts receivable rose to EUR 172.5 million (2012: 140.9), with other current financial assets also increasing to EUR 90.1 million (2012: 64.2) due to the growth recorded in the Automotive Division. At EUR 119.2 million, inventories were up on the previous year (2012: 106.9). Cash and short-term deposits stood at EUR 68.0 million at the reporting date, i.e. below the previous year's figures (2012: 73.1).

At EUR 225.1 million (2012: 213.1), the GRAMMER Group's equity was up on the previous year thanks to its positive business performance and now includes the actuarial losses on pensions, which are reported within equity in accordance with the revised IAS 19. The equity ratio came to around 29 %, i.e. down on the figure recorded as of December 31, 2012 (2012: 32), due to the increase in total assets.

Non-current liabilities stand at EUR 275.0 million (2012: 199.4). This is higher than in the previous year and includes the pension provisions which have now been adjusted to include actuarial losses (EUR 25.8 million) following the abolition of the corridor method. Non-current financial liabilities rose chiefly as a result of the issue of the new debenture bond of EUR 73.5 million.

Current liabilities climbed to EUR 264.7 million due to business performance and the acquisition of nectec Automotive s.r.o., although the current financial liabilities of EUR 29.5 million were well down on the previous year (2012: 72.8). This is due to the redemption of the 2006 debenture bond of EUR 44.0 million in August 2013. Gearing stood at 49 % (2012: 36) and net financial debt stood at EUR 110.5 million (2012: 76.5).

The favorable business performance resulted in an increase in trade accounts payable of EUR 30.1 million to EUR 149.5 million and in other current liabilities of EUR 20.2 million to EUR 68.5 million. Accordingly, the increase in total assets primarily caused by business operations was largely covered by liabilities arising in business operations. The increase in total assets resulting from the issue of the new debenture bond was reduced due to the scheduled settlement of existing liabilities of EUR 44.0 million in August 2013.

Further information on the assets, equity and liabilities shown on the face of the Group's balance sheet as well as the effect of changes in accounting methods can be found in the consolidated statement of financial position, the statement of changes in consolidated equity and the corresponding parts of the notes to the consolidated financial statements.

Automotive Division

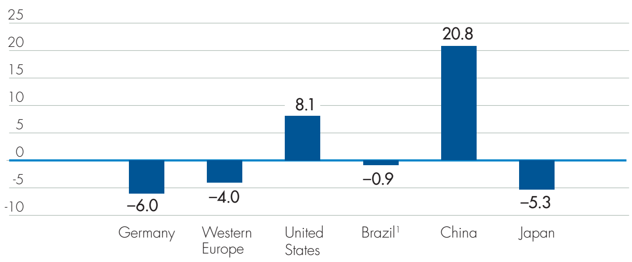
Automotive markets still painting a mixed picture

Conditions in the global automotive markets remain disparate. Thus, the United States and China achieved high growth rates of 8 % and 21 %, respectively, in the first nine months of the year.

By contrast, the European automotive markets shrank for the most part in the period from January through September 2013 (down 4 %). Although the rate of contraction slowed, the major automotive markets were still down. Registration numbers dropped by 8.5 % in France (1,309,813 vehicles), 8.3 % in Italy (1,000,032 vehicles) and 1.6 % in Spain (546,435 vehicles). In the United Kingdom, there have been 1,794,924 new vehicle registrations in the year to date (up 10.8 %), thus making it the fastest growing market.

The German automotive market appears to be showing slight signs of stabilization. With new registrations coming to 247,199 vehicles in September, the year-ago figure was almost reached (down 1.2%). 2,217,019 new passenger vehicles were registered in the first nine months, 6 % down on the same period of the previous year.

Development of automobile sales in selected countries
January to September 2013 (in %)



[1] including light vehicles
Source: VDA

Automotive business characterized by higher revenue

Key figures Automotive division

in EUR m

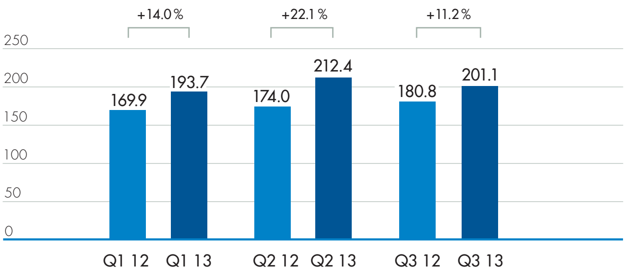
	01–09 2013	01–09 2012[1]	Change
Revenue	607.2	524.7	15.7%
EBIT	24.7	21.4	15.4%
Investments (without acquisition)	20.5	10.4	97.1%
Employees (number)	5,685	5,419	4.9%

[1] adjusted prior-year figures

Despite the general decline in new registrations in Europe, the Automotive Division posted substantial revenue growth in the first nine months of 2013. As of September 30, 2013, revenue was up 15.7 % or EUR 82.5 million, coming to EUR 607.2 million (01 – 09 12: 524.7) due to the strengthened market position in the premium segment and strong Chinese business. The Division achieved substantial gains as a result of new product launches, the acquisition of nectec Automotive s.r.o. and robust conditions in the premium segment in Europe. In addition, project business was well up on the previous year. Revenue also rose substantially in China, underpinned by continued strong demand for premium and upper middle-class vehicles. In the NAFTA region, GRAMMER was able to broaden its strong position in the Automotive Division thanks to the robust US economy. On the other hand, the Brazilian automotive market weakened slightly in the period under review. In the third quarter, revenue in the Automotive Division climbed by EUR 20.3 million or 11.2 % to EUR 201.1 million (01 – 09 12: 180.8).

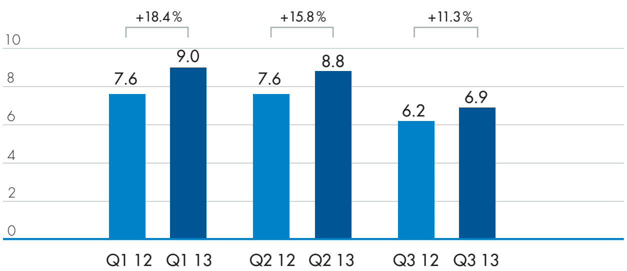
Operating earnings in the Automotive Division came to EUR 24.7 million in the first nine months of the year (01 – 09 12: 21.4). At 4.1 %, the EBIT margin in this period was unchanged over the previous year (01 – 09 12: 4.1). In the third quarter, operating earnings rose slightly to EUR 6.9 million (Q3 12: 6.2). Persistent sourcing-side cost pressure and the advance outlays in connection with the establishment of new facilities in China and the Czech Republic took their toll on earnings. However, the generally satisfactory business performance in the period under review vindicates the Division's systematic strategy of focusing on supplying customers in the premium segment. That said, the still fragile state of the European economy, volatile exchange rate parities arising from the still unresolved sovereign debt crisis and fluctuation in the prices of raw materials continue to pose major challenges for the Group.

Automotive revenue development by quarter[1] (in EUR m)



[1] adjusted prior-year figures

Automotive EBIT development by quarter[1] (in EUR m)



[1] adjusted prior-year figures

Seating Systems Division

Commercial vehicle markets performing disparately

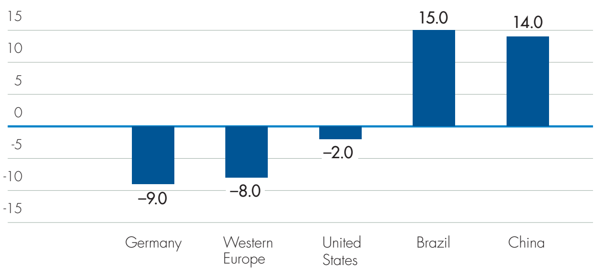
The trends of the past few months continued in the commercial vehicle markets.

The US commercial vehicle market shrank by 2 % in the first nine months of the year, due to a 10 % decline in sales of heavy trucks to 132,593 vehicles, while there was an 8 % increase in sales of medium trucks to 121,411 vehicles.

Brazil and China reported double-digit increases in sales from January to September. 110,916 trucks over 6 tons were sold in Brazil and 789,013 in China.

Heavy declines were recorded in Western Europe again although they were no longer as pronounced as in the first half of the year. In Germany, the rate of decline has also slowed, with new registrations of trucks over 6 tons coming to 57,200 in the period from January to September.

Development of commercial vehicle sales (trucks over 6 tons) in selected countries
January to September 2013 (in %)



Source: VDA

Agricultural machinery industry

26,813 new tractors were registered in Germany from January to September 2013, down a small 1.1 % on the same period of the previous year. Consequently, the declines in the German tractor market are a good deal less severe than in Europe as a whole. In the year to the end of August, 5 % fewer tractors were registered (118,509 units) across Europe. The French tractor market was the only major European market to have achieved a gain during this period (up 9 % to 25,575 units).

Material handling

According to industry association bbi (Bundesverband der Baumaschinen-, Baugeräte- und Industriemaschinenfirmen e. V.), most German material handling vehicle producers recorded lower or flat sales in the first half of the year, with only one quarter reporting a year-over-year increase in sales.

Construction machinery

Conditions in the German construction machinery market were muted at the beginning of 2013, although order receipts stabilized substantially in the course of the year. Even so, sales in the sector as a whole are down in the year to date.

Railway industry

The German railway industry recorded new record order intake in the first half of the year, with new orders rising by 47 % over the previous year to EUR 8.7 billion.

Seating Systems business generally substantially stronger despite regional differences in order intake

Key figures Seating Systems division

in EUR m

	01–09 2013	01–09 2012[1]	Change
Revenue	361.1	339.4	6.4%
EBIT	27.0	19.8	36.4%
Investments (without acquisition)	9.9	9.7	2.1%
Employees (number)	3,648	3,139	16.2%

[1] adjusted prior-year figures

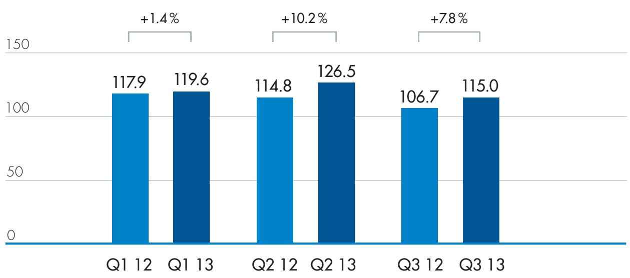
In the period under review, revenue in the Seating Systems Division was appreciably higher than in the previous year. Despite the general weakness afflicting the European market, the Division's various product segments performed well thanks to the recovery in the Brazilian market and were able to continue fortifying their market position.

The upward trend seen in the first half of the year continued with unabated momentum in the third quarter of 2013. Revenue in the Offroad segment remained stable at a high level despite persistently challenging market conditions. Revenue in the truck segment continued to rise, with additional market share gained in key markets, underpinned by the market recovery in Brazil as well as the effects of new product launches in Europe, which more than made up for the general market weakness.

The Railway segment had been awarded several major national and international contracts in 2012 and this buoyed revenue in the first nine months of 2013. As a result, revenue in this segment was substantially up on the previous year in the period under review.

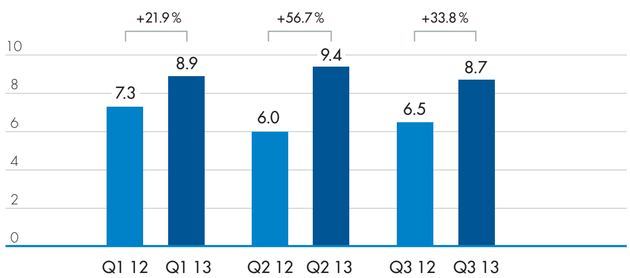
All told, revenue in the Seating Systems Division came to EUR 361.1 million in the first nine months, 6.4 % higher than in the same period of the previous year (01 – 09 12: 339.4). The top-line growth seen in the first half of 2013 gained momentum in the third quarter. Revenue rose by 7.8 % to EUR 115.0 million in the third quarter (Q3 12: 106.7), thus substantially exceeding the growth rate of 5.8 % recorded in the first half. Earnings also improved substantially thanks to the top-line growth in Brazil and the weaker strain caused by new product launches compared with the previous year. Operating profit rose from EUR 19.8 million to EUR 27.0 million, translating into an EBIT margin of 7.5 % in the period under review (01 – 09 12: 5.8 %), thus remaining at a gratifyingly high level.

Seating Systems revenue development by quarter[1] (in EUR m)



[1] adjusted prior-year figures

Seating Systems EBIT development by quarter[1] (in EUR m)



[1] adjusted prior-year figures

Full-year outlook for 2013

Global economic outlook
The global economy is currently characterized by uncertainty, with downside risks set to strengthen throughout the rest of the year.

This has prompted the International Monetary Fund (IMF) to modify its projections for the global economy. In its October World Economic Outlook, it now projects growth of 2.9 % for the global economy this year. This is a downward correction of 0.3 percentage points compared with its July forecast.

In the United States, consumer spending is continuing to prop up the economy. However, uncertainty surrounding the outcome of the debt-ceiling conflict is standing in the way of stronger economic growth. This has prompted the IMF to trim its forecast for the US economy marginally by 0.1 percentage points to 1.6 %.

The IMF now sees a risk of growth slowing in many emerging markets. Budget deficits and the withdrawal of Western capital are causing funding conditions to deteriorate. Thus, the IMF has now trimmed its growth forecast by 0.2 percentage points for China to 7.6 % and by 1.8 percentage points for India to 3.8 %. Its forecast for Brazil is an unchanged 2.5 %.

The German economy is increasingly gaining momentum, driven by strong domestic demand, which in turn is being bolstered by rising employment and appreciable wage and salary hikes. Accordingly, the IMF has raised its forecast by 0.2 percentage points and is now looking for growth of 0.5 % in Germany this year. In their autumn report, which was published in October, the leading German research institutes forecast growth of 0.4 % in Germany for 2013.

The IMF has also raised its forecasts for the large economies of France and the United Kingdom. It now expects growth of 1.4 % in the United Kingdom (up 0.5 percentage points) and 0.2 % in France (up 0.3 percentage points). Accordingly, the IMF has increased its forecast for the Eurozone as a whole by a slight 0.1 percentage points to –0.4 %.

Automotive industry – outlook for 2013

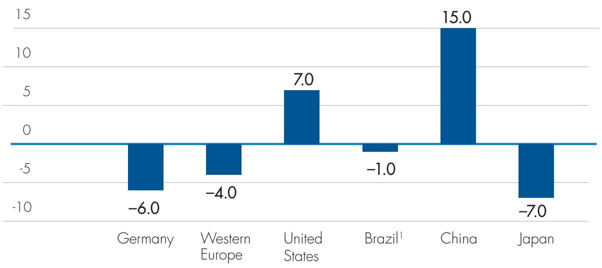
Global automotive sector gaining momentum
The outlook for the global automotive sector has brightened in many markets over the past few months.

The German Association of the Automotive Industry (VDA) has increased its previous forecast by 1 percentage point and now assumes that global new vehicle registrations will rise by 3 % to around 71 million units. In the United States and China in particular, robust growth of 7 % and 15 %, respectively, is expected.

In Western Europe, VDA forecasts new vehicle registrations of 11.3 million (down 4 %), with a greater rate of contraction expected in France and Italy (down 8 %). VDA assumes that new vehicle registrations in Spain will come to around 700,000, i.e. unchanged over the previous year. It has raised its forecast for the United Kingdom to 2.2 million (up 8 %).

It continues to assume that Germany will record new vehicle registrations of around 2.9 million this year (down 6 %).

Expected development of automobile sales in selected countries
2013 (in %)



[1] including light vehicles
Source: VDA

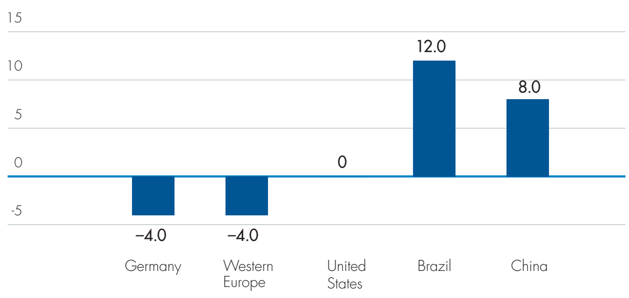
Commercial vehicle industry – outlook for 2013

Commercial vehicle markets stabilizing but still accompanied by regional disparities

Disparate trends are expected in the commercial vehicle markets. According to a current VDA forecast, the US market will fail to exceed the previous year's high level. By contrast, the markets in Brazil and China are exhibiting momentum thanks to heightened industrial production. In addition, favorable finance should cause new registrations of heavy trucks to rise by 12 % this year. However, there are signs that the Brazilian truck market will cool off again next year. In China growth of as much as 8 % is possible in view of the government incentive programs to encourage truck sales.

VDA expects trucks sales to stabilize in Europe. The Eurozone fleet, which is highly antiquated in some cases, will trigger heavy replacement spending, with the Euro VI emission standard, which takes effect in 2014, likely to generate pull-forward effects this year.

Expected development of commercial vehicle sales (trucks over 6 tons) in selected countries
2013 (in %)



Source: VDA

Agricultural machinery industry

VDMA expects sales in the German agricultural machinery industry to widen by a good 6.4 % to EUR 8.2 billion this year. By contrast, the tractor market looks set to contract slightly, with VDMA projecting sales of around 35,000 tractors by the end of the year, equivalent to a decline of a good 3 % over the previous year.

Material handling

According to industry association bbi (Bundesverband der Baumaschinen-, Baugeräte- und Industriemaschinenfirmen), companies in this sector remain optimistic with regard to 2013 and are expecting 3 % revenue growth this year.

Construction machinery

VDMA assumes that the sales in the German construction machinery market will fall somewhat short of the previous year. The European construction machinery market is also expected to weaken, particularly in Southern Europe. China and India are continuing to fall short of expectations.

Railway industry

On the strength of the record order receipts in the first half of the year, the railway industry hopes to be able to repeat the growth in business achieved in the previous year. According to a forecast by the German Railway Industry Association (VDB), the global market for railway equipment should expand by 2.7 % p.a. through 2017.

Outlook for the GRAMMER Group

GRAMMER Group – full-year outlook for 2013

With revenue up substantially in the first nine months, the indications for the fourth quarter are mildly favorable. However, customer calloffs remain characterized by heavy volatility particularly towards the end of the year.

Full-year revenue in 2013 is expected to be appreciably higher as a whole than in the previous year chiefly due to growth in truck seat business in Europe, the launch of new products, the market trend in South America and the activities in China. These are the main determinants of the GRAMMER Group's favorable performance in 2013.

On the basis of current trends and the underlying conditions described above, full-year earnings expectations for the GRAMMER Group in the current year are also generally optimistic; accordingly, earnings should be clearly up on the previous year provided that no further risks emanate from the currency markets and economic conditions in the core markets remain stable.

Automotive Division – outlook for 2013

On the strength of its business performance to date and current forecasts as well as the additional revenue resulting from the acquisition of nectec Automotive s.r.o, we expect revenue in the Automotive Division to be substantially up on the previous year in 2013. Following the release of new models and the IAA, selected upper-class and premium vehicles are selling well. Generally speaking, the new product launches which have commenced in the middle and upper-class segment will help to boost revenue over the next few months assuming that trends continue as planned. New registrations have recently been stabilizing in Western Europe and OEM forecasts are generally pointing to slight growth. Trends in the export and emerging markets remain difficult to forecast due to heightened volatility in calloffs and currencies, although the markets of key importance to GRAMMER – China and NAFTA – are continuing to perform well.

Operating profit in the Automotive Division in 2013 will be influenced by revenue expectations as well as trends in the commodity and currency markets. The planned additions to production capacity at the new plants will continue to leave traces on earnings. Assuming that new customer orders remain stable and go forward as planned, full-year operating earnings should be slightly up on the previous year.

Seating Systems Division – outlook for 2013

The consistently strong order situation since the beginning of the year will begin to weaken for seasonal reasons in the fourth quarter. Within the Seating Systems Division, revenue in the Offroad segment remains at a high level, although the pace of growth is expected to slow compared to the previous year. Truck business is recovering in Europe, with demand in the United States now flat. Markets in South America and particularly Brazil are beginning to contract due to the absence of any stimulation. We are currently able to avert the effects of the nascent downswing in the Brazilian market via revenue generated in European truck business. We expect revenue in the Seating Systems Division slightly higher in the final quarter of the year, meaning that the full-year figures should be appreciably up on the previous year in 2013.

Given the continued high revenue in the Offroad segment, still stable conditions in the sector, the satisfactory state of the Brazilian truck market over the year as a whole and reduced expenses for new product launches for trucks, we assume that earnings in the Seating Systems Division will remain at their current good level, thus substantially exceeding the previous year. However, strain may arise from recent currency trends in the emerging markets.

Opportunities and risks

In addition to the risks and opportunities to which we refer in the Management Report of the Annual Report for the fiscal year ended December 31, 2012, the facts described in the "Outlook" section of this report are currently relevant to the Company's situation. 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. Moreover, there is in particular an increased risk of price increases and insolvencies among our suppliers, which our purchasing department is attempting to mitigate through expanded monitoring activities and global sourcing. Trends in the European car and truck markets also harbor further risks as conditions are generally expected to remain uncertain. A decline in economic growth in Europe, the United States and China could also take its toll on the previously stable markets. At this time, the Group is unable to evaluate either the effects or the complexity of these risks.

Summary statement by the Executive Board

Given the business situation in the first nine months of 2013 and against the backdrop of current economic conditions in Europe, Asia and the United States, we still consider the GRAMMER Group's performance to be decidedly stable. For the year as a whole, we expect consolidated revenue to remain appreciably above the previous year, while earnings should be substantially up. Possible risks arising from the foreign currency markets, the persistent debt crisis and conditions in the global car and truck markets continue to be monitored closely and may also place a damper on revenue and earnings in the event of any negative trends emerging.

Responsibility statement

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

Amberg, November 8, 2013

GRAMMER AG
The Executive Board

Consolidated Statement of Income
January 1 – September 30 of the respective financial year (unaudited)

EUR k

	Q3 2013	Q3 2012 adjusted [1]	01 – 09 2013	01 – 09 2012 adjusted [1]
Revenue	310,407	283,277	952,862	850,452
Cost of sales	–270,974	–250,639	–828,923	–745,232
Gross profit	**39,433**	**32,638**	**123,939**	**105,220**
Selling expenses	–6,780	–6,546	–19,947	–19,742
Administrative expenses	–22,636	–19,097	–67,310	–57,988
Other operating income	3,178	3,972	6,621	7,813
Operating profit/loss (–)	**13,195**	**10,967**	**43,303**	**35,303**
Financial income	441	334	1,103	962
Financial expenses	–3,161	–2,887	–9,121	–9,182
Other financial result	–1,013	–235	–1,146	–262
Profit/loss (–) before income taxes	**9,462**	**8,179**	**34,139**	**26,821**
Income taxes	–2,839	–2,278	–10,242	–7,613
Net profit/loss (–)	**6,623**	**5,901**	**23,897**	**19,208**
Of which attributable to:				
Shareholders of the parent company	6,835	5,928	24,135	19,182
Non-controlling interests	–212	–27	–238	26
	6,623	**5,901**	**23,897**	**19,208**

Earnings/loss (–) per share

	01 – 09 2013	01 - 09 2012[1]
Basic/diluted earnings/loss (–) per share in EUR	2.15	1.71

[1] Prior-year figures were adjusted to reflect application of IFRS 11 and the amended version of IAS 19.

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

EUR k

	Q3 2013	Q3 2012 adjusted [1]	01 – 09 2013	01 – 09 2012 adjusted [1]
Net profit/loss (–)	6,623	5,901	23,897	19,208
Amounts not to be recycled in income in future periods				
Actuarial Gains/Losses (–) from defined benefit plans				
Gains/Losses (–) in the current period	0	0	0	0
Tax expenses (–)/Tax income	0	0	0	0
Actuarial Gains/Losses (–) from defined benefit plans (after tax)	0	0	0	0
Total amount not to be recycled in income in future periods	0	0	0	0
Amounts potentially recycled in income in future periods				
Gains/Losses (–) from currency translation of foreign subsidiaries				
Gains/Losses (–) arising in the current period	–5,280	–3,706	–8,546	–1,684
Less transfers recognized in the Income Statement	0	0	0	0
Tax expenses (–)/Tax income	0	0	0	0
Gains/Losses (–) from currency translation of foreign subsidiaries (after tax)	–5,280	–3,706	–8,546	–1,684
Gains/Losses (–) from cash flow hedges				
Gains/Losses (–) arising in the current period	–60	–403	838	–1,399
Less transfers recognized in the Income Statement	214	0	157	–127
Tax expenses (–)/Tax income	–7	110	–257	428
Gains/Losses (–) from cash flow hedges (after tax)	147	–293	738	–1,098
Gains/Losses (–) from net investments in foreign operations				
Gains/Losses (–) arising in the current period	–1,361	403	–937	2,105
Less transfers recognized in the Income Statement	0	0	0	0
Tax expenses (–)/Tax income	0	0	0	0
Gains/Losses (–) from net investments in foreign operations (after tax)	–1,361	403	–937	2,105
Total amount to be potentially recycled in income in future periods	–6,494	–3,596	–8,745	–677
Adjustment other comprehensive income for the period	0	–219	0	–9
Other comprehensive income	–6,494	–3,815	–8,745	–686
Total comprehensive income (after tax)	129	2,086	15,152	18,522
Of which attributable to:				
Shareholders of the parent company	414	2,114	15,469	18,492
Non-controlling interests	–285	–28	–317	30

[1] Prior-year figures were adjusted to reflect application of IFRS 11 and the amended version of IAS 19.

Consolidated Statement of Financial Position as of September 30, 2013 and December 31, 2012 (unaudited)

ASSETS

EUR k

	September 30, 2013	December 31, 2012 adjusted[1]
Non-current assets		
Property, plant and equipment	177,666	166,204
Intangible assets	73,487	56,921
Investments measured at equity	130	0
Other financial assets	908	1,212
Income tax assets	53	57
Deferred tax assets	39,255	42,396
	291,499	**266,790**
Current assets		
Inventories	119,194	106,900
Trade accounts receivable	172,510	140,857
Other current financial assets	90,062	64,151
Short-term income tax assets	4,636	2,298
Cash and short-term deposits	68,039	73,133
Other current assets	18,857	14,805
	473,298	**402,144**
Total assets	**764,797**	**668,934**

EQUITY AND LIABILITIES

EUR k

	September 30, 2013	December 31, 2012 adjusted[1]
Equity		
Subscribed capital	29,554	29,554
Capital reserve	74,444	74,444
Own shares	–7,441	–7,441
Retained earnings	150,079	131,552
Accumulated other comprehensive income	–24,203	–15,537
Equity attributable to shareholders of the parent company	**222,433**	**212,572**
Non-controlling interests	2,701	522
Total equity	**225,134**	**213,094**
Non-current liabilities		
Non-current financial liabilities	149,084	76,778
Trade accounts payable	2,782	5,254
Other financial liabilities	3,524	2,549
Retirement benefit obligations	96,334	94,007
Income tax liabilities	578	571
Deferred tax liabilities	22,683	20,288
	274,985	**199,447**
Current liabilities		
Current financial liabilities	29,452	72,822
Current trade accounts payable	146,744	114,105
Other current financial liabilities	3,241	9,334
Other current liabilities	68,548	48,301
Current income tax liabilities	5,580	2,197
Provisions	11,113	9,634
	264,678	**256,393**
Total liabilities	**539,663**	**455,840**
Total equity and liabilities	**764,797**	**668,934**

[1] Prior-year figures were adjusted to reflect application of IFRS 11 and the amended version of IAS 19.

Consolidated Statement of Cash Flow
January 1 – September 30 of the respective financial year (unaudited)

EUR k

	01 – 09 2013	01 – 09 2012 adjusted[1]
1. Cash flow from operating activities		
Profit/Loss (–) before income taxes	34,139	26,821
Non-cash items		
Depreciation of property, plant and equipment	19,839	18,734
Amortization of intangible assets	5,375	3,050
Changes in provisions and pension provisions	7,792	1,672
Other non-cash changes	–4,744	–4,639
Changes in net working capital		
Decrease/Increase (–) in trade accounts receivable and other receivables	–54,484	–27,522
Decrease/Increase (–) in inventories	–10,588	–14,341
Decrease/Increase (–) in other assets	809	3,169
Decrease (–)/Increase in accounts payable and other liabilities	29,328	15,359
Gains/Losses from disposal of assets	96	79
Income taxes paid	0	0
Cash flow from operating activities	**27,562**	**22,382**
2. Cash flow from investing activities		
Purchases		
Purchase of property, plant and equipment	–26,765	–19,337
Purchase of intangible assets	–4,270	–1,366
Purchase of financial investments	–390	0
Acquisition of subsidiaries (less acquired cash)	–21,896	0
Disposals		
Disposal of property, plant and equipment	1,001	1,040
Disposal of intangible assets	8	8
Disposal of financial investments	346	91
Interest received	1,104	962
Government grants received	2,071	917
Cash flow from investing activities	**–48,791**	**–17,685**
3. Cash flow from financing activities		
Dividend payments	–5,612	–4,486
Issue of new shares	0	0
Changes in non-current liabilities to banks	69,915	–60,372
Changes in current liabilities to banks	–43,378	58,716
Changes in lease liabilities	1,651	1,942
Interest paid	–6,528	–7,683
Cash flow from financing activities	**16,048**	**–11,883**
4. Cash and cash equivalents at end of period		
Net changes in cash and cash equivalents (sub-total of items 1–3)	–5,181	–7,186
Change in scope of consolidation	–181	–279
Effects of exchanges rate differences of cash and cash equivalents	0	0
Cash and cash equivalents as of January 1	71,400	44,905
Cash and cash equivalents as of September 30	**66,038**	**37,440**
5. Analysis of cash and cash equivalents		
Cash and short-term deposits	68,039	39,713
Change in scope of consolidation	–181	–279
Bank overdrafts	–1,820	–1,994
Cash and cash equivalents as of September 30	**66,038**	**37,440**

[1] Prior-year figures were adjusted to reflect application of IFRS 11 and the amended version of IAS 19.

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

EUR k

					Accumulated other comprehensive income						
	Subscribed capital	Capital reserve	Revenue reserve	Own shares	Cash flow hedges	Currency translation	Net investments in foreign operations	Actuarial gains/losses from defined benefit plans	Total	Non-controlling interests	Group equity
As of January 1, 2013	29,554	74,444	131,426	–7,441	–1,831	6,946	–5,575	0	227,523	522	228,045
Accounting method changes	0	0	126	0	0	0	3,248	–18,325	–14,951	0	–14,951
As of January 1, 2013 adjusted [1]	29,554	74,444	131,552	–7,441	–1,831	6,946	–2,327	–18,325	212,572	522	213,094
Net profit/loss (–) for the period	0	0	24,135	0	0	0	0	0	24,135	–238	23,897
Other comprehensive income	0	0	0	0	738	–8,467	–937	0	–8,666	–79	–8,745
Total comprehensive income	0	0	24,135	0	738	–8,467	–937	0	15,469	–317	15,152
Dividends	0	0	–5,608	0	0	0	0	0	–5,608	–4	–5,612
Own shares	0	0	0	0	0	0	0	0	0	0	0
Acquisition of non-controlling interests	0	0	0	0	0	0	0	0	0	2,500	2,500
Sale of non-controlling interests	0	0	0	0	0	0	0	0	0	0	0
As of September 30, 2013	29,554	74,444	150,079	–7,441	–1,093	–1,521	–3,264	–18,325	222,433	2,701	225,134

[1] Prior-year figures were adjusted to reflect application of IFRS 11 and the amended version of IAS 19.

Consolidated Statement of Changes in Equity as of September 30, 2012 (unaudited)

EUR k

adjusted[1]					Accumulated other comprehensive income						
	Subscribed capital	Capital reserve	Revenue reserve	Own shares	Cash flow hedges	Currency translation	Net investments in foreign operations	Actuarial gains/losses from defined benefit plans	Total	Non-controlling interests	Group equity
As of January 1, 2012	29,554	74,444	111,528	–7,441	–662	9,939	–6,671	0	210,691	474	211,165
Accounting method changes	0	0	–4,802	0	0	0	3,076	–3,849	–5,575	0	–5,575
As of January 1, 2012 adjusted[1]	29,554	74,444	106,726	–7,441	–662	9,939	–3,595	–3,849	205,116	474	205,590
Net profit/loss (–) for the period	0	0	17,737	0	0	0	0	0	17,737	26	17,763
Net profit/loss (–) for the period adjusted[1]	0	0	1,445	0	0	0	0	0	1,445	0	1,445
Other comprehensive income	0	0	–9	0	–1,098	–1,688	2,105	0	–690	4	–686
Total comprehensive income	0	0	19,173	0	–1,098	–1,688	2,105	0	18,492	30	18,522
Dividends	0	0	–4,486	0	0	0	0	0	–4,486	0	–4,486
Own shares	0	0	0	0	0	0	0	0	0	0	0
Sale of non-controlling interests	0	0	0	0	0	0	0	0	0	8	8
As of September 30, 2012	29,554	74,444	121,413	–7,441	–1,760	8,251	–1,490	–3,849	219,122	512	219,634

[1] Prior-year figures were adjusted to reflect application of IFRS 11 and the amended version of IAS 19.

Selected Notes to the GRAMMER AG Consolidated Statement of Income for the Period from January 1 to September 30, 2013 and the Consolidated Statement of Financial Position as of September 30, 2013 (unaudited)

Principles and methods of accounting in the Interim Financial Statements
GRAMMER AG prepared its Consolidated Financial Statements for fiscal year 2012 and the present Interim Financial Statements for the period ended September 30, 2013 in accordance with the International Financial Reporting Standards (IFRS) as promulgated by the International Accounting Standards Board (IASB). The name "IFRS" also refers to the still applicable International Accounting Standards (IAS), as well as the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) and those of the former Standing Interpretations Committee (SIC). Accordingly, this Interim Report for the period ended September 30, 2013, 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 2012. 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, 2013, 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, 2013. 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.

Adjustments of prior-year figures in the presentation of financial statements result, as in the 2012 Annual Report announced, from mandatory and prospective application of standards. The changes resulting from these standards produce material effects as described below.

Amendments to IAS 19 Employee Benefits
The IASB has comprehensively revised IAS 19. The implemented amendments range from fundamental changes, e. g. with respect to calculation of expected gains from plan assets and elimination of the corridor method, to simple clarifications and rewording. The amended version of IAS 19 was published in June 2011 and is applicable for the first time in the fiscal year beginning on or after January 1, 2013. The standard is to be applied retroactively. Since the Group formerly applied the now prohibited corridor method, in the future the provision amount will reflect the full extent of the pension commitments, with calculated actuarial gains and losses being fully recognized under other comprehensive income in the period when they occur. Furthermore, any offsetting of past service costs resulting from plan amendments is immediately recognized in net profit or loss for the period. Amortization over multiple years is no longer applied. This change in the new version of IAS 19, which is to be applied beginning January 1, 2013, means that calculated actuarial gains/losses are recognized upon initial application in equity. As shown in the following table, this resulted in major changes, which however are not realized. The changes are the result of the discount factor, the long-term mean for which has dropped to a very low level as a result of the euro crisis.

The retrospective effects of the changes are as follows:

Effects from amendments to IAS 19 on Consolidated Statement of Financial Position

EUR k	December 31, 2012	December 31, 2012[1]
Retirement benefit obligations	68,175	94,007
Equity	228,045	209,720

[1] adjusted prior-year figures

Effects from amendments to IAS 19 on Consolidated Statement of Financial Position

EUR k	December 31, 2012	January 1, 2012
Expenses recognized in other comprehensive income	–14,499	–3,849
Changes in deferred taxes	5,939	1,545
Net addition to retirement benefit obligations	20,438	5,394

The following effects would have resulted in the Consolidated Financial Statements as of December 31, 2012 if the previous version of IAS 19 were applied:

Effects from non-amendments to IAS 19 on Consolidated Statement of Financial Position

EUR k	December 31, 2012
Equity	+18,325
Changes in deferred taxes	–7,507
Reductions in retirement benefit obligations	–25,832

Application IFRS 13

In May 2011, the IASB published IFRS 13 Fair Value Measurement, which brings together the various rules about fair value measurement, which were previously defined in separate standards, into a single standard. IFRS 13 is to be prospectively applied fiscal years starting on or after January 1, 2013. No material effects on valuations of assets and liabilities have resulted from initial application. The changes primarily affect the notes to the consolidated financial statements. In the future, the information on market values of financial instruments as well as their classification, previously reportable on an annual basis, must also be included in interim reporting.

IFRS 10 Consolidated Financial Statements

IFRS 10 was published in May 2011 and is applicable for the first time in the fiscal year starting on or after January 1, 2014. The new standard replaces the previous IAS 27 Consolidated and Separate Financial Statements as well as interpretation SIC 12 Consolidation – Special Purpose Entities. IFRS 10 defines a uniform control concept, which is applicable to all companies, including special purpose entities. The changes under IFRS 10 necessitate considerably more discretionary scope on the part of the management compared to the previous framework with respect to the issue of which companies are controlled and, thus, whether or not they are to be fully consolidated in the Group's financial statements. The provisions of IFRS 10 have been prospectively applied, in combination with prospective application of IFRS 11 and IFRS 12, beginning January 1, 2013. The Group expects no changes to the scope of consolidation from prospective application standard beyond a clarification of the companies included in consolidation and the nature of the control exercised over those companies.

IFRS 11 Joint Arrangements

IFRS 11 was published in May 2011 and is applicable for the first time in the fiscal year starting on or after January 1, 2014. Prospective application of the new standard is permissible. The standard replaces IAS 31 Interests in Joint Ventures and interpretation SIC 13 Jointly Controlled Entities – Nonmonetary Contributions by Venturers. IFRS 11 eliminates the option to account for jointly controlled entities using proportionate consolidation. In the future, these entities must be accounted for at equity in the consolidated financial statements. The Group has opted for prospective application beginning with the fiscal year starting January 1, 2013. Application of the new standard will impact the net assets of the Group because jointly controlled entities which were previously proportionately consolidated, i.e. whose assets and liabilities were included on a pro rata basis in the financial statements, must now be accounted for using the at equity method.

The Group has determined that consolidation of jointly-controlled company GRA-MAG based on application and careful examination of the rules of IFRS 11 will change from proportional consolidation to "at equity" consolidation and these changes will be reported in the quarterly financial statements.

The changes resulting from application of the standard are as follows:

At the January 1, 2013 reporting date, the proportionately consolidated assets and liabilities were eliminated and the balance recognized under the item "at equity".

EUR k

Assets	December 31, 2012	January 1, 2013
Non-current assets	267,110	259,283
Current assets	402,326	402,144
Net assets	669,436	661,427

EUR k

Liabilities	December 31, 2012	January 1, 2013
Equity	228,045	231,419
Non-current liabilities	180,855	173,615
Current liabilities	260,536	256,393
Total liabilities	441,391	430,008
Net assets	669,436	661,427

As a result of the change, the Group's equity position has been positively impacted, as the joint venture had previously contributed negative equity through proportionate consolidation of its assets and liabilities; no negative value is possible under the equity method. The proportionately consolidated income and expenditures reported in the 2012 Annual Report (see Note 4) have been eliminated.

IFRS 12 Disclosures of Interests in Other Entities

IFRS 12 was published in May 2011 and is applicable for the first time in the fiscal year starting on or after January 1, 2014. The standard combines the disclosure requirements for group accounting and consolidates information for subsidiaries, as previously governed by IAS 27, and for joint arrangements and associates, as previously by IAS 31 and IAS 28, as well as for structured entities into one comprehensive disclosure standard. Given that the new standard sets forth new disclosure requirement in addition to the existing explanatory requirements, Group reporting on such interests will have an expanded scope in the future. The Group will be early adopting IFRS 12 as of the accounting period commencing on January 1, 2013.

The preparation of the Consolidated Financial Statements in accordance with the pronouncements of the IASB requires that assumptions be made for certain items, which affect the carrying amounts in the Consolidated Statement of Financial Position and the Consolidated Income Statement, as well as the data on contingent assets and liabilities.

The present Interim Consolidated Financial Statements have not been audited and contain all customary and ongoing adjustments necessary to provide a true and fair representation of the Company's business development in the period under review. The results for the initial nine months of 2013 are not necessarily indicative of future business development.

The Consolidated Financial Statements were prepared in euro (EUR). Unless otherwise indicated, all amounts are stated in thousands of euros (EUR thousand).

Accounting and valuation principles

In preparing the Interim Financial Statements for the period ended September 30, 2013, 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, 2012. These principles and methods are described in detail in the Notes to the 2012 Consolidated Financial Statements, which were published in their entirety in the 2012 Annual Report. Additionally, the above-described standards were applied.

Estimates and assumptions

In preparing the 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.

Scope of consolidation

The following companies are included in the consolidated financial statements:

	National	Abroad	Total
Fully consolidated companies (incl. GRAMMER AG)	6	21	27
Companies consolidated "at equity"	0	2	2
Group	6	23	29

The fully consolidated companies comprise companies which are controlled either directly or indirectly by GRAMMER AG in accordance with IAS 27.

The companies consolidated "at equity" comprise the GRA-MAG joint venture, in which GRAMMER AG holds 50% of the voting rights. The NingBo Jifeng joint venture acquired through the takeover of nectec Automotive s.r.o. is also included "at equity" in the consolidated financial statements. All intragroup transactions, balances and liabilities are eliminated in the course of consolidation. The uniform reporting date for all of the consolidated companies is September 30, 2013.

Currency translation

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

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

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

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

		Average rate		Closing rate	
		01 – 09 2013	01 – 09 2012	September 30, 2013	September 30, 2012
Brazil	BRL	0.359	0.406	0.329	0.381
China	CNY	0.123	0.123	0.121	0.123
United Kingdom	GBP	1.177	1.228	1.196	1.253
Japan	JPY	0.008	0.010	0.008	0.010
Mexico	MXN	0.059	0.059	0.056	0.060
Poland	PLN	0.238	0.237	0.236	0.244
Czech Republic	CZK	0.039	0.040	0.039	0.040
Turkey	TRY	0.406	0.431	0.364	0.431
USA	USD	0.759	0.776	0.740	0.773

Business combination

On December 10, 2012, GRAMMER AG concluded a deal for the takeover of nectec Automotive s.r.o., under which GRAMMER acquired 100% of this share capital from Fehrer Group. The transaction, which was subject to approval by antitrust authorities, received approval in February 2013. GRAMMER AG acquired nectec Automotive s.r.o. on February 21, 2013. Together with the takeover of loan obligations in the amount of EUR 4.0 million, the purchase price totaled EUR 22.1 million, and included the acquisition of cash in the amount of EUR 0.2 million. No contingent considerations or compensation claims are tied to the deal. The acquired company is being integrated into the Automotive division. Inclusion in the scope of consolidation begins on February, 1, 2013.

Nectec Automotive s.r.o. develops and produces headrests primarily for the premium car market. The company was founded in 2008 by Fehrer Group, and grew rapidly to become one of the leading suppliers of headrests in Europe. nectec Automotive s.r.o.'s headquarters and production facilities are located in Ceska Lipa, Czech Republic. In total, the company employs roughly 240 people and generated revenue of slightly more than EUR 35.8 million in fiscal year 2012. As part of the deal, GRAMMER also acquires the 50% stake held by nectec Automotive s.r.o. in a joint venture with Chinese automotive supplier NingBo Jifeng. nectec Automotive s.r.o.'s product range, customer base and production location make it an ideal fit with GRAMMER's existing structure. With the takeover, the Group further strengthens its most potent revenue generating segment and bolsters the market position of the Company for headrests in Europe. At the same time, the integration of nectec Automotive s.r.o. expands GRAMMER's competence in the area of active headrest technologies, resulting in an even larger spectrum of innovative products. The acquired plant provides additional production space that GRAMMER needs for the further growth of its activities.

The costs for the acquired net assets of nectec Automotive s.r.o. totaled EUR 18.1 million. In conjunction with the deal, costs in the amount of EUR 145 thousand have been recognized under administrative costs in the income statement in 2013.

The acquired net assets comprised the following at the acquisition date:

EUR k

	Fair value at acquisition
Assets	
Property, plant and equipment	8,194
Intangible assets	13,906
Financial assets	131
Inventories	1,706
Trade accounts receivable	4,499
Other current financial assets	1,149
Cash and short-term deposits	214
Accruals/deferrals	427
	30,227
Liabilities	
Provisions	–2,598
Non-current financial liabilities	–2,390
Current financial liabilities	–4,101
Current trade accounts payable	–5,963
Other current liabilities	–443
Accruals/deferrals	–426
	–15,921
Total fair value of identifiable net assets	**14,306**
Goodwill from company acquisition	3,774
Consideration paid	**18,080**
Cash outflow from company acquisition	
Cash acquired from new subsidiary	214
Cash outflow	–18,080
Total cash outflow from company acquisition	**–17,866**

All acquired assets and liabilities were recognized at fair value on the date of acquisition. Additional intangible assets (customer contracts and similar rights) not included in the balance sheets of the acquired companies have also been recognized. Associated deferred taxes are included in the consolidated statement of financial position. For measurement of customer contracts, the multi-period excess earnings method was used. There are no significant deviations between the gross and net asset values of the liabilities. There are also no minority interests. The fair value of the acquired net assets results in non-depreciable goodwill of EUR 3,774 thousand. In accordance with IFRS 3, no amortization of goodwill will be applied. The goodwill will be determined by growth potential resulting from the takeover. In the absence of a conclusive valuation, the values applied in this interim report are preliminary. For instance, the Group may expand and solidify its relationship with existing customers as well as directly enhancing its offering with additional components. The Group has strengthened its market position in Automotive business in the key regions of Europe and China.

In the current reporting period since the acquisition date nectec Automotive s.r.o. has generated revenue of EUR 30,916 thousand and contributed after-tax profit of EUR 289 thousand.

Revenue

The Grammer Group chiefly generates revenue from the sale of its products to its customers. Revenue breaks down as follows:

EUR k

	Q3 2013	Q3 2012[1]	01 – 09 2013	01 – 09 2012[1]
Gross revenue	311,448	284,057	955,845	853,471
Sales deductions	–1,041	–780	–2,983	–3,019
Net revenue	**310,407**	**283,277**	**952,862**	**850,452**

[1] adjusted prior-year figures

The revenue of EUR 310,407 thousand for the period ending September 30, 2013 includes a sum of EUR 43,488 thousand calculated using the POC method (01 – 09 12: 19,217). This revenue arises from development activities as well as supplies which the GRAMMER Group must expense and prefinance until a product reached series production and generates initial revenue. It is chiefly attributable to the Automotive Division.

Other income

Other income of EUR 6,621 thousand as of September 30, 2013 (01 – 09 12: 7,813) includes income from the reversal of provisions, the sale of scrap and recharged handling costs as well as income from the sale of property, plant and equipment.

Financial result

EUR k

	Q3 2013	Q3 2012[1]	01 – 09 2013	01 – 09 2012[1]
Financial income	441	334	1,103	962
Financial expenses	–3,161	–2,887	–9,121	–9,182
Other financial result	–1,013	–235	–1,146	–262
Financial result	**–3,733**	**–2,788**	**–9,164**	**–8,482**

[1] adjusted prior-year figures

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

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

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

Cost of sales

The cost of sales includes the manufacturing costs attributable to sales and the cost of merchandise. This item also includes costs for operating below capacity and any other production-related overheads and administrative expenses. The expenditure required to set up reserves for warranty purposes is covered by this item as well. The cost of sales also includes non-capitalized research and development costs as well as amortization of development costs. Expenses relating to the development and expansion of plant locations in preparation for forthcoming series production ("industrialization costs") are included in the cost of sales to the extent that these expenses cannot be deferred. Development in the Seating Systems division is generally performed on a "design to market" basis, with the corresponding costs recognized accordingly. The costs of inventories until September 30, 2013, which are recognized as an expense in cost of sales, amounted to EUR 786,791 thousand (01 – 09 12: 712,899).

Selling expenses

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

Administrative expenses

Administrative expenses include all administrative expenditure which cannot be assigned directly to other functions, including expenditure for general administration, management and centralized departments. Other administrative expenses include income from exchange rate differences until September 30, 2013 in the amount of EUR 9,037 thousand (01 – 09 12: 12,280) 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 9,327 thousand (01 – 09 12: 11,543) are also recognized under other administrative expenses.

Earnings per share

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

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

	01 – 09 2013	01 – 09 2012[1]
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)	24,135	19,182
Basic/diluted earnings/loss (–) per share in EUR	2.15	1.71

[1] adjusted prior-year figures

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 conclusion of the capital increase, the share capital of the Company totals EUR 29,554,365.44 divided into 11,544,674 shares.

The new shares were placed at a price of EUR 18.20 per share for gross proceeds totaling EUR 19.1 million. In the period between April 14, 2011 and the preparation of the consolidated annual financial statements, no further transactions have been concluded with ordinary shares or potential ordinary shares of the Company. No changes or further acquisitions of own shares occurred as of September 30, 2013.

Intangible assets

Intangible assets include capitalized goodwill, which came to EUR 3,774 thousand in the first quarter of 2013 as a result of the acquisition, as well as capitalized development expenses. In the period under review, a sum of EUR 4,270 thousand was spent on licenses, software and other intangible assets. Amortization expense came to EUR 5,375 thousand (01 – 09 12: 3,050).

Property, plant and equipment

Capital spending on property, plant and equipment came to EUR 26,765 thousand in the year to September 30, 2013. Depreciation expense equaled EUR 19,839 thousand in the same period (01 – 09 12: 18,734).

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 after January 1, 2014. This resulted in a change in the recognition of the joint venture GRA-MAG, which is now required to be reported "at equity" and no longer consolidated on a proportionate basis.

Investments measured at equity are valued at EUR 130 thousand (2012: 0) and include the joint venture NingBo Jifeng, which was obtained via the acquisition of nectec Automotive s.r.o. GRA-MAG is not recorded in the balance sheet due to its negative equity.

At equity investments

EUR k

	GRA-MAG	NingBo Jifeng
September 30, 2013		
Percentage stake	50%	50%
At Equity carrying amount	0	130
At Equity result (January – September 2013)	**–1,431**	**0**
September 30, 2012		
Percentage stake	50%	
At Equity carrying amount	0	
At Equity result (January – September 2013)	**–1,444**	

Inventories
The only slight increase in inventories to EUR 119.2 million (2012: 106.9) despite the acquisition primarily reflects efforts to minimize the volume of capital tied up in inventories. All inventories are reported at cost. No significant fair-value impairments were recorded.

Trade accounts receivable
The receivables of EUR 172.5 million (2012: 140.9) reflect the structure of the revenue generated in the last few months. The fair value of the trade receivables matches their carrying amounts.

Other current financial assets
Other current financial assets chiefly comprise receivables from construction contracts of EUR 78.5 million (2012: 54.6) and other receivables of EUR 11.6 million (2012: 9.6).

Other current assets
Other current assets of EUR 18.9 million (2012: 14.8) include other assets of EUR 14.9 million (2012: 13.2) and prepaid expenses of EUR 4.0 million (2012: 1.6). Other assets mainly comprise pass-through taxes such as valued added tax, receivables from employees and receivables from creditors with a debit balance.

Subscribed capital
As of December 31, 2012 and September 30, 2013, subscribed capital of GRAMMER Group amounted to EUR 29,554 thousand divided into 11,544,674 no-par value shares. All shares accord the same rights; shareholders have a right to payment of the defined dividend (with the exception of own shares) and may exercise one vote for each share at the Annual General Meeting.

Capital reserve
As of September 30, 2013, the capital reserve totaled EUR 74,444 thousand (2012: 74,444). The capital reserve includes share premiums from the capital increases in 1996, 2001 and 2011.

Revenue reserves
The statutory reserve of GRAMMER AG totaled EUR 1,183 thousand on September 30, 2013 (2012: 1,183), and is not available for the payment of dividends. Revenue reserves also reflect income earned in the past by the companies included in consolidation, provided such income was not paid out as dividends. Revenue reserves on September 30, 2013 increased year-over-year from EUR 131,552 thousand to EUR 150,079 thousand as a result of the profit for quarters.

Accumulated other comprehensive income
Accumulated other comprehensive income mainly 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, retained earnings include changes arising from the application of the new guidance in IAS 19 with respect to actuarial losses.

Dividends
The GRAMMER Group distributes dividends pursuant to section 58 (2) AktG based on the net profit in the annual financial statements prepared by GRAMMER AG in accordance with the German Commercial Code. GRAMMER AG posted a net profit of EUR 15.4 million as of December 31, 2012. This includes the profit carried forward of EUR 8.6 million, the allocation of EUR 6.8 million to other revenue reserves and net profit of EUR 13.6 million. In accordance with the re-solution passed at the annual general meeting on June 5, 2013, GRAMMER AG distributed a dividend of EUR 0.50 per share for the 2012 fiscal year. Excluding 330,050 own shares, on which no dividend is payable, the total distribution stood at EUR 5.6 million (2012: 4.5). The balance of EUR 9.8 million was carried forward.

Own shares
As of September 30, 2013 and as of December 31, 2012, 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 and represent 2.8589 % of share capital.

Authorizations
The Annual General Meeting on May 28, 2009 approved a conditional increase in share capital in the amount of EUR 13,434 thousand. The conditional capital increase will be carried out only to the extent that holders of options or conversion rights exercise their rights, or the bond holders who are under the obligation to convert their bonds or exercise their options comply with such obligations under bonds with warrants or convertible bonds issued or guaranteed by the Company until May 27, 2014 on the basis of the authorization given to the Executive Board, and provided no other forms of performance are implemented with respect to the condition (conditional capital 2009).

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

a) if necessary to eliminate fractional amounts;

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

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

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

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

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

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

Non-current liabilities

Non-current liabilities break down as follows:

EUR k	September 30, 2013	December 31, 2012
Debenture bond	140,953	69,231
KfW loan	6,250	7,500
Others	1,881	47
Total non-current liabilities	**149,084**	**76,778**

The debenture bond line of EUR 141.0 million (2012: 69.2) comprises a debenture bond issued in 2006 with a total nominal value of EUR 60.0 million, of which an amount of EUR 18.0 million has been reclassified as a current liability as it is due for repayment in September 2014. This debenture bond is subject to both fixed and floating interest rates and has differing maturities of five and seven years. A renewed part of the 2006 debenture bond of EUR 9.5 million is also included in this line.

In addition, GRAMMER AG issued a new debenture bond in May 2013 with a total nominal value of EUR 73.5 million and renewed part of the 2006 debenture bond in an amount of EUR 16.5 million. This resulted in a reclassification of current financial liabilities in this amount as non-current financial liabilities. The new debenture bond comprises four tranches of up to six years with both fixed and floating interest rates.

In addition, there is a KfW loan of EUR 6.3 million and non-current liabilities on the part of foreign subsidiaries.

Retirement benefit 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. Pensions in the Group are based on defined benefit plans. Retirement benefits and similar obligations are valued at EUR 96.3 million (2012: 94.0) following the adoption of the revised standard IAS 19.

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 significant material events.

Current liabilities

The current liabilities break down as follows:

EUR k

	September 30, 2013	December 31, 2012
Debenture bond	19,040	62,167
KfW loan	2,500	2,500
Others	7,912	8,155
Total current liabilities	29,452	72,822

Current financial liabilities come to a total of EUR 29.5 million and are therefore well below the previous year (2012: 72.8) due to the change in the debenture bonds. The current part of the debenture bond of EUR 44.0 million was redeemed at the end of August 2013. The existing 2006 debenture bond has been renewed in an amount of EUR 16.5 million and therefore reclassified as a non-current financial liability. An amount of EUR 18.0 million of the existing 2011 debenture bond falls due for repayment in September 2014 and has therefore been reclassified as current liabilities.

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 global credit facility of EUR 110.0 million expiring in mid 2015.

Other current liabilities

Other current liabilities stand at EUR 68.5 million and are substantially up on the previous year (2012: 48.3) for business reasons. They chiefly comprise liabilities due to social security funds, 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 2012 and the first nine months of 2013.

Provisions

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

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

Cash flow statement

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

Additional information on financial instruments

The following table shows the fair value as well as the carrying amounts of financial assets and liabilities:

EUR k

	Classification under IAS 39	Carrying amount September 30, 2013	Fair Value September 30, 2013	Carrying amount Dec. 31, 2012 adjusted[1]	Fair Value Dec. 31, 2012 adjusted[1]
Assets					
Cash and short-term deposits	LaR	68,039	68,039	73,133	73,133
Trade accounts receivable	LaR	172,510	172,510	140,857	140,857
Other financial assets					
Loans and receivables	LaR	12,015	12,015	9,998	9,998
Receivables from construction contracts	LaR	78,472	78,472	54,550	54,550
Financial assets available for sale	AfS	461	461	800	800
Financial assets held for trading	FAHfT	0	0	15	15
Derivatives (hedging instruments)	n.a.	22	22	0	0
Liabilities					
Trade accounts payable	FLAC	149,526	149,526	119,359	120,867
Current and non-current financial liabilities	FLAC	178,536	178,536	149,600	155,117
Other financial liabilities					
Other financial liabilities	FLAC	420	420	6,131	6,131
Liabilities from financial leases	n.a.	4,843	4,843	3,192	3,192
Derivatives (non-hedging instruments)	FLHfT	0	0	0	0
Derivatives (hedging instruments)	n.a.	1,502	1,502	2,560	2,560
Aggregated by valuation class pursuant to IAS 39					
Loans and receivables	LaR	331,036	331,036	278,538	278,538
Financial assets available for sale	AfS	461	461	800	800
Financial assets held for trading	FAHfT	0	0	15	15
Financial liabilities measured at amortized cost	FLAC	328,482	328,482	275,090	282,115
Financial liabilities held for trading	FLHfT	0	0	0	0

[1] adjusted prior-year figures

The following table allocates the financial instruments measured at fair value to the three levels of the fair value hierarchy:

EUR k September 30, 2013	Carrying amount	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Derivatives				
hedging instrument	22		22	
non-hedging instrument	0		0	
Financial liabilities measured at fair value				
Derivate				
hedging instrument	1,502		1,502	
non-hedging instrument	0		0	

EUR k December 31, 2012 adjusted[1]	Carrying amount	Level 1	Level 2	Level 3
Financial assets measured at fair value				
Derivatives				
hedging instrument	0		0	
non-hedging instrument	15		15	
Financial liabilities measured at fair value				
Derivatives				
hedging instrument	2,560		2,560	
non-hedging instrument	0		0	

[1] adjusted prior-year figures

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

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".

The relevant information on the Group's operating segments can also be found in the Consolidated Financial Statements for the year ended December 31, 2012. The segment information is as follows:

Operating segments

EUR k

Fiscal year as of September 30, 2013	Seating Systems	Automotive	Central Services/ Reconciliation	GRAMMER Group
Revenue to external customers	346,154	606,708	0	952,862
Inter-segment revenue	14,959	475	–15,434[2]	0
Total revenue	361,113	607,183	–15,434	952,862
Segment earnings (Operating profit)	26,996	24,716	–8,409	43,303

EUR k

Fiscal year as of September 30, 2012 adjusted[1]	Seating Systems	Automotive	Central Services/ Reconciliation	GRAMMER Group
Revenue to external customers	325,866	524,586	0	850,452
Inter-segment revenue	13,512	80	–13,592[2]	0
Total revenue	339,378	524,666	–13,592	850,452
Segment earnings (Operating profit)	19,837	21,354	–5,888	35,303

[1] adjusted prior-year figures
[2] Sales to and income from other segments are strictly at arm's length.

Reconciliation

Reconciliation of the segment result (operating profit) with pre-tax profit is calculated as follows:

EUR k

	01 – 09 2013	01 – 09 2012
Segment earnings (Operating profit)	51,712	41,191
Central Services	–9,277	–3,515
Eliminations	868	–2,373
Group earnings (Operating profit)	43,303	35,303
Financial result	–9,164	–8,482
Profit/loss (–) before income taxes	34,139	26,821

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 details transactions with related parties as of September 30, 2013 and 2012:

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	2013	4,124	0	9,279	0
	2012	1,505	0	5,767	42

As a result of application of IFRS 11 in 2013, the joint venture GRA-MAG is consolidated "at equity" rather than proportionately.

Contingent liabilities

Guarantees valued at EUR 656 thousand are outstanding as of September 30, 2013 primarily for leased offices and in the form of performance guarantees for contract breaches.

Changes to the Supervisory Board and the Executive Board

On August 27, 2013, Mr. Martin Bodensteiner rejoined the Supervisory Board of GRAMMER AG. The mandate of Mr. Bernhard Hausmann, who had been appointed by the Local Court of Amberg to supplement the Supervisory Board in a court order accordance with Section 104 AktG, expired on that date.

Financial Calendar and Trade Fair Dates 2013

Important dates for shareholders and analysts

Interim Report 3rd Quarter 2013	11/11/2013

Important trade fair dates[1]

Agritechnica, Hannover, Deutschland	10.11. – 16.11.2013
Convex, Istanbul, Türkei	14.11. – 17.11.2013
METS, Amsterdam, Niederlande	19.11. – 21.11.2013

[1] All dates above are tentative and subject to change.

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