

Ad hoc announcement



**Disclosure of inside information in accordance with Art. 17 MAR
GRAMMER AG (WKN 589540, ISIN DE0005895403)**

Grammer AG not chosen for major follow-up orders

Amberg, 13 October 2017 – As a result of some premium manufacturers' reticence - clearly noticeable especially in the first half-year and partly still continuing - with regard to placing new orders with Grammer AG due to the developments in the shareholders' structure, and in particular because of the surprising non-award of a substantial global follow-up order, Grammer AG expects to now fall well short of its planned annual target for incoming orders in the Automotive segment. Despite intensified sales activities, the lack of new-order volume can no longer be fully compensated for in the current business year. If awarded to Grammer AG, the new orders and follow-up orders would have been represented an annual turnover volume over the entire life-time of the serial production of around EUR 80 million from the year 2019/2020 onwards.

As a result of the significantly lower level of orders, in addition to the corresponding smaller number of new projects in the Automotive segment, costs of development, sales and projects respectively, incurred for this activity area, can now no longer be allocated to the new projects and invoiced to customers through such orders, as planned. Accordingly, those costs burden the current business year's operating earnings. The lower level of orders also necessitates capacity adjustments in the development, sales and project management activities. In total the cost burden in the current business year, due to the non-award of new orders and follow-up orders, comprises around EUR 10 million in the automotive segment; a part of this amount has already been accounted for in the third quarter of 2017.

Despite this additional cost burden, resulting from the non-award of new orders and follow-up orders, Grammer AG continues to expect a very positive operating EBIT for the business year 2017, above the previous year's level. However the Grammer Group operating EBIT margin is projected to fall short of the full year target figure of around 5%, but is still expected to be slightly higher than previous year's figure of 4.0%. From today's point of view there is no need to adjust Grammer Group's midterm projections.

Grammer AG
Executive Board