THE HUMAN TOUCH OF AUTOMOTIVE TECHNOLOGY

INTERIM FINANCIAL REPORT – 3rd QUARTER AND 9 MONTHS

2009

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01
LETTER TO SHAREHOLDERS

Dear Shareholders and Business Associates,

The economic development of the automotive industry continued to improve in the third quarter. In spite of the scrapping incentive and the one-off effect triggered by this in Germany and some other countries, we remain very far removed from normality given the still unsatisfactory level of exports. This is mainly evident in the vehicle production figures for the first nine months of 2009, which are around 20% below the previous year's level both in Germany and on a global scale.

Against this backdrop, the PWO Group can look back at an improved third quarter of 2009. The upturn continued following the second quarter despite the summer holidays. We were therefore able to largely suspend short-time in production at Oberkirch in the third quarter. However, it is still used at indirect units.

Compared to the previous quarter, revenue and total output increased by 10.6% to EUR 54.3 million and by 8.8% to EUR 55.7 million respectively. The shortfall in revenue and output therefore dropped by almost 17% against the previous year. In the second quarter, we were still 29% below last year's figures. It is a similar situation for the nine month period with a drop of 29% after minus 35% in the first half year. In September, we recorded the highest monthly revenue so far in the current financial year.

Overall, we generated a balanced quarterly EBIT figure and a loss for the period which fell by more than half compared to the previous quarter.

It is important to note however that although our German site in Oberkirch recorded a significant number of earnings contributions, all foreign subsidiaries – with the exception of the Chinese site, which is currently being developed – either made a profit as well or were close to achieving break-even.

In an effort to preserve liquidity and financing, we primarily limited investments to new projects in the third quarter and continued the development of our new site in China.

Tighter management of investments and rigorous cost control resulted in a considerably improved cash flow in the third quarter. Cash flow from operating activities in particular came in at EUR 3.7 million and therefore exceeded the financing requirements from investing activities by EUR 1.4 million.

This enabled us to considerably reduce the use of our current lines. In this context, the PWO Group has not had to take out any additional business loans in the nine month period aside from the existing lines. Loans for the current financial year only concern investments for new projects.

There are still risks involved in the future development of business. Unemployment figures, which will still be significantly on the rise well into next year, are likely to curb demand again.

Our customers' current plans for the remaining months of the 2009 financial year seem to indicate that we can expect their standby orders to stabilise. We therefore intend to generate Group revenue of over EUR 200 million for the full year and are aiming to reduce the loss recorded in the nine month period even further in the fourth quarter.

Oberkirch, November 2009
The Management Board

02
PWO SHARES

PWO SHARES HAVE RECOVERED WELL IN THE CURRENT FINANCIAL YEAR

The price trend of PWO shares was considerably better than its associated Prime Automobile sector index. They increased from EUR 17.11 to EUR 19.75 in the period between the beginning of the year and 30 September. This resulted in a further increase in the value of PWO shares for its shareholders of 15.4% after the slump during the financial crisis. Including the dividend of EUR 0.55, the yield amounts to 18.6%. The sector index climbed by just 2.3% in the same period.

The German stock exchange index for the sector of SMEs, the SDAX performance index, increased by 23.2%, of which 20.3% is attributable to the third quarter alone. During this period, automotive prices and PWO shares experienced some rather lateral movement on balance. This trend has continued right up to the weeks before this report was published.

Other Information	
Number of shares issued at end of reporting period	2,500,000
Number of treasury shares held as at 30/09/2009	0
Dividend per share (in EUR) for FY 2008	0.55

Shareholder structure	
Consult Invest Beteiligungsberatungs-GmbH, Böblingen	55.282%
Free float	44.718%
- of which Delta Lloyd, Amsterdam	5.120%

03
THE COMPANY | Spotlight on financing

SUCCESSFUL LIQUIDITY MANAGEMENT DURING THE CRISIS

The global economic crisis has particularly affected the international automotive industry. Not many other sectors have seen such slumps in order volumes and revenue in late 2008. Despite major government buyer's incentives introduced in many countries, production volumes, around one fourth lower than average, have since only recovered very slowly.

The affected companies across the sector's entire value added chain therefore had to cope with historically high decreases in revenue, never seen before to such an extent.

Despite all efforts to cut costs as much as possible in this situation (in the special section of our last interim financial report we explained this in more detail), we were unable to offset the revenue shortfalls. The development of income made this very clear.

Given this situation, automotive companies in particular face the challenge of ensuring their liquidity.

Securing liquidity has been our top priority since the beginning of this crisis. Our efforts focussed on cutting costs as soon and as much as possible in all divisions of the Group.

However, we also implemented further measures, including intensive dialogue with our banks.

Our early enquiries and especially the documentation of our financial requirements for covering capital expenditure planned for the current year mainly contributed to the success of these talks.

We had previously downsized the investment budget for 2009 to the minimum level required to enable us to continue operations and complete short to medium-term production runs. We were able to obtain this financing volume together with our banks.

The available financing cash flow therefore covers our investment requirements on balance during the nine month period.

Net debt has increased by EUR 17.8 million to EUR 84.9 million and our banks have helped us finance this amount over the course of the year. In addition, sufficient open lines and financing requirements for 2010 have also been covered to a large extent.

This year in particular we were able to secure sufficient financing from a new Chinese banking partner to continue expanding our Chinese subsidiaries, even in these difficult times.

During the current year, the development of operative cash flow shows that we were able to take the slight increase in revenue and total output and turn it into a marked improvement in operative cash flow as early as the second quarter, but especially from the third quarter. Results in the first quarter were still very negative as we repaid current liabilities (without using loans). Without these, operative cash flow for the first quarter would also have been balanced.

One thing is clear: As soon as the global recession is over and the automotive industry has recovered, as can be expected, we will put an end to our crisis management at an early stage and start focussing on growth again. The documentation of financial requirements for this task will largely reflect the extent of the industry's recovery and also our effort to maintain as solid a financing structure as possible.

04
INTERIM MANAGEMENT REPORT | Business environment

GENERAL BUSINESS CLIMATE

During the summer months, the global economy has improved on a global scale. After the massive slump around the end of 2008/beginning of 2009, most industrial nations have been recording positive growth rates again since the second quarter.

Although signs of an impending global economic upturn are increasing, it is still lacking momentum. Until now, only the major government incentives have revitalised the economy.

Especially in Germany, key industries, and not least the automotive industry, are still clearly in recession. In the face of growing unemployment, it remains uncertain if the end of government aid can be offset by other vitalising buyer’s incentives.

The governments’ and institutions’ outlook for this year and 2010 has nevertheless been positive. In their 2009 autumn report, the German government and economic research institutes now expect the German gross domestic product (GDP) to decrease by 5%, a lower figure than first feared in spring.

However, opinions on further developments are divided: While the German government feels that the German economy is “on the up”, the institutes talk about a “slow recovery” in their autumn report and warn that the government is getting more and more into debt. In 2010, increasingly high unemployment figures and growing numbers of company insolvencies will prove the most serious risks to the economy.

SECTOR TRENDS

According to the German Automobile Industry Association (VDA), new car registrations in the domestic market increased by 26% to 3.0 million in the first three quarters of 2009. In September, the increase still amounted to 21% compared to the previous year despite the end of the scrapping incentive.

Until now, domestic incoming orders were also better than expected. They were down by 12% in total. Since the beginning of the year, orders have increased by 22%. In September however, production at German factories, largely dependent on export, decreased by only 5%. Since the beginning of the year, domestic production therefore fell by 18%.

In September, order backlog was still 31% above last year’s level. According to VDA, this will guarantee a high level of new registrations until the end of 2009. However, the scrapping incentive has particularly boosted the sale of small cars and vehicles in the compact class.

According to VDA, “success has not been the same in all instances”. Of the 420,000 applications processed by the German Federal Office of Economics and Export Control (Bundesamt für Wirtschaft und Ausfuhrkontrolle - BAFA) by the end of September, at least half of the new registrations were for German brands.

The scrapping incentive has also changed the buyer structure: New registrations of private vehicles have more than doubled, while sales in the commercial sector have declined considerably due to the economic crisis.

Foreign markets continued to bottom out in September, a development which has been evident since the second quarter. In September, foreign orders of domestic products were up by 5% compared with last year’s level.

According to VDA, exports have now also bottomed out, even though German manufacturers still lost 11% in September.

04
INTERIM MANAGEMENT REPORT | Business environment

In the important US market however, they again performed considerably better than the competition, although there are still no signs of any significant recovery overall. There, the scrapping incentive was implemented to a much lesser extent and only slightly increased sales in August. In September, on the other hand, light vehicle sales were down again by 23%, but German brands only lost 3%.

In Western Europe, car sales rose by almost 10% to 1.3 million new registrations. Growth was particularly evident in France (up 14%) and Great Britain (up 11%), where the scrapping incentives had been extended. Sales in the Italian market went up by 7%. After a low lasting several months, Spain reached the previous year's sales level again for the first time in August, with figures increasing by a healthy 18% in September.

In the third quarter, the Western European car market achieved a total sales increase of almost 8%. However, this figure does not completely offset the weak first half year. Overall, sales are still down by 5%.

In September, the Eastern European markets continued to be down by 36%, a steep decline. Out of all the new EU countries, only Poland was able to build on its sales increases of previous months by a further 8%.

The Russian car market continued its downward slide in September, which had started at the beginning of the year, with a 51% drop in sales. During the same period, German brands were able to increase their market share by almost 2 percentage points to more than 17%.

Parts of the large Asian car markets even developed rather dynamically. India's sales were up by over 20% in September. Since the beginning of the year, it had sold 9% more cars. Although the Japanese market was still 14% down from last year's levels over the course of this year, new car registrations were up for the second consecutive time in September.

China was able to increase its car sales by 77% in September. In the third quarter, figures were up by just under 75% and since the beginning of the year, the car market has grown by 36% to 5.8 million vehicles. These figures managed to exceed the results for the full year 2008 within the first nine months. Since February, the Chinese government has been cutting sales tax by 50% for cars up to 1600cc. This has dynamically boosted demand, especially for small vehicles. Nevertheless, German premium car manufacturers were also able to significantly increase their output.

GROUP EBIT BALANCED AGAIN FOR THE FIRST TIME IN THIRD QUARTER EBIT AND NET PROFIT POSITIVE IN SEPTEMBER

The recovery in the second quarter of 2009 continued into the third quarter despite the summer holidays. In the quarter under review, revenue and total output increased by 10.6% to EUR 54.3 million and by 8.8% to EUR 55.7 million respectively compared with the previous quarter.

The shortfall has now been reduced to around 17%. In September, we achieved the highest monthly revenue so far this year with EUR 21.5 million.

The increase in revenue and total output resulted in balanced EBIT during the quarter under review (2008: EUR 3.1 million), as at the same time the implemented cost-cutting measures started to show their positive effects.

This has resulted in a marked improvement in cost ratios. Other operating expenses even remained almost stable. This positive trend is very encouraging, especially as results have been impacted yet again by currency translation losses of EUR 0.7 million in the quarter under review.

After deducting finance costs and taxes, net loss for the period amounted to EUR -1.5 million (2008: EUR 1.1 million). The loss has therefore been reduced by almost 50% compared with the loss in the second quarter (EUR 3.1 million).

During the nine month period of 2009, EBIT totalled EUR -7.2 million. This includes currency translation losses of EUR 2.1 million. Compared with last year's EBIT of EUR 11.5 million, these figures show the extent of the slump in the industry.

Finance costs increased alongside the gradual rise in net debt to EUR 4.3 million in the first nine months of 2009, compared to EUR 3.4 million in the previous year.

Including these expenses and a positive tax result of EUR 2.2 million (2008: tax loss of EUR 2.7 million), net loss during the nine month period of 2009 amounted to EUR -9.3 million (2008: EUR 5.4 million).

04
INTERIM MANAGEMENT REPORT | Segment reporting

ALL SITES REPORT ENCOURAGING DEVELOPMENTS

All sites – with the exception of the Chinese site, which is still being developed – contributed to the significantly improved income situation during 2009. Improved capacity utilisation and implemented cost-cutting measures are having a positive effect overall.

The Oberkich site in Germany (the German segment) generated the majority of earnings. It continued to increase its revenue and total output in the third quarter as well and achieved EUR 43.8 million (2008: EUR 53.1 million) and EUR 44.8 million (2008: EUR 52.1 million) respectively. This constitutes an increase of just below 15% each compared with the second quarter of 2009.

In the nine month period, revenue and total output amounted to EUR 114.6 million (2008: EUR 166.2 million) and EUR 118.5 million (2008: EUR 170.5 million). For the first time in the third quarter, the site, which is in the black again since May, was once again able to close with positive quarterly EBIT of EUR 1.4 million (2008: EUR 3.3 million). The negative EBIT figure for the nine month period was reduced to EUR -2.7 million (2008: EUR 11.6 million).

As business had been improving, we were able to suspend short-time in production in the third quarter. In the indirect units, however, short-time remains in place.

At our Czech site (the European segment), revenue and total output amounted to EUR 4.6 million (2008: 3.1 million) and EUR 5.2 million (2008: EUR 5.0 million) respectively. After the very high results of the second quarter, these figures levelled out slightly in the third but still remained significantly above last year's levels and those of the first quarter. EBIT again dropped slightly below break-even point and amounted to EUR -0.2 million (2008: EUR 0.0 million).

In the nine month period, the site achieved revenue of EUR 14.9 million (2008: EUR 10.3 million), total output of EUR 15.8 million (2008: EUR 12.8 million) and EBIT of EUR -0.7 million (2008: EUR 0.1 million). EBIT dropped compared to the previous year due to the commissioning of the second 1,250 tonne large machine press at this site and related infrastructure costs on the one hand, and the currency translation losses described in the notes to the income situation, on the other.

Our production sites in Canada and Mexico together make up PWO's NAFTA region. Canada was able to increase revenue and total output gradually over the course of the year. Earnings therefore increased significantly and almost reached break-even point in the third quarter. In Mexico, revenue and total output did not increase as much. Nevertheless, our cost-cutting measures made an impact here as well. As a result, the negative EBIT of the site improved significantly in the third quarter.

Overall, revenue and total output in the NAFTA segment dropped to EUR 7.0 million and EUR 6.3 million respectively in the quarter under review (2008: EUR 9.7 million and EUR 10.2 million) and to EUR 19.4 million and EUR 18.8 million in the nine month period (2008: EUR 30.2 million and EUR 30.8 million). In the quarter under review, EBIT amounted to EUR -0.4 million (2008: EUR -0.4 million) and EUR -3.0 million in the nine month period (2008: EUR 0.0 million).

In our Asian subsidiary, we achieved significant revenue for the first time in the third quarter of 2009 totalling EUR 0.8 million (2008: EUR 0.2 million). In the first nine months, revenue amounted to EUR 0.9 million (2008: EUR 0.3 million). Total output was almost the same as revenue.

According to schedule, the company, which we are still developing, continues to be in the red. In the nine month period of 2009, EBIT totalled EUR -1.4 million (2008: EUR -0.4 million). During the same period last year, we were still operating as a joint venture in Asia. We have now sold our shares in this company and have only just started developing our own subsidiary.

04
INTERIM MANAGEMENT REPORT | Financial position and cash flows

CASH FLOW FROM OPERATING ACTIVITIES AND AFTER INVESTMENTS MUCH MORE POSITIVE AGAIN IN THE THIRD QUARTER

After total equity and liabilities of the PWO Group increased in the first half of 2009, they remained essentially unchanged until the end of the third quarter at EUR 213.2 million. The equity ratio also remained at the same level as the end of the first half year with 28.3% (compared to 28.5%) and the gearing (net debt as a percentage of equity) remained unchanged at 141%.

The effects of our restrictive capital expenditure management and a once again significantly improved cash flow in the third quarter of 2009 are showing through here (see below).

These are the first positive signs and we must work on stabilising them further. In future, we will also aim to improve the balance between assets and liabilities again.

Over the course of the 2009 financial year, we were able to increase our total net debt by EUR 17.8 million to EUR 84.9 million in cooperation with our financing partners. As a result, the gearing increased from 99% at the beginning of the year by 42 percentage points. The equity ratio dropped from 33.2% to 28.3% during the same period.

The increase in liabilities in the first nine months of 2009 proves that investments were not internally financed during this period. Cash flow from investing activities of EUR 9.5 million was instead covered by an inflow of liquidity from financing activities amounting to EUR 9.7 million.

We were able to use the existing cash and cash equivalents for financing the negative total cash flow from operating activities in the first nine months of 2009, which was mainly impacted by the repayments of trade payables during this period.

In the quarter under review, we were once again able to achieve a positive cash flow from operating activities of EUR 3.7 million, as a result of business recovering and the effects of our cost-cutting measures. It exceeded the cash flow from investing activities of EUR 2.3 million. The remaining funds and cash flow from financing activities totalling EUR 2.7 million are fully sufficient to cover our current lines.

HIGH NUMBERS OF NEW RAMP-UPS IN THE NEXT TWO YEARS

In the current financial year, we have again managed to obtain various small and medium sized orders across our entire product range. Large orders with a volume of around EUR 180 million came in particularly during the first quarter. These include new orders as well as international deliveries for platforms for which we had already been commissioned in Europe to develop and deliver components and assemblies.

The latter are an important part of our growth strategy. Tranches still have to be issued abroad for other existing orders and we are making every effort to achieve this.

We are also preparing thoroughly for the new large ramp-ups in the next two financial years. In 2010, for instance, we will launch new projects with a lifetime volume of EUR 345 million and will focus on the production of cross-members. In 2011, further series production ramp-ups are scheduled with a lifetime volume of EUR 150 million, especially for cross-members, suspension parts and steering column adjusters. According to the budget figures of our customers, the new ramp-ups will significantly exceed old order volumes.

INVESTING ACTIVITIES STILL RESTRICTED IN AN EFFORT TO CONSERVE LIQUIDITY

In the third quarter, we continued to limit our investing activity to the absolute minimum to enable us to continue operations and the scheduled capital expenditure required for series production ramp-ups. To achieve this, the Group invested EUR 2.3 million (2008: EUR 7.2 million). In the nine month period, we reduced our capital expenditure to EUR 9.5 million (2008: EUR 19.3 million). This enabled us to generate substantial funds to improve the Group’s liquidity.

The majority of investments in the current financial year were made at the Oberkirch site, particularly for series production ramp-ups. Our German site achieved EUR 1.6 million in the third quarter and EUR 6.4 million in the nine month period.

In addition, we continued to develop our new Chinese site during the current financial year, as planned. We invested a total of EUR 2.1 million into constructing the site during the nine month period, of which only EUR 0.1 million was spent in the third quarter.

At the other sites, we only invested very small amounts. Mexico invested EUR 0.6 million during the first nine months of the year, a higher amount than in Canada and the Czech Republic with EUR 0.2 million each. We are continuously strengthening the performance of our Mexican site and the stability of its processes.

04 INTERIM MANAGEMENT REPORT | Employees

EMPLOYEE NUMBERS FURTHER ADJUSTED

In the nine month period of 2009, the average number of people employees including temporary staff, was 1,969 (2008: 2,049).

We continuously adjust our personnel capacities to market developments by reducing staff or with short-time. At the same time we continue to strategically expand our Group and as is tradition at PWO we have continued to train a large number of people.

The average number of apprentices rose to 119 year-on-year (2008: 83). From this growing number, 24 apprentices were taken on in Germany. We also hired new employees in selected areas and took on 13 former apprentices as full-time employees, due to major orders involved in series preparation. On the reporting date of 30 September 2009, the number of employees in Germany including temporary staff amounted to 1,078 (2008: 1,180). This figure does not include apprentices.

We have also already carried out extensive adjustment measures at our Canadian site. As a result, the average number of employees there remained the same at 110. The same figure compared to the previous year and the first half of 2009.

At the site in the Czech Republic, the number of employees increased significantly to 311 in the nine month period of 2009 (2008: 271), due to the ramp-ups of several series productions. Structural adjustments were made to the indirect units resulting in the number of employees being reduced by seven in the third quarter of 2009.

In Mexico, we employed an average of 295 people in the first nine months of the current financial year (2008: 388) after implementing our latest adjustment measures.

The average headcount at our subsidiary in China, which was established in 2008 and commenced operations in April 2009, was 59 in the first nine months. The training and qualifications of our staff are also important to us at this site. We therefore employed an average of 15 apprentices during the first nine months. In the previous year, 24 people were employed in China. In addition, seven employees worked in our Chinese joint venture last year, in line with our shareholding. We have now sold our shares in this company.

04
INTERIM MANAGEMENT REPORT | Forecast

OPPORTUNITIES AND RISKS

The performance of the PWO Group continues to be influenced by the same opportunities and risks set out in the 2008 Annual Report. This applies to the Group as well as to our segments.

Given the global economic slump, the general risks of cost increases have become rather less serious at present. However, our earnings development during the current financial year continues to be affected by present changes in currency relations, particularly the US dollar and Czech koruna against the euro.

The industry now appears to have bottomed out. After the dramatic slump during the fourth quarter of 2008 and at the beginning of 2009, we recorded a slight recovery from March 2009 onwards, which gained momentum over the further course of the year. In September, we achieved the highest monthly revenue so far this year.

General economic figures also show that global business activities are on the up again, reducing the present risks even further. However, much of this upward trend is still due to the economic stimulation programmes launched by governments, and it is therefore still unable to keep its own momentum. In addition, China and some other Asian countries seem to be recovering faster than Europe and the Americas. In Asia however, we have only just started building up our activities and therefore only benefit from this trend to a limited extent.

The main risks to our future business development are the anticipated further increase in unemployment in Germany after the end of short-time and the forecasted rise in insolvencies.

In future, there could be a further impact on the industry, particularly once the German government terminates its scrapping incentive. This, however, will only affect us to a limited extent as we generate a large amount of our revenue from series productions for SMEs and major customers, while the scrapping incentive has particularly increased the sale of small cars. We also do not expect the automotive industry to reach the sales levels of 2007 in the short-term. The industry will therefore have to cope with significant overcapacity in the foreseeable future.

The current and anticipated sales levels even requires our Group to implement further adjustment measures at our established sites in Oberkirch and Canada, but also at our new sites in the Czech Republic, China and Mexico. Their operative development has been particularly difficult due to the latest crisis.

We remain confident, however, that we will be able to implement the necessary adjustments and further cost-cuts, enabling us to continue the strategic development of our Group and to hold on to our permanent staff.

The wide range of our series productions will help us to improve our capacity utilisation by generating new orders. One issue to consider in this respect, however, is that new series productions take between one to three years preparation before ramp-up, depending on their complexity.

Taking into account that the risks imposed on us by the general economic situation and automotive industry will still remain, we have to give top priority to securing the liquidity and financing for the PWO Group. As already reported in the 2/2009 interim financial report, we are now focussing on securing our financial requirements for 2010, which have already been partly refinanced.

04
INTERIM MANAGEMENT REPORT | Forecast

ANTICIPATED EARNINGS PERFORMANCE IN THE 2009 FINANCIAL YEAR

The risks presented for further business development remain. It is still uncertain whether the recent economic recovery will continue considering the anticipated development of the employment market and consumer demand.

The ongoing improvement in our business development, which continued to stabilise in the third quarter, is a positive sign. After the summer months, which were weak as usual, due to the summer holidays, our Group again achieved EBIT of almost EUR 1.0 million and a slightly positive net profit for the period for the in September.

Although our site in Oberkirch recorded a significant number of earnings contributions, all foreign subsidiaries – with the exception of the Chinese site, which is currently being developed – either made a profit as well or were close to achieving break-even. Our implemented cost-cutting measures are therefore taking effect.

The current plans of our customers for the remaining months of the 2009 financial year hint at a stabilising order volume. We therefore aim to achieve Group revenue of more than EUR 200 million for the full year and intend to reduce the loss of the first nine months over the further course of the year.

05
INTERIM FINANCIAL STATEMENTS | Group Income Statement

	3rd Quarter 2009		3rd Quarter 2008	
	EUR m	% share	EUR m	% share
Revenue	54.3	97.5	65.6	98.1
Changes in inventories/ Work performed by the enterprise	1.4	2.5	1.3	1.9
Total output	**55.7**	**100.0**	**66.9**	**100.0**
Other operating income	1.0	1.8	2.4	3.6
Cost of materials	29.4	52.8	38.7	57.8
Staff costs	17.8	31.9	17.1	25.6
Depreciation and amortisation	4.4	7.9	4.2	6.3
Other operating expenses	5.1	9.2	6.2	9.3
EBIT	**0.0**	**0.0**	**3.1**	**4.6**
Finance costs	1.5	2.7	1.2	1.8
EBT	**-1.5**	**-2.7**	**1.9**	**2.8**
Taxes on income	0.0	0.0	0.8	1.2
Net profit for the period	**-1.5**	**-2.7**	**1.1**	**1.6**
of which attributable to shareholders of PWO AG	-1.5	—	1.1	—
of which attributable to minority interest	—	—	—	—
Earnings per share in EUR related to the earnings allocated to the shareholders of PWO AG	-0.62	—	0.44	—

05
INTERIM FINANCIAL STATEMENTS | Group Income Statement

	9 Months 2009		9 Months 2008	
	EUR m	% share	EUR m	% share
Revenue	144.8	96.6	204.2	96.3
Changes in inventories/ Work performed by the enterprise	5.1	3.4	7.8	3.7
Total output	**149.9**	**100.0**	**212.0**	**100.0**
Other operating income	3.6	2.4	4.9	2.3
Cost of materials	81.5	54.4	118.9	56.1
Staff costs	52.3	34.9	54.7	25.8
Depreciation and amortisation	12.2	8.1	12.4	5.8
Other operating expenses	14.7	9.8	19.4	9.2
EBIT	**-7.2**	**-4.8**	**11.5**	**5.4**
Finance costs	4.3	2.9	3.4	1.6
EBT	**-11.5**	**-7.7**	**8.1**	**3.8**
Taxes on income	-2.2	-1.5	2.7	1.3
Net profit for the period	**-9.3**	**-6.2**	**5.4**	**2.5**
of which attributable to share-holders of PWO AG	-9.3	—	5.5	—
of which attributable to minority interest	—	—	-0.1	—
Earnings per share in EUR related to the earnings allocated to the shareholders of PWO AG	-3.71	—	2.19	—

05
INTERIM FINANCIAL STATEMENTS | Group Balance Sheet

ASSETS	30/09/2009	31/12/2008
	EUR m	EUR m
Property, plant and equipment	96.7	98.9
Intangible assets	11.7	12.0
Deferred tax assets	2.9	1.4
Non-current assets	**111.3**	**112.3**
Inventories	48.4	46.7
Receivables and other assets	46.9	42.5
Cash	6.6	2.3
Assets classified as for disposal	0.0	1.3
Current assets	**101.9**	**92.8**
Total assets	**213.2**	**205.1**

LIABILITIES	30/09/2009	31/12/2008
	EUR m	EUR m
Equity	**60.4**	**68.0**
Interest-bearing borrowings	52.0	32.5
Pension provisions	24.4	23.6
Other provisions	4.1	3.6
Deferred tax liabilities	1.6	0.8
Non-current liabilities	**82.1**	**60.5**
Current portion of pension provisions	1.3	1.3
Trade payables and other liabilities	29.9	37.5
Interest-bearing borrowings	39.5	36.9
Liabilities which are classified as for disposal	0.0	0.9
Current liabilities	**70.7**	**76.6**
Total equity and liabilities	**213.2**	**205.1**

05
INTERIM FINANCIAL STATEMENTS | Group Statement of Changes in Equity

	Equity attributable to shareholders of PWO AG						Minority	Total
	Subscribed capital	Capital reserve	Revenue reserve	Currency translation	Cash flow hedge	**Total**	shares	**Group Equity**
	EUR ´000	EUR ´000	EUR ´000	EUR ´000	EUR ´000	EUR ´000	EUR ´000	EUR ´000
as at 01/01/2009	6,391	17,155	47,727	-1,167	-2,126	**67,980**	0	**67,980**
Cash flow Hedge					2,167	**2,167**		**2,167**
Currency translation				928		**928**		**928**
Net profit			-9,270			**-9,270**		**-9,270**
Total net profit	**6,391**	**17,155**	**38,457**	**-239**	**41**	**61,805**	**0**	**61,805**
Dividend payment			-1,375			**-1,375**		**-1,375**
Minority interests						**0**		**0**
as at 30/09/2009	**6,391**	**17,155**	**37,082**	**-239**	**41**	**60,430**	**0**	**60,430**

	Equity attributable to shareholders of PWO AG						Minority	Total
	Subscribed capital	Capital reserve	Revenue reserve	Currency translation	Cash flow hedge	**Total**	shares	**Group Equity**
	EUR ´000	EUR ´000	EUR ´000	EUR ´000	EUR ´000	EUR ´000	EUR ´000	EUR ´000
as at 01/01/2008	6,391	17,312	49,537	755	383	**74,378**	2,411	**76,789**
Cash flow Hedge					-865	**-865**		**-865**
Currency translation				381		**381**	-118	**263**
Offset goodwill		-157				**-157**		**-157**
Net profit			5,468			**5,468**	-89	**5,379**
Total net profit	**6,391**	**17,155**	**55,005**	**1,136**	**-482**	**79,205**	**2,204**	**81,409**
Dividend payment			-3,250			**-3,250**		**-3,250**
Minority interests						**0**	-2,204	**-2,204**
as at 30/09/2008	**6,391**	**17,155**	**51,755**	**1,136**	**-482**	**75,955**	**0**	**75,955**

05
INTERIM FINANCIAL STATEMENTS | Group Cash Flow Statement

	30/09/2009	30/09/2008
	EUR m	EUR m
Net profit for year	-9.3	5.4
Depreciation/reversal of write-downs on property, plant and equipment	12.2	12.4
Income tax expense/refund	-2.2	2.4
Interest income and expense	4.3	3.4
Change in current assets	-4.4	-9.2
Increase in non-current liabilities (excluding financial credits)	0.0	-0.1
Change in current liabilities (excluding financial credits)	-7.9	3.8
Income taxes paid	0.4	-3.3
Other non-cash expenses/income	2.9	-1.4
Cash flow from operating activities	**-4.0**	**13.4**
Receivables from the disposal of property, plant and equipment	0.0	0.1
Payments for investments in property, plant and equipment	-8.7	-17.6
Payments for investments in intangible assets	-0.8	-1.8
Cash flow from investing activities	**-9.5**	**-19.3**
Acquisition of minority interests	0.0	-2.6
Dividend payment	-1.4	-3.3
Interest paid	-3.0	-2.3
Proceeds from borrowings	24.0	24.1
Repayment of loans	-9.9	-8.2
Cash flow from financing activities	**9.7**	**7.7**
Net change in cash and cash equivalents	-3.8	1.8
Cash and cash equivalents as of January 1	-0.6	-5.2
Cash and cash equivalents as of September 30	**-4.4**	**-3.4**
of which cash and cash equivalents	6.6	2.9
of which bank borrowings repayable on demand	-11.0	-6.3

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

ACCOUNTING POLICIES

Basis of preparation of interim financial statements

These condensed consolidated interim financial statements were prepared in accordance with IAS 34 (interim financial reporting). They do not contain all the information and disclosures required for the annual consolidated financial statements and should therefore be read in conjunction with the annual consolidated financial statements as at 31 December 2008. The consolidated interim financial statements and management reports are not subjected to external audit.

Scope of consolidation

The consolidated interim financial statements as at 30 September 2009 include six foreign companies which are directly or indirectly controlled by PWO AG. In contrast to 31 December 2008, the companies PWO & BMC Holding Co. Ltd., Hong Kong and PWO & BMC High-Tech Metal Components (Suzhou) Co. Ltd., China, no longer come within the scope of consolidation.

Accounting policies

The accounting policies used in the preparation of these consolidated interim financial statements are the same as those used for the consolidated financial statements as at 31 December 2008. Detailed information is contained in the notes on the consolidated financial statements of the 2008 Annual Report (cf. Note no. 2).

Currency translation

The functional currency of the PWO Group is the euro. The interim financial reports of the companies within the consolidated group prepared using foreign currencies are translated according to the functional currency concept (IAS 21). Each company within the group determines its own functional currency. All items contained in the financial statements of the companies concerned are evaluated using this functional currency. All balance sheet items of the foreign consolidated entity were translated to euros by applying the mean rate of exchange at the balance sheet date. Expenses and earnings in the Group income statement were translated using the mean exchange rate. Net profit for the year from the translated income statement was taken into the balance sheet. Exchange differences are recognised directly in equity as a currency translation difference.

With PWO de México S.A. de C.V., the functional currency, the Mexican Peso, was retroactively translated into US dollars from the 2007 financial year (cf. Note no. 6 in the consolidated financial statements at 31 December 2008).
Therefore, the interim financial statements also featured adjusted figures from the previous year.

On 1 January 2009, the functional currency of PWO UNITOOLS CZ was changed from the Czech koruna to the euro (IAS 21). This was a result of the increasing influence of the euro on materials and other costs.

The following exchange rates were used for currency translation purposes within the consolidated interim financial statements:

	Closing rate		Average rate	
	30/09/2009	**30/09/2008**	9 Months **2009**	9 Months **2008**
CAD	1.57	1.50	1.59	1.55
CNY	9.98	9.84	9.33	10.63
HKD	11.33	11.14	10.58	11.87
USD	1.47	1.43	1.37	1.52

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

NOTES TO THE INCOME STATEMENT

Revenue

The Group generated revenue from series productions and the sale of tools. In the first nine months of 2009, tool sales totalled EUR 16.4 million (2008: EUR 15.3 million) and EUR 5.1 million in the third quarter (2008: EUR 6.3 million).

A breakdown of Group revenue by region and product area is presented as part of segment reporting (see page 22).

Work performed by the enterprise

In the nine month period of 2009, work performed by the enterprise included development costs of EUR 0.6 million requiring capitalisation according to IAS 38. This particularly relates to investments in the development of a module carrier.

Other operating income

Other operating income primarily includes currency exchange effects, the cancellation of accruals as well as income from the sale of the 50% interest in the Chinese joint venture.

Other operating expenses

Other operating expenses mainly include outward freight charges, expenses attributable to temporary staff, rent and leasing costs, maintenance expenses, currency exchange effects as well as expenses for legal, auditing and consultancy services, expenses associated with staff training and travel costs.

NOTES TO THE BALANCE SHEET

Equity

Subscribed capital

Following a resolution of the AGM on 26 May 2009, the Management Board is authorised, subject to the consent of the Supervisory Board, to increase the share capital of the company in the period up to 26 May 2014, through the issue of new individual bearer shares for cash contributions on one or more occasions by up to EUR 3,195,574.26. Under these circumstances, shareholders will be offered subscription rights. However, the Management Board is authorised, subject to the consent of the Supervisory Board, to remove the fractional part of any subscription right and to exclude the subscription right of shareholders up to a par value of EUR 319,557.43 in order to offer the new shares to employees of the company and its Group companies.

Revenue reserves and other equity

Income/losses from currency conversion at foreign subsidiaries totalling EUR 0.9 million (2008: EUR 0.3 million) as well as income/losses from hedging cash flow hedges amounting to EUR 2.2 million (2008: EUR -0.9 million) are considered in Group equity as of 30 September 2009.

Dividends distributed

On 26 May 2009, the AGM decided to distribute the proposed dividend of EUR 0.55 per share for the 2008 financial year. The payout totalled EUR 1.4 million.

Provisions for pensions

Pension provisions are measured on an annual basis for the consolidated financial statements by independent appraisers. A revaluation is due for the consolidated financial statements on 31 December 2009.

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

OTHER INFORMATION

Segment reporting

Segment information based on the location of assets, divided into the regions Germany, Rest of Europe, NAFTA and Asia:

	9 Months 2009		9 Months 2008	
Revenue by region	EUR m	%	EUR m	%
Germany	114.6	79.1	166.2	81.4
Rest of Europe	14.9	10.3	10.3	5.0
NAFTA	19.4	13.4	30.2	14.8
Asia	0.9	0.6	0.3	0.1
Consolidation	-5.0	-3.4	-2.8	-1.3
Group	**144.8**	**100.0**	**204.2**	**100.0**
Total output by region				
Germany	118.5	79.1	170.5	80.4
Rest of Europe	15.8	10.5	12.8	6.0
NAFTA	18.8	12.5	30.8	14.5
Asia	1.0	0.7	0.3	0.1
Consolidation	-4.2	-2.8	-2.4	-1.0
Group	**149.9**	**100.0**	**212.0**	**100.0**
EBIT by region				
Germany	-2.7	37.5	11.6	100.9
Rest of Europe	-0.7	9.7	0.1	0.9
NAFTA	-3.0	41.7	0.0	0.0
Asia	-1.4	19.4	-0.4	-3.5
Consolidation	0.6	-8.3	0.2	1.7
Group	**-7.2**	**100.0**	**11.5**	**100.0**

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Judgement, estimates and assumptions

In preparing the interim financial statements, the Management Board must perform a number of assessments, apply estimates and make assumptions that affect the application of accounting policies within the Group and influence the recognition of assets and liabilities as well as income and expenses. The actual figures may not coincide with the estimated amounts.

Events after the reporting date

No significant events requiring inclusion in this report occurred after the reporting date, 30 September 2009.

08
REPORT OF THE SUPERVISORY BOARD'S AUDIT COMMITTEE

The interim financial report for the third quarter and nine months of the 2009 financial year was presented to the Supervisory Board's Audit Committee on 29 October 2009 and explained by the Management Board. The audit committee approved the interim financial report.

Oberkirch, 29 October 2009

Chair of the Audit Committee

Dr. jur. Klaus-Georg Hengstberger

09 FINANCIAL CALENDAR | BOARD MEMBERS | CONTACT

FINANCIAL CALENDAR

11 March 2010
Publication of provisional Annual Financial Statements 2009 / Analysts' and Press Conference

15 April 2010
Presentation of Annual Report 2009

04 May 2010
Interim Financial Report 1st Quarter 2010

26 May 2010
Annual General Meeting 2010

BOARD MEMBERS

There were no changes to the Management Board or Supervisory Board in the period under review.

Members of the Management Board:
Karl M. Schmidhuber (Chairman)
Bernd Bartmann
Dr. Winfried Blümel

Members of the Supervisory Board:
Dieter Maier (Chairman)
Dr. jur. Klaus-Georg Hengstberger (Deputy Chairman)
Katja Hertwig *
Herbert König *
Ulrich Ruetz
Dr. Gerhard Wirth

* Employee representatives

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