

Ad hoc announcement

PWO to sell stake in Chinese joint venture

- **Korean partner taking over joint venture completely**
- **One-off, non-cash impacting book loss of presumably EUR 0.5 million in 2008**
- **Own PWO subsidiary starting operations in China at the beginning of 2009 as scheduled**

Oberkirch, December 18, 2008 – Progress-Werk Oberkirch AG and TAE HWA Enterprise Co., Ltd. have agreed that TAE HWA Enterprise is to take over the 50 percent stake held by PWO in the Chinese joint venture. PWO is therefore making a full withdrawal from the joint venture which was established as a platform to enter the Chinese market in 2006. The sale of the stake will probably result in a non-cash impacting book loss of EUR 0.5 million which will be recorded in the 2008 results.

PWO is now in a position to offer its customers the entire product and service range from its wholly-owned subsidiary in Suzhou. The company was established during this financial year and will be starting production for already received orders at the beginning of 2009, as scheduled.

Progress-Werk Oberkirch AG
The Management Board

PWO Group profile: a global future in the automobile supplies industry

PWO is one of the world's leading suppliers of high-precision metal components for the automobile industry, specialising in vehicle safety and comfort. Its unmatched expertise in the fields of metalforming and joining technology has been acquired over nearly ninety years since the company's foundation in 1919. Today, PWO's German production site in Oberkirch employs around 1,100 staff. With other sites in the Czech Republic, China, Mexico and Canada, the Group has now achieved a global presence with a total workforce of around 1,900.

PWO acts as a partner to the automobile industry in the development and production of innovative products. The Group manufactures millions of components on a just-in-time and zero-defect basis. In close collaboration with customers, PWO is expanding its international production sites in order to supply local markets. PWO has already achieved significant success on its way of global expansion. The company has orders on hand which will lead to strong growth of revenue and EBIT once the industry will return to normalised sales figures.