

Press release

## **PWO with further signs of recovery in Q3 2009 and balanced EBIT**

- **Highest monthly revenue of the year recorded in September**
- **All foreign sites (excl. China) profitable or break-even**
- **Positive cash flow**

Oberkirch, 4 November 2009 - Progress-Werk Oberkirch AG is today releasing its interim financial report for the third quarter and nine-month period of 2009. The upturn in the second quarter has been sustained in the third quarter of 2009. At the same time, the implemented cost-cutting measures also had an increasingly positive effect. The Group was therefore able to post a balanced quarterly EBIT figure (2008: EUR 3.1 million) and a loss for the period of EUR -1.5 million (2008: EUR 1.1 million), which is less than half of the loss posted in the second quarter. This equates to EUR -0.62 (2008: EUR 0.44) per share.

Compared to the second quarter, revenue increased by 10.6% to EUR 54.3 million (2008: EUR 65.6 million), while total output was up 8.8% to EUR 55.7 million (2008: EUR 66.9 million). In September, the highest monthly revenue in the current financial year was achieved, as was positive EBIT and a slight profit for the period. As a result, the decline in revenue and output decreased to almost 17% against the previous year.

In the nine-month period of 2009, revenue amounted to EUR 144.8 million (2008: 204.2 million), total output was EUR 149.9 million (2008: 212.0 million) and EBIT totalled EUR -7.2 million (2008: EUR 11.5 million). The change in EBIT compared to the previous year just goes to show the extent of the slump in the industry since then. Net loss amounted to EUR -9.3 million (2008: EUR 5.4 million), while earnings per share came in at EUR -3.71 (2008: EUR 2.19).

It is encouraging to see that our Oberkirch site in Germany generated a positive EBIT figure in the quarter under review and that we were able to largely suspend short-time in production here as a result of the increase in customer standby orders. However, short-time is still used at indirect units. For the first time this year, 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 September. In China, the first significant revenue was generated in the quarter under review.

After recording a slightly positive cash flow from operating activities in the second quarter, we once again achieved a considerable cash inflow in the third quarter of EUR 3.7 million, which also exceeded the cash outflow for investments. This has therefore enabled us to significantly reduce short-term credit lines overall.

There are still risks involved in the future development of business. 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 remaining course of the year.

Progress-Werk Oberkirch AG  
The Management Board

**PWO company profile:**

PWO is one of the world's leading suppliers of superior metal parts in the area of car safety and comfort. Since the company was founded in 1919, it has developed a unique know-how in the shaping and joining of metals. The German plant in Oberkirch currently has around 1,100 employees. The company is represented globally, with sites in China, Canada, Mexico and the Czech Republic, and employs around 1,900 employees.

PWO is a partner in the global automobile industry for the development and production of innovative products: by the millions, just-in-time and of excellent quality. In close cooperation with our customers, PWO's international production sites are being expanded to supply foreign markets. This way, considerable successes have already been achieved, meaning that PWO has contracts that will once again lead to growth in the coming years – regardless of whether the market fully recovers or not.