

Press release

PWO puts Oberkirch site on short time

- **Low level of standby orders continues at the start of 2009**
- **Management Board opts for short time**

Oberkirch, February 2, 2009 – Significantly reduced production figures in the automotive industry are impacting Progress-Werk Oberkirch AG and leading to continued low levels of standby orders from existing batch production orders. In the past months, the company has used a number of tools to adjust capacity, such as sending employees on forced leave or asking them to use credited holiday entitlement from flexitime to take time off. Now the Board of Management has reached an agreement with employee representatives to put the Oberkirch site on short time. Staff was informed of this move today.

The reduced working hours will be individually adapted to suit every position and respective employment situation. The objective is to put the company in a position to be very flexible and to react quickly, allowing it to adjust costs to fit capacity levels.

Chairman of the Management Board Karl M. Schmidhuber underlined today: “We are currently seeing a still extreme decline in standby orders in the automotive industry. We have to react to this further. The measures we are taking remain focused on safeguarding the jobs of our employees. However, due to a range of new projects we continue to be optimistic for the future and we will do whatever it takes to emerge strengthened from the current crisis.”

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 metal-forming 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.