

Press Release

PWO reaches forecast for 2009 and plans to return to significant growth from 2010 onwards

- **Revenue and EBIT targets for 2009 achieved based on preliminary figures**
- **EBIT clearly positive in the fourth quarter of 2009**
- **Growth in the double digit percent region expected in each of the next three years**

Oberkirch, 25 February 2010 – Progress-Werk Oberkirch AG has achieved its revenue and earnings targets for the financial year 2009 based on its preliminary figures. Group revenue exceeded the EUR 200 million mark as announced and totalled EUR 206.4 million for the year (p/y EUR 260.4 million). Substantially positive EBIT was achieved in the fourth quarter, as was forecasted. As a result, the consolidated EBIT of EUR -4.9 million (p/y 7.7) for the full year was substantially improved compared to the EBIT posted for the nine-month period.

Our thorough cost-cutting measures have had a positive effect at the Oberkirch site as had the continually rising sales throughout the year. The by far largest site of the Group was thus able to post a positive EBIT for 2009, even in the midst of the most difficult crisis in the automotive industry since the end of WWII. The adjustment measures had positive effects at our foreign sites, too. In Mexico, however, we are still seeing high expenses as we develop the site. However, some of these expenses are one-off by nature and will not weigh on earnings in 2010. As expected the break-even point was not yet reached at our Chinese site.

The slump in sales experienced in the automotive industry in 2009 as a result of the worldwide financial market crisis has meant a substantial yet only temporary deviation from our growth track. The next three years will see a number of comprehensive series production start-ups, enabling us to grow considerably independent of whether the markets experience a complete recovery in that time frame or not. In 2010 alone, new series productions with an expected lifetime volume of around EUR 345 million are already secured. An additional lifetime volume of around EUR 150 million from new start-ups in 2011 is to follow.

We therefore expect revenue growth of about 15 percent for 2010 and each of the following years. Overall, we forecast that we will exceed the EUR 300 million mark by 2012 and, in doing so, increase our yearly revenue volume in that period by around 50 percent compared to the current figure. This growth will be achieved mainly on the basis of new series production start-ups.

In line with the jump in revenue, the Group's profitability should also return to its earlier levels by 2012. We expect to generate a positive net profit for 2010 as well as an EBIT margin in the upper single-digit area by 2012.

Important investments for the next three years will mainly include welding and assembly systems in connection with the new series production start-ups. On this basis, we plan to generate positive free cash flow and strengthen equity in the next three years despite our substantial growth.

Figures for the year 2009 will be presented on 11 March 2010 at an analyst and press conference in Frankfurt. The annual report 2009 will be released on 15 April 2010.

Progress-Werk Oberkirch AG
The Management Board

PWO Group profile

PWO is one of the world's leading suppliers of high-precision metal components for the automobile industry, specialising in vehicle safety and comfort. The company has developed a unique know-how in the shaping and joining of metals over ninety years of corporate development since its foundation in 1919. 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 has around 1,900 employees.

PWO is a partner to the global automobile industry for the development and production of innovative products: by the millions, just-in-time and on a zero-defect basis. In close cooperation with 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 markets fully recover or not.