

Adhoc Release

PWO releases interim financial report for the first nine months 2009

- **Growth of revenue and output in 9M 2008 lower than in H1**
- **EBIT below last year's level**
- **Forecast Q4 2008 continues to be uncertain: Massive decline in sales expected and EBIT at best at break even**
- **Thus forecast 2008: Revenue expected to at best reach the 2007 level, EBIT 2008 at best on the level for the first nine months 2008**
- **Solid, investor oriented dividend policy expected to be continued**

Oberkirch, November 4, 2008 – Progress-Werk Oberkirch AG continued its growth in the third quarter and subsequently during the first nine month period of 2008, even though growth rates were significantly below those of the first half-year. Group revenue for the quarter under review rose 4.0 percent to EUR 65.6 million (p/y 63.1). Consolidated output was up by 1.4 percent to EUR 66.9 million (p/y 66.0). In the first nine months revenue was increased by 7.0 percent to EUR 204.2 million (p/y 190.9). As a result of a rise in inventories of finished and unfinished goods in the first quarter of 2008, output increased at a substantially higher rate of 9.7 percent to EUR 212.0 million (p/y 193.3).

During the summer months we recorded some shifts in standby orders by our customers at our German production site in particular. This is not unusual for this period of the year as it is the holiday season. But in the period under review this revenue was not made up for until the end of the quarter, as is usually the case. Therefore, the EBIT of the site remained below the previous year's level in the third quarter. In our international markets the Czech plant continued to grow strongly, but earnings remained unchanged compared to last year.

In the NAFTA region the Canadian plant remained profitable despite low standby orders. Our Mexican site achieved further growth, however considerable negative effects weighed on earnings. On top of exceptionally high currency translation losses, expenses for further process upgrades occurred again. On the upside, the site has successfully passed the audit of its largest customer and has thus gained acceptance to the planned high volume tenders. Both revenue and output at our Chinese joint venture remained negligible in the first nine months. We are continuing to establish our own subsidiary as planned.

In total EBIT in the third quarter 2008 fell to EUR 2.8 million (p/y 3.8). As a result of a very strong EBIT result in the second and third quarter of last year the first nine months of 2008 saw a more pronounced decline to EUR 11.0 million (p/y 12.7).

After slightly increased net financial expenses and a significantly improved tax ratio consolidated net profit for the third quarter attributable to PWO shareholders stood at EUR 1.1 million (p/y 1.7). Earnings per share amounted to EUR 0.44 (p/y 0.71). In the nine month period consolidated net profit attributable to PWO shareholders amounted to EUR 5.4 million (p/y 6.2). Earnings per share over the same period were EUR 2.14 (p/y 2.48).

As a result of the significant fall in standby orders for the fourth quarter, we reduced our forecast for the current financial year on September 29, 2008. At that point we announced revenue above the previous year level (2007: EUR 259.6 million) and a lower EBIT figure (2007: EUR 16.8 million). However, since that forecast was made the operating environment in the sector has further strongly deteriorated and as a result standby orders have not yet stabilised.

Therefore, the forecast for the full year 2008 continues to carry a high level of uncertainty. For the fourth quarter we foresee a sales decline of more than 20 percent. Thus, sales for the full year 2008 is forecasted to at best reach the 2007 level, which stood at EUR 259.6m. Regarding EBIT the massive sales decline in the fourth quarter translates in the best case into a breakeven result in that period and thus an EBIT for the full year 2008 significantly below the EUR 16.8m will be reached in the year 2007.

Concerning the dividend for 2008, we expect to continue our solid investors oriented dividend policy. We also will continue consequently with our international growth strategy, which is without alternative for our long-term success. In doing so, we will of course adjust to short-term market developments, reshape our structures were necessary and reconsider investment projects.

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.