

Press Release – International Business

PWO extends activities in Czech Republic and establishes wholly-owned subsidiary in China

Oberkirch, 2 October 2007 - The international expansion strategy pursued by Progress-Werk Oberkirch AG has been well received by the market as a whole. Customer awareness of PWO as a strategic partner and global supplier has increased significantly, and as expected the company is currently unlocking further growth opportunities.

Revenue at PWO's site in Valasske Mezirici, Czech Republic, is forecast to grow significantly in the coming years. Having systematically expanded production capacities since 2005, the plant – currently operating with a total of four metal-forming presses – is working at full capacity thanks to ongoing or new orders. In view of this performance, the company has thus initiated the second phase of its plant expansion, which includes an additional production facility with further manufacturing capacity. Together with the expansion measures already implemented within the tooling unit, the original floor space of PWO's Czech plant has thus been fully utilised. In 2006, neighbouring land was acquired for the purpose of accommodating any future expansion projects going beyond those already executed.

As part of its expansion plans for Asia, PWO is currently establishing its own subsidiary in Suzhou, China. This company will manufacture other products than those being made by PWO's Chinese joint venture, thus adding to the overall portfolio. Start-up and expansion of the subsidiary will proceed on the basis of PWO's proven strategy, in close cooperation with customers and taking into consideration the volume of incoming orders.

Factoring in the standard lead time required for such projects, PWO is operating on the assumption that the additional activities in the Czech Republic and China will generate revenue and earnings – and thus drive corporate growth – from 2009 and 2010 onwards.

Progress-Werk Oberkirch AG
The Management Board