

PWO honoured for lean production

Oberkirch, October 5, 2007 – Progress-Werk Oberkirch AG has been presented with the coveted Automotive Lean Production Award within the "Domestic SME" category. The award is the brainchild of Agamus Consult, a company within the Otto Wolf von Amerongen Group, and one of Germany's leading automotive journals "AUTOMOBIL-PRODUKTION". The Automotive Lean Production Award testifies to PWO's best-in-class manufacturing efficiency at its Oberkirch plant, thus placing the company among the elite group of automotive suppliers in Europe.

The award is seen as a significant benchmark when it comes to assessing the overall efficiency of structures and processes introduced within the European automobile sector as well as the industry's ability to drive improvements on a continual basis. It takes much of its inspiration from the well-known Toyota Production System, which is considered a paradigm for companies to aspire to in terms of cost and quality leadership and continuous improvement.

As part of a detailed analysis covering four levels, the panel evaluates the consistency and success with which companies apply lean manufacturing components and principles of the Toyota Production System. At the same time, it assesses the degree to which the "lean philosophy" has been embraced by management and staff. Finally, the effects of these measures are assessed with regard to efficiency, avoidance of waste and continuous streamlining of cost structures.

Karl M. Schmidhuber, Chairman of PWO's Management Board, was elated at having been honoured in this way: "We have implemented far-reaching changes throughout our value chain in recent years, the prime objective being to make our processes more efficient, cost-effective and stable. There was little doubt in our minds that we would be able to further strengthen the solid position already held by PWO as an automotive supplier. We are particularly proud of the fact that our Oberkirch site in Germany is now recognised as one of the leanest production plants within our industry. It goes without saying that we shall continue to pursue our lean philosophy with the same vigour and commitment."

Dr. Winfried Blümel, the Board member responsible for production and materials management, was particularly delighted by PWO's strong performance in all areas covered by the award. "This is a clear tribute to the well-judged concept of incorporating all areas of our company within the PWO Production System. We would like to express our gratitude to all members of staff, who spearheaded a number of changes as part of a highly creative approach and displayed exceptional commitment in implementing them."

Progress-Werk Oberkirch AG
The Management Board