

Press Release

## **PWO confirms preliminary results for 2007**

Oberkirch, April 10, 2008 - Confirming its preliminary results announced on February 19, 2008, Progress-Werk Oberkirch AG today presented its annual report for 2007. The Group continued its solid performance over the course of the 2007 financial year, recording significant growth in both revenues and earnings. Having been revised upwards in November 2007, the targets projected by the company were met in full.

Group sales revenue rose to €259.6 million (prev. year: €225.3m), while total output, i.e. net sales plus inventory changes plus work performed by the enterprise and capitalised, increased to €262.6 million (prev. year: €227.0m) and EBIT edged up to €16.8 million (prev. year: €15.8m). Growth was driven by significant organic expansion at PWO's Oberkirch site in Germany, as well as by the first-time inclusion of the new Mexican subsidiary Cartec S.A. de C.V., which recorded total output of €19.9 million.

Owing to higher interest expenses, EBT rose at a less pronounced rate to €13.0 million (prev. year: €12.7m). A temporary rise in the company's tax rate – in the previous financial year, the tax rate had been influenced by the compulsory capitalisation of corporation tax credits –, led to a reduction in net profit to €7.8 million (prev. year: €8.8m). Thus, earnings per share for the 2007 financial year stood at €3.14 (prev. year: €3.54).

The Management Board and Supervisory Board will be proposing to the Annual General Meeting of Shareholders an increase of the dividend per share for the Fiscal Year 2007 to €1.30 (prev. year: €1.20). PWO can continue to present itself to the capital markets as an investment with a substantial dividend yield.

Having positioned itself as a strong player in the international arena, PWO has created a launch pad from which to pursue its ambitious revenue and earnings targets for the coming three years, as outlined on previous occasions. The game plan needed to achieve these goals has already been set in motion, and therefore the main focus now is on driving growth during this period and mitigating the associated risks.

For 2008, the Group has forecast revenue growth towards the upper end of the single-digit percentage range as well as a comparable, or even more pronounced, increase in EBIT. Calculated in absolute terms, the Group's European business sites are likely to be the principal growth drivers over the course of the 2008 financial year. The largest gain in sales revenue, estimated at 50%+, is expected to stem from the ramp-up of series production at the Valašské Meziříčí facility in the Czech Republic.

The 2007 annual report has been published on the company's website at [www.progress-werk.de](http://www.progress-werk.de).

Progress-Werk Oberkirch AG  
The Management Board

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