

Press Release

PWO concludes takeover of Cartec, Mexico

Oberkirch, May 16, 2008 – Progress-Werk Oberkirch AG has closed the deal for the takeover of Mexican automotive supplier Cartec S.A de C.V., Puebla. The company's plans to increase its ownership interest to 100 per cent had been announced on April 4, 2008. Prior to this, PWO had acquired a 60 per cent stake in Cartec in January 2007.

The purchase price for the second stage of the acquisition is within the lower single-digit million-dollar (US) range, with PWO benefiting from the favourable exchange rate between the dollar and the euro. The takeover will be financed from existing funds and has already been accounted for in the company's investment budget for the current financial year.

Cartec employs 360 people. The growth target for revenue in 2008 stands at approx. 15 per cent, which would take this figure to around USD 33 million.

Progress-Werk Oberkirch AG
The Management Board

PWO company profile: On the way to becoming a global automotive supplier

PWO has established itself as one of the world's leading suppliers of high-end metal components and subsystems for automobile safety and comfort. Drawing on its experience spanning almost 90 years since the company's inception in 1919, PWO has amassed a wealth of knowledge within the field of metalforming. Progress-Werk Oberkirch AG has a workforce of approx. 1,100. Operating additional sites in Canada, the Czech Republic, China and Mexico, the Group is represented worldwide and employs some 1,800 people.

As a partner to the automobile industry, PWO develops and produces tailor-made solutions in volumes reaching several million units, all of which are supplied just-in-time and in zero-defect quality. Working in close collaboration with its customer base, the Group is expanding its international production sites with a view to extending its reach as a supplier to foreign markets. PWO's initial target is to propel Group sales revenue from EUR 260 million in 2007 to EUR 350 million in 2010. The Group also plans to pursue a strategy of growth beyond this date.