

Press Release

PWO reports results for first half-year of 2008 together with earnings forecast up to 2010

- **Sustained high level of growth in revenue**
- **International production sites in Czech Republic and Mexico still held back by start-up and other exceptional costs**
- **Overall earnings forecast for 2008 very ambitious yet achievable**
- **EBIT expected to rise to over EUR 25 million by 2010**

Oberkirch, August 6, 2008 – The second quarter of 2008 saw continued strong growth within the PWO Group: revenue climbed 7.2 per cent to EUR 71.7 million (p/y: 66.9), with total output up 11.8 per cent to EUR 72.1 million (p/y: 64.5). Over the first half-year of 2008, revenue put on 8.5 per cent to reach EUR 138.6 million (p/y: 127.8), while total output showed a 14.0 per cent increase to EUR 145.1 million (p/y: 127.3).

As a result of this encouraging level of growth, the company is in a strong position to boost earnings in the future. Unfortunately, during the second quarter PWO's production site in the Czech Republic was again held back by start-up costs. However, PWO acquired the remaining 40 per cent of shares at its subsidiary in Puebla (Mexico), allowing it to considerably speed up the company's realignment and to press ahead with the introduction of PWO production standards. These measures will enable PWO to achieve the planned future positioning of the site much faster and to improve its chances in relation to the early award of a range of new projects. The increase in consolidated EBIT from EUR 3.8 million in the first quarter of 2008 to EUR 4.4 million (p/y: 5.0) in the second gives the company every reason to be confident. As a result, EBIT for the first half-year of 2008 stood at EUR 8.2 million (p/y: 8.9). The net profit for the second quarter corresponding to PWO shareholders reached EUR 2.3 million (p/y: 2.6), with earnings per share at EUR 0.92 (p/y: 1.06). For the first half-year, PWO achieved a net profit of EUR 4.3 million (p/y: 4.5) and earnings per share of EUR 1.71 (p/y: 1.77).

Results at the German production site in Oberkirch were again very satisfactory. Both revenue and total output rose in double figures, and the unit was able to maintain the same high level of margin. PWO's Czech site expanded rapidly in line with company plans. Although half-year results were below expectations, the increase in EBIT from EUR -0.2 million in the first quarter of 2008 to EUR 0.3 million in the quarter under review was considered a step in the right direction. In the NAFTA region, the production site in Kitchener (Canada) remained profitable despite ongoing difficulties in the North American automobile market, whereas in Mexico second quarter results included a number of exceptional costs that made it impossible to reach break-even for the half-year period. Plans to establish PWO's own subsidiary in China are proceeding according to plan.

PWO has adopted further measures aimed at the faster stabilisation of new start-up processes and the reduction of costs at its locations in the Czech Republic and Mexico. The company is confident that its measures will have the desired effect and that productivity will rise accordingly in the second half-year of 2008. Against this background, PWO forecast of an increase in EBIT for 2008 matching that in revenue is admittedly very ambitious but remains achievable.

While it is possible that the risks to which PWO's business is typically exposed, such as a downturn in order volumes, rises in the price of raw materials and/or unfavourable currency movements, could have a greater than expected impact, the company nevertheless believes that it can achieve a tangible increase in earnings, and PWO sees the current earnings situation in the Czech Republic and Mexico as a temporary development during the expansion of these relatively new sites. Overall, therefore, PWO believes the risk to its earnings forecast is not excessive.

PWO has already won a substantial volume of orders for the next few years. At the company's European sites alone, in the next few years the volume of new batch production orders will be approximately double the volume of discontinuing orders. PWO therefore anticipates a further substantial increase in revenue for 2009 to around EUR 300 million and for 2010 to around EUR 350 million despite increasing signs of future economic weakness. Rising prices for raw materials also pose a risk to the Group's future performance. At present, however, PWO sees no indication of a major downturn and anticipates a sustained increase in EBIT to over EUR 25 million in 2010.

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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. As a further milestone on PWO's path, the Group expects to boost consolidated revenue from EUR 260 million in 2007 to around EUR 350 million in 2010.