QUARTERLY STATEMENT
1ST QUARTER 2017

DEAR SHAREHOLDERS AND BUSINESS ASSOCIATES,

The automotive sector is doing well and PWO is growing significantly faster than the market as a result of our sales success in recent years. This outperformance is clearly evident when looking at our performance in the first quarter of 2017 where we achieved a 13 percent increase in revenue and 22 percent rise in total output. Although some of these increases were attributable to passing on higher material prices, the main factor was a higher-than-expected volume of customer call orders.

Given the flexibility of our production and the stability of our processes, we can easily meet the higher volumes at most of our locations and at the same time achieve satisfactory margins. As a result, the Group's EBIT before currency effects in the first three months also managed to rise a significant 16 percent.

Our two firmly established locations in the Czech Republic and Canada are now fully exploiting their strengths and showing what they can achieve. Mexico is continuing its positive revenue and earnings trend after a large American manufacturer decided to stop building a new factory there at the start of the year. As a result, we will no longer open an assembly location in San Luis Potosí but instead open an assembly location in Hermosillo located in northern Mexico. Meanwhile, this customer has decided to have us deliver cross-members that we manufacture in Canada to him in the United States. We are also currently preparing our production location in Puebla for the start-up of major cross-member contracts that we have received from premium European manufacturers.

One of the two main management tasks in the current fiscal year will be the complete and timely passing on of rising material prices. By the end of the first quarter, we were still not able to fully achieve this in Germany. It is also important for us to continue to closely accompany our strong growth in China, which is currently causing us to incur additional expenses. However, as already mentioned, we were more than able to compensate for these expenses at the Group level.

And finally, currency losses in the first quarter of 2017 were lower year-on-year, and we had a significant decline in the tax rate as forecast. As a result, there was an above-average rise in both net income for the period and earnings per share, which was exceptionally gratifying.

Oberkirch, May 2017

The Management Board

SELECTED SEGMENT AND GROUP INFORMATION

EURK

3 months of 2017	Germany	Rest of Europe	NAFTA Area	Asia	Consolidation effects	Group
Total revenue	68,636	19,354	25,621	9,492	–6,000	117,103
Total output	74,053	18,989	25,197	10,018	–6,266	121,991
EBIT before currency effects	2,380	2,326	1,883	–691	-263	5,634
EBIT including currency effects	2,215	2,335	1,718	–839	–261	5,168
Investments	3,205	2,509	1,052	161	0	6,927
3 months of 2016						
Total revenue	60,984	18,073	22,865	6,573	–4,827	103,668
Total output	60,554	17,348	21,433	5,750	–4,846	100,239
EBIT before currency effects	2,971	1,015	997	–117	–26	4,840
EBIT including currency effects	2,730	1,006	696	–806	–26	3,600
Investments	3,663	1,737	309	27	0	5,736

RESULTS OF OPERATIONS

Revenue rose sharply in the first quarter of 2017 to a total of EUR 117.1 million (p/y: EUR 103.7 million). There was an even slightly stronger increase in total output to EUR 122.0 million (p/y: EUR 100.2 million) due to preparations for the new major series start-ups, which required the manufacture of extensive tool sets and led to an intermediate rise in inventories.

The strong growth resulted from passing on higher material prices and a higher-than-planned volume of customer call orders causing growth to accelerate.

The expansion in tool inventories led to a rise in the cost of materials ratio. In purely mathematical terms, the passing on of higher material prices also had a negative effect on the margin because it fully impacts revenue but has only a minor effect on EBIT. This was another reason why the cost of materials ratio increased in the first quarter of 2017 while the staff costs ratio declined. In addition, we increased our use of temporary employees for the production ramp-up, which is reflected in other operating expenses.

On the whole, it was possible to achieve a sharp rise in EBIT before currency effects to EUR 5.6 million (p/y: EUR 4.8 million). After net currency losses of EUR 0.5 million (p/y: EUR 1.2 million), EBIT amounted to EUR 5.2 million (p/y: EUR 3.6 million). The currency effects shown in the table above affect both other operating income and other operating expenses.

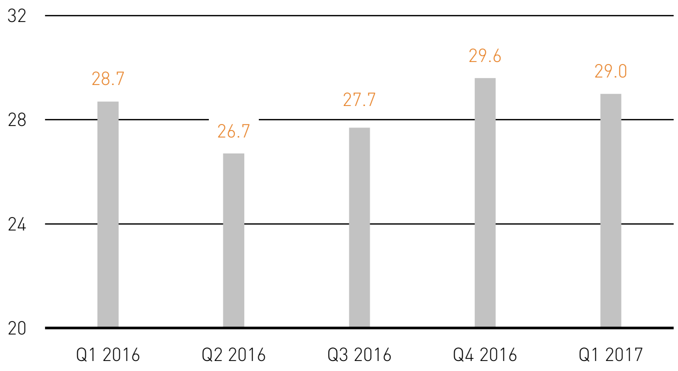
After a slight decline in financial expenses and a distinctly lower tax rate, as forecast, net income for the period more than doubled to EUR 2.9 million (p/y: EUR 1.3 million). Earnings per share rose accordingly to EUR 0.91 (p/y: EUR 0.42).

SEGMENTS

The following explanations refer to EBIT before currency effects because this is the figure that best reflects the Group's operating development.

Our home location of Oberkirch that comprises the Germany segment reported sharply higher revenue in the first quarter and even stronger growth in total output due to higher tool production. EBIT remained below the previous year's level primarily because not all of the negotiations to pass on higher material prices had been completed.

EQUITY RATIO
IN PERCENT



The Czech location, which forms the Rest of Europe segment, is currently growing at a slower pace as expected because of its currently high capacity utilization. We are investing continuously at that location to increase capacities. EBIT improved sharply compared to the first quarter of 2016. The previous year's figure, however, was also relatively low. Therefore we believe the high EBIT margin realized in the first quarter of 2017 is more significant than the year-on-year change.

Our locations in Canada and Mexico, which make up the NAFTA Area segment, performed very positively in the reporting quarter. With a higher level of total revenue and total output, this segment's EBIT managed to nearly double.

The strong growth of the Canadian location contributed to the segment's development resulting in a sharp increase in its profitability that approximated the level at our Czech location.

Mexico is consistently boosting its profitability amid somewhat restrained growth. This location achieved a clearly positive EBIT result in the reporting quarter after just approaching the break-even level in the previous year.

We were not yet satisfied with the performance of the Asia segment. Although revenue and total output in this segment rose strongly compared to the previous year, we are currently dealing with high customer call orders with current productions and major complex series start-ups. These factors resulted in high expenses in the reporting quarter, placing temporary pressure on the segment result.

NET ASSETS AND FINANCIAL POSITION

Growth in the first quarter led to a rise in total assets to EUR 381.2 million as of March 31, 2017 compared with EUR 359.4 million on December 31, 2016. This increase was due to a slight rise in inventories and, above all, higher receivables and other assets.

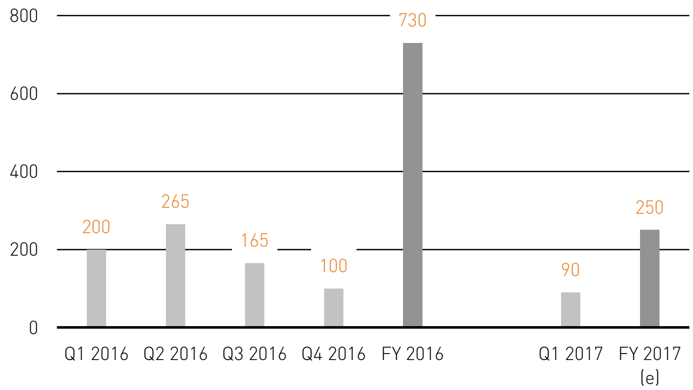
The increase in current assets was financed mainly by an increase in trade payables and current financial liabilities.

The net debt rose accordingly from EUR 124.5 million as of December 31, 2016 to EUR 138.8 million as of the reporting date. At 29.0 percent, the equity ratio was only slightly below its level of 29.6 percent at the end of 2016.

Cash flow from operating activities in the reporting quarter fell to EUR –6.6 million (p/y: EUR 9.1 million) primarily due to the increase in current assets. The development of cash flow in the reporting quarter is more seasonally typical than the development in the prior year.

Cash flow from investing activities amounted to EUR –5.2 million in the reporting quarter (p/y: EUR –5.7 million). Investments during the reporting period are explained below. As a result, free cash flow after interest paid and received amounted to EUR –12.9 million (p/y: EUR 2.5 million).

NEW BUSINESS (LIFETIME VOLUME OF SERIES AND TOOL ORDERS)
IN EUR MILLION



The change in cash and cash equivalents amounted to EUR –2.9 million (p/y: EUR 5.4 million) and took into account the assumption of loans totaling a net EUR 10.0 million (p/y: EUR 2.9 million).

INVESTMENT

As presented in the segment report, we invested EUR 6.9 million in the first quarter of 2017 (p/y: EUR 5.7 million). The bulk of the investments in the 2017 fiscal year will be allocated to our two locations in Germany and Mexico. We are also expanding our location in the Czech Republic. The investment volumes in the first quarter were spread accordingly.

Our investments in Oberkirch in the reporting quarter were mainly made in the manufacturing facilities. At our Czech location, we are making solid progress in expanding our press capacity. The investments planned in Mexico in 2017 will mainly be project-related in light of the uncertainty surrounding the NAFTA free trade zone. Overall investment of roughly EUR 40 million is planned for the current fiscal year.

NEW BUSINESS

In 2017 and 2018, we expect new business to normalize somewhat after already receiving significant major orders from our customers.

In the current fiscal year, we expect a life-time volume of around EUR 250 million. We have already won around EUR 90 million of this amount in the first quarter, including the associated tool volume of around EUR 4 million.

Most of the new orders will be manufactured at the Oberkirch site and will help ensure the utilization of the location's capacity. Most of these new orders are for seat parts and body structures. After the large cross-member orders over the past several years, the focus is now shifting back to our other product solutions.

The start of production for current new orders is scheduled to take place mainly in fiscal years 2018 and 2019. Additional volume from previous orders may have a positive effect in the current fiscal year. Series production times still take between 5 to 8 years.

REPORT ON OPPORTUNITIES AND RISKS

The opportunities and risks presented in the Annual Report 2016 for the development of the PWO Group and its segments remain valid.

In our annual report, we stated that our earnings development in 2017 may be particularly affected by performance risk due to the increase in capacity utilization, as well as by material price risk. The level of customer call orders in the first quarter even exceeded our expectations.

When it comes to capacity risk, the main task is to limit the expense of providing on-time delivery and zero-defect quality to our customers. In the case of material prices, there is a risk that customer negotiations may stretch out past the quarterly reporting date or that compensation for higher material prices can be made in the context of combining different measures.

Projections about the future development of exchange rates are not part of our corporate forecasts. We enter into hedging transactions appropriate for avoiding currency risks with the aim to hedge contracts when they are received based on the assumed currency parities so that we can lock in the anticipated contribution margins. Currency risk also includes risk related to intercompany loans. Since these loans are not subject to economic risk, they are only partially hedged.

REPORT ON FORECASTS AND OUTLOOK

Our business development in the first quarter of 2017 was gratifying. We are satisfied with the strong growth in revenue, EBIT and net income for the period.

The high-than-planned volume of call orders is strengthening our locations in Germany, Canada and Mexico and presents us with opportunities for the further course of the year. Our Czech location is also in a good position to meet the current delivery quantities well. In China, we are working intensively on the capacity situation and the series starting in the current year.

On the whole, we continue to expect revenue in 2017 to rise to EUR 430 million, excluding material price effects, and to EUR 450 million, including the higher material prices. EBIT before currency effects is expected to increase to EUR 23 to 24 million.

CONSOLIDATED INCOME STATEMENT

EURK

	Q1 2017	% share	Q1 2016	% share
Revenue	117,103	96.0	103,668	103.4
Change in finished goods and work-in-progress / other own work capitalized	4,888	4.0	-3,429	-3.4
TOTAL OUTPUT	**121,991**	**100.0**	**100,239**	**100.0**
Other operating income	1,858	1.5	2,662	2.7
Cost of materials	67,463	55.3	52,508	52.4
Staff costs	31,471	25.8	28,499	28.4
Depreciation and amortization	6,101	5.0	6,190	6.2
Other operating expenses	13,646	11.2	12,104	12.1
EBIT	**5,168**	**4.2**	**3,600**	**3.6**
Financial expenses	1,379	1.1	1,436	1.4
EBT	**3,789**	**3.1**	**2,164**	**2.2**
Income taxes	938	0.8	844	0.9
NET INCOME FOR THE PERIOD	**2,851**	**2.3**	**1,320**	**1.3**
Earnings per share in EUR	0.91	--	0.42	--

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EURK

	Q1 2017	Q1 2016
NET INCOME FOR THE PERIOD	**2,851**	**1,320**
Net gains from cash flow hedges	1,956	3,173
Tax effect	-562	-871
Items that may be reclassified to profit and loss in future	**1,394**	**2,302**
Currency translation differences	**-182**	**-457**
Actuarial losses from defined benefit pension plans	0	-7,384
Tax effect	0	2,099
Items that will not be reclassified to profit and loss	**0**	**-5,285**
OTHER COMPREHENSIVE INCOME AFTER TAX	**1,212**	**-3,440**
TOTAL COMPREHENSIVE INCOME AFTER TAX	**4,063**	**-2,120**

CONSOLIDATED BALANCE SHEET

ASSETS

EURK

	Mar. 31, 2017	Dec. 31, 2016
Property, plant and equipment	176,957	176,637
Intangible assets	11,310	11,452
Deferred tax assets	13,213	13,400
NON-CURRENT ASSETS	**201,480**	**201,489**
Inventories	102,588	97,104
Receivables and other assets	72,337	58,491
Other financial assets	257	192
Income tax receivables	1,335	129
Cash and cash equivalents	3,154	2,014
CURRENT ASSETS	**179,671**	**157,930**
TOTAL ASSETS	**381,151**	**359,419**

EQUITY AND LIABILITIES

EURK

	Mar. 31, 2017	Dec. 31, 2016
EQUITY	**110,599**	**106,536**
Non-current financial liabilities	88,033	87,395
Provisions for pensions	53,113	52,927
Other provisions	1,747	1,732
Non-current portion of other liabilities	0	0
Deferred tax liabilities	232	0
NON-CURRENT LIABILITIES	**143,125**	**142,054**
Current portion of provisions for pensions	1,540	1,540
Current portion of other provisions	1,231	1,231
Trade payables and other liabilities	64,446	54,103
Other financial liabilities	6,261	14,878
Current financial liabilities	53,949	39,077
CURRENT LIABILITIES	**127,427**	**110,829**
TOTAL EQUITY AND LIABILITIES	**381,151**	**359,419**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EURK

	Equity attributable to PWO AG shareholders						
					Other components of equity items that may be reclassified to profit and loss in future periods		
	Subscribed capital	**Capital reserves**	**Retained earnings**	**Defined benefit pension plans**	**Currency translation differences**	**Cash flow hedges**	**Total**
JANUARY 1, 2016	**9,375**	**37,494**	**68,913**	**-12,003**	**3,382**	**-4,050**	**103,111**
Net income for the period			1,320				1,320
Other comprehensive income				-5,285	-457	2,302	-3,440
TOTAL COMPREHENSIVE INCOME	**9,375**	**37,494**	**70,233**	**-17,288**	**2,925**	**-1,748**	**100,991**
MARCH 31, 2016	**9,375**	**37,494**	**70,233**	**-17,288**	**2,925**	**-1,748**	**100,991**
JANUARY 1, 2017	**9,375**	**37,494**	**73,591**	**-14,614**	**3,639**	**-2,949**	**106,536**
Net income for the period			2,851				2,851
Other comprehensive income					-182	1,394	1,212
TOTAL COMPREHENSIVE INCOME	**9,375**	**37,494**	**76,442**	**-14,614**	**3,457**	**-1,555**	**110,599**
MARCH 31, 2017	**9,375**	**37,494**	**76,442**	**-14,614**	**3,457**	**-1,555**	**110,599**

CONSOLIDATED STATEMENT OF CASH FLOWS

EURK	Q1 2017	Q1 2016
Net income for the period	2,851	1,320
Depreciation of property, plant, and equipment, net of write-ups	6,101	6,190
Income tax expense/refund	938	844
Interest income and expenses	1,379	1,436
Change in current assets	-20,337	-6,603
Change in non-current assets	0	-2
Change in non-current liabilities (excluding financial liabilities)	-109	7,391
Change in current liabilities (excluding financial liabilities)	2,517	704
Income taxes paid	-3,200	-1,047
Other non-cash expenses/income	3,265	-1,091
Gains/losses on disposal of property, plant, and equipment	-29	6
CASH FLOW FROM OPERATING ACTIVITIES	**-6,624**	**9,148**
Proceeds from disposal of property, plant, and equipment	27	4
Payments for investments in property, plant, and equipment	-5,050	-5,570
Payments for investments in intangible assets	-222	-88
CASH FLOW FROM INVESTING ACTIVITIES	**-5,245**	**-5,654**
Interest paid	-1,024	-996
Interest received	16	4
Proceeds from borrowings	15,423	8,642
Repayment of borrowings	-5,442	-5,741
CASH FLOW FROM FINANCING ACTIVITIES	**8,973**	**1,909**
Net change in cash and cash equivalents	-2,896	5,403
Effect of exchange rates on cash and cash equivalents	18	82
Cash and cash equivalents as of January 1	-11,782	-7,308
CASH AND CASH EQUIVALENTS AS OF MARCH 31	**-14,660**	**-1,823**
of which cash and cash equivalents	3,154	5,119
of which bank borrowings due on demand	-17,814	-6,942

SEGMENT REPORT

SEGMENT INFORMATION BY LOCATION 1ST QUARTER OF 2017

EURK

	Germany	Rest of Europe	NAFTA Area	Asia	Consolida-tion effects	Group
Total revenue	68,636	19,354	25,621	9,492	0	123,103
Inter-segment revenue	-3,951	-492	-28	-1,529	0	-6,000
EXTERNAL REVENUE	**64,685**	**18,862**	**25,593**	**7,963**	**0**	**117,103**
TOTAL OUTPUT	**74,053**	**18,989**	**25,197**	**10,018**	**-6,266**	**121,991**
Other income (aggregated)	1,895	58	527	241	-864	1,857
Other expenses (aggregated)	70,941	15,601	22,533	10,370	-6,866	112,579
Depreciation and amortization	2,792	1,111	1,473	728	-3	6,101
EARNINGS BEFORE INTEREST AND TAXES (EBIT)	**2,215**	**2,335**	**1,718**	**-839**	**-261**	**5,168**
Interest income	928	11	0	1	-850	90
Interest expenses	1,177	282	525	335	-850	1,469
EARNINGS BEFORE TAXES (EBT)	**1,966**	**2,064**	**1,193**	**-1,173**	**-261**	**3,789**
Income taxes	720	-67	313	0	-28	938
NET INCOME FOR THE PERIOD	**1,246**	**2,131**	**880**	**-1,173**	**-233**	**2,851**
Assets	204,887	87,194	86,337	50,501	-47,768	381,151
of which non-current assets	76,627	46,903	36,377	28,473	-113	188,267
Liabilities	38,628	35,876	65,220	59,463	71,365	270,552
Investments	3,205	2,509	1,052	161	0	6,927
Employees (as of March 31)	1,550	704	788	316	--	3,358

SEGMENT REPORT

SEGMENT INFORMATION BY LOCATION 1ST QUARTER OF 2016

EURK

	Germany	Rest of Europe	NAFTA Area	Asia	Consolida-tion effects	Group
Total revenue	60,984	18,073	22,865	6,573	0	108,495
Inter-segment revenue	-3,443	-900	-33	-451	0	-4,827
EXTERNAL REVENUE	**57,541**	**17,173**	**22,832**	**6,122**	**0**	**103,668**
TOTAL OUTPUT	**60,554**	**17,348**	**21,433**	**5,750**	**-4,846**	**100,239**
Other income (aggregated)	2,711	57	687	21	-814	2,662
Other expenses (aggregated)	57,413	15,431	19,923	5,968	-5,624	93,111
Depreciation and amortization	3,122	968	1,501	609	-10	6,190
EARNINGS BEFORE INTEREST AND TAXES (EBIT)	**2,730**	**1,006**	**696**	**-806**	**-26**	**3,600**
Interest income	761	0	0	0	-757	4
Interest expenses	1,097	279	441	379	-756	1,440
EARNINGS BEFORE TAXES (EBT)	**2,394**	**727**	**255**	**-1,185**	**-27**	**2,164**
Income taxes	892	-229	184	0	-3	844
NET INCOME FOR THE PERIOD	**1,502**	**956**	**71**	**-1,185**	**-24**	**1,320**
Assets	186,922	83,711	76,162	50,921	-46,149	351,567
of which non-current assets	70,393	43,297	36,570	31,021	-146	181,135
Liabilities	28,378	29,460	21,902	41,817	129,019	250,576
Investments	3,663	1,737	309	27	0	5,736
Employees (as of March 31)	1,468	663	689	267	--	3,087

GOVERNING BODIES

The composition of the Management Board and Supervisory Board did not change during the reporting period.

MEMBERS OF THE MANAGEMENT BOARD

- Dr. Volker Simon | Speaker
- Bernd Bartmann
- Johannes Obrecht

MEMBERS OF THE SUPERVISORY BOARD

- Karl M. Schmidhuber | Chairman
- Dr. Gerhard Wirth | Deputy Chairman
- Dr. Georg Hengstberger
- Herbert König | Employee Representative
- Ulrich Ruetz
- Gerhard Schrempp | Employee Representative

FINANCIAL CALENDAR

23/05/2017	Annual General Meeting 2017
03/08/2017	Interim financial report 2nd Quarter and 1st Half-Year of 2017
02/11/2017	Quarterly Statement 3rd Quarter and 9 Months of 2017
Nov. 2017	German Equity Forum, Frankfurt/Main

CONTACT DETAILS

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FORWARD-LOOKING STATEMENTS AND FORECASTS

This quarterly statement contains forward-looking statements that are based on current assumptions, expectations, estimates, forecasts and other information currently available to the PWO Management Board, and on assumptions, expectations, estimates, forecasts and budgets that are derived from these. The forward-looking statements should not be understood as guarantees of future developments and results that are mentioned therein. Various known and unknown risks and uncertainties, as well as other factors, may result in actual developments and results diverging significantly from estimates that are mentioned here explicitly or are contained implicitly. These factors include those that PWO has described in published reports, and which are available on the PWO website at www.progress-werk.de. Irrespective of statutory regulations, PWO accepts no obligation to update such forward-looking statements and to adjust them to future events or developments.

DISCLAIMER

Figures in this report are typically presented on EURk and EUR million. Differences in comparison to the actual number in euro may emerge in individual figures due to rounding. Such differences are not of a significant nature. For improved readability, individuals are sometimes referred to in this report using solely the masculine form, which explicitly refers to men and women equally.