QUARTERLY STATEMENT
1ST QUARTER 2018

DEAR SHAREHOLDERS AND BUSINESS ASSOCIATES,

We are pleased to report that we have started the new year on track as anticipated. In the first quarter, revenue growth leveled off slightly due to customer shifts in series production. This not only removed some of the short-term strain on our capacity but also gave us some additional leeway to prepare for our upcoming growth this year. The current level of customer call orders confirms the volumes we have planned for 2018.

We achieved a strong improvement in our EBIT before currency effects in the first quarter, particularly after eliminating our losses and achieving a break-even level of EBIT in China and improving the EBIT year-on-year at our home location in Oberkirch. This positive performance is reflected in our net income for the period and in our earnings per share, which increased in the first three months of 2018 to EUR 4.0 million (p/y: EUR 2.9 million) and EUR 1.29 (p/y: EUR 0.91), respectively.

The balance sheet and cash flow are also developing well: in the run-up to the new series start-ups, last year we realized the highest volume of new tools ever required in the Company's history. In the meantime, this volume has been gradually working its way off of the balance sheet with only a limited net increase in the corresponding finished goods and work-in-progress.

As a result, cash flow from operating activities was more than EUR 10 million higher year-on-year in the first quarter – funds that we are using for the Group's continued expansion and for strengthening our balance sheet. Consequently, net debt has remained stable in the first quarter of 2018.

All in all, we have laid the foundation for another successful fiscal year. We know of course that the challenges in this demanding market remain high, and we must continue to work intensively on increasing our productivity to achieve our goals. In 2018, we will also see the start of large and complex series productions at our Oberkirch location, as well as at others. Nevertheless, we are confident that we will be able to successfully master the challenges presented to us again in this year.

Oberkirch, May 2018

The Management Board

SELECTED SEGMENT AND GROUP INFORMATION

EURk

3 months of 2018	Germany	Rest of Europe	NAFTA Area	Asia	Consolidation effects	Group
Total revenue	76,433	19,826	25,077	12,911	–11,483	122,764
Total output	76,334	19,501	27,372	12,843	–11,368	124,682
EBIT before currency effects	3,780	1,804	1,754	0	110	7,448
EBIT including currency effects	3,656	1,816	1,754	114	126	7,466
Investments	2,291	341	1,732	587	0	4,951
3 months of 2017						
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

RESULTS OF OPERATIONS

Revenues in the first quarter of 2018 increased to EUR 122.8 million (p/y: EUR 117.1 million). This growth was supported by higher tool sales, as tool inventories are successively invoiced to customers in preparation for the upcoming series start-ups.

As a result, the change in finished goods and work-in-progress of EUR 1.9 million (p/y: EUR 4.9 million) remained below the level of the previous year leading to a stronger rise in revenue than in total output, which amounted to EUR 124.7 million (p/y: EUR 122.0 million).

At the same time, it was possible to achieve a tangible increase in the EBIT before currency effects. The currency effects shown in the table above affect other operating income and other operating expenses.

The rise in EBIT reflects, among others, the reduction in additional expenditures for the high growth generated in the previous year, which had weighed on earnings. As a result, the cost ratios visibly declined, specifically the cost of materials and other operating expenses ratio (excluding the currency effects contained therein). The EBIT including these effects rose even more sharply because the net currency effects were much less pronounced in the reporting period than in the previous year.

After slightly higher financial expenses and a tax rate at the same year-end level as the 2017 fiscal year, net income for the period amounted to EUR 4.0 million (p/y: EUR 2.9 million) and earnings per share equaled EUR 1.29 (p/y: EUR 0.91).

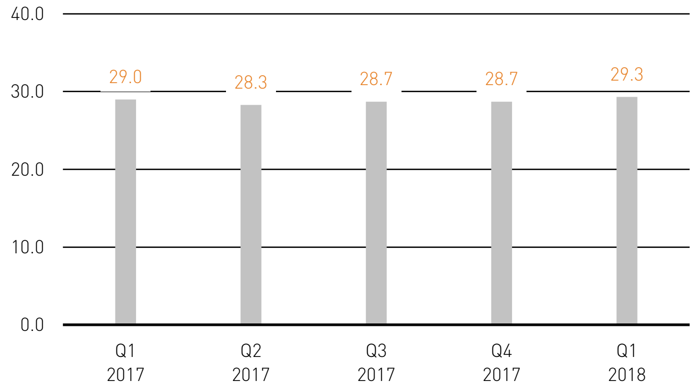
SEGMENTS

The following description of the segment results refers to EBIT before currency effects as this is the figure that best reflects the Group's operating development.

Our home location of Oberkirch, which comprises the Germany segment, achieved a gratifying increase in total revenue and total output in the first quarter. EBIT was significantly higher thanks to the aforementioned reduction in additional expenses versus the previous year and as a result of extraordinary effects.

We are also continually implementing productivity improvements and seeing continuous progress, though we have not yet reached the desired level. Coupled with the upcoming major start-ups, we therefore still expect to see volatile quarterly results in the future.

EQUITY RATIO
IN PERCENT



The Czech location, which forms the Rest of Europe segment, is currently growing at only a moderate rate as planned due to its current high level of capacity utilization. In the reporting quarter, total revenue remained at the prior year's level, as expected. For the same reason, EBIT in the first quarter was temporarily below the previous year's level. We will continue to invest substantially in the current year in order to create additional capacity.

In the NAFTA Area segment, where the two locations in Canada and Mexico are combined, total revenue only just reached the previous year's level. Total output, on the other hand, increased significantly due to the capitalization of tools, and EBIT was below the previous year's level. In Canada, we achieved an unchanged and above-average margin. Mexico again reached a positive EBIT in the reporting quarter, but below the previous year's level due customary quarterly fluctuations.

In the Asia segment, which comprises our Chinese activities, total revenue and total output continued to grow strongly. Due to the reduction in the additional expenses incurred in the prior year due to higher-than-expected customer call orders, there was a visible improvement in the result, which reached a break-even level in the first quarter.

NET ASSETS AND FINANCIAL POSITION

As of January 1, 2018, legislative changes took effect in the form of newly applicable IFRS standards. The assessment made in the 2017 financial statements has essentially materialized. The accounting changes from the application of the new standards were recognized in equity as of January 1, 2018. In accordance with IFRS 15, some inventories were reclassified as so-called contract assets.

This change had no significant effect on the balance sheet structures as compared to the level reported as of December 31, 2017. Overall, total assets recorded just a slight increase in the first quarter, rising from EUR 393.7 million at the end of the previous fiscal year to EUR 397.6 million as of the first quarter's reporting date.

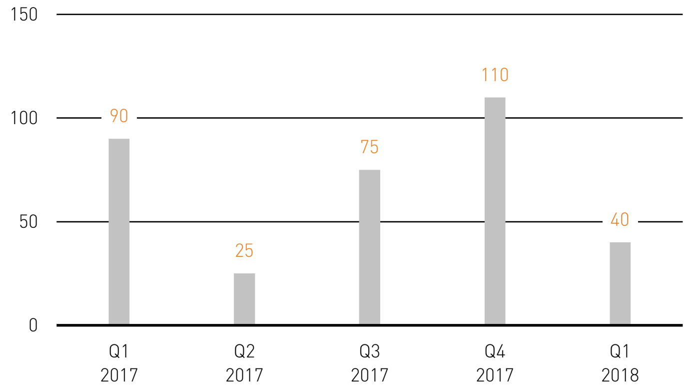
As a result of the aforementioned reclassifications, there was a rise in non-current assets. Within current assets, trade receivables increased within the customary range, while inventories dropped significantly.

The decline in inventories is exaggerated by the reclassifications in accordance with IFRS 15. Looking only at the operating business in the first three months, there was still a slight increase in inventory, which can be seen in the income statement.

We are working intensively on continuously completing and invoicing the current high volume of tools and, excluding the effects of IFRS 15, expect to see a visible reduction in inventories for the full year.

Net debt remained stable at EUR 127.0 million as of March 2018 compared to a level of EUR 125.9 million as of December 31, 2017, as did the equity ratio, which amounted to 29.3 percent compared to 28.7 percent.

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



Cash flow in the reporting quarter showed that the burden of high upfront investments in tools is already declining significantly:

While the increase in current assets had a negative impact of EUR 20.3 million in the previous year, the increase in current and non-current assets decreased in the first three months of 2018 to EUR 9.5 million (due to the reclassifications, these two items are combined in this discussion). As a result, cash flow from operating activities improved significantly in the first quarter of 2018 to EUR 4.8 million (p/y: EUR –6.6 million).

Cash flow from investing activities amounted to EUR –4.9 million (p/y: EUR –5.2 million). The investments made in the reporting period are described below. As a result, free cash flow after interest paid and received totaled EUR –1.3 million (p/y: EUR –12.9 million).

Including the sharp reduction in the net proceeds from borrowings totaling EUR 1.1 million (p/y: EUR 10.0 million), there was a net change in cash and cash equivalents of EUR –0.2 million (p/y: EUR –2.9 million).

INVESTMENT

With a total of EUR 5.0 million (p/y: EUR 6.9 million), investment was still relatively low in the first quarter of the new fiscal year. A majority of this amount was dedicated to our locations in Germany and Mexico and was mainly used to expand capacity for the upcoming series start-ups for instrument panel carriers. We also invested in two new forming presses in Mexico and are awaiting their delivery.

We are also preparing for the production of instrument panel carriers in Canada. In Czechia and China, we continue to focus on expanding capacity.

In the current fiscal year, we plan to invest EUR 42 million overall. This investment will not only be allocated to our largest location in Oberkirch but also to Mexico and Czechia where, among other things, we plan to purchase an additional forming press. Following several years of limited investment in Canada, we will now increase our investment there slightly. In China, our budgeted volume in absolute terms is lower than in the other countries, but it is still significant relative to the location's size. We will place two additional presses into operation there this year.

NEW BUSINESS

With a volume of around EUR 40 million, which includes related tool volumes of around EUR 5 million, new business in the first quarter of the current fiscal year was within the usual scope of fluctuation for our business.

New orders will mainly be filled by our Oberkirch location to ensure the utilization of that location's capacity. We are also pleased about a larger order we received for the production of seat components for the Czech location.

The production start for our current new business is mainly scheduled during the 2019 fiscal year. The lifetime of these series tends to be higher than our average series lifetime of 5 to 8 years.

Within the scope of our medium-term growth plans, we are aiming for new business volume totaling EUR 250 to 300 million in the 2018 fiscal year.

REPORT ON OPPORTUNITIES AND RISKS

The opportunities and risks for the development of the PWO Group and its segments presented in the 2017 Annual Report remain valid. With regard to the further business development in the current year, we see primarily the following risks:

Our locations in China and Mexico still need to deliver the sharply positive EBIT contributions expected of them this year. We are working hard to achieve this. Reaching these targets is even more important now after the improved EBIT of the German location made such a strong contribution in the first quarter. The level of profitability achieved at this location, however, is not yet sustainable.

Projections about the future development of exchange rates are not part of our corporate forecasts. We enter into appropriate hedging transactions to avoiding currency risk.

The aim is 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 material risk, they are only partially hedged.

REPORT ON FORECASTS AND OUTLOOK

Business development in the first quarter of 2018 was within our plan. Particularly the EBIT we achieved in the first quarter will pave our way to achieving our forecast for the current fiscal year.

Revenue in the coming quarters is expected to increase, supported by the continued invoicing of tool inventories, which can vary greatly in the ordinary course of business. In terms of our earnings development, we are confident that we will achieve the targeted rise in profitability at our sites in China and Mexico.

Overall, we continue to expect an increase in revenues to EUR 500 million in 2018 and an improvement in EBIT before currency effects to a level in the range of EUR 25 million to EUR 26 million.

CONSOLIDATED INCOME STATEMENT

EURk

	Q1 2018	% share	Q1 2017	% share
Revenue	122,764	98.5	117,103	96.0
Change in finished goods and work-in-progress / other own work capitalized	1,918	1.5	4,888	4.0
TOTAL OUTPUT	**124,682**	**100.0**	**121,991**	**100.0**
Other operating income	3,344	2.7	1,858	1.5
Cost of materials	67,699	54.3	67,463	55.3
Staff costs	32,777	26.3	31,471	25.8
Depreciation and amortization	6,251	5.0	6,101	5.0
Other operating expenses	13,833	11.1	13,646	11.2
EBIT	**7,466**	**6.0**	**5,168**	**4.2**
Financial expenses	1,494	1.2	1,379	1.1
EBT	**5,972**	**4.8**	**3,789**	**3.1**
Income taxes	1,955	1.6	938	0.8
NET INCOME FOR THE PERIOD	**4,017**	**3.2**	**2,851**	**2.3**
Earnings per share in EUR	1.29	--	0.91	--

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EURk

	Q1 2018	Q1 2017
NET INCOME FOR THE PERIOD	**4,017**	**2,851**
Net gains from cash flow hedges	543	1,956
Tax effect	–139	–562
Currency translation differences	–681	–182
Items that may be reclassified to profit and loss in future	**–277**	**1,212**
Actuarial losses from defined benefit pension plans	0	0
Transition effect from the first-time application of IFRS 15	–247	0
Tax effect	70	0
Items that will not be reclassified to profit and loss	**–177**	**0**
OTHER COMPREHENSIVE INCOME AFTER TAX	**–454**	**1,212**
TOTAL COMPREHENSIVE INCOME AFTER TAX	**3,563**	**4,063**

CONSOLIDATED BALANCE SHEET

ASSETS

EURk

	Mar. 31, 2018	Dec. 31, 2017
Property, plant and equipment	176,491	178,650
Intangible assets	10,256	11,632
Contract assets [1]	8,523	0
Deferred tax assets	14,313	14,511
NON-CURRENT ASSETS	**209,583**	**204,793**
Inventories	95,233	117,343
Trade receivables and other receivables	53,612	48,261
Contract assets [1]	16,323	0
Other assets	11,339	10,163
Other financial assets	3,791	3,455
Income tax receivables	515	515
Cash and cash equivalents	7,225	9,195
CURRENT ASSETS	**188,038**	**188,932**
TOTAL ASSETS	**397,621**	**393,725**

EQUITY AND LIABILITIES

EURk

	Mar. 31, 2018	Dec. 31, 2017
EQUITY	**116,679**	**113,116**
Non-current financial liabilities	89,738	91,320
Provisions for pensions	55,136	54,954
Other provisions	1,768	1,908
Deferred tax liabilities	91	0
NON-CURRENT LIABILITIES	**146,733**	**148,182**
Current portion of provisions for pensions	1,541	1,541
Current portion of other provisions	1,659	1,747
Trade payables and other liabilities	85,675	76,956
Other financial liabilities	819	8,420
Current financial liabilities	44,515	43,763
CURRENT LIABILITIES	**134,209**	**132,427**
TOTAL EQUITY AND LIABILITIES	**397,621**	**393,725**

1 First-time application of IFRS 15

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, 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**
JANUARY 1, 2018	**9,375**	**37,494**	**78,650**	**–15,935**	**2,206**	**1,326**	**113,116**
Net income for the period			4,017				4,017
Other comprehensive income			–177		–681	404	–454
TOTAL COMPREHENSIVE INCOME	**9,375**	**37,494**	**82,490**	**–15,935**	**1,525**	**1,730**	**116,679**
MARCH 31, 2018	**9,375**	**37,494**	**82,490**	**–15,935**	**1,525**	**1,730**	**116,679**

CONSOLIDATED STATEMENT OF CASH FLOWS

EURk	Q1 2018	Q1 2017
Net income for the period	4,017	2,851
Depreciation of property, plant, and equipment, net of write-ups	6,251	6,101
Income tax expense/refund	1,955	939
Interest income and expenses	1,493	1,379
Change in current assets	−1,017	−20,337
Change in non-current assets	−8,523	0
Change in current liabilities (excluding financial liabilities)	1,037	−109
Change in non-current liabilities (excluding financial liabilities)	−137	2,517
Income taxes paid	−1,578	−3,200
Other non-cash expenses/income	1,277	3,264
Gains/losses on disposal of property, plant, and equipment	−13	−29
CASH FLOW FROM OPERATING ACTIVITIES	**4,762**	**−6,624**
Proceeds from disposal of property, plant, and equipment	21	27
Payments for investments in property, plant, and equipment	−4,533	−5,050
Payments for investments in intangible assets	−389	−222
CASH FLOW FROM INVESTING ACTIVITIES	**−4,901**	**−5,245**
Interest paid	−1,167	−1,024
Interest received	9	16
Proceeds from borrowings	6,380	15,423
Repayment of borrowings	−5,314	−5,442
CASH FLOW FROM FINANCING ACTIVITIES	**−92**	**8,973**
Net change in cash and cash equivalents	−231	−2,896
Effect of exchange rates on cash and cash equivalents	116	18
Cash and cash equivalents as of January 1	1,440	−11,782
CASH AND CASH EQUIVALENTS AS OF MARCH 31	**1,325**	**−14,660**
of which cash and cash equivalents	7,225	3,154
of which bank borrowings due on demand	−5,900	−17,814

SEGMENT REPORT

SEGMENT INFORMATION BY LOCATION 1ST QUARTER OF 2018

EURk

	Germany	Rest of Europe	NAFTA Area	Asia	Consolidation effects	Group
Total revenue	76,433	19,826	25,077	12,911	–5	134,242
Inter-segment revenue	–6,803	–1,559	–192	–2,924	0	–11,478
EXTERNAL REVENUE	**69,630**	**18,267**	**24,885**	**9,987**	**–5**	**122,764**
TOTAL OUTPUT	**76,334**	**19,501**	**27,372**	**12,843**	**–11,368**	**124,682**
Other income (aggregated)	3,234	169	614	80	–753	3,344
Other expenses (aggregated)	72,756	16,687	24,950	12,164	–12,248	114,309
Depreciation and amortization	3,156	1,167	1,282	645	1	6,251
EARNINGS BEFORE INTEREST AND TAXES (EBIT)	**3,656**	**1,816**	**1,754**	**114**	**126**	**7,466**
Interest income	785	4	0	1	–781	9
Interest expenses	1,125	222	530	407	–781	1,503
EARNINGS BEFORE TAXES (EBT)	**3,316**	**1,598**	**1,224**	**–292**	**126**	**5,972**
Income taxes	1,264	287	374	0	30	1,955
NET INCOME FOR THE PERIOD	**2,052**	**1,311**	**850**	**–292**	**96**	**4,017**
Assets	206,935	84,080	89,995	59,518	–42,907	397,621
of which non-current assets [1]	73,758	47,609	36,609	28,862	–91	186,747
of which contract assets [2]	15,174	3,063	3,573	3,179	–143	24,846
Liabilities	48,948	33,350	65,754	64,312	68,578	280,942
Investments	2,291	341	1,732	587	0	4,951
Employees (as of March 31)	1,628	669	801	339	--	3,437

1 Non-current assets do not include deferred taxes.
2 First-time application of IFRS 15

SEGMENT REPORT

SEGMENT INFORMATION BY LOCATION 1ST QUARTER OF 2017

EURk

	Germany	Rest of Europe	NAFTA Area	Asia	Consolidation 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 [1]	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

1 Non-current assets do not include deferred taxes.

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 | CEO
- 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

23/05/2018	Annual General Meeting 2018
31/07/2018	Interim financial report 2nd Quarter and 1st Half-Year of 2018
30/10/2018	Quarterly Statement 3rd Quarter and 9 Months of 2018
Nov. 2018	German Equity Forum, Frankfurt/Main
22/05/2019	Annual General Meeting 2019

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 reasons of better readability, the generic masculine form is used in addition to gender-specific forms but expressly refers to all genders.