AWD successfully completes restructuring programme
Operating profit provides impressive evidence of turnaround

- Operating profit of €12.6 million before one-time and restructuring expenses
- Restructuring programme successfully completed
- Fixed-cost basis reduced by a substantial €50 million
- Total revenue reaches €528.7 million
- AWD gains 173,900 new customers in full-year 2009
- 267,800 advised existing customers (plus 8.1%)
- Positive outlook for 2010
- Good start to first quarter

**Hanover, March 30, 2010 (AWD Holding AG)** – AWD, one of Europe’s leading providers of pension solutions, successfully completed the restructuring and efficiency-enhancing programme it decided upon in May 2009 and initiated a sustained turnaround for the Group: AWD achieved an operating profit again in full-year 2009 – of €12.6 million before one-time and restructuring expenses. In doing so, AWD succeeded in reducing solely its selling and administrative expenses by a substantial €50 million last year.

The goal of the restructuring measures that have been taken is to return AWD to a stable and profitable growth path as of the year 2010. These measures are showing positive effects: According to the AWD Group’s own surveys, the trend of regaining AWD’s profitability continued in the first quarter of 2009. “By taking determined action, we have laid the foundations for sustainable growth,” stated Manfred Behrens, Chairman of the Board of Management of the AWD Group. “We will experience the comeback of AWD in the year 2010.”
The revenue of the AWD Group reached €528.7 million in 2009, which is €104.3 million less than the comparable prior-year figure. In view of the ongoing banking crisis, customer uncertainty led to continued liquidity-oriented investment behaviour. The Group’s revenue decrease of 16.5% compared with the prior year is due above all to significant declines in the markets Austria & CEE and the United Kingdom. Business in both markets was additionally affected by comprehensive restructuring actions in 2009.

In total, one-time and restructuring expenses of €53.7 million were incurred in 2009. An important milestone in the restructuring process in 2009 was the realignment of the business model of AWD Austria. This item together with the recognition of provisions for guarantee costs at AWD Austria accounted for €29 million, the major portion of the one-time and restructuring expenses. Accounting for approximately €8 million of the costs, the re-dimensioning of the holding company and other measures taken to enhance efficiency in the German market were also very important: AWD achieved a sustained reduction in its fixed costs by standardizing its processes and optimizing its back-office functions. In Germany, the AWD Group followed a court verdict and successfully changed over its advertising slogan from “Your independent financial optimizer” to “Your personal financial optimizer”. Approximately €9 million of the one-time and restructuring expenses was applied for this changeover and other special items. Other factors included approximately €4 million compensation payments to departed employees following the reorganization and expenses of approximately €4 million for the market exit from Romania and Croatia. All of the restructuring actions at the AWD Group are therefore completed. The reported earnings before interest and taxes (EBIT) for the year 2009 amounted to minus €41.1 million due to the high special expenses. In the prior year, EBIT amounted to plus €19.7 million.

The situations in the segments were as follows:

In the Germany region, which contributes more than 65% of the AWD Group’s revenue, AWD was largely able to re-stabilize the development of its operating revenue. The revenue reported in the Germany region amounted to €344.0 million in 2009, while EBIT amounted to €28.8 million. As Europe's biggest and most important financial market, the United Kingdom was hit particularly hard by the banking crisis. The implementation of regulatory requirements and the worsening of the economic and industry environment were the main reasons for the realignment of AWD UK (which was decided upon in November 2008) and the resulting sale of corporate units. The restructuring process was completed at AWD UK in 2009. The region is profitable: Revenue of €43 million was generated in the United Kingdom and EBIT amounted to €1.2 million.

In the Austria region, the business model was completely realigned. This process caused high special expenses in 2009. AWD posted total revenue of €68.4 million and EBIT of minus €42.3 million in the region Austria & CEE. Irrespective of these special expenses caused by the realignment of the
business model, AWD still sees Central and Eastern Europe as a growth region. The three factors of low penetration of financial products to date, a steadily growing middle class, and serious demographic problems make the region attractive for financial services. Profitability is the benchmark for further developments in the CEE region. Due to insufficient profitability in Romania and Croatia, AWD logically decided to discontinue its activities in those countries.

In Switzerland, AWD achieved slight revenue growth to €73.1 million despite the omnipresent financial crisis. EBIT amounted to €6.2 million, representing an improvement of 17% compared with the prior year. This demonstrates the stable position of the AWD Group in that region.

The AWD Group achieved significant revenue growth in its core business of life-insurance products, with an increase of €9 million or 9.8% compared with 2008. Due to the banking crisis, the revenue generated with unit-linked products and investment funds decreased throughout the Group in 2009. However, AWD improved its revenue from private health insurance and property and accident insurance.

The AWD Group had a total of 11,143 sales representatives under contract at the end of 2009. 5,726 of them were fully trained and registered financial advisers, 1,646 were tied agents, 2,902 were advisers in training and 869 were other sales representatives. Due to the discontinuation of operations in Romania and Croatia, the number of advisers decreased to 5,342 at the beginning of 2010. The number of advised customers in 2009 was 441,600 (436,380 excluding Romania and Croatia). AWD thus achieved growth of 2.9% compared with the prior year, despite the challenging market environment. AWD’s advisers increased the number of appointments in particular with newly advised existing customers: 267,800 customers were advised once again last year – an increase of 8.1%. Furthermore, AWD’s advisers acquired 173,900 new customers. So despite the ongoing financial markets crisis, new customer acquisition was only 4.2% lower than in 2008.

“We did our homework and successfully completed our comprehensive restructuring programme,” stated Manfred Behrens, CEO of the AWD Group. “We displayed strong team spirit and laid the foundations for a good future. We are confident that we will achieve EBIT of €40-50 million in full-year 2010, in line with the figures we stated on our Investors’ Day.” The preliminary results for the first quarter are also encouraging: In Q1 2010, the AWD Group posted EBIT of €9 million, which is significantly more than had been projected. AWD CEO Manfred Behrens: “AWD is back on track.”
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Please note: Unless otherwise indicated, all figures and details given here relate to the continuing operations of the AWD Group and exclude the operations of AWD Home Finance, which were discontinued on 12 December 2008.