



Press release for AWD Holding AG

AWD: Earnings target 2010 fully achieved

- EBIT with €49.1 m at the upper end of expectations
- Revenues + 3.5% to €547 m
- All regions achieve turnover and EBIT increases
- Consulting quality and company efficiency further improved

Hanover, 2 March 2011 (AWD Holding AG) The AWD group, one of the leading providers of financial advice in Europe, fully achieved its earnings target for the business year 2010. The **Earnings before Interest and Taxes (EBIT)** have improved compared to the previous year (minus €11.1 m) by around €90 m and reached €49.1 m. Therefore the operating result - based on the yet not approved figures for the business year - was at the upper end of the expectations named for 2010 of between €40 m and €50 m. The EBIT margin increased to **9%** (previous year: minus 7.8%). The regions of Germany, Great Britain and Switzerland achieved EBIT margins between **10.5% and 16.6%**. "We would like to thank our team at AWD for their excellent work in 2010. This and the targeted efficiency measures that were implemented have quickly made the AWD group profitable again in an unchanged, ambitious market", says Manfred Behrens, chairman of the board of AWD Holding AG.

Consulting focus and quality drive turnover growth

The consulting focus of the AWD group remains the provision of insurance cover and retirement provisions as well as the long term build up of assets. The good consulting quality was confirmed once again in current customer satisfaction studies. Regardless of the continuing reticence of private households to make long term investments, due to the bank crisis, the AWD group achieved a turnover growth of 3.5% in 2010. Overall the AWD companies generated a **group wide turnover** of **€547 m** (previous year: €528.7 m). The increase in commission turnover from new business by 4.7% is particularly pleasing. From the **new business profits, 82.1%** can be allocated to the consulting focuses of insurance cover and retirement provisions.

The significant and sustainable **reduction of fixed costs** forms the basis of the **significant increase in earnings** in 2010. In the scope of the group wide efficiency increasing programme, above all the administrative costs were lowered by around €48 m compared to the comparable level of the previous year.

Turnover and earnings improvement in all sectors

The **region of Germany** is the largest sector of the AWD group with a turnover contribution of **64%**. In the reference period the four companies (AWD Deutschland, HORBACH, tecis and Proventus) achieved a total **turnover** of **€351.6 m** (plus €7.6 m). Thanks to the rapid implementation of the improvements in efficiency the region of Germany made a significant contribution to the overall earnings of the AWD group. The **EBIT** rose by €29.6 m to **€58.4 m**. The EBIT margin increased significantly by 8.2% to **16.6%**. The number of consultants remained stable in the reference period with 3,537 (previous year 3,554).

In the **region of Austria & CEE** the realignment of the business model that began in 2009, led to a significant improvement in earnings in the last business year. The EBIT was **minus €4.5 m** compared to €42.3 m in the previous year. The **turnover** increased by 9.4% compared to the previous year to **€74.8 m**.

At the end of 2010 the number of consultants was slightly below the value of the previous year of 1,222, with 1,183. The strategic positioning and the efficiency of the companies in the region Austria & CEE should be further improved. Corresponding restructuring measures to deconcentrate and strengthen the individual CEE companies were already introduced at the end of 2010. The aim for the region is still to return to profitability.

In spite of a still challenging market environment AWD increased its **turnover** by 8.4% to **€46.6 m** in Great Britain in 2010. The **EBIT** increased to **€6.3 m** (previous year: €1.2 m). Therefore the **region of Great Britain** once again pleasingly contributed to the overall earnings of the AWD group after successful restructuring. On 31 December 2010 AWD had 4.2% more people under contract with 199 consultants than in the previous year (191 consultants).

AWD Switzerland developed satisfactorily in the reference period. The **EBIT** of **€7.8 m** was around €1.6 m above previous year's level. The **turnover** was **€74 m** - a growth of 1.2%. The number of consultants remained almost constant in 2010 with 373 (previous year 375). The overall pleasing development in the reference period highlights the good positioning of the AWD group in this region.

Stable development of consultants

With **5,292** (previous years: 5,342) **trained and registered consultants** the AWD group in the regions of Germany, Austria and CEE (Czech Republic, Poland, Slovakia and Hungary), Great Britain and Switzerland contained to have one of the largest sales capacities in the European financial services sector. In light of continually growing regulatory requirements AWD is continuing to focus strongly on the best possible training and high quality in consulting. Above all when selecting applicants and training them, higher standards are applied than in the past, which explains the continuous development in the number of consultants. In the mid term the AWD group is striving towards strengthening sales and consulting capacities.

Outlook

"With the results achieved in 2010 we have fully achieved our expectations and laid the foundations for solid profitability", explains Manfred Behrens. "An **EBIT of €49.1 m and a turnover of €547 m** are clear signs that our company is on course again. We will continue to improve our processes and sequences. The clear goal now is to continue to gain speed."

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