



Press release from AWD Holding AG

AWD: Restructuring programme takes effect, EBIT up to €20.4 million in first half of 2010.

- Sustained effect of restructuring programme
- EBIT surpasses expectations at €20.4 million
- Revenue grows by 1.8% to €262.9 million
- Higher revenue and EBIT in all regions
- AWD gains 71,000 new customers in first half of 2010
- Advice provided to 233,300 customers

Hanover, 18 August 2010 (AWD Holding AG) - AWD, one of Europe's leading providers of financial planning, has initiated a sustained turnaround of the Group after a challenging year 2009: For the first half of 2010, the AWD Group has posted earnings before interest and taxes (EBIT) of **€20.4 million** (H1 2009: minus €10.3 million). The EBIT margin is thus **7.8%** (H1 2009: minus 4.0%). "By taking decisive action, we have laid the foundations for profitable growth. We are experiencing AWD's comeback in 2010," stated Manfred Behrens, Chairman of the Board of Management of AWD Holding AG.

The main reason for this generally positive development is the sustained success of the Group-wide restructuring and efficiency program. Above all, selling and administrative expenses have been reduced substantially and over the long term as a result of this programme. In the reporting period, selling and administrative expenses amounted to **€32.8 million** and thus **23.5%** lower than in the prior-year period.

The AWD Group generated revenue of **€262.9 million** in the first half of 2010, representing an increase of **1.8%** compared with the first half of 2009. AWD's advisory focus of long-term wealth accumulation and pension planning was boosted once again: The Group achieved **82.4%** of its total revenue in this area in the first six months of 2010. The revenue relating to unit-linked products decreased slightly to **38.0%** of total revenue in that period (H1 2009: 40.7%). This is due to customers' ongoing reluctance to invest in capital-market products following the banking crisis. Revenue with traditional life-insurance products benefited significantly in the first half of 2010, rising from 24.0% to **27.8%** of total revenue.

The picture for the various segments is as follows:

In the Germany region – which is still the biggest segment accounting for 65% of the total revenue – four of the Group's companies (AWD Germany, HORBACH, tecis and Proventus) generated revenue of **€166.5 million** in the reporting period. This represents an increase of **1.8%** compared with the first half of 2009. EBIT in the Germany region for the first half of 2010 increased to **€24.0 million**. The EBIT margin is a double-digit percentage again at **14.4%**, which is an improvement of **5.3 percentage points** compared with the prior-year period (9.1%).

In the Austria & CEE region, AWD fundamentally realigned its business model in 2009. The first success of the restructuring became apparent in the first half of 2010 and AWD Austria & CEE increased its business activity: Compared with the prior-year period, revenue rose by **2.2%** to **€36.4 million**. EBIT of **minus €1.6 million** is also a clear improvement compared with the prior-year period (minus €10.3 million). The goal for the region is still to achieve a rapid return to profitability, but the recognizable trend reversal is already a very positive step in the right direction.

The success is also apparent of the restructuring carried out in the United Kingdom region due to new regulatory requirements and the effects of the banking crisis. Despite all the challenges, AWD UK increased its revenue in the first six months of the year by **4.0%** compared with the same period of 2009 to **€23.2 million**. EBIT rose to **€3.3 million** (H1 2009: €0.0 million).

In Switzerland, AWD posted revenue of **€36.8 million** and thus growth of **2.8%** compared with the first half of 2009. EBIT amounted to **€4.2 million**, which is an improvement of **44.8%** over the prior-year period. The level of earnings demonstrates the stable position of the AWD Group in this region.

A total of **5,378** trained and registered advisers were active for the AWD Group in the first half of this year. With growth of **0.5%** compared with the number a year earlier, adviser development is very pleasing in view of further increases in regulatory requirements placed on financial advisers. As part of the Group's realignment, AWD is focusing even more on optimal adviser training and quality of advice provided. Higher standards than in the past also apply in the areas of adviser selection and training. Under these conditions, the number of sales representatives, which also includes advisers in training, decreased slightly in the first six months of this year to **10,127**. In the medium term, the AWD Group aims to achieve comprehensive growth in its sales and advisory capacities.

In a still-challenging market environment, **162,300** core customers once again sought advice from their AWD advisers. This stable figure compared with the first half of 2009 is evidence of the great trust that AWD customers place in their advisers. In addition, AWD gained **71,000** new customers during the reporting period, representing a decrease of **4.2%** compared with the first half of last year. This development reflects people's continuing uncertainty with regard to the financial markets. In total, advice was provided to **233,300** customers during the period under review (H1 2009: 243,600).

"The results of the first half of 2010 are confirmation of the path AWD has taken in recent months," stated Manfred Behrens, CEO of the AWD Group. "With EBIT of **€20.4 million** and revenue of **€262.9 million**, we laid the foundations for a successful future in the first six months of this year. Our restructuring work will be continued as planned in the second half of 2010. With the optimization of our processes and routines and by taking further measures to reduce costs, we are confident of achieving EBIT for full-year 2010 of €40-50 million and of confirming: AWD is back on track!"

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