



AWD Holding AG Press Release

AWD records increase in sales and profit in the first half of 2011

- Increase in group turnover (€ 265.5m) and profits (€ 21.8m) compared with previous year
- 6.9% increase in group EBIT € 21.8m.
- Continued consultancy focus on hedging and retirement provisions with 81.7% of new business commission
- Consultant focus on productivity

Hannover, 17th August 2011 (AWD Holding AG) The AWD Group, one of the leading retirement provision service providers and financial consultancy firms in Europe, is still on target in the current financial year with a good first half of 2011. **Earnings before interest and taxes (EBIT)** reached **€ 21.8m** and were therefore higher than last year's EBIT (€20.4m) – despite no let-up in the challenging market environment. The EBIT margin was **8.2%** (previous year 7.8%), with the regions of Germany, Great Britain and Switzerland recording EBIT margins of between **15.6%** and **9.1%**. "With the good overall continuation of development in the first half of 2011, we have laid the foundations for solid profitability," explains Manfred Behrens, Chairman of the Board of Directors of the AWD Group. "The satisfactory profit in the region of Germany and the growth in consultants in the UK is a particular indicator that our company has enjoyed a good first half of the year." The sustainability of the **reduction of fixed costs** in 2010 was also evident in the first half of 2011 and contributed to the profitability of the AWD Group in the medium term.

Consultancy remains focussed on hedging and retirement provisions

Focuses of consultancy at the AWD Group remain unchanged: the procurance of hedging and retirement provisions products and long-term asset growth. The good consultancy quality was once again confirmed in customer satisfaction surveys in 2011 (such as KUBUS). As a result of the ever-worsening debt crises in some euro zone countries, added to financial insecurity in the USA, we are still seeing a certain amount of reluctance from private households when it comes to long-term investments. Despite this, AWD companies posted **group-wide turnover** of **€ 265.5m** in the first half of 2011 (previous year: € 262.9m). **81.7%** of **new business commission** came from products in the hedging and retirement provisions (see graph/table) areas. This means that the AWD Group is continuing its path towards consistent risk minimising in the product range.

Consultant development

With **5,086** (Q1 2011: 5,198) **trained and registered consultants**, the AWD Group continues to have one of the largest sales capacities in the European financial services sector in the regions of Germany, Austria & CEE (Czech Republic, Hungary, Poland and Slovakia), Great Britain and Switzerland. Against the backdrop of the consistent tightening of regulatory requirements, AWD is continuing to put strong focus on qualified training and high-quality consultancy. The slight decrease in the number of consultants is predominantly due to the consolidation of the market. High standards still apply, especially with applicant selection and applicant training. These measures, which are aimed at consistent increases in the quality of consultancy, have temporarily slowed down consultant development, but have increased the productivity of individual consultants. Predominantly in Austria and CEE, this repositioning and the concentration on productive consultants is currently having a negative effect on their number. Great Britain recorded pleasing successes in the last few months due to tough recruitment measures.

Development of turnover and profit in the regions

The **region of Germany** remains the largest segment of the AWD Group with a contribution to turnover of **64%**. In the first half of 2011, the four companies (AWD Deutschland, HORBACH, tecis and Proventus) recorded **turnover** of **€ 170.1m** (previous year: € 166.5m). Due to the slight improvement in turnover, the success of the efficiency measures that were implemented and the positive capital market development with regard to trailer fees, the region of Germany made a substantial contribution to the overall profit of the AWD Group. Here, **EBIT** was **€ 26.5m** (increase of 10.4%). The **EBIT margin** was **15.6%** (increase of 1.2%). The number of consultants in the region remained stable over the report period at 3,439 (Q1 2011: 3,489).

Business development in the region of **Austria & CEE** continued to be characterised by the necessary repositioning and restructuring measures over the course of the realignment of management expertise in the individual companies. Companies in this region recorded **turnover** of **€ 34.8m** (previous year: € 36.4m). Due to the slight decrease in turnover, the current repositioning measures and the associated expenditure, **EBIT** was **€ -3.2m** compared with € -1.6m in the same period last year. At 1,073, the number of consultants at the end of the first six months of the year was lower than at the end of the first quarter (Q1 2011: 1,143). Strategic positioning, productivity of consultants and efficiency of companies in the Austria & CEE region shall be improved further after the reorganisation has been completed. Further steps towards improving efficiency in Austria and corresponding restructuring measures to increase profitability of the individual CEE companies were pressed ahead within the first half of 2011.

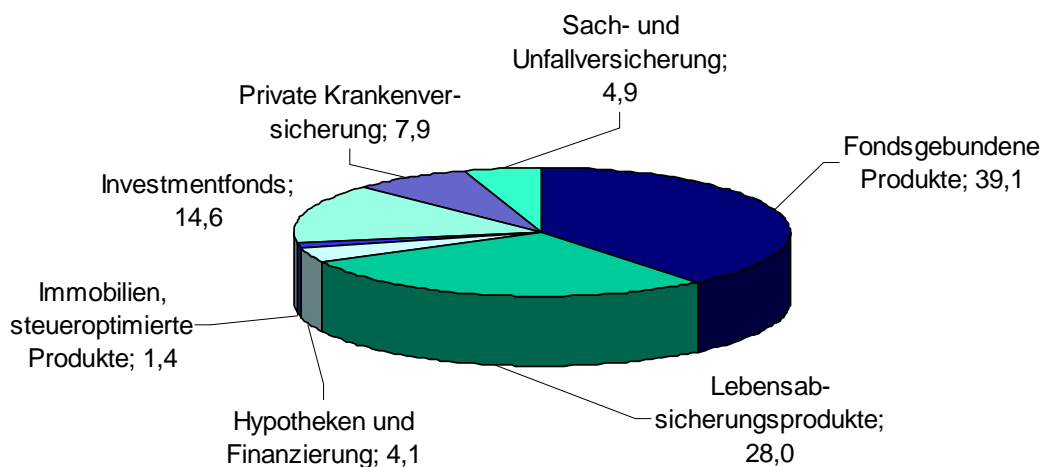
At **AWD Switzerland**, **turnover** of **€ 35.2m** was recorded in the first six months of 2011, almost reaching the level of the previous year (€ 36.8m). **EBIT** reached **€ 3.2m** and was therefore lower than the previous year's figure (€ 4.2m) – due to marketing expenditure for the introduction of a new product range. At 367, the number of consultants remained practically unchanged in the first half of 2011 (Q1 2011: 373).

AWD Great Britain increased its turnover in the first half of 2011 by 9.5% to **€ 25.4m** despite the unabated challenges in the market environment and growing regulatory requirements in Great Britain. **EBIT** was **€ 2.7m** (previous year: € 3.3m). The decrease in EBIT in comparison with the previous year is primarily due to expenditure related to the establishment of the new "standard operating platform" internal settlement system and expenditure related to more-intensive recruitment. The first successes were seen here with the recruitment of 14 qualified consultants who shall contribute to increase productivity in the medium term. The number of consultants therefore increased to 207 (Q1 2011: 193).

"In view of the smouldering tentativeness in Europe, the sustained financial crisis and renewed concerns about inflation, we can be happy with the results from the first half of the year," says Manfred Behrens, Chairman of the Board of Directors of the AWD Group. "In the future, we will be focussing even more on the productivity of our consultants so that we can continue to develop a sustainable basis for the exploitation of opportunities as experts in retirement provisions and hedging in the financial services market.

AWD Holding AG, AWD-Platz 1, D-30659 Hannover
Béla Anda, Chief Communication Officer
Telephone: +49 (0) 511 90 20 -53 87
Mobile: +49 (0) 171 306 45 65
Fax: +49 (0) 511 90 20 -53 30
E-mail: Presse@AWD.de

Abschlussprovisionen nach Produktgruppen HY 2011 in Prozent



Translation of graphic:

Abschlussprovisionen nach Produktgruppen HY 2011 in Prozent – New business commission divided by product group for first half of 2011 in %

Sach- und Unfallversicherung – Property and accident insurance

Fondsgebundene Produkte – Unit-linked products

Lebensabsicherungsprodukte – Life insurance hedging products

Hypotheken und Finanzierung – Mortgages and financing

Immobilien, steueroptimierte Produkte – Property, tax-optimised products

Investmentfonds – Investment funds

Private Krankenversicherung – Private health insurance