



Press release from AWD Holding AG

AWD reaches profitability turning point First successes of restructuring programme

- **Revenue trend begins to stabilise - plus 0.5% in the Germany region compared with prior-year quarter**
- **Total revenue of €381.5 million**
- **Profitability turning point has been reached**
- **AWD gained 126,300 new customers in 9M 2009**
- **341,100 customers advised - plus 3.8%**
- **AWD continues restructuring programme**

Hanover, 11 November 2009 (AWD Holding AG). AWD, one of Europe's leading providers of pension and investment solutions, has posted the first positive results of its restructuring and efficiency-enhancing programme that was decided upon in May. Already in the first nine months of 2009, AWD achieved positive operating earnings of €3.5 million before one-time and restructuring expenses, despite the ongoing effects of the international financial crisis. In the third quarter of 2009 alone, the Group posted an operating profit of €6.2 million before one-time and restructuring expenses, thus demonstrating the positive turnaround.

AWD has reacted constructively to the recent challenges: The financial services sector is currently operating in an ambivalent market environment. Overall economic developments have reached a turning point. The measures taken to stimulate the economy are showing effects and positive indications have been apparent this autumn. Nonetheless, forecasts remain cautious and future developments are still subject to risk. Reservations concerning the recently weakened financial services sector are leading many consumers to hold increased levels of liquidity. At the same time, private provision is more important than ever before. This presents an opportunity, which AWD is utilizing to the full. The year 2009 is still a year of repositioning. Total one-time and restructuring expenses of €22.9 million were incurred in the first nine months of 2009 in the context of repositioning the AWD Group, of which €15.3 million was incurred in the third quarter of 2009. As a result, the

AWD Group's reported earnings before interest and taxes (EBIT) amounted to minus €9.4 million in the first nine months of 2009 and minus €9.1 million in the third quarter of 2009. In the fourth quarter, additional one-time and restructuring expenses are expected in a similar magnitude to those in the first nine months of 2009. No further one-time and restructuring costs are planned after that.

The tense situation all over Europe resulting from the incipient economic recovery and ongoing uncertainty is also affecting the AWD Group's revenue trend. As a result, the Group was able to achieve a stabilization of its revenue development in some operations already in the third quarter of 2009. "In Germany, the AWD Group's biggest and most important core market, we increased our revenue by 0.5% compared with the prior-year quarter," explained Manfred Behrens, Chairman of the Board of Management (CEO) of the AWD Group. "In this way, we laid the foundations for a turnaround in the third quarter." The AWD Group generated total revenue of €381.5 million in the nine-month reporting period. The decline of 19.7% compared with the prior-year period is primarily due to the substantial drops in revenue in the markets of Austria and Central & Eastern Europe and the United Kingdom. AWD is currently implementing extensive restructuring actions in the regions Austria & CEE and Germany, and above all at the holding company. "The restructuring measures will return AWD to a sustainable and profitable growth path in the year 2010," added Behrens. In Switzerland, AWD posted revenue growth of 2.5% compared with the first nine months of 2008.

The potential of the AWD Group and of financial advice in Europe is also demonstrated by the number of customers advised by AWD during the period under review: 341,100 people sought advice from an AWD financial adviser in the first nine months of 2009, which is 3.8% more than in the prior-year period. "Private provision for old age, health care and investment for the future are therefore more important than ever," stated Manfred Behrens. "The financial crisis has also significantly increased the pension gaps of most people in Europe. This presents an opportunity for competent AWD advice." With a total of 11,341 sales representatives throughout the Group, including 5,696 fully qualified and registered advisers and another 3,180 advisers in training, AWD is well prepared for the rising demand for comprehensive financial planning and advice.

The interim report on the first half of 2009 can be downloaded from www.AWD-Group.de/ir.

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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.

Key figures for the AWD Group
9M 2009
11 November 2009

KEY FIGURES	9M 2009 €million	9M 2008 €million	Change
Revenue	381.5	475.2	19.7%
Up-front commission	279.0	355.0	-21.4%
Recurring and other commission	89.6	106.1	-15.6%
Other revenue	12.9	14.1	-8.5%
<i>Up-front commission in%</i>			
<i>Unit-linked products</i>	39.9%	41.6%	-1.7 %-points
<i>Life-insurance products</i>	25.3%	18.5%	+6.8 %-points
<i>Investment funds</i>	16.4%	21.8%	-5.4 %-points
<i>Property and tax-optimised products</i>	1.5%	3.2%	-1.7 %-points
<i>Mortgages and financing</i>	4.1%	6.2%	-2.1 %-points
<i>Private health insurance</i>	7.4%	5.0%	+2.4 %-points
<i>Property and accident insurance</i>	5.4%	3.7%	+1.7 %-points
Earnings before interest and taxes (EBIT)	-19.4	35.8	n.a.
Financial income	-0.6	2.6	n.a.
Earnings before taxes	-20.0	38.4	n.a.
Profit/loss for the period	-20.0	27.5	n.a.
Earnings per share (€)	-0.52	0.71	n.a.

Number of advisers*	5,696*	5,978	+0.3
Number of sales representatives (total)	11,341	9,197	+23.3%
Number of customers advised	341.100	328.600	+3.8%

*As of 2009, only advisers registered in accordance with the EU Insurance Mediation Directive or local regulations, therefore not comparable with the prior year.

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