



Interim Report 30 June 2009



Your personal financial adviser

# Contents

<b>The AWD Group at a glance</b>	<b>3</b>
<b>Report of the Chairman of the Board of Management</b>	<b>4</b>
<b>Interim group management report</b>	<b>5</b>
Revenue and earnings	5
Business developments by market segment	6
Revenue by type of commission	11
Up-front commission by product group	12
AWD's shares	13
Outlook and risk report	14
<b>Interim consolidated financial statements</b>	<b>16</b>
Notes to the interim financial statements	16
Income statement	17
Notes to the income statement	18
Balance sheet	21
Notes to the balance sheet	22
Cash flow statement and notes to the cash flow statement	24
Other notes	26
<b>Responsibility statement by the Board of Management</b>	<b>29</b>

# The AWD Group at a glance

## ► Key figures H1 2009

Key financials	January–June 2009	January–June 2008	Change
Revenue	€258.3 million	€322.9 million	-20.0%
Earnings before interest and taxes (EBIT)	-€10.3 million	€27.2 million	n.a.
Financial income	€0.6 million	€1.7 million	-64.7%
Earnings before taxes (EBT)	-€9.7 million	€28.9 million	n.a.
Profit/loss for the period	-€8.9 million	€20.0 million	n.a.
Earnings per share	-€0.23	€0.52	n.a.
<b>Sales figures</b>			
Advisers*	5,610	5,954	-5.8%
Sales representatives (total)	11,209	9,536	17.5%
Advised customers	246,000	239,100	2.9%
thereof new customers	83,600	87,500	-4.5%
thereof existing customers	162,400	151,600	7.1%
Representative offices	515	490	5.1%

\*In 2009, number of advisers registered in accordance with the EU Insurance Mediation Directive or local regulations

### Ladies and Gentlemen, Friends of AWD,

The AWD Group has been advising its customers on their financial planning for more than 20 years now. Our advisers compile a personal financial portfolio for each customer from the high-performance products of numerous AWD partner companies. Rising life expectancy and pension funds with insufficient financing all over Europe make retirement planning a key issue in our financial planning. This puts AWD in a market with long-term growth potential and with customers who place increasing priority on individual advice. Together with Swiss Life as our majority shareholder and strategic partner and with our longstanding partner companies at our side, we intend to further develop these strengths of our business model and to utilise our opportunities more intensively and more efficiently.

AWD is a dynamic company – and dynamism means constantly changing and developing. With the international financial crisis, the AWD Group has to face major challenges: Many new influences have fundamentally changed people's attitudes to saving and investing. In particular the high degree of uncertainty regarding general and personal economic situations has resulted in our customers postponing long-term investment decisions. This is especially pronounced in Austria and the United Kingdom: In the first half of 2009, these regions generated revenue of €35.6 million and €22.3 million respectively, which is 44.9% and 40.2% respectively less than in the first half of 2008. The Group's total revenue for the first half of this year amounted to €258.3 million, which is 20.0% less than in the prior-year period. The Group's earnings before interest and taxes (EBIT) fell to minus €10.3 million from plus €27.2 million in the first half of 2008. This result is primarily due to the sharp fall in revenue in the Austria and Central/Eastern Europe region and to blocks of fixed costs that cannot be adjusted in the short term.

Already in May, we announced strategic measures for the AWD Group and started to implement them. Our declared goal is to return the AWD Group to a stable and profitable growth path as of the year 2010. The AWD Group's earnings should be significantly positive once again starting in that year. The consistent re-dimensioning of the functions of AWD Holding is the first milestone on this path. Above all, the adjustment of expenditure for marketing and administrative functions will contribute to achieving significant cost reductions. Furthermore, the standardisation of processes and the optimisation of back-office functions will lead to improved efficiency in all regions. We will completely reposition the Austria region. This includes the reorganisation of sales, office infrastructure and sales support, as well as the repositioning of the AWD brand in this region.

With our new marketing claim – “AWD – your personal financial adviser” – we are making a visible sign of our commitment to our business model, but also of a new start and an even closer customer focus. This further development of AWD's business model is the right step to take and is necessary for our future growth path. We thank our financial advisers and all our staff for their exceptional commitment and willingness to grow with the requirements of the future.

Yours sincerely,



Manfred Behrens  
Chairman of the Board of Management

## Revenue and earnings

### Revenue focus: pension planning and risk protection

The recession in the euro zone and high levels of unemployment were responsible for private customers' ongoing focus on liquidity and short-term investments during the reporting period. This lasting reticence above all with regard to equity-based products continued to be a burden on business developments, particularly in core markets the United Kingdom and Austria. In the first six months of this year, the AWD Group posted total revenue of €258.3 million, compared with €322.9 million in the first half of 2008. Once again, the main source of revenue was the product area of pension planning, investment concepts and risk protection. The AWD Group generated 81.8% of its revenue and more than three quarters of its up-front commission in this area.

### Group earnings impacted by revenue decrease

Lower revenue in many of the AWD Group's core markets led to a significant decline in earnings during the reporting period, despite the first success of cost-reduction actions. Earnings were also reduced by the fall in recurring and other commission in the first half of 2009. This was partially the result of the lower portfolio values of customers' brokered assets. The AWD Group posted an operating loss of €10.3 million for the period of January to June 2009, compared with an operating profit of €27.2 million in the first six months of 2008.

### Generally positive development of value drivers

During the reporting period, the AWD Group advised a total of 246,000 private customers, which is 2.8% more than in the prior-year period. Of that total, 83,600 customers took advantage of AWD's advice for the first time, while 162,400 existing customers once again decided in favour of our best-select choice of products. The proportion of 66% core customers advised demonstrates the strong cross-selling potential of the AWD Group.

AWD increased the total number of advisers active for the Group compared with a year earlier by 1,673 to 11,209 at 30 June 2009 (+17.5%). In addition to trainee sales representatives and tied agents (Proventus), the AWD Group has 5,610 registered advisers operating as non-exclusive intermediaries as defined by the EU Insurance Mediation Directive or corresponding local regulations. The AWD Group also has 515 sales offices (representative offices).

The AWD Home Finance business unit in the United Kingdom was sold effective 12 December 2008. In the first half of 2008, Home Finance generated revenue of €12.9 million, EBIT of -€3.1 million and a net loss of -€2.1 million. The prior-year figures have been adjusted accordingly.

#### ► Key figures for the AWD Group

	January–June 2009	January–June 2008	April–June 2009	April–June 2008
Revenue	€258.3 million	€322.9 million	€124.9 million	€153.4 million
EBIT	-€10.3 million	€27.2 million	-€4.3 million	€8.0 million
Advisers*	5,610	5,954	5,610	5,954
Sales representatives	11,209	9,536	11,209	9,536
Advised customers	246,000	239,200	105,600	109,600
thereof new customers	83,600	87,500	43,200	43,900
thereof core customers	162,400	151,600	62,400	65,700

\*In 2009, number of advisers registered in accordance with the EU Insurance Mediation Directive or local regulations

# Segment report

► Segment report January–June 2009

	January–June 2009	January–June 2008	Change
<b>Revenue</b>			
Germany	€164.5 million	€185.9 million	-11.5%
Austria & CEE	€35.6 million	€64.6 million	-44.9%
United Kingdom	€22.3 million	€37.3 million	-40.2%
Switzerland	€35.8 million	€35.1 million	2.0%
Holding company	€1.8 million	€1.8 million	0.0%
Consolidation	-€1.7 million	-€1.8 million	-5.6%
<b>AWD Group</b>	<b>€258.3 million</b>	<b>€322.9 million</b>	<b>-20.0%</b>

<b>Earnings before interest and taxes (EBIT)</b>			
Germany	€14.9 million	€37.1 million	-59.8%
Austria & CEE	-€10.3 million	€7.1 million	n.a.
United Kingdom	€0.0 million	-€3.7 million	100.0%
Switzerland	€2.9 million	€3.0 million	-3.3%
Holding company	-€17.8 million	-€16.3 million	9.2%
Consolidation	€0.0 million	€0.0 million	0.0%
<b>AWD Group</b>	<b>-€10.3 million</b>	<b>€27.2 million</b>	<b>n.a.</b>

<b>Earnings after taxes</b>			
Germany	€15.3 million	€27.2 million	-43.8%
Austria & CEE	-€7.8 million	€5.5 million	n.a.
United Kingdom	€0.1 million	-€3.4 million	n.a.
Switzerland	€2.6 million	€2.6 million	0.0%
Holding company	-€9.0 million	-€11.9 million	-24.4%
Consolidation	-€10.1 million	€0.0 million	n.a.
<b>AWD Group</b>	<b>-€8.9 million</b>	<b>€20.0 million</b>	<b>n.a.</b>

<b>EBIT margin</b>			
Germany	9.1%	20.0%	-10.9%-Points
Austria & CEE	-28.9%	11.0%	-39.9%-Points
United Kingdom	0.0%	-9.9%	9.9%-Points
Switzerland	8.1%	8.5%	-0.4%-Points
<b>AWD Group</b>	<b>-4.0%</b>	<b>8.4%</b>	<b>-12.4%-Points</b>

# Business developments by market segment

## Segment Germany

### Incipient revival of German economy

Germany has been hard hit by the international financial crisis. The economic shock of recent months has now started to subside and there are increasing signs of an upturn. According to estimates by the International Monetary Fund (IMF), German gross domestic product (GDP) will still fall by 6.2% this year, but economic revival can be expected in 2010; the IMF forecasts GDP growth of 0.4% in Germany. These first signs cannot yet be extrapolated into a sustained recovery, and various economic sectors assess their situations very differently. The IFO Institute in Munich emphasises that the German economy is currently in a phase of stabilisation and may therefore react very sensitively to positive and negative external influences. The list of stress factors is long: possible increases in taxes and other levies, the end of credit and fiscal stimulus, and a growing mountain of debt. Against this backdrop and in spite of a slight improvement in the economic outlook, the OECD anticipates a further increase in unemployment in Germany. Economists expect the typical scenario of delayed job reductions in a substantial volume. This process will continue until Germany's economic recovery is strong enough to reverse the trend.

### Stable development of new business in the Germany region

Despite this challenging market environment, AWD achieved a stable development of new business in the Germany region. A significant decrease in the investment business was offset by growth in retirement provision, income protection, property insurance and accident insurance. The revenue trend for the first six months of this year does not reflect this development of new business. Due to the harmonisation of revenue accrual within the AWD and Swiss Life companies, a direct comparison

with the prior-year period is not possible (see also Annual Report 2008). The development of revenue was negatively impacted also by falling portfolio commission in the investment business as well as by lower other commission. The AWD Group generated revenue of €164.5 million in Germany in the first half of 2009. The revenue decline also had a significant effect on the development of earnings before interest and taxes (EBIT). In the months of January to June 2009, the AWD Group achieved EBIT in Germany of €14.9 million.

### Increase in number of customers advised shows great need for individual advice

3,561 advisers were active for the AWD Group in Germany at 30 June 2009. The AWD Group thus achieved growth in registered advisers in the domestic market. However, due to the final implementation of the EU Insurance Mediation Directive, the reported number of advisers is 314 lower than a year earlier. The increased number of customers advised reflects both the enhanced quality and effectiveness of our advisers as well as customers' great need for individual advice in an ever more complex financial landscape. A total of 138,300 customers sought AWD's advice in the first half of 2009, which is 16,300 more than in the first half of 2008. The number of advised customers breaks down into 48,400 new customers and 89,900 existing customers who once again received our advice.

### ► Key figures for Germany

	January–June 2009	January–June 2008	April–June 2009	April–June 2008
Revenue	€164.5 million	€185.9 million	€79.4 million	€90.4 million
EBIT	€14.9 million	€37.1 million	€8.5 million	€14.6 million
Advisers	3,561	3,875	3,561	3,875
Advised customers	138,300	122,000	65,900	56,100

\*In 2009, number of advisers registered in accordance with the EU Insurance Mediation Directive or local regulations

## Austria & CEE segment

### Economic development dampened by rising unemployment

In recent years, the Austrian economy has developed better than the average for the euro zone, with stronger GDP growth, lower unemployment rates and rising current account surpluses. Thanks to this good starting position, Austria was affected by the global economic crisis later than most countries. However, the Austrian economy then slumped dramatically, particularly in the first quarter of 2009. The Austrian National Bank (OeNB) now anticipates a significant recession for the Austrian economy as a result of the worldwide growth slowdown. The International Monetary Fund (IMF) assumes that Austrian GDP will decline by 3.5% in 2009. With a further slight decrease of 0.4% to come in 2010, the OeNB expects positive real annual growth of approximately 1.2% in 2011. Although private consumption should have a stabilising effect with a fall of only 0.3% in 2009, this effect cannot be expected to continue indefinitely. In the year 2010, a further increase in unemployment and the expected low levels of wage increases will lead to a reduction in households' real disposable income of approximately 0.5%. The savings rate will continue rising to about 12.5% due to precautionary saving, with a slight fall to 12.3% expected for 2010. The downturn is likely to have a severe impact on the labour market. After Austria's unemployment rate fell to 3.8% in 2008, the number of unemployed persons will probably rise by a total of about 132,000 in 2009 and 2010. The unemployment rate would then rise to 5.3% or 6.5% respectively.

The economies of Central and Eastern Europe followed a mild trend of recovery until the middle of this year. The CEE indicator, which reflects the balance of positive and negative assessments for future economic developments in the next six months, improved by 28.8 points to minus 3.9 points. However, financial market experts do not currently anticipate any significant change in the region's difficult economic situation.

### Revenue and EBIT impacted by market environment and cost situation

In the Austria and Central/Eastern Europe region, AWD is active in a generally difficult market environment. Revenue in the region in the first six months of this year amounted to €35.6 million, compared with €64.6 million in the first half of 2008. EBIT amounted to minus €10.3 million, compared with plus €7.1 million in the prior-year period. The year 2009 is dominated by the financial crisis in the Austria and Central/Eastern Europe region, as well as being a year of realignment: By the end of this year, as previously announced, AWD will gradually renew its business model and market positioning in Austria. There will be an even stronger focus of all strategies and operations on customers. At the moment this repositioning of the company requires higher levels of investment, however.

Long-term value drivers such as numbers of advisers and customers have been developing satisfactorily also in the currently challenging environment: AWD achieved adviser growth of 2.8% and a decrease of just 6.5% in customers in the period under review. Overall, customers in the Austria and Central & Eastern Europe region continue to have a very restrained attitude towards major investment decisions. 76,100 customers concluded a contract through AWD in the first half of 2009. The number of existing customers who once again received advice from AWD actually increased slightly. This shows that customers require the services of holistic financial advisers, but that they currently prefer to postpone investment decisions in view of market uncertainty.

### ► Key figures for Austria and CEE

	January–June 2009	January–June 2008	April–June 2009	April–June 2008
Revenue	€35.6 million	€64.6 million	€16.9 million	€28.6 million
EBIT	-€10.3 million	€7.1 million	-€7.6 million	€1.3 million
Advisers	1,418	1,380	1,418	1,380
Advised customers	76,100	81,300	23,900	35,500

\*In 2009, number of advisers registered in accordance with the EU Insurance Mediation Directive or local regulations

## Switzerland segment

### Challenging economic environment

The Swiss economy is also suffering from the worldwide economic and financial crisis. Exports and the Swiss financial sector have been particularly affected. The financial sector is very important for the Swiss economy, accounting for approximately 12% of the country's gross domestic product (GDP) and employing 6% of the country's workforce. For full-year 2009, the Swiss State Secretariat for Economic Affairs (SECO) anticipates a decrease in GDP of up to 2.7%. Economists are more optimistic for 2010 and predict a stable development of GDP.

The difficult economic situation is having a direct impact on the labour market and consumer confidence in Switzerland. According to SECO, 68,929 people were working short time in April 2009. In the previous month, the figure was only 27,907; this represents an increase of 68% in just one month. In June 2009, 140,253 people were registered as unemployed, which is an increase of 53.3% over June 2008. This development has directly affected Swiss households' consumption and savings: The current recession is causing many people to invest their money with an emphasis on liquidity. Above all Raiffeisenbank, regional banks and cantonal banks are profiting from high levels of inflows onto term deposits and have thus gained ground vis-à-vis the two major banks, UBS and Credit Swiss. Since the beginning of the crisis in the autumn of 2007, the assets managed by Swiss investment funds have been reduced by more than half.

### Stable development of value drivers and earnings

Despite the challenging economic situation, AWD Switzerland achieved a slight increase in revenue in the first half of 2009 to €35.8 million, which is 2% more than in the first half of 2008. Sales of pension products were boosted especially in the second quarter by new products in the area of unit-linked life insurance and pension annuity products.

The number of advisers decreased only slightly to 388 at the end of the first half of 2009, which is very close to the level of a year earlier. In the first six months of the year 2009, 19,900 customers in Switzerland decided in favour of the advantages of our comprehensive and personal financial advice. Of that total, 7,100 new customers benefited from our services for the first time and 12,800 existing customers once again decided in favour of the advisory approach and best-select principle of the AWD Group.

### Stable operating profit

The region's earnings before interest and taxes (EBIT) of €2.9 million remained close to the level of the prior-year period. The slight decrease in earnings in the first quarter of 2009 was nearly offset in the second quarter. The EBIT margin improved in the second quarter of 2009 by 0.3%-Points compared with Q2 2008 to 7.5%.

#### ► Key figures for Switzerland

	January–June 2009	January–June 2008	April–June 2009	April–June 2008
Revenue	€35.8 million	€35.1 million	€17.3 million	€16.7 million
EBIT	€2.9 million	€3.0 million	€1.3 million	€1.2 million
Advisers*	388	397	388	397
Advised customers	19,900	20,600	10,100	10,500

\*Number of advisers in accordance with FINMA regulations

## United Kingdom segment

### Economic downswing more severe than anticipated

The British economy remains in deep recession. According to estimates by the International Monetary Fund (IMF), British gross domestic product (GDP) will decline by 4.2% this year. In 2010, the IMF expects slight growth of 0.2% for the British economy. In June 2009, 1.56 million people were unemployed, which is the highest number since July 1997. With an increase of 23,800 people claiming unemployment benefit, unemployment rose for the 16th month in succession. In view of the grave economic consequences of the international financial crisis, the Bank of England has left its base interest rate at 0.5%, the lowest level since 1694.

The deep recession is particularly affecting the property sector, which is especially important for the British economy. In June 2009, the Halifax house-price index was 15.0% lower than in June 2008. The rate of property ownership in the United Kingdom is higher than the average for the rest of Europe. The development of house prices is therefore an important indicator for the wealth of British households. The sharp increase in unemployment and falling house prices continue to cause private customers to maintain a liquidity-focused approach to their investments.

### Significant fall in revenue

The unchanged difficult economic conditions resulted in a significant fall in revenue for the AWD Group's business units Wealth Management and Corporate Pension Consulting in the United Kingdom in the first half of this year. Total revenue amounted to €22.3 million, compared with €37.3 million in the prior-year period. AWD Home Finance, as well as other edge

business units sold in December 2008, are no longer included in the figures for the reporting period. The prior-year figures have been adjusted accordingly.

Another factor with a negative impact on revenue measured in euros was the development of the pound-euro exchange rate. Whereas a pound sterling cost 1.75 euros at the time when the euro was launched in 1999, the rate was almost one to one at the end of 2008. The average pound-euro exchange rate in the reporting period was 0.8943; in the prior-year period it was 0.7578.

11,700 customers were advised during the period of January to June 2009, compared with 15,300 customers advised in the prior-year period. The number of new customers was 4,300, while 7,400 existing customers received our advice once again. The high regulatory requirements and the refocus of business activities resulted in a deliberate increase in staff fluctuation, especially in the second half of 2008. The number of advisers at AWD UK fell compared with a year earlier by 59 to 243. Compared with the end of 2008, the number of advisers remained fairly stable.

### Operating result at break even

The refocus of business activities resulted in a significant improvement in the region's operating result (EBIT) in the first half of 2009, despite the sharp decrease in revenue. Earnings before interest and taxes (EBIT) for the first half of this year amounted to €0.0 million, compared with minus €3.7 million in the months of January to June 2008. AWD UK therefore achieved a small operating profit in the second quarter of 2009.

#### ► Key figures for United Kingdom

	January–June 2009	January–June 2008	April–June 2009	April–June 2008
Revenue	€22.3 million	€37.3 million	€11.2 million	€17.7 million
EBIT	€0.0 million	-€3.7 million	€0.4 million	-€1.3 million
Advisers*	243	302	243	302
Advised customers	11,700	15,300	5,700	7,550

\*In 2009, number of advisers registered in accordance with the EU Insurance Mediation Directive or local regulations

## Holding company segment

This segment comprises the administrative functions and business activities of AWD Holding AG. In addition to typical holding-company functions such as finance, controlling and internal auditing, AWD Holding AG is also responsible for other

Group-wide functions such as sales coordination and public relations. The revenue reported for AWD Holding AG was mainly the result of rental payments by companies of the Group.

### ► Key figures for the Holding Company

	January–June 2009	January–June 2008	April–June 2009	April–June 2008
Revenue	€1.8 million	€1.8 million	€0.9 million	€0.9 million
EBIT	-€17.8 million	-€16.3 million	-€6.9 million	-€7.8 million

## Revenue by type of commission

The AWD Group generated revenue of €258.3 million in the first half of 2009. Of that total, approximately 73.4% or €189.6 million was accounted for by up-front commission. The AWD Group earns up-front commission primarily by brokering pension and investment-fund products as well as by brokering private health insurance and property insurance.

The AWD Group also generates revenue from recurring and other commission, which totalled €59.3 million in the reporting

period. Recurring and other commission includes all commission that is not directly related to the conclusion of contracts as well as commission from existing contracts.

The AWD Group's other revenue amounted to €9.4 million between January and June 2009.

### ► Revenue breakdown

	January–June 2009	January–June 2008	April–June 2009	April–June 2008
Up-front commission	73.4%	73.1%	73.6%	77.0%
Recurring and other commission	23.0%	23.6%	23.0%	20.0%
Other revenue	3.6%	3.3%	3.4%	3.0%

## Up-front commission by product group

During the period of January to June 2009, the AWD Group generated 81.8% of its up-front commission from products for retirement provision, financial security and investment. Therefore, the main sources of revenue for the AWD Group in the first half of this year were once again **unit-linked policies** as well as **investment funds** and **life-insurance products**.

**Unit-linked products** include fund-based life-insurance and annuity products as well as state-supported retirement products such as Riester, Rürup and company pensions in Germany, and premium-pension policies in Austria, provided that they are based on fund solutions. The contribution to the total revenue of the AWD Group made by unit-linked products reached €77.2 million in the first half of this year; their share of up-front commission was 40.7%.

**Life-insurance products'** contribution to the total revenue of the AWD Group amounted to €45.5 million in the first six months of 2009. This product group thus generated 24.0% of the Group's up-front commission. Life-insurance products include traditional life insurance, term life insurance, annuity life insurance, general and occupational disability policies, as well as non-unit-linked state-supported old-age provision and company pension contracts.

In the first six months of 2009, **investment-fund products** accounted for a 17.1% share of up-front commission. Investment funds contributed €32.4 million to the AWD Group's total revenue.

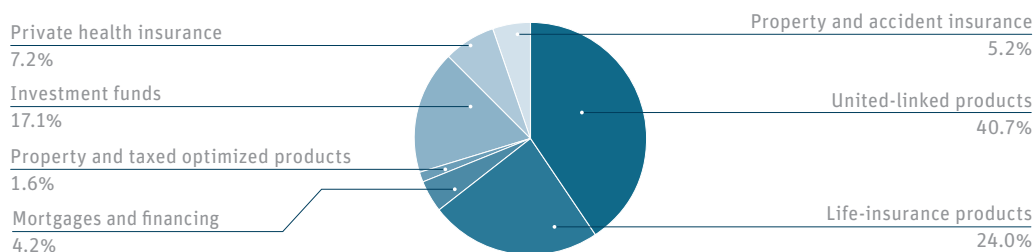
The commission generated by the **mortgages and financing** product group in the first six months of this year amounted to €8.0 million. The share of the AWD Group's up-front commission accounted for by mortgages and financing was 4.2%.

**Property and tax-optimised products** accounted for 1.6% of the AWD Group's up-front commission between January and June 2009. The AWD Group generated revenue of €3.0 million with these products during the period under review.

The product group of **private health insurance** includes full health insurance, supplementary health insurance and illness per-diem insurance, as well as additional insurance to complement statutory insurance benefits. Commission revenue from this product group amounted to €13.7 million and its share of the AWD Group's up-front commission was 7.2%.

**Property and accident insurance** round off the AWD Group's advisory concept. In the first six months of this year, the AWD Group achieved revenue of €9.8 million from property and accident insurance. The share of up-front commission generated by this product group was 5.2%.

### ► Breakdown of up-front commission by product group



# AWD's shares

## Share-price revival due to diminishing fear of recession

Expectations that the biggest global economic crisis since 1930 might come to an end in 2010 resulted in a significant stabilisation of share prices on international capital markets

during the reporting period. But despite this recovery, the main indices of the world's leading stock exchanges at 30 June 2009 were still well below their levels of a year earlier.

### ► Performance of AWD's share price and of important stock indices

	Closing price on 30 June 2009	Closing price on 30 June 2008	Change
AWD's share price (in €)	31.78	24.78	28.3%
DAX (German blue chip)	4,808	6,418	-25.1%
MDAX (German mid cap)	5,754	9,035	-36.3%
Dow Jones (USA)	8,445	11,350	-25.6%
Nikkei 225 (Japan)	9,960	13,480	-26.1%
Dow Jones EuroStoxx 50 (Europe)	2,401	3,352	-28.4%

Source for share-price data: VWD

Despite somewhat more optimistic expectations for economic recovery, the International Monetary Fund (IMF) continues to warn of risks for the global financial system. "The financial sector is still dependent on substantial state assistance", states the IMF in its latest economic outlook.

### ► Stock-exchange date of AWD's shares

ISIN	DE0005085906
German SIN	508590
Stock-exchange abbreviation	AWD
Number of shares on 30 June 2009	38,639,016
Market capitalisation on 30 June 2009	€1,227.9 million
Free float on 30 June 2009	3.3%

## Squeeze-out of minority shareholders in preparation

The development of AWD's share price during the period under review was primarily determined by preparations for a squeeze-out of the minority shareholders. The squeeze-out requested by Swiss Life Beteiligungs GmbH and the control and profit transfer agreement between AWD Holding AG and Swiss Life Beteiligungs GmbH were approved with large majorities at the Extraordinary General Meeting of AWD Holding AG held in Hanover on 24 February 2009. Following the successful

conclusion of the squeeze-out procedure, the stock-exchange listing of shares in AWD Holding AG is to be discontinued. In this case, the shareholders will receive a planned cash compensation of €30 per share. The Annual General Meeting of AWD Holding AG was held in Hanover on 4 June 2009. As of 15 July 2009, AWD shares have been listed in the General Standard of the Deutsche Börse.

# Risk report and outlook

As a supplement to the Group management report presented in Annual Report 2008, the AWD Group reports here on any significant changes to its forecasts and other statements concerning the probable development of business, as well as on opportunities and risks for the Group's ongoing development in the remaining months of this year.

The world economy is in a deep recession. The International Monetary Fund (IMF) is of the opinion that the industrialised countries will not return to sustained economic growth until the second half of 2010. For the euro zone, however, the IMF expects a further decline in gross domestic product (GDP) of 0.8% in 2010, following a decline of 4.8% in 2009. Reduced lending to companies by banks along with customers' significant reticence to make long-term investment decisions are characteristic of the current situation.

## Germany region

For the AWD Group's most important core market, the IMF anticipates a decline in economic output of 6.2% in the year 2009. In 2010, it assumes that the economy will then start to recover slowly with GDP growth of 0.4%. As a reaction to the recession and to stimulate economic expansion, the German government has already approved two stimulus programmes comprising a large number of individual actions designed, amongst other things, to encourage consumer demand. It is not yet possible to assess the extent to which these decisions will have positive effects on the financial services sector. It cannot be ruled out that customers will continue to be very reserved in their long-term investment decisions due to the significant loss of confidence in the sector.

From today's perspective, the AWD Group anticipates a stable development of revenue in the Germany region in the year 2009, despite the difficult market environment. On the earnings side, a temporary decline is expected due to expenses for adviser acquisition and retention. For the year 2010, no significant change to the revenue trend is to be expected, but the operating result should improve after the measures initiated to increase efficiency take effect.

## Austria and Central/Eastern Europe region

As in the whole of Europe, economic developments in Austria are massively affected by the financial markets. Experts forecast growth of minus 3.5% in 2009. The effects of the global economic and financial-markets crisis are apparent also in the growth regions of Eastern and Central Europe. Growth expectations have been revised significantly downward in those regions as well.

The difficult economic situation is also affecting the development of AWD in the CEE countries and is dampening its short to medium-term growth prospects. Furthermore, increased competition for qualified advisers could raise the costs of market penetration. Another aspect is that the effects of the financial market crisis are leading to unstable currencies in some of the countries of Eastern Europe, causing increasing customer reticence with regard to long-term investment decisions.

For the year 2009, the uncertain developments in the region mean that a massive decrease in revenue is to be expected, which is likely to lead to a loss in a double-digit million level. If the described risks actually occur and in the case of the probable realignment of AWD's business model in Austria, additional burdens cannot be ruled out. The target for 2010 is a return to a growth path combined with slightly improved profitability.

## Switzerland region

A contracting economy (-2.5%) is forecast also for Switzerland in 2009. For 2010, experts expect a slight recovery and GDP growth of 0.5%. However, due to the demographic trends and the design of the pension system (three-pillar system), the need for individual pension planning is likely to remain high in the future and demand for products for private retirement provision and risk protection should generally remain stable. Nonetheless, customers will probably remain unwilling to make long-term investment decisions in the present gloomy economic environment.

The AWD Group anticipates a slight decrease in revenue for market reasons in Switzerland in the year 2009. Due to expenditure for the acquisition of new customers and advisers, earnings are at first expected to fall. A stable revenue trend and a slight improvement in earnings are expected for the year 2010.

## United Kingdom region

The business development of AWD UK is suffering from the recession and is additionally affected by the restructuring actions that have been initiated. In the case of an ongoing worsening of adviser productivity due to lower numbers or volumes of contracts brokered, the targeted improvement in the operating profitability of AWD UK could suffer.

For the current year, the AWD Group expects a significant revenue decline in the United Kingdom for market reasons. Due to the provisions recognised last year, AWD assumes that break even should be achieved in 2009. An improvement in operating profitability is targeted for 2010.

## Conclusion

The AWD Group expects 2009 to be a generally difficult year, due in particular to developments in Austria and Central/Eastern Europe and the United Kingdom. In terms of revenue, there will probably be a single-digit decrease compared with the prior year. A positive result of operations is expected, but possible one-time expenses could lead to an overall net loss. The consequences of the worldwide recession are still difficult to assess and continue to represent uncertainty for revenue and earnings in 2009. But AWD is confident that it will utilise the opportunities of the crisis to make changes and that it will put the Group in a position to enjoy sustained profitable growth in the coming years.

## Notes to the interim consolidated financial statements

### General remarks

The financial statements for the first quarter of 2009 have been prepared in accordance with the currently valid International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS), as well as the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). The first-quarter financial statements have been prepared in accordance with IAS 34 (Interim Financial Reporting), and have not been reviewed by external auditors.

### Consolidated group

As well as AWD Holding AG, the consolidated group includes all subsidiaries in which the holding company has a majority of voting rights, either directly or indirectly, and which are not of minor importance. These companies are fully consolidated.

### Accounting and valuation methods

With the preparation of these interim financial statements, the same consolidation principles and accounting and evaluation methods have generally been applied as with the consolidated financial statements for full-year 2008. A detailed description of the accounting and valuation methods used was given in the notes to the consolidated financial statements of Annual Report 2008.

Due to the sale of some business operations in the British market and their resulting deconsolidation as of 1 January 2009, it has been necessary to adjust the prior-year figures in the income statement. No changes have been made to the balance sheet or cash flow statement.

# Income statement

## ► Income statement H1 2009

€ million	01.01.09–30.06.09	01.01.08–30.06.08	Change
<b>Revenue</b>	<b>258.3</b>	<b>322.9</b>	<b>-20.0%</b>
Cost of sales	-161.2	-180.4	-10.6%
<b>Gross profit</b>	<b>97.1</b>	<b>142.5</b>	<b>-31.9%</b>
Selling expenses	-62.3	-67.6	-7.8%
Administrative expenses	-45.9	-50.7	-9.5%
Other operating income	1.1	3.1	-64.5%
Other operating expenses	-0.3	-0.1	>100%
<b>Operating profit (EBIT)</b>	<b>-10.3</b>	<b>27.2</b>	<b>n.a.</b>
Financial income	0.6	1.7	-64.7%
<b>Earnings before taxes</b>	<b>-9.7</b>	<b>28.9</b>	<b>n.a.</b>
Income taxes	0.8	-8.9	n.a.
<b>Net profit/loss for the period</b>	<b>-8.9</b>	<b>20.0</b>	<b>n.a.</b>

## ► Income statement Q2 2009

€ million	01.04.09–30.06.09	01.04.08–30.06.08	Change
<b>Revenue</b>	<b>124.9</b>	<b>153.4</b>	<b>-18.6%</b>
Cost of sales	-76.7	-85.6	-10.4%
<b>Gross profit</b>	<b>48.2</b>	<b>67.8</b>	<b>-28.9%</b>
Selling expenses	-30.2	-36.2	-16.6%
Administrative expenses	-22.5	-26.1	-13.8%
Other operating income	0.4	2.5	-84.0%
Other operating expenses	-0.2	0.0	n.a.
<b>Operating profit (EBIT)</b>	<b>-4.3</b>	<b>8.0</b>	<b>n.a.</b>
Financial income	0.4	0.9	-55.6%
<b>Earnings before taxes</b>	<b>-3.9</b>	<b>8.9</b>	<b>n.a.</b>
Income taxes	0.5	-3.0	n.a.
<b>Net profit/loss for the period</b>	<b>-3.4</b>	<b>5.9</b>	<b>n.a.</b>

# Notes on the income statement

## Revenue

The revenue of the AWD Group consists of up-front commission, recurring commission and other commission as well as other

revenue (e.g. from charging self-employed financial advisers for the advertising and training materials provided to them).

### ► Revenue

€ million	01.01.09–30.06.09	01.01.08–30.06.08	Change
Up-front commission	189.6	236.1	-19.7%
Recurring and other commission	59.3	76.2	-22.2%
Other revenue	9.4	10.6	-11.3%
<b>Total</b>	<b>258.3</b>	<b>322.9</b>	<b>-20.0%</b>

## Cost of sales

This item comprises not only commission payments to self-employed financial advisers, but also personnel expenses for salaried employees who work in the areas of product brokering

and customer advice. It also includes material expenses, changes in provisions related to revenue and guarantee expenses.

### ► Cost of sales

€ million	01.01.09–30.06.09	01.01.08–30.06.08	Change
Commission expenses	143.6	165.4	-13.2%
Personnel expenses	9.0	13.0	-30.8%
Material expenses	6.3	7.2	-12.5%
Other expenses	2.3	-5.2	n.a.
<b>Total</b>	<b>161.2</b>	<b>180.4</b>	<b>-10.6%</b>

## Selling expenses

Selling expenses include the costs of the operating functions of sales support and supervision, events, training and sales promotion.

### ► Selling expenses

€ million	01.01.09–30.06.09	01.01.08–30.06.08	Change
Personnel expenses	21.8	20.0	9.0%
Depreciation and amortisation	1.9	1.5	26.7%
Infrastructure expenses	9.3	9.9	-6.1%
IT and communication	2.3	3.4	-32.4%
Events, training, incentives	11.5	10.7	7.5%
Sales promotion	11.4	20.1	-43.3%
Services and other expenses	4.1	2.0	>100%
<b>Total</b>	<b>62.3</b>	<b>67.6</b>	<b>-7.8%</b>

## Administrative expenses

Administrative expenses include the costs of operating functions such as processing customer applications, partner and product management, IT, purchasing and general administration.

### ► Administrative expenses

€ million	01.01.09–30.06.09	01.01.08–30.06.08	Change
Personnel expenses	25.4	27.7	-8.3%
Depreciation and amortisation	4.3	5.3	-18.9%
Infrastructure expenses	5.7	5.9	-3.4%
IT and communication	4.5	5.8	-22.4%
Services and other expenses	6.0	6.0	0%
<b>Total</b>	<b>45.9</b>	<b>50.7</b>	<b>-9.5%</b>

## Financial income

### ► Financial income

€ million	01.01.09–30.06.09	01.01.08–30.06.08	Change
Interest income	0.5	3.9	-87.2%
Changes in exchange rates	0.2	-1.7	n.a.
Loss on equity investments	-0.1	-0.5	-80.0%
<b>Total</b>	<b>0.6</b>	<b>1.7</b>	<b>-64.7%</b>

## Depreciation, amortisation and impairments

### ► Depreciation, amortisation and impairments

€ million	01.01.09–30.06.09	01.01.08–30.06.08	Change
Intangible assets	2.1	2.4	-12.5%
Property, plant and equipment	4.1	4.4	-6.8%
Financial assets	0.4	0.5	-20.0%
<b>Total</b>	<b>6.6</b>	<b>7.3</b>	<b>-9.6%</b>

### Income taxes

Income taxes for the period were measured separately by segment on the basis of the best estimate of the weighted average effective income-tax rate for the full year. This tax rate was applied to earnings before taxes as shown in the interim financial statements. Deferred taxes were calculated with the use of probable future effective tax rates. .

### Earnings per share

Basic earnings per share are determined by dividing net profit/loss for the period by the weighted average number of issued shares. For the calculation of diluted earnings per share, the weighted average number of issued shares is adjusted to reflect the number of all potentially exercisable dilutive share options. It is intended to serve the outstanding options by way of cash compensation. The number of basic shares and the number of diluted shares are therefore identical.

### ► Earnings per share

	01.01.09–30.06.09	01.01.08–30.06.08
Net profit/loss for the period	-€8.9 million	€20.0 million
<b>Basic earnings</b>		
Number of shares	38,639,016	38,639,016
<b>Earnings per share</b>	<b>-€0.23</b>	<b>€0.52</b>
<b>Diluted earnings</b>		
Number of shares	38,639,016	38,676,220
<b>Earnings per share</b>	<b>-€0.23</b>	<b>€0.52</b>

# Balance sheet

## ASSETS

€ million	30.06.2009	31.12.2008	Change
Intangible assets	77.0	77.2	-0.3%
Property, plant and equipment	47.4	48.3	-1.9%
Financial assets	0.7	0.2	>100%
Deferred tax assets	4.2	1.3	>100%
Other non-current assets	19.9	25.2	-21.0%
<b>Non-current assets</b>	<b>149.2</b>	<b>152.2</b>	<b>-2.0%</b>
Inventories	2.2	2.2	0%
Trade receivables	87.0	99.8	-12.8%
Other current assets	42.2	40.9	3.2%
Cash and cash equivalents	40.2	52.3	-23.1%
<b>Current assets</b>	<b>171.6</b>	<b>195.2</b>	<b>-12.1%</b>
<b>Total assets</b>	<b>320.8</b>	<b>347.4</b>	<b>-7.7%</b>

## EQUITY AND LIABILITIES

€ million	30.06.2009	31.12.2008	Change
Issued capital	38.6	38.6	0%
Capital reserve	-1.1	0.0	-100%
Retained earnings	9.4	9.4	0%
Balance sheet profit	-8.8	0.1	n.a.
Accumulated changes in equity not affecting profit	-0.2	-1.9	-89.5%
<b>Equity</b>	<b>37.9</b>	<b>46.2</b>	<b>-18.0%</b>
Retirement benefit obligation	1.9	1.7	11.8%
Non-current provisions	26.6	31.9	-16.6%
Non-current financial liabilities	0.1	0.0	100%
Deferred tax liabilities	6.3	5.7	10.5%
Other non-current liabilities	46.2	45.6	1.3%
<b>Non-current liabilities</b>	<b>81.1</b>	<b>84.9</b>	<b>-4.5%</b>
Trade payables	115.1	113.9	1.1%
Current provisions	78.0	93.4	-16.5%
Current financial liabilities	0.1	0.0	100%
Other current liabilities	8.6	9.0	-4.4%
<b>Current liabilities</b>	<b>201.8</b>	<b>216.3</b>	<b>-6.7%</b>
<b>Total equity and liabilities</b>	<b>320.8</b>	<b>347.4</b>	<b>-7.7%</b>

# Notes on the balance sheet

The asset structure and capital structure are as follows:

## Asset structure

### ► Asset

€ million	30.06.2009	Proportion	31.12.2008	Proportion
Non-current assets	149.2	46.5%	152.2	43.8%
Current assets (excluding cash and cash equivalents)	131.4	41.0%	142.9	41.1%
Cash and cash equivalents	40.2	12.5%	52.3	15.1%
<b>Total assets</b>	<b>320.8</b>	<b>100%</b>	<b>347.4</b>	<b>100%</b>

## Capital structure

### ► Capital

€ million	30.06.2009	Proportion	31.12.2008	Proportion
Equity	37.9	11.8%	46.2	13.3%
Non-current liabilities	81.1	25.3%	84.9	24.4%
Current liabilities	201.8	62.9%	216.3	62.3%
<b>Total equity and liabilities</b>	<b>320.8</b>	<b>100%</b>	<b>347.4</b>	<b>100%</b>

The decreases in cash and cash equivalents and in equity are primarily due to the loss for the half year of €8.9 million.

## Statement of comprehensive income

The presentation of all changes in equity recognised in the period takes place in two separate financial statements: In addition to the income statement, such changes in assets and liabilities affecting equity that do not affect profit for the period are shown in the statement of comprehensive income. In particular, this includes changes in the adjustment item

from the translation of the financial statements of consolidated companies denominated in foreign currencies. The statement of comprehensive income starts with the net profit or loss for the period and leads, via the aforementioned items, to the total amount recognised in equity (comprehensive income).

### ► Comprehensive income

€ million	01.01.09–30.06.09	01.01.08–30.06.08	Change
Profit/loss for the period	-8.9	20.0	n.a.
Currency-translation differences recognised directly in equity	1.7	0.0	100%
<b>Total amount recognised in equity</b>	<b>-7.2</b>	<b>20.0</b>	<b>n.a.</b>

## Statement of changes in equity

### ► Changes in equity

€ million	Issued capital	Capital reserve	Retained earnings	Net profit/loss	Total
<b>Balance at 1.1.2008</b>	<b>38.6</b>	<b>12.9</b>	<b>7.1</b>	<b>61.9</b>	<b>120.5</b>
<b>Net profit/loss for the period from continuing operations</b>				<b>20.0</b>	<b>20.0</b>
<b>Net profit/loss for the period from discontinued operations</b>				<b>-2.2</b>	<b>-2.2</b>
Dividend payments				-58.0	-58.0
Other changes			0.1		0.1
<b>Balance at 30.6.2008</b>	<b>38.6</b>	<b>12.9</b>	<b>7.2</b>	<b>21.7</b>	<b>80.4</b>

<b>Balance at 1.1.2009</b>	<b>38.6</b>	<b>0.0</b>	<b>9.4</b>	<b>-1.8</b>	<b>46.2</b>
<b>Net profit/loss for the period</b>				<b>-7.2</b>	<b>-7.2</b>
Other changes		-1.1			-1.1
<b>Balance at 30.6.2009</b>	<b>38.6</b>	<b>-1.1</b>	<b>9.4</b>	<b>-9.0</b>	<b>37.9</b>

# Notes on the cash flow statement

The cash flow statement shows changes in cash and cash equivalents caused by payments made and received in

connection with operating activities, investing activities and financing activities.

## ► Cash flow statement

€ million	01.01.09–30.06.09	01.01.08–30.06.08	Change
<b>Operating profit (EBIT)</b>	<b>-10.3</b>	<b>24.1</b>	<b>n.a.</b>
Financial income	0.6	1.7	-64.7%
Income taxes	0.8	-8.0	n.a.
<b>Net profit/loss for the period</b>	<b>-8.9</b>	<b>17.8</b>	<b>n.a.</b>
Depreciation, amortisation and impairments	6.6	7.5	-12.0%
Increase (+) / Decrease (-) in provisions	-23.2	-6.0	>100%
Other expenses (+) / income (-) not affecting cash	-3.6	0.8	n.a.
Decrease (+) / increase (-) in inventories, receivables and other assets	17.7	0.8	>100%
Increase (+) / decrease (-) in payables and other liabilities	1.3	-8.3	n.a.
<b>Cash flow from operating activities</b>	<b>-10.1</b>	<b>12.6</b>	<b>n.a.</b>
<b>Cash flow from investing activities</b>	<b>-4.4</b>	<b>-24.7</b>	<b>-82.2%</b>
<b>Cash flow from financing activities</b>	<b>0.2</b>	<b>-58.0</b>	<b>n.a.</b>
<b>Net change in cash and cash equivalents</b>	<b>-14.3</b>	<b>-70.1</b>	<b>-79.6%</b>
Changes related to currency translation and consolidation	2.2	-0.3	n.a.
Cash and cash equivalents at beginning of period	52.3	170.8	-69.4%
<b>Cash and cash equivalents at end of period</b>	<b>40.2</b>	<b>100.4</b>	<b>-60.0%</b>

Operating activities resulted in a cash outflow of €10.1 million, primarily comprising the net loss for the first half of €8.9 million, adjustments for items with no effects on cash

such as depreciation, and the changes in assets and liabilities resulting from operating activities.

The cash flow from investing activities amounted to a net outflow of €1.7 million in the reporting period.

► Cash flow from investing activities

€ million	01.01.09–30.06.09	01.01.08–30.06.08	Change
Payments made for investments in intangible assets and property, plant and equipment	-3.6	-6.9	-47.8%
Proceeds from the disposal of intangible assets and property, plant and equipment	0.1	2.5	-96.0%
Payments made for investments in financial assets	-0.9	-20.3	-95.6%
<b>Total</b>	<b>-4.4</b>	<b>-24.7</b>	<b>-82.2%</b>

Payments for investments in property, plant and equipment are mainly for office buildings and tenant fixtures of the AWD Group.

The free cash flow is the balance of the cash flow from operating activities and investments in property, plant and equipment and intangible assets.

► Free cash flow

€ million	01.01.09–30.06.09	01.01.08–30.06.08	Change
Cash flow from operating activities	-10.1	12.6	n.a.
Investments in property, plant and equipment and intangible assets	-3.6	-6.9	-47.8%
<b>Free cash flow</b>	<b>-13.7</b>	<b>5.7</b>	<b>n.a.</b>
Average number of shares	38,639,016	38,639,016	0.0%
<b>Free cash flow per share (€)</b>	<b>-0.35</b>	<b>0.15</b>	<b>n.a.</b>

# Other notes

## Stock-option plans

In the past, AWD Holding AG issued share options to employees and self-employed financial advisers of several companies of the Group. The details of these stock-option plans are provided

in Annual Report 2008. Since 2008, no new stock-option plans have been implemented.

### ► Aktienoptionen

	AOP 2004	AOP 2005	AOP 2006	AOP 2007	Gesamt
Outstanding on 1.1.2009	294,521	73,902	3,767	114,034	486,224
Granted in 2009	0	0	0	0	0
Exercised in 2009	-263,287	-67,396	-3,767	0	-334,450
Forfeited in 2009	0	-6,506	0	-13,259	-19,765
Lapsed in 2009	-31,234	0	0	0	-31,234
<b>Outstanding on 31.3.2009</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>100,775</b>	<b>100,775</b>
Exercise price	€28.59	€29.25	€25.75	€32.82	
<b>Exercisable on 31.3.2009</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

The exercise period for the 2004 stock-option plan expired in the first quarter of 2009. In total, 334,450 share options from the stock-option plans of 2004 to 2006 were exercised by way

of cash compensation. During the same period, 19,765 options were forfeited and 31,423 lapsed. Only the 100,775 share options from the 2007 stock-option plan are still outstanding.

## Own shares

AWD Holding AG did not hold any of its own shares at the interim balance sheet date of 30 June 2009.

## Workforce

The AWD Group employed 1,671 persons at 30 June 2009. One year earlier, the workforce comprised 1,811 persons. The prior-year

number has been adjusted to reflect the continuing operations, as have the items of the income statement.

### ► Personnel expenses

€ million	01.01.09–30.06.09	01.01.08–30.06.08	Change
Wages and salaries	46.7	50.9	-8.3%
Social-security levies	9.5	9.8	-3.1%
<b>Personnel expenses</b>	<b>56.2</b>	<b>60.7</b>	<b>-7.4%</b>

## Boards of AWD Holding AG

in the period under review, the Supervisory Board of AWD Holding AG comprised:

### ► Supervisory Board of AWD Holding AG

<b>Bruno Pfister</b>	Chairman of the Supervisory Board, Chairman of the Nomination and Personnel Committee
<b>Beat W. Hubacher</b>	Deputy Chairman of the Supervisory Board, Chairman of the Audit Committee, Member of the Nomination and Personnel Committee
<b>Prof. Dr. Utz Claassen</b>	Member of the Nomination and Personnel Committee
<b>Dr. Hans Vieregge</b>	Member of the Audit Committee
<b>Dr. Ivo Furrer (since 24.02.2009)</b>	Member of the Audit Committee
<b>Dr. Michael Frenzel</b>	

In the period under review, the Board of Management of AWD Holding AG comprised:

### ► Board of Management of AWD Holding AG

<b>Manfred Behrens</b>	Chairman of the Board of Management (CEO) (since 1 April 2009) Co-Chairman of the Board of Management (Co-CEO) (until 31 March 2009)
<b>Nils Frowein</b>	Deputy Chairman of the Board of Management (COO)
<b>Dr. Martin Jünke</b>	Member of the Board of Management (CFO)
<b>Marco Baur</b>	Member of the Board of Management (CRO Switzerland)
<b>Dr. Rolf Wiswesser</b>	Member of the Board of Management (CRO Germany)
<b>Dr. Ralph Müller (since 01.07.09)</b>	Member of the Board of Management (CRO Austria & CEE)
<b>Carsten Maschmeyer (until 31.03.2009)</b>	Co-Chairman of the Board of Management (Co-CEO)
<b>Wilhelm Zsifkovits (until 30.06.2009)</b>	Member of the Board of Management (CSO)

## Related-party transactions

During the period under review, companies of the AWD Group received commission of €16.1 million from the Swiss Life Group. The volume of the other transactions with related parties during that period was not material.

AWD Holding AG has an insurance policy that covers liability for financial loss (so-called directors' and officers' insurance) with an appropriate excess/deductible for the members of the Supervisory Board and of the Board of Management and for AWD Holding AG.

# Responsibility statement by the Board of Management

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Group's interim management report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated

with the expected development of the Group for the remaining months of the financial year.

**Hanover, August 2009**

**AWD Holding AG  
– The Board of Management –**



## Disclaimer

This report contains forward-looking statements. Forward-looking statements are statements that do not describe facts from the past; they include statements about our assumptions and expectations. Each statement in this report that expresses our expectations, forecasts, intentions or assumptions is a forward-looking statement and thus relates to the future. Such future-oriented statements are based on the plans, estimates and projections that are currently available to the Board of Management of AWD Holding AG. We do not accept any obligation or guarantee to update any such statements in the light of new information or future events. Future-oriented and forward-looking statements are naturally subject to risks and uncertainties. A large

number of important factors can contribute to actual future events and developments differing significantly from forward-looking statements. Therefore, we cannot guarantee that the assumptions and expectations will prove to be correct. The factors that can cause such deviations include, among others, the circumstances of financial markets in our core business areas and markets, changes in the general economic situation and the competitive situation, exchange-rate and interest-rate fluctuations, changes in national and international legislation, especially pertaining to tax regulations changes in capital investment or company strategy, and general business risks.

**AWD Holding AG**  
AWD-Platz 1  
30659 Hanover  
Germany

Phone +49 0180 1 508590  
Fax +49 0180 5 605225  
Email [info@AWD.de](mailto:info@AWD.de)  
Internet [www.AWD-Group.com](http://www.AWD-Group.com)

Investor Relations

Phone +49 (0)511 9020-51 20  
Fax +49 (0)511 9020-51 21  
Email [investor.relations@AWD.de](mailto:investor.relations@AWD.de)  
Internet [www.AWD-Group.com/ir](http://www.AWD-Group.com/ir)

