

DECLARATION OF COMPLIANCE 2005
BY THE SUPERVISORY BOARD AND THE BOARD OF MANAGEMENT
WITH THE GERMAN CORPORATE GOVERNANCE CODE

The Supervisory Board and the Board of Management of AWD Holding AG welcome and comply with the principles of the German Corporate Governance Code resolved by the Government Commission, and hereby issue the following declaration:

Declaration of Compliance by the Supervisory Board and the Board of Management with the German Corporate Governance Code

Declaration by the Supervisory Board and the Board of Management of Compliance with the German Corporate Governance Code pursuant to Section 161 of the German Stock Corporation Law

Pursuant to Section 161 of the German Stock Corporation Law, the Supervisory Board and the Board of Management of AWD Holding AG declare, after separate resolutions by each board, that they will comply with all recommendations and suggestions of the German Corporate Governance Code resolved by the Government Commission in the applicable version of 2 June 2005.

Since the last declaration of compliance of 10 September 2004, which is based on the German Corporate Governance Code in the version of 21 May 2003, AWD Holding AG has complied with the recommendations of the German Corporate Governance Code with one exception in section 7.1.2, Sentence 2 (Reporting within 90 days of the end of the financial year respectively 45 days of the end of the reporting period; see Declaration of Compliance 2004 at www.AWD-Group.com/ir).

AWD Holding AG

Hanover, 15 September 2005

The Supervisory Board and the Board of Management

This document is a convenience translation of the original German "Entsprechenserklärung". Only the German version is legally binding on AWD Holding AG.