

Press Release

AWO OWL forges ahead with restructuring – Local Court of Bielefeld approves application for provisional debtor-in-possession proceedings.

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Workers' welfare district association Arbeiterwohlfahrt Bezirksverband Ostwestfalen-Lippe e.V. (AWO OWL) filed today for debtor-in-possession proceedings with the competent court, namely the Local Court of Bielefeld, which has approved the application.

"We have been taking steps to restructure our district association and reshape its future for over a year now and have already made excellent progress with this. Given our increasingly difficult financial and organisational situation, however, we have now reached a point where even more comprehensive action is needed," said chief executive Mr Thomas Euler. He and his fellow Board member Mr Christoph Lützenkirchen will retain their authority to act and instruct during the debtor-in-possession proceedings. These proceedings represent the only means left to AWO OWL to adapt to the present internal and external challenges with the required speed and equip itself for the future.

Through debtor-in-possession proceedings, the intention

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About PLUTA

PLUTA assists companies facing legal and financial challenges. The firm provides support for reorganisations and transactions and helps companies to restructure and maintain their operations in crisis and insolvency situations. If necessary, PLUTA restructuring experts may also assume leadership roles in other businesses. Since the company was founded in 1982, PLUTA has constantly grown and today has a staff of approximately 500 employees in Germany, Spain and Italy. More than 290 business and management experts, attorneys, business lawyers, tax consultants, public auditors, certified accountants, economists, banking and bookkeeping experts, engineers and insolvency administration specialists, many with multiple qualifications, ensure practicable and economically sound solutions. PLUTA is one of the top restructuring companies, as demonstrated by rankings and awards from INDat, JUVE, The Legal 500, Who's Who Legal, brand eins, Wirtschaftswoche and Focus. Further information is available at www.pluta.net.

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is now to ensure a sustainable restructuring of AWO OWL in the interests of all key stakeholders. To this end, the Board will set out in concrete terms the plans already to hand over the weeks and months ahead and will move to rapidly implement the various measures.

The district association will be supported in this undertaking by attorney Mr Andreas Budnik, a restructuring expert from law firm AndresPartner, as general agent with immediate effect. He and his team of selected experts have already successfully assisted many companies in their restructuring processes. "Debtor-in-possession proceedings are a proven and effective instrument for overcoming crisis situations and achieving a sustainable realignment of organisations. We will hold discussions with all key stakeholders in the weeks ahead and will press on with our plans for the further restructuring of AWO OWL based on these," said Mr Andreas Budnik, a specialist attorney for insolvency and restructuring law, explaining the actions to be taken. He firmly believes that the district association will emerge strengthened from the crisis and, as a provider of numerous facilities and services, will be able to continue to work towards the goal of a socially just society as a central non-profit welfare association within AWO in the Ostwestfalen-Lippe region.

The vast majority of AWO OWL's facilities and offerings will remain operational during the debtor-in-possession proceedings. "It is now on us to implement our restructuring plan to hand as quickly as possible under debtor-in-possession management," said Board member



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Mr Christoph Lützenkirchen. AWO OWL will also be supported by attorney Mr Stefan Meyer from PLUTA Rechtsanwalts GmbH, who has been appointed provisional insolvency monitor by the Local Court of Bielefeld to oversee the Board's actions during the proceedings and protect the interests of creditors. He and his team will make every possible effort to actively support the achievement of the aim of the proceedings.

The some 4,300 employees of AWO OWL were already informed today about the present situation and the restructuring steps to be taken. Their wages and salaries are guaranteed for a period of three months thanks to specific substitute benefits provided under German insolvency law. The association also has sufficient funding to continue operating beyond this period and cover all costs, including wages and salaries.

The debtor-in-possession proceedings only apply to AWO OWL. Expressly not affected are all other AWO worker's welfare organisations, including subsidiaries and local and subdistrict associations in the Ostwestfalen-Lippe region, other district associations in the federal state of North Rhine-Westphalia and the federal association.

About AWO Ostwestfalen-Lippe e.V.

AWO OWL is a central non-profit welfare association for the Ostwestfalen-Lippe region. The AWO workers' welfare association strives to create a socially just society through voluntary engagement and professional services. Its offerings include around 120 children's day care facilities, assistance for young people and families, training and

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Further information about PLUTA and the contents of these Press information you will find under www.pluta.net

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career start support, accommodation and nursing care services for the elderly and centres providing advice on various situations in life. AWO OWL has around 4,300 employees, while another 2,200 are engaged in the region's subdistrict associations. More information:
www.awo-owl.de

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