



News Release
For Immediate Release
Media Contact: Toni Gardner
Corporate Communications Manager
512/306-7129
tgardner@kw.com

Keller Williams® Realty Named Fifth-Largest Residential Real Estate Firm in the Country: Aggressive, Innovative Growth Strategy Pays Off

AUSTIN, TX — (Friday, August 13, 2004) — Keller Williams® Realty, Inc., which has enjoyed great success with the most innovative business model in the industry, announced today that the company has become the fifth-largest residential real estate firm in North America, based on agent count. The company held the number six position for the past thirteen months.

Keller Williams Realty now has more than 33,000 associates and 350 offices across the country and in Canada, and believes its formula for success stems from its agent-centric business model. Most traditional real estate companies believe the agent is successful because of the company. Keller Williams Realty believes the agent is the cornerstone of success. With this unique and innovative philosophy, Keller Williams Realty infused a new spirit into the industry. By providing agents with proven business models and passive income opportunities, the company has differentiated itself from its competition and created a driving force for aggressive growth.

“We strongly believe our agents are like partners; they share in the profits; they have a say in the decision-making; and they are empowered to build their business to the highest possible level,” said Gary Keller, co-founder and chairman of the board of Keller Williams Realty. “We are excited by the continued growth, productivity, and profitability of our offices.”

Early this year, Keller Williams Realty affiliated with the former seventh-top producing agent from RE/MAX, Anna-Maria Wong.

“Keller Williams Realty was very appealing to me,” Wong said. “The company’s win-win philosophy really suited me.” Wong is now a top agent and owner in the Keller Williams Realty San Leandro California Market Center.

Keller Williams Realty has grown 12 times larger in just six-and-a-half years; and

—more—

its 10-year plan envisions 600 market centers with 150,000 associates and 15,000 millionaires (often called “Kellionaires”). The company is on track to meet these goals. During the first quarter of 2004, over 6,000 agents joined. In 2003 alone, more than 8,000 agents affiliated, resulting in the company’s most successful year in terms of agent growth, new office openings and profit sharing.

Gary Keller’s dream was to build a company that valued ethics, integrity, and people. In 1983, he partnered with fellow agent Joe Williams to raise \$42,000 in seed money. In its first year, Keller Williams Realty opened with one office and 32 agents and an annual sales volume of \$28 million. The company began franchising its offices – called market centers – in 1990. Today, the company has an annual gross sales volume of \$50 billion.

A major re-invention in 1986 cemented the business franchise philosophy and marked innovations not seen in the real estate industry. They include a cap system for the amount of commissions agents pay brokers; profit sharing for agents; an “open-book” financial system that allows associates to review company financials; and a collaborative environment between agents and brokers.

“We have a fundamental understanding of who makes the biggest difference in the real estate industry – and that is the real estate agent,” said Dave Jenks, vice president of research and development for Keller Williams Realty. “Clients are loyal to their agent, not the real estate company, so we developed a company that truly supports the agent.”

These business innovations have earned the company high honors from industry and business publications. In 2004, Keller Williams Realty was ranked 54th among the “101 Fastest-Growing Franchises” by *Entrepreneur* magazine. *REALTOR* magazine named Keller the second most influential person in the real estate industry in 2003. Also in 2003, Keller’s leadership qualities and contributions to the real estate industry earned him the distinction of being voted the “Most Admired Person” in a survey conducted by *Real Trends*. *Inman News* named the company “Most Innovative” in 2001. *Real Trends* also recently ranked the company in several areas: “Top 10 Firms by Productivity”; “500-Largest Brokers in the U.S.”; “25 Fastest-Growing Firms in 2003”; and the “Billionaire’s Club” (four market centers closed at least \$1 billion in real estate in 2003).

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In 2003, Keller wrote *The Millionaire Real Estate Agent*, which sold over 100,000 copies and was ranked as the number one real estate career guide on Amazon.com before being acquired by McGraw-Hill. Since June 2004, *BusinessWeek* has ranked *The Millionaire Real Estate Agent* as the 12th bestselling paperback business book.

Keller Williams Realty International Growth Milestones

- In 2003, Keller Williams Realty experienced a 53 percent increase in annual earned commissions to reach a total of nearly \$800 million (a 105 percent increase since 2001) that represents 158,000 homes sold.
- Profit sharing in 2003 grew by 111 percent and paid out more than \$13 million to associates.
- The number of agents grew by 49 percent in 2003 and to more than 31,000 in June of 2004, more than doubling the company's size in the last two years.

About Keller Williams Realty:

Founded in 1983, Keller Williams Realty International (KWRI) is an international real estate company with more than 350 offices located across the U.S. and Canada. Currently the fifth largest U.S. residential real estate firm in North America, Keller Williams began franchising its offices in 1990. The company has succeeded by treating its 33,000-plus associates as partners, and shares its knowledge, policy control, and company profits on a system-wide basis. KWRI's agents are distinguished by their level of professional education, their full-time commitment to real estate sales, and their level of business success. For more information, visit Keller Williams Realty online at www.kw.com.

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