MLP - Well positioned in a changing market

Uwe Schroeder-Wildberg, CEO

Roadshow London

November 18, 2009
Agenda

1. MLP’s positioning in a changing market
2. Statutory changes
3. Impact of capital market and economic crisis on current business development
4. MLP will benefit from the crisis
5. Summary and Outlook
6. Appendix and Contact
Strategic realignment

Milestones of the past five years

- 2004
  - Strengthening of independence
  - Development of occupational pension business

- 2005
  - Sale of own insurers

- 2006
  - Majority holding in Feri Finance AG
  - Banking license for investment brokerage

- 2007
  - Establishment of MLP Hyp
  - Accreditation of the Corporate University
  - Full banking license (Group)

- 2008/09
  - Acquisition of TPC
  - Acquisition of ZSH
MLP – A broad-based consulting house

Private clients
- MLP Finanzdienstleistungen
- Feri Family Trust
- ZSH

Corporate clients
- MLP Finanzdienstleistungen (Business areas: occupational pensions and corporate clients)
- TPC
- Feri Institutional Advisors

Rating
- Feri EuroRating Services

Independent investment research
Positive development in number of clients continued in Q3

Number of clients

- **31/03/08**: 660,000
- **30/06/08**: 704,000
- **30/09/08**: 713,000
- **31/12/08**: 719,000
- **31/03/09**: 728,000
- **30/06/09**: 773,000
- **30/09/09**: 777,000

**New clients Q3: 9,200 (gross)**

- **30/09/09**: 781,000

Positive development in number of clients continued in Q3.
Pressure on social security systems is imminent

Massive increase in the “dependency ratio” for the period 2010 - 2035

*Old Age Dependency Ratios*

- **U.S.**
- **JAPAN**
- **GERMANY**
- **FRANCE**
- **U.K.**
- **ITALY**

*Ratio of population aged 65 and over to those aged 15-64*

High potential in old-age pension provision

The pension level of the future – as a percentage of gross salary*

<table>
<thead>
<tr>
<th>Country</th>
<th>Pension Level (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Luxembourg</td>
<td>88.3</td>
</tr>
<tr>
<td>Spain</td>
<td>81.2</td>
</tr>
<tr>
<td>Austria</td>
<td>80.1</td>
</tr>
<tr>
<td>Italy</td>
<td>67.9</td>
</tr>
<tr>
<td>Switzerland</td>
<td>58.4</td>
</tr>
<tr>
<td>France</td>
<td>51.2</td>
</tr>
<tr>
<td>USA</td>
<td>41.2</td>
</tr>
<tr>
<td>Germany</td>
<td>39.9</td>
</tr>
<tr>
<td>Japan</td>
<td>34.4</td>
</tr>
<tr>
<td>Great Britain</td>
<td>30.8</td>
</tr>
</tbody>
</table>

OECD average: 58.7%

Source: OECD

* Level of state pension according to current legislation. Selected countries. Basis for calculation: employee, aged 20 who starts full time work in 2004 and continues working up until the legal pension age (average earner).
Low average age offers high potential

Targeted expansion of MLP Wealth Management

- MLP clients’ income and savings quotas clearly exceed average levels
- The average age of an MLP client is 39
- Already 37 per cent of clients are older than 40
- The number of clients over 40 years of age will double within five years
Growth through a holistic consulting approach

Rising revenue potential in Wealth Management

Potential sales revenue - MLP Finanzdienstleistungen AG per client and year

[Diagram showing potential sales revenue by age group and service type.]

- Rising revenue potential in Wealth Management
AuM reached new record high

Assets under Management

[Graph showing Assets under Management (AuM) in € bn from 30/09/08 to 30/09/09, with peaks at 11.7 and 12.5]
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## Extensive statutory changes . . .

### Regulatory requirements

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Details</th>
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<tbody>
<tr>
<td>May 22, 2007</td>
<td>Insurance Mediation Dir.</td>
<td>Rising requirements concerning the qualification of consultants and the quality of consulting</td>
</tr>
<tr>
<td>November 1, 2007</td>
<td>MiFID</td>
<td>Broadening of the consulting, information and documentation requirements, Stricter requirements regarding transparency</td>
</tr>
<tr>
<td>Beginning of 2008</td>
<td>German Ins. Contract Law</td>
<td>Increase in cash surrender values / spreading of the distribution and acquisition costs, Increased cost transparency for life and healthcare insurance policies, Broadening of the information obligations</td>
</tr>
</tbody>
</table>
. . . lead to radical changes in the German financial industry

Major market trends for banks, insurance companies and IFAs

Increasing regulatory requirements will further change the market place dramatically:

- Further optimisation of cost structure and processes
- Consolidation
- Professionalisation
- Specialisation
MLP is already implementing the major requirements

Study by the Ministry of Consumer Protection concerning better quality in financial consulting

**Major requirements:**
- Stronger orientation towards customer requirements and greater transparency for customers
- Adaptation of the regulatory provisions to everyday practice
- Brokerage of investment funds only with banking license
- More comprehensive qualification
- Strengthening of fee-based consulting

**MLP situation:**
- Client-oriented consulting as the core of the business model
- High degree of transparency through comprehensive documentation and detailed reporting
- MLP already possesses a German banking license
- Training standards far exceed the legal standards
Independent brokers gain significant market shares

Effects of the regulation in Great Britain

Sales by channel in 1992

- Direct sales via sales force: 50%
- Bancassurance: 9%
- IFA: 39%
- Direct sales to clients: 2%

Sales by channel in 2006

- Direct sales via sales force: 7%
- Bancassurance: 11%
- IFA: 73%
- Direct sales to clients: 7%

Market share in sales of pension provision products
Source: Association of British Insurers
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Highlights 9M and Q3 2009

• Positive revenue development compared to Q2 2009
• AuM reached a new record high of € 12.5 bn
• Profitability significantly increased in Q3
• Cost cutting initiative successfully implemented
• Market environment remained difficult during Q3 due to capital market and economic crisis
• Customers still reluctant to make long-term investment decisions
• Economic outlook still negative: German GDP is expected to fall by 5% in 2009
9M: Revenues decreased due to capital market and economic crisis

Total revenues 9M 2009

[in € million]

9M 2008 9M 2009

Revenues: commissions and fees

347.9 305.5

Interest income

28.0 24.5

Other revenues

20.1 19.4

Riester step

30.1 30.2

Revenues

40.1 40

Total

406.1 330.2

9M: Revenues decreased due to capital market and economic crisis.
Q3: Positive revenue development

Development of total revenues

[in € million]

123.8 189.1 125.5 105.9 113.9

Q3 2008 Q4 2008 Q1 2009 Q2 2009 Q3 2009
## Client focus on non-life segments

### Revenues – commissions and fees

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q3 2008</th>
<th>Q3 2009</th>
<th>Δ in %</th>
<th>9M 2008</th>
<th>9M 2009</th>
<th>Δ in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old-age pension provision</td>
<td>70.8</td>
<td>65.1</td>
<td>-8.8</td>
<td>221.5</td>
<td>188.0</td>
<td>-15.1</td>
</tr>
<tr>
<td>Health insurance</td>
<td>10.2</td>
<td>10.4</td>
<td>1.3</td>
<td>33.0</td>
<td>33.1</td>
<td>0.3</td>
</tr>
<tr>
<td>Non-life insurance</td>
<td>2.8</td>
<td>3.5</td>
<td>24.0</td>
<td>21.6</td>
<td>22.2</td>
<td>2.5</td>
</tr>
<tr>
<td>Wealth management</td>
<td>19.4</td>
<td>18.7</td>
<td>-3.8</td>
<td>60.9</td>
<td>51.8</td>
<td>-15.0</td>
</tr>
<tr>
<td>Loans and mortgages</td>
<td>2.5</td>
<td>3.5</td>
<td>36.2</td>
<td>8.3</td>
<td>8.0</td>
<td>-4.1</td>
</tr>
<tr>
<td>Other commissions and fees</td>
<td>0.8</td>
<td>0.9</td>
<td>10.6</td>
<td>2.6</td>
<td>2.4</td>
<td>-5.9</td>
</tr>
</tbody>
</table>

[in € million]
Profitability significantly improved

Continuing operations

Income statement
[[in € million]]

<table>
<thead>
<tr>
<th></th>
<th>Q3 2008</th>
<th>Q3 2009</th>
<th>9M 2008</th>
<th>9M 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues</td>
<td>123.8</td>
<td>113.9</td>
<td>406.1</td>
<td>345.3</td>
</tr>
<tr>
<td>EBIT</td>
<td>3.4</td>
<td>7.1</td>
<td>39.2</td>
<td>12.9</td>
</tr>
<tr>
<td>Finance cost</td>
<td>-0.1</td>
<td>1.0</td>
<td>-9.0</td>
<td>-1.1</td>
</tr>
<tr>
<td>EBT</td>
<td>3.2</td>
<td>8.1</td>
<td>30.2</td>
<td>11.9</td>
</tr>
<tr>
<td>Taxes</td>
<td>-1.8</td>
<td>-3.0</td>
<td>-11.3</td>
<td>-6.9</td>
</tr>
<tr>
<td>Net profit</td>
<td>1.4</td>
<td>5.1</td>
<td>18.8</td>
<td>5.0</td>
</tr>
<tr>
<td>EPS in € (diluted)</td>
<td>0.01</td>
<td>0.05</td>
<td>0.19</td>
<td>0.05</td>
</tr>
</tbody>
</table>

- EBIT Q3 more than doubled
- 9M: Defense costs € 2.9 m
- 9M: Restructuring charges and other one-offs € 1.7 m
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### Strong balance sheet

MLP Group – selected balance sheet items

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intangible assets</strong></td>
<td>162.4</td>
<td>171.1</td>
</tr>
<tr>
<td><strong>Financial investments</strong></td>
<td>179.9</td>
<td>201.4</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents</strong></td>
<td>38.1</td>
<td>53.8</td>
</tr>
<tr>
<td><strong>Other receivables and other assets</strong></td>
<td>147.1</td>
<td>88.5</td>
</tr>
<tr>
<td><strong>Shareholders’ equity</strong></td>
<td>429.1</td>
<td>396.1</td>
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<tr>
<td><strong>Other liabilities</strong></td>
<td>236.4</td>
<td>172.4</td>
</tr>
</tbody>
</table>

- Equity ratio 28.0%
- Liquid funds € 156 m* (duration < 12 months)
- Seasonal decline in other receivables and other liabilities
Cost cutting program successfully implemented

Development of fixed costs 9M

<table>
<thead>
<tr>
<th></th>
<th>9M 2008 (reported)</th>
<th>Personnel</th>
<th>D &amp; A</th>
<th>Other operating expenses</th>
<th>9M 2009 (reported)</th>
<th>Restructuring and one-offs</th>
<th>Cost increase due to acquisition</th>
<th>Adjusted fixed costs 9M 2009</th>
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</thead>
<tbody>
<tr>
<td>Cost increase due to acquisition</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel</td>
<td>221.2</td>
<td>+3.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D &amp; A</td>
<td></td>
<td></td>
<td>-1.7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other operating expenses</td>
<td>-9.9</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9M 2009 (reported)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>212.9</td>
<td>-4.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restructuring and one-offs</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted fixed costs 9M 2009</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>204.1</td>
</tr>
</tbody>
</table>
Targeted cost reduction of € 34 m

Fixed costs (excluding acquisition-related cost increases)

- Cost savings of € 12 m in 2009 and a further € 10 m in 2010
- In addition: No re-occurrence in 2009 of € 12 m of one-time expenses incurred in 2008
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Summary

• MLP is very well positioned in structural growth markets in Germany:
  • Old-age pension provision, health provision, wealth management
• Regulatory changes lead to market consolidation and pressure on earnings
• Capital markets and economic crisis burden revenue and earnings development
• MLP will benefit from the crisis:
  • Strong capital base and liquidity allow rapid adjustment to new market environment and external growth
  • Short-term cost savings protect bottom line
Outlook

- Market environment remained difficult in Q3 due to economic and capital market crisis
- Clients focussed on non-life segments and are still reluctant to invest in long-term old-age provision products or wealth management concepts
- Successful cost cutting measures increased profitability in Q3
- Year-end business started in October and should accelerate
- Fixed costs will decrease further in Q4 (YOY)
  - Leverage of business model fully in place in Q4
- Sales focus in H2 on higher disposal income of clients due to federal economic stimulus packages ("Bürgerentlastungsgesetz")
- Outlook 2009 reiterated: MLP aims to outperform the market
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Management agenda 2009

- Consistent and full utilisation of revenue potential
- Strict cost discipline – package of measures for reducing expenditure
- External growth through active participation in the industry consolidation
Independent business model and one-stop for lifetime financial solutions

Independent business model is unique in the German Market

Target group focus + Quality of advice + Independence

Objectives Advice Solution

Planning Insurance coverage Retirement provision Health Consumption Solutions

Old-age provision management Non-life management Health management Loan and mortgage management Wealth management Cash management
Independence is key for MLP’s client group

The most important demands of clients with a university degree

- 98% Information regarding the drawbacks of products
- 95% First class financial services
- 93% Comprehensive consulting / tailor-made offers
- 77% Offers from different product providers
- 68% Easy access to nearby branch

Source: Spiegel-Studie Soll & Haben, 2004
Sales force: Focus on quality

Number of consultants

<table>
<thead>
<tr>
<th>Date</th>
<th>Number of Consultants</th>
</tr>
</thead>
<tbody>
<tr>
<td>30/09/08</td>
<td>2,418</td>
</tr>
<tr>
<td>31/12/08</td>
<td>2,413</td>
</tr>
<tr>
<td>31/03/09</td>
<td>2,435</td>
</tr>
<tr>
<td>30/06/09</td>
<td>2,405</td>
</tr>
<tr>
<td>30/09/09</td>
<td>2,360</td>
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</table>
Cost cutting program successfully implemented

Development of fixed costs Q3

<table>
<thead>
<tr>
<th>[in € million]</th>
<th>74.4</th>
<th>-0.4</th>
<th>-0.1</th>
<th>-6.4</th>
<th>67.5</th>
<th>-0.6</th>
<th>-1.7</th>
<th>65.2</th>
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<tbody>
<tr>
<td>Q3 2008 (reported)</td>
<td>Personnel</td>
<td>D &amp; A</td>
<td>Other operating expenses</td>
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<td>Restructuring charges Q3 2009</td>
<td>Cost increase due to acquisition</td>
<td>Adjusted fixed costs Q3 2009</td>
<td></td>
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</table>
# Optimally equipped for consolidation

**Growth through acquisitions**

<table>
<thead>
<tr>
<th>Trend</th>
<th>MLP Strengths</th>
</tr>
</thead>
</table>
| **Quality and Independence**  
→ Numerous statutory changes  
→ Independent providers are gaining market share | • MLP is subject to the highest qualitative requirements (independent broker, banking license)  
• MLP has long exceeded numerous legal standards |
| **Size and Capital Strength**  
→ High costs due to regulatory requirements  
→ “Critical mass” necessary | • Strong capital base (liquid funds: € 210 m)  
• No risk positions on the balance sheet  
• Largest financial consulting company that is registered as an independent broker |
| **Technology and Infrastructure**  
→ Processes and organisation are gaining in significance  
→ Legal standards necessitate extensive infrastructure | • Excellent infrastructure  
(Sales support, training, product portfolio)  
• Technology leader |
**TPC boasts first-rate reference clients - nationwide**

**Extract**

<table>
<thead>
<tr>
<th>Services</th>
<th>Industrial</th>
<th>Public enterprises</th>
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<tbody>
<tr>
<td>gwd</td>
<td>MetallRente</td>
<td>Bundesverband Deutscher Stiftungen</td>
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<tr>
<td>BVDW</td>
<td></td>
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<td>GfK</td>
<td>FAG</td>
<td>Berliner Wasserbetriebe</td>
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<td>JWT</td>
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<td>BSR</td>
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<td>GREY</td>
<td>DEUTZ</td>
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<td>JUNG MATT</td>
<td>EMAG</td>
<td>Vivantes NETZWERK FÜR GESUNDHEIT</td>
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<td>McCANN ERICKSON</td>
<td>BORSIG</td>
<td>OTTO VON GYERICKS ULMER SCHE BURG MEDIZINISCHE FAKULTÄT</td>
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<td>GHB</td>
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<td>Jarba</td>
<td>Hako</td>
<td>Klinikum Nürnberg</td>
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<tr>
<td></td>
<td></td>
<td>BGolkauken Tübingen</td>
</tr>
<tr>
<td>A LANGE &amp; SOHNE EIBELSTEIN</td>
<td></td>
<td></td>
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<tr>
<td>The Phone House</td>
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<td></td>
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<td>medac</td>
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</table>
Extensive shareholders’ participation

Dividend sum

[In € million]

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend sum [in € million]</th>
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<tbody>
<tr>
<td>2003</td>
<td>16.3</td>
</tr>
<tr>
<td>2004</td>
<td>23.9</td>
</tr>
<tr>
<td>2005</td>
<td>31.5</td>
</tr>
<tr>
<td>2006</td>
<td>40.0</td>
</tr>
<tr>
<td>2007</td>
<td>49.0</td>
</tr>
<tr>
<td>2008</td>
<td>30.2</td>
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</table>
Contact

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