Individuality requires partnership

Uwe Schroeder-Wildberg, CEO
UBS Best of Germany Conference

September 16/17, 2009
Agenda

1. MLP’s business model
2. Statutory changes
3. Strategy and market developments
4. H1 & Q2 2009
5. Outlook and summary
6. Contact
1. MLP’s business model
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 customer group

The most important demands of customers with an 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
2. Statutory changes
**Extensive statutory changes . . .**

Regulatory requirements

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
<th>Insurance Mediation Dir.</th>
<th>MiFID</th>
<th>German Ins. Contract Law</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 22, 2007</td>
<td>Insurance brokerage</td>
<td>• Rising requirements concerning the qualification of consultants and the quality of consulting</td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td>• Extensive documentation requirements</td>
<td>• Broadening of the consulting, information and documentation requirements</td>
<td>• Increase in cash surrender values / spreading of the distribution and acquisition costs</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Stricter requirements regarding transparency</td>
<td>• Increased cost transparency for life and healthcare insurance policies</td>
</tr>
<tr>
<td>November 1, 2007</td>
<td>Banks / Fin. investments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning of 2008</td>
<td>Insurers/ Brokers</td>
<td></td>
<td></td>
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</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 optimally prepared to meet the new requirements

**Extensive new regulations:**
- Brokerage guideline, MiFID, VVG
- Flat-rate capital gains tax, healthcare reform

**Increasing competition:**
- Banks and new providers are entering the market

**High client requirements:**
- Clients demand quality and comprehensive consultation

**High complexity:**
- Numerous products/high tax complexity

→ Excellent prospects through clear positioning and targeted further development

- Capability to adjust rapidly to changed framework conditions
- Highly developed IT systems and processes
- Unique positioning in the market
- Industry-leading education and further training
- High quality target group and excellent quality parameters
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 to clients: 2%
- Direct sales via sales force: 50%
- Bancassurance: 9%
- IFA: 39%

Sales by channel in 2006

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

Market share in sales of pension provision products
Source: Association of British Insurers
3. Strategy and market developments
Targeted further development

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
**TPC boasts first-rate reference clients - nationwide**

<table>
<thead>
<tr>
<th>Services</th>
<th>Industrial</th>
<th>Public enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>gwa</td>
<td>MetallRente</td>
<td>Bundesverband</td>
</tr>
<tr>
<td>BVDW</td>
<td></td>
<td>Deutscher Stiftungen</td>
</tr>
<tr>
<td>GfK</td>
<td>LUK</td>
<td>Berliner Wasserbetriebe</td>
</tr>
<tr>
<td>JWT</td>
<td>FAG</td>
<td>BSR</td>
</tr>
<tr>
<td>GREY</td>
<td>EMAG</td>
<td>Vivantes Netzwerk</td>
</tr>
<tr>
<td>JUNGV MATT</td>
<td>BORSIG</td>
<td>Otto von GUericke</td>
</tr>
<tr>
<td>McCANN ERICKSON</td>
<td></td>
<td>Universität Magdeburg</td>
</tr>
<tr>
<td>GHB</td>
<td></td>
<td>Medizinische Fakultät</td>
</tr>
<tr>
<td>Jarba</td>
<td></td>
<td>Klinikum Nürnberg</td>
</tr>
<tr>
<td>A Lange &amp; Söhne</td>
<td></td>
<td>Bürgermeister Tübingen</td>
</tr>
<tr>
<td>medac</td>
<td></td>
<td>Die Johanniter</td>
</tr>
<tr>
<td>The Phone House</td>
<td></td>
<td></td>
</tr>
<tr>
<td>REpower Systems</td>
<td></td>
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<tr>
<td>CENERGY</td>
<td></td>
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</tbody>
</table>
Extensive shareholders’ participation

Dividend sum

[in € million]
4. H1 & Q2 2009

UBS Best of Germany Conference - September 16/17, 2009
Highlights H1 & Q2 2009

• Financial and economic crisis continued during H1 2009
• Following a sharp downturn in Q1, early indicators show a stabilization of the German economy in Q2 and for the rest of the year
• However, expectations for German GDP growth for 2009 remain at -6%
• Due to uncertainty caused by the ongoing economic crisis, private and institutional clients were still reluctant to invest long-term and invested risk-aversely
• Robust development in core business areas in H1 2009
• Positive cost development in Q2: Successful implementation of cost savings program
• Sale of Austrian subsidiary announced
H1: Robust revenue development

Total revenues

[in € million]

H1 2008

- Revenues: commissions and fees ~ 40
- Interest income 21.6
- Other revenues 19.4
- Riester step

H1 2009

- Revenues: commissions and fees 203.5
- Interest income 17.3
- Other revenues 10.3
- Riester step
## Old-age pension provision and wealth management affected by crisis

### Revenues – commissions and fees

<table>
<thead>
<tr>
<th></th>
<th>Q2 2008</th>
<th>Q2 2009</th>
<th>in %</th>
<th>H1 2008</th>
<th>H1 2009</th>
<th>in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old-age pension provision</td>
<td>63.2</td>
<td>60.1</td>
<td>-4.9</td>
<td>150.6</td>
<td>123.0</td>
<td>-18.4</td>
</tr>
<tr>
<td>Health insurance</td>
<td>11.4</td>
<td>9.1</td>
<td>-20.3</td>
<td>22.8</td>
<td>22.8</td>
<td>-0.1</td>
</tr>
<tr>
<td>Non-life insurance</td>
<td>3.2</td>
<td>3.4</td>
<td>7.0</td>
<td>18.8</td>
<td>18.7</td>
<td>-0.7</td>
</tr>
<tr>
<td>Wealth management</td>
<td>21.0</td>
<td>15.9</td>
<td>-24.3</td>
<td>41.5</td>
<td>33.1</td>
<td>-20.3</td>
</tr>
<tr>
<td>Loans and mortgages</td>
<td>2.7</td>
<td>2.5</td>
<td>-6.2</td>
<td>5.8</td>
<td>4.5</td>
<td>-21.9</td>
</tr>
<tr>
<td>Other commissions and fees</td>
<td>1.0</td>
<td>0.8</td>
<td>-14.1</td>
<td>1.7</td>
<td>1.5</td>
<td>-13.8</td>
</tr>
</tbody>
</table>

[In € million]
## Earnings influenced by crisis and one-offs

### Continuing operations

### Income statement

<table>
<thead>
<tr>
<th></th>
<th>Q2 2008</th>
<th>Q2 2009</th>
<th>H1 2008</th>
<th>H1 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues</td>
<td>126.4</td>
<td>105.9</td>
<td>282.2</td>
<td>231.4</td>
</tr>
<tr>
<td>EBIT</td>
<td>10.7</td>
<td>2.4</td>
<td>35.8</td>
<td>5.9</td>
</tr>
<tr>
<td>Finance cost</td>
<td>-0.8</td>
<td>-0.6</td>
<td>-8.9</td>
<td>-2.1</td>
</tr>
<tr>
<td>EBT</td>
<td>9.9</td>
<td>1.8</td>
<td>26.9</td>
<td>3.8</td>
</tr>
<tr>
<td>Taxes</td>
<td>-1.2</td>
<td>-2.2</td>
<td>-9.5</td>
<td>-3.9</td>
</tr>
<tr>
<td>Net profit</td>
<td>8.8</td>
<td>-0.4</td>
<td>17.4</td>
<td>-0.1</td>
</tr>
<tr>
<td>EPS in € (diluted)</td>
<td>0.09</td>
<td>0.00</td>
<td>0.18</td>
<td>0.00</td>
</tr>
</tbody>
</table>

- H1 EBIT includes:
  - € 3.4m defense costs
  - € 1.1m restructuring charges Q2
  - € 1.4m extraordinary tax expenses in Q2
### AuM increased

**New Business and Assets under Management**

<table>
<thead>
<tr>
<th>Date</th>
<th>Old-age pension provision</th>
<th>Assets under Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>30/09/08</td>
<td>1.0</td>
<td>11.3</td>
</tr>
<tr>
<td>31/12/08</td>
<td>1.0</td>
<td>11.4</td>
</tr>
<tr>
<td>31/03/09</td>
<td>3.0</td>
<td>11.2</td>
</tr>
<tr>
<td>30/06/09</td>
<td>3.0</td>
<td>11.7</td>
</tr>
</tbody>
</table>

![Bar charts for old-age pension provision and assets under management](chart.png)
# Strong liquidity

**MLP Group – selected balance sheet items**

<table>
<thead>
<tr>
<th></th>
<th>31/12/2008</th>
<th>30/06/2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intangible assets</strong></td>
<td>162.4</td>
<td>173.3</td>
</tr>
<tr>
<td><strong>Financial investments</strong></td>
<td>179.9</td>
<td>194.8</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents</strong></td>
<td>38.1</td>
<td>47.4</td>
</tr>
<tr>
<td><strong>Other receivables and other assets</strong></td>
<td>147.1</td>
<td>95.1</td>
</tr>
<tr>
<td><strong>Shareholders’ equity</strong></td>
<td>429.1</td>
<td>391.8</td>
</tr>
<tr>
<td><strong>Other liabilities</strong></td>
<td>236.4</td>
<td>181.0</td>
</tr>
</tbody>
</table>

- Liquid funds € 188m
- Equity ratio 27.6%
- Seasonal decline in other receivables and other liabilities
Positive development in number of clients continued in Q2

Number of clients

New clients Q2: 8,500 (gross)
Sales force: Focus on quality

Number of consultants

- Revenue per consultant
  H1 2009: € 86,000
5. Outlook and summary
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
## 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

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* 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

Clients by age

- 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

![Chart showing potential sales revenue by age group and service type (Wealth management, Old-age pension provision, Healthcare provision, Other)]
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
Successful cost cutting in Q2: Fixed costs down by € 11m

Development of fixed costs

<table>
<thead>
<tr>
<th></th>
<th>Q2 2008 (reported)</th>
<th>Personnel</th>
<th>D &amp; A</th>
<th>Other operating expenses</th>
<th>Q2 2009 (reported)</th>
<th>Restructuring charges Q2 2009</th>
<th>Cost increase due to acquisition (ZSH)</th>
<th>Adjusted fixed costs Q2 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>76.9</td>
<td>0.9</td>
<td>-0.9</td>
<td>-7.5</td>
<td>69.4</td>
<td>-1.1</td>
<td>-2.5</td>
<td>65.8</td>
</tr>
</tbody>
</table>

[Reported numbers]
### Optimally equipped for consolidation

**Growth through acquisitions**

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

• Market environment remained difficult during H1 2009
• Cost-cutting program shows first success:
  - Fixed cost base reduced in Q2
  - Target: Reduce fixed costs by € 34m by the end of 2010
• Pick-up in business expected, especially in Q4
  - 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
6. Contact

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