MLP - Well positioned in a changing market

Uwe Schroeder-Wildberg, CEO

UCG German Investment Conference 2009

September 24, 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
6. Outlook
7. Appendix and Contact
## Strategic realignment

### Milestones of the past five years

<table>
<thead>
<tr>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008/09</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Strengthening of independence</td>
<td>• Sale of own insurers</td>
<td>• Majority holding in Feri Finance AG</td>
<td>• Establishment of MLP Hyp</td>
<td>• Acquisition of TPC</td>
</tr>
<tr>
<td>• Development of occupational pension business</td>
<td></td>
<td>• Banking license for investment brokerage</td>
<td>• Accreditation of the Corporate University</td>
<td>• Acquisition of ZSH</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Full banking license (Group)</td>
<td></td>
</tr>
</tbody>
</table>
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
Strong client base

Number of clients

New clients Q2: 8,500 (gross)

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

Strong client base
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 (% of Gross Salary)</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).
Pressure on social security systems is imminent

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

*Old Age Dependency Ratios*

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

- U.S.
- Japan
- Germany
- France
- U.K.
- Italy

© BCA Research 2003
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]
AuM increased during the capital market and economic crisis

Assets under Management

[in € bn]

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>30/09/08</td>
<td>11.3</td>
</tr>
<tr>
<td>31/12/08</td>
<td>11.4</td>
</tr>
<tr>
<td>31/03/09</td>
<td>11.2</td>
</tr>
<tr>
<td>30/06/09</td>
<td>11.7</td>
</tr>
</tbody>
</table>
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### Extensive statutory changes...

#### Regulatory requirements

**Insurance Mediation Dir.**
- Rising requirements concerning the qualification of consultants and the quality of consulting
- Extensive documentation requirements

**MiFID**
- Broadening of the consulting, information and documentation requirements
- Stricter requirements regarding transparency

**German Ins. Contract Law**
- 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

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**Timeline:**
- **May 22, 2007:** Insurance Mediation Dir.
- **November 1, 2007:** MiFID
- **Beginning of 2008:** German Ins. Contract Law
. . . 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 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: 11%

IFA: 73%

Market share in sales of pension provision products
Source: Association of British Insurers
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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 remained 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
H1: Robust revenue development

Total revenues

<table>
<thead>
<tr>
<th></th>
<th>H1 2008</th>
<th>H1 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues: commissions and fees</td>
<td>241.2</td>
<td>203.5</td>
</tr>
<tr>
<td>Interest income</td>
<td>21.6</td>
<td>17.3</td>
</tr>
<tr>
<td>Other revenues</td>
<td>19.4</td>
<td>11.2</td>
</tr>
<tr>
<td>Riester step</td>
<td>~40</td>
<td>~40</td>
</tr>
</tbody>
</table>

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

Continuing operations

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT (€ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1 2008</td>
<td>35.8</td>
</tr>
<tr>
<td>H1 2009</td>
<td>5.9</td>
</tr>
</tbody>
</table>

H1 EBIT includes:
- € 3.4m defense costs
- € 1.1m restructuring charges Q2
- € 1.4m extraordinary tax expenses in Q2
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## Strong liquidity and capital base

**MLP Group – selected balance sheet items**

<table>
<thead>
<tr>
<th>[in € million]</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
Targeted cost reduction of € 34 m

Fixed costs (excluding acquisition-related cost increases)

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009e</th>
<th>2010e</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>314</td>
<td>290</td>
<td>280</td>
</tr>
</tbody>
</table>

- 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
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Outlook

• 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
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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  Old-age provision management
Insurance coverage  Non-life management
Retirement provision  Health management
Health  Loan and mortgage management
Consumption  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
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
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 Deutscher Stiftungen</td>
</tr>
<tr>
<td>BVDW</td>
<td></td>
<td></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>Heye,</td>
<td>IMI</td>
<td></td>
</tr>
<tr>
<td>GREY</td>
<td>DEUTZ</td>
<td></td>
</tr>
<tr>
<td>JUNGMATT</td>
<td>BORSIG</td>
<td>Vivantes Netzwerk für Gesundheit</td>
</tr>
<tr>
<td>McCANN ERICKSON</td>
<td>EMAG</td>
<td>OTTO-von-Guericke-Universität Magdeburg</td>
</tr>
<tr>
<td>GHB</td>
<td>Hako</td>
<td>MEDIZINISCHE FAKULTÄT</td>
</tr>
<tr>
<td>Jarba</td>
<td></td>
<td>Klinikum Nürnberg</td>
</tr>
<tr>
<td>LANGE &amp; SÖHNE</td>
<td>AKG</td>
<td>BG Unfallklinik Tübingen</td>
</tr>
<tr>
<td>The Phone House</td>
<td>REpower</td>
<td></td>
</tr>
<tr>
<td>medac</td>
<td>CENERGY</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Repower</td>
<td></td>
</tr>
</tbody>
</table>
Extensive shareholders’ participation

Dividend sum

[in € million]

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend sum [in € million]</th>
</tr>
</thead>
<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>
</tr>
</tbody>
</table>

- Extra dividend
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

### 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
Sales force: Focus on quality

Number of consultants

- Revenue per consultant
  H1 2009: € 86,000
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
Successful cost cutting in Q2: Fixed costs down by € 11m

Development of fixed costs

<table>
<thead>
<tr>
<th>[in € million]</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>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>
<td></td>
</tr>
</tbody>
</table>
### 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>
Contact

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