

Annual Report of MLP AG 2009



Prognoses

This documentation includes certain prognoses and information on future developments founded on the conviction of MLP AG's Executive Board and on assumptions and information currently available to MLP AG. Words such as "expect", "anticipate", "estimate", "assume", "intend", "plan", "should", "could", "project" and other similar terms used in reference to the company describe prognoses based on certain factors subject to uncertainty. Many factors can contribute to the actual results of the MLP Group differing significantly from the prognoses made in such statements. MLP AG accepts no liability to the public for updating or correcting prognoses. All prognoses and predictions are subject to various risks and uncertainties, which can lead to the actual results differing from expectations. The prognoses reflect the points of view at the time when they were made.

Table of contents

| | |
|--|-----------|
| Report by the Supervisory Board | 4 |
| Management Report | 9 |
| Overall economic situation..... | 9 |
| Company situation..... | 15 |
| Remuneration report..... | 22 |
| Risk report..... | 22 |
| Forecast..... | 34 |
| Events subsequent to the reporting date..... | 39 |
| Corporate Governance report | 40 |
| Financial statements / Notes | 54 |
| Profit and loss account for 2009 | 55 |
| Balance Sheet as at 31 December 2009 | 56 |
| Notes to the financial year 2009 | 58 |
| General information..... | 58 |
| Notes to the profit and loss account..... | 60 |
| Notes to the balance sheet..... | 62 |
| Notes to the consolidated cash flow statement..... | 71 |
| Miscellaneous information..... | 72 |
| Audit opinion | 92 |
| Responsibility statement | 94 |
| Financial calendar 2009 | 95 |
| Imprint / Contact | 95 |

Report by the Supervisory Board

In the financial year 2009, the Supervisory Board invested much time and effort in dealing with the development of the company and performed its duties of supervision in their entirety. It regularly advised and monitored the Executive Board in its management of the company.

Furthermore, during the course of the last financial year the Supervisory Board paid particular attention to the economic development, financial situation, prospects and further strategy of the company.

The Supervisory and Executive Boards met regularly to discuss business development, strategy and key events within the company. The Supervisory Board was directly involved in all decisions of fundamental importance to the company. The Executive Board provided the Supervisory Board with timely and comprehensive reports, both written and oral, on a regular basis and on all relevant issues related to corporate planning, strategic development, the business situation and the position and development of the Group as a whole, including the risk situation, risk management and compliance. The Supervisory Board was able to confirm the correctness of the company management by the Executive Board.

MLP AG's subsidiary MLP Finanzdienstleistungen AG systematically expanded its market position among clients working in the medical profession throughout 2009 and acquired a 100% stake in the independent finance broker ZSH. Furthermore, actions relating to MLP's decision to concentrate on the consumer business in its core market of Germany were completed with the sale of MLP Finanzdienstleistungen AG, Vienna in Austria and the decision to also give up the office in the Netherlands.

In the financial year 2009, the Supervisory Board held five regular meetings and one extraordinary meeting, which with one exception were always attended by all members in person. The Supervisory Board was informed of particularly important or urgent projects outside of the regular meetings. Where necessary, resolutions were also passed as circular resolutions.

In addition to this, three meetings of the Personnel Committee and three meetings of the Audit Committee also took place, and were each attended by all committee members. Furthermore, the Chairman of the Supervisory Board met with the Chairman of the Executive Board on a regular basis to discuss specific issues. The Chairman of the Supervisory Board informed the other members of the Supervisory Board in detail about the content of the meetings with the Executive Board.

Supervisory Board meetings and important resolutions

A circular resolution was drafted on February 28, 2009 to amend MLP AG's articles of association due to the conversion of convertible debentures to shares in MLP AG.

In an extraordinary meeting of the Supervisory Board on February 16, 2009, Mr. Ralf Schmid was appointed as a full member of the Executive Board at MLP AG. Mr. Schmid assumes responsibility for "Operations/IT".

Following preparations in meetings of the Audit Committee, the meeting of the Supervisory Board on March 25, 2009 focused on the audit and approval of the financial statements and the consolidated financial statements as at December 31, 2008. The auditors participated in the meeting and gave detailed reports on the course and outcome of their audit of the financial statements and the consolidated financial statements. Following in-depth discussion, the Supervisory Board approved both the financial statements and the consolidated financial statements of December 31, 2008.

A circular resolution on the proposals for resolutions to the regular Annual General Meeting of MLP AG on June 16, 2009 was passed on April 3, 2009.

The regular Supervisory Board meeting on May 11, 2009 focused primarily on discussing the results and business development from the first quarter of 2009.

The results of the second quarter, the business development in the first half of the year, reporting on the internal audit and a discussion about the business and risk strategy were all on the agenda of the regular Supervisory Board meeting on August 10, 2009. Alongside this, a resolution was also passed on the assumption of contractual negotiations concerning the sale of MLP Finanzdienstleistungen AG, Vienna in Austria to Aragon AG. At the same time, the rules and procedures of the Supervisory Board were adapted to the Appropriateness of Management Board Remuneration Act (VorstAG) and the Accounting Law Reform Act (BilMoG).

The November meeting focused on the results of the third quarter and the progress report of the compliance representatives on securing compliance in the MLP Group.

A circular resolution was also passed on a settlement with a former member of the Executive Board regarding outstanding bonus payments dating back to 2005.

At the meeting on December 10, 2009, discussion focused on the resolution on the Declaration of Compliance in line with § 161 of the German Stock Corporation Act (AktG), alongside adherence to the regulations of the German Corporate Governance Code. Thorough reporting was also provided in the field of corporate governance. The strategy for future financial years and the budget for the financial year 2010 were also dealt with.

Supervisory Board committees

The Supervisory Board was regularly informed of the work carried out by its committees in 2009.

The Personnel Committee convened three times in the reporting period. Alongside preparations for the appointment of Mr. Schmid as a full member of the Executive Board, the meetings also

focused on checking the appropriateness of Executive Board remuneration and pension commitments set against the background of introduction of the VorstAG legislation and long-term succession planning in the Executive Board. Further details on Executive Board remuneration can be found in the remuneration report, which forms part of the Corporate Governance report. In the course of the introduction of the Appropriateness of Management Board Remuneration Act (VorstAG), the responsibility of the Personnel Committee was adjusted. In future, the Personnel Committee will no longer be responsible for the resolution on Executive Board remuneration, but will rather only prepare this.

The Audit Committee held three regular meetings in the financial year 2009. Representatives of the auditor were also present at its meetings. In the presence of the auditors and the Chairman of the Executive Board, the Audit Committee discussed the financial statements of MLP AG and the Group as well as the proposed appropriation of earnings. There were detailed consultations on relations with the auditor, proposals for electing an auditor, remuneration, audit assignment and monitoring independence. The Audit Committee received regular reports on the work of the internal audit and on legal and regulatory risks and risks to reputation.

Corporate Governance

The Supervisory Board regularly deals with the application of the Corporate Governance principles.

Last year, the Supervisory Board dedicated its meeting on December 10, 2009 in particular to detailed discussions on the amendments of the German Corporate Governance Code ratified on June 18, 2009.

In the meetings held on May 11, 2009 and December 10, 2009, the Supervisory Board examined the efficiency of its actions based on an evaluation form made available to the members of the Supervisory Board in good time prior to the meetings. The Supervisory Board also discussed procedures in the Supervisory Board, the information flow between the Committees and the Supervisory Board, and the timeliness and sufficient content of reporting by the Executive Board to the Supervisory Board on this occasion. Measures aimed at increasing efficiency were analysed.

At the same meeting, MLP AG's Supervisory Board also satisfied itself that the company had met the recommendations of the German Corporate Governance Code in line with its Declaration of Compliance pursuant to § 161 of the German Stock Corporation Act (AktG) in the last financial year and will in future continue to comply strictly with the recommendations of the Government Commission on the German Corporate Governance Code (version dated June 18, 2009). In December, the Supervisory Board and Executive Board issued a Declaration of Compliance pursuant to § 161 of the German Stock Corporation Act (AktG) for the financial year 2009 and made it permanently available to the shareholders via its website.

No conflicts of interest arose in the reporting period. A summary of Corporate Governance at MLP, including the text of the Declaration of Compliance of December 2009, can be found in

the Corporate Governance report by the Executive and Supervisory Boards in this annual report. All relevant information is also available on our homepage at www.mlp-ag.de.

Audit of the annual financial statements and consolidated financial statements for 2009

The financial statements of MLP AG as at December 31, 2009 and the management report of MLP AG have been compiled by the Executive Board pursuant to the German Commercial Code (HGB). The consolidated financial statements and the group management report were drafted as per § 315a of the German Commercial Code (HGB) in line with international financial reporting standards (IFRS) as applied in the EU. The financial statements and management report of MLP AG as at December 31, 2009, as well as the Group financial statements and Group management report were audited in line with the principles of the German Commercial Code (HGB) and the IFRS by Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, Stuttgart, Germany, which issued an unqualified auditors' opinion. The auditor performed the audit in compliance with the generally accepted German standards for the audit of financial statements determined by the Institut der Wirtschaftsprüfer (IDW - German Institute of Auditors) and in supplemental compliance with the International Standards on Auditing (ISA).

The financial statements, together with the management report, the auditors' reports and the Executive Board's proposal for use of the unappropriated profit were made available to all Supervisory Board members in good time.

The Audit Committee of the Supervisory Board examined these documents in detail and reported to the Supervisory Board on its audit. The auditor also reported on the key results of the audit and on the fact that there were no significant weaknesses in either the internal monitoring system or the risk management system. The Audit Committee also examined the risk management system, the accounting processes and the effectiveness of the internal monitoring, risk management and auditing systems, as well as the relationship to the auditor, the proposals for selection of the auditor, the auditor's remuneration, the audit assignment and monitoring of the auditor's independence, as well as the additional services performed by the auditor. The Supervisory Board also checked and discussed the documentation and reports in detail. The audit reports provided by Ernst & Young GmbH, Wirtschaftsprüfungsgesellschaft, Stuttgart, Germany, were made available to all members of the Supervisory Board and were examined in full at the Supervisory Board meeting on March 24, 2010 in the presence of the auditor, who reported on the most important results of the audit. At this meeting, the Executive Board explained the financial statements of MLP AG and of the Group, the risk management system, the accounting processes and the effectiveness of the internal monitoring, risk management and audit system, as well as giving detailed reports on the scope, focuses and costs of the audit.

The Supervisory Board concurred with the outcome of the auditors' audit and, on the basis of the final outcome of the Audit Committee's audit and its own audit, found no grounds for

raising an objection. Accordingly, at its meeting on March 24, 2010, the Supervisory Board approved the annual financial statements and the MLP AG management report, as well as the consolidated financial statements and the consolidated management report prepared by the Executive Board in accordance with IFRS. The annual financial statements are therefore adopted.

After performing its own examinations, the Supervisory Board agreed with the Executive Board's proposal to pay out a dividend of € 0.25 per share. Both the liquidity situation and budget of the company, as well as the shareholders' interest in the results, were included in its considerations.

The Supervisory Board would like to thank the Executive Board, the Management of the respective Group companies, as well as all employees and all consultants working at the various companies within the MLP Group for their commitment and achievements in the financial year 2009.

Wiesloch, March, 2010
The Supervisory Board

Dr. Peter Lütke-Bornefeld
Chairman

Management Report

Overall economic situation

Framework conditions

As Germany's leading independent financial and investment adviser, generating more than 98% of total revenue in the German market, the MLP Group is closely linked to the development of the country's economy. The employment market for academics and other discerning target clients, the development of purchasing power and the savings rate are all important indicators for the success of our business. Indeed, one thing always stands out in discussions with both existing and potential clients: the perceived level of economic security and trust in the future on the part of individual investors both have a major influence on the willingness of these investors to take up medium and long-term investments in old-age provision and wealth management concepts.

National economic environment

In 2009, the global economy was largely characterised by the global financial and economic crisis. According to calculations of the International Monetary Fund (IMF), the global economic performance shrunk by 1.1%. This is compared to economic growth of 3.4% in the previous year. The industrial nations were only able to overcome the most severe recession for decades thanks to the massive support and rescue measures of the central banks and governments.

Some first signs of slight recovery started to emerge in the second half of the year. Yet despite this, experts at the OECD still expect to see a drop in economic performance for 2009 of 2.5% in the US, 5.3% in Japan and 4.0% in the Eurozone in the second half year (figures as at the beginning of February 2010). As a result of the improving export business, it was predominantly the German economy that picked up momentum and dragged the other European states out of the recession. Yet economic performance for 2009 as a whole in Germany is still likely to see a drop of around 4.9% compared to the previous year. As such, our country has experienced the greatest economic slump since the Federal Republic was founded. We will only be able to assess and report on the long-term effects of the crisis on both the German and the global economy over the course of the next few years (see also Forecast).

Despite the economic slump, the income, consumption and savings behaviour of private households in Germany remained at around the previous year's level. And contrary to expectations, the employment market remained robust. The average unemployment rate for 2009 as a whole was 8.2%, compared to 7.8% in 2008. At Germany's Federal Employment Agency, some 3.3 million people were registered as unemployed at the end of December 2009.

The level of unemployment among academics remained at a low level. A survey commissioned by Germany's Federal Ministry of Education determined an unemployment rate of just 1%

among university graduates in 2009. The proportion of those in work relative to the total population of the same age reached a level of 90% among academics, compared to a level of 70.7% in the population at large (so-called employment rate). These figures once again underline the fact that academics and other well trained employees - as most MLP clients are - also have better chances of employment in times of economic crisis than those with lower levels of qualification. Yet this does not mean that academics can escape the crisis completely unscathed. At the end of 2009, some 11.3% more academics were without work than at the end of 2008.

At 11.2%, the savings rate in Germany in the first half year remained at the previous year's level. Each German citizen saved in this period an average of € 180 per month, roughly the same amount as in the previous year. With an increase of just 0.4%, consumer prices also saw only moderate increases in November compared to the previous year. However, consumer confidence cooled off towards the end of 2009. The "German Consumer Research Association (GfK)" determined increased levels of concern among the population regarding growing unemployment. The level of consumer interest went down – which had corresponding negative effects on the demand for old-age provision and wealth management concepts and business development at the MLP Group.

Based on the Executive Board's general statement regarding the economic framework conditions for MLP Group's business operations in 2009, we can now state that the future expectations of the German population form the key macroeconomic indicator for the business development. People who are afraid of losing their job or suffering financial losses for any other reason act cautiously when considering committing to long-term old-age provision and wealth management investment contracts that would require continuous payments on their part. Set against this background, the Executive Board at MLP AG sees the reduced level of trust in the future among Germans due to the financial and economic crisis as the central cause for the drop in MLP Group's revenue experienced over the last financial year in the business segments of provision and wealth management.

Industry situation and competitive environment

Changes in people's investment behaviour, structural alterations in the financial sector and new legal requirements for financial consulting can all have an effect on MLP Group's future prospects. In the following we offer an overview of developments in the field of old-age provision, the health insurance sector and wealth management – the most important markets for the MLP Group, in which 91% of the commission revenue is generated – as well as the competitive situation in the last financial year.

Old-age provision

Increased life expectancy, the low birth rate in Germany and ever shorter working lives have driven Germany's "pay-as-you-go" social security system to its limits. The means available in the system can no longer guarantee all Germans an adequate old age pension. The state is

therefore interested in getting citizens actively involved in providing for their own future during their working life. There are three general approaches here:

- Basic provision: Statutory pension and state-supported pensions such as the Rürup pension
- Private supplementary pension provision: Riester pension and occupational pension provision
- Endowment life insurances and private pension insurances

The Rürup pension offers groups of individuals such as self-employed and freelance workers, who only pay into the statutory pension in exceptional cases, incentives to invest in private old-age provision through tax incentives. Payments made into agreements of this nature are initially recognised as special expenses in income tax returns and are not subject to taxation until the retirement age is reached. However, this concept has only met with limited success among the target group. According to data published by the German Insurance Association (GDV), only around 150,700 new basic pension contracts were concluded in 2009 (cut-off date: September 30, 2009). As such, demand dropped by 20.6% or 39,000 contracts compared to the previous year. Most investors preferred unit-linked annuity contracts. Indeed, some 94,500 new contracts were concluded throughout the sector in this product group by the end of the third quarter of 2009 (2008: 132,000). The financial services sector currently manages around 1 million Rürup contracts overall.

The Riester pension is enjoying the greatest demand, with the total number of Riester contracts having reached the 13 million mark by the end of 2009. 197,000 people also chose to invest in the Riester subsidy for residential property launched at the end of 2008.

Since its introduction, the Riester concept has become increasingly attractive. This is partly due to the "Wohn-Riester-Rente" (home annuity) scheme, in which even residential property used by the policy holder can be indirectly subsidised, yet also due to a judgement by the European Court of Justice from September 2009, which allows more people to benefit from Riester subsidies than before (see also Forecast).

Based on estimates by the German Insurance Association (GDV), new business in the traditional life and pension insurance fields remained fairly stable in 2009 despite the financial market crisis. A total of around 6.2 million new contracts were concluded (2008: 6.7 million). These included 528,017 endowment life insurance policies that had been concluded by the end of September 2009 (same period of previous year: 544,803) and 1.19 million pension insurance policies (same period of previous year: 1.18 million). However, sales of contracts with regular premiums paid in by the policyholders were down by 7.1% to around 4.5 million, although estimated earnings in the insurance industry were compensated by a heavy increase in one-off payments (+45%).

Based on estimates at the beginning of 2010, occupational pension provision only saw moderate development in the reporting year. The number of occupational pension entitlements is likely to stagnate at a level of around 18 million, despite the fact that every employee has a

legal entitlement to deferred compensation. The unstable economic situation clearly motivated many people to refrain from signing up for any additional occupational (or private) old-age provision policy in 2009. However, interest in the options offered by occupational pension provision with its benefits for both employees and employers is growing. And while at first interest predominantly came from major enterprises, occupational pension provision is now starting to become increasingly attractive for small and medium sized companies. For small companies, solutions at association level are particularly attractive.

There are five basic implementation routes that can be taken here: employer's pension commitments, provident funds, direct insurances, pension schemes and pension funds. MLP advisers are happy to discuss with their clients which instrument is best suited to each respective company. Our subsidiary MLP Finanzdienstleistungen AG offers together with its subsidiary TPC THE PENSION CONSULTANCY GmbH, the market leader in the field of industry-specific provision solutions in Germany, a full range of services in occupational pension provision.

Last year, many people put their private old-age provision payments on hold due to the worst economic crisis since the Federal Republic of Germany was founded. In some cases, existing old-age provision contracts were even dissolved. According to a survey commissioned by Postbank and performed by the Allensbach Institute, the willingness among young professionals aged between 16 and 29 to make private provision investments has declined. While just 11% of those asked in 2008 said that they are not looking to strengthen their private old-age provisions, the number of those not planning any old-age provision investments increased to 19% last year. This means that although the population at large is more acutely aware of the need for setting up their own old-age provision plans, economic uncertainty is limiting their willingness to make medium-term and long-term investments.

With regard to the business model of our subsidiary MLP Finanzdienstleistungen AG we can therefore say that while there is clearly a great demand in the market for qualified consulting in all questions of old-age provision (indeed, a particularly large number of clients sought our advice in 2009), also MLP Finanzdienstleistungen AG has not been able to overcome the reservations with regard to signing new contracts triggered by the financial and economic crisis. As such, the total revenue of MLP Finanzdienstleistungen AG in the field of old-age provision dropped by 9.7%.

Health provision

"The German healthcare system is one of the most expensive in the world, yet often only provides average results." It was with quotes like this on December 9, 2009 that the "Frankfurter Allgemeine Zeitung" newspaper cited a survey performed by the Organisation for Economic Co-operation and Development (OECD), in which the healthcare systems of the industrialised nations were compared. The investigators listed exorbitant administrative expenses and high charges for doctors' services and prescriptions as the main causes of the costs in the German healthcare system. As such, the situation in Germany's healthcare system

has not improved since the introduction of the German Health Fund on January 1, 2009, with its equal health insurance premiums for all statutory health insurers.

In light of this ever decreasing performance and the high costs involved, many people are now keen to opt out of the statutory health provision system in Germany. Yet those willing to make the changeover to private healthcare were once again prevented from doing so in 2009. This is due to the legislator having made it harder for people to switch to private healthcare insurances provision in the course of the 2007 healthcare reform by setting a high statutory insurance limit and coupling this with a 3-year waiting period. However, this did not prevent the total number of those with full-scope private health insurance from increasing by 98,800 persons in the first half of 2009 to a level of 8.74 million. At the end of 2008 the total number was 8.64 million.

At the same time private supplementary insurance policies remained in demand and at a high level. Indeed, more than 150,000 statutory insurance policy holders opted for a supplementary health insurance policy in the reporting year. According to data published by the German Association of Private Health Insurers, the number of those holding supplementary health insurance policies after the first six months of 2009 had increased to around 21.14 million (+0.7%) compared to 21.0 million as at December 31, 2008. Dental plans (+2.4%), hospital option tariffs (+1.5%) and supplementary outpatient insurances (+0.5%) proved particularly popular in the period reviewed.

The advisers of the MLP Group kept their clients up-to-date with option tariffs through clear and targeted information. Option tariffs allow people to record their current health now but then make the switchover to private insurance at a time of their choosing. Supplementary dental insurance policies, travel health insurance and special hospital option tariffs proved particularly popular.

Broad sections of the population are now increasingly aware that the statutory health insurance funds can no longer cope with the demands being placed on them. The 3-year waiting period is therefore unlikely to deter anyone keen to make the switch to private insurance. Indeed, as soon as the waiting period is abolished in 2011 - as announced by the new German government - the number of people opting out of the state system and taking up full-scope private health insurance will increase even further (see also Forecast). It was therefore only logical that the MLP Group advisers made their clients aware of the benefits of optional and supplementary insurances in 2009. The success of the sales of the MLP Group in the field of healthcare provision was also largely unaffected by the financial and economic crisis in 2009. In fact, we were even able to increase revenue in this segment by 1.3% to a level of € 46.5 million.

Wealth management

Based on information provided by the German Bundesbank, the monetary assets of private German households has now started to increase again following the collapse in 2008. With an increase of around € 90 billion, monetary assets once again reached a level of € 4,534 billion by mid-2009. At the same time, the behaviour of German investors with regard to investments in securities – which had previously often been sold based on experience in the financial market

crisis – also stabilised in the course of the year. According to the "Bundesverband Investment und Asset Management (BVI)" association, investors invested a total of € 33.1 billion in mutual and special funds over the course of 2009. Mutual equity funds were able to profit particularly from this, recording an inflow of funds of € 14.6 billion. On the other hand, investors withdrew € 30.0 billion from money market funds.

Overall, the fund assets of German mutual and special funds increased by 13.0% to € 1,376 billion in the last financial year.

MLP's wealth management service once again demonstrated its power in 2009. With the help of risk-controlled investment concepts from investment experts at our subsidiary Feri Finance AG, we were able to initially limit the losses of investors in the extremely difficult market environment of the financial crisis. And with the return of a more friendly capital market climate since the second quarter of 2009, all profit-making opportunities were again being exploited for investors. As such, the funds under management last year increased by 12.3% to a level of € 12.8 billion. This is the highest value in MLP's history (2008: € 11.4 billion).

Competition

The financial services market in Germany is characterised by cut-throat competition. Banks, investment companies, insurance companies, investment advisers, pyramid sales organisations, independent financial consultants, etc. are all vying for clients. Overall, the market is very heavily fragmented. Added to this are the problems the sector faces due to new legislation such as the EU Insurance Mediation Directive, the Markets in Financial Instruments Directive (MiFID) and the German Insurance Act, introduced in part for consumer protection, as well as stagnating commission revenue. Small and medium-sized insurance offices are now in a position where they can barely meet the ever increasing requirements of quality consulting and financial power. The market is seeing consolidation.

In 2009, the MLP Group once again used market consolidation to expand its market share through acquisitions. Following the 2008 acquisition of TPC, the specialist in occupational pension provision, the finance broker ZSH was taken over this reporting year by our subsidiary MLP Finanzdienstleistungen AG. ZSH looks after wealthy private clients, including many physicians and dentists, one of the main target groups of the MLP Group. With these targeted purchases, the MLP Group is strengthening its leading role in the independent financial service provider market. According to the Tillinghast sales channel survey performed by Towers Perrin, some 56% of insurance companies rate independent financial service brokerage as their most important form of sales. No other sales channel can boast this success or such great growth forecasts (see also Forecast).

Company Situation

Business model and strategy

The MLP Group is Germany's leading independent consulting firm. Supported by comprehensive research, the Group provides a holistic consulting approach that covers all economic and financial questions for private and corporate clients, as well as institutional investors. The key aspect of the consulting approach is the independence of insurance companies, banks and investment funds companies. The concept of the founders, which still remains the basis of the current business model, is to provide long-term consulting for academics and other discerning clients in the fields of provision, wealth management, health care, insurance, financing and banking. Those with assets above € 5 million are looked after by the Group company Feri Family Trust. The Group provides consulting services to institutional investors via Feri Institutional Advisors GmbH. Supported by its subsidiaries TPC and HEUBECK-FERI Pension Asset Consulting GmbH, the MLP Group also provides companies with independent consulting and conceptual services in all issues pertaining to occupational pension provision and asset and risk management.

One of MLP Group's core skills lies in providing independent, comprehensive consulting and support to its target client group of academics and other discerning clients. The Group's business model is geared towards long-term client relations. Indeed, many consultants get to know their clients during their studies and then continue to support them all the way up to retirement age. This closeness to clients allows consultants to assume the role of reliable financial coaches for clients and their families.

Anyone wishing to work as a financial consultant, supporting and advising academics and other discerning clients throughout their entire life, needs to be very well trained and also continue to attend further training during their career. The Corporate University therefore assumes an important role in the business model of the MLP Group. Our company-owned training institute is also one of only 15 corporate academies in Europe to have gained accreditation from the renowned European Foundation for Management Development, thereby securing the high level of expertise among the consultants.

MLP's client consulting guidelines were laid down in 2009 in a consulting code. We also implemented in full the guidelines of the Association of German Banks (BdB) in 2009 to strengthen investor confidence. The Group's clients can see the advantages of the holistic and independent consulting approach we provide and are therefore willing to recommend us to others. Thanks to these recommendations, the client base continued to grow in the reporting year. At the end of the year, the MLP Group had the trust of 785,500 clients. With this our client base grew by 7.9% compared to the previous year.

Strategy

As an independent consulting firm, MLP enjoys a very strong position in Germany's financial services market. We focus our efforts on the growth markets of old-age provision, health care

and wealth management, where our goal is to generate greater growth than the market as a whole and thereby increase our already high market share. And when we have the chance to acquire companies, we do not hesitate to seize our opportunity. However, the prerequisites for an acquisition include an acceptable price, synergies on the revenue and profit side and alignment with the culture and business model of the MLP Group. We have defined strengthening our sales force in Germany's retail market and increasing the volume of assets we manage for clients as a basic acquisition objective.

In 2009, the Group company MLP Finanzdienstleistungen AG had the chance to acquire the independent finance broker ZSH, which we took over with all its wealthy private clients - including many physicians and dentists - at the start of the year. With this move we were able to expand our sales force in Germany and increase our market share among dentists.

In 2008 MLP Finanzdienstleistungen AG also had the excellent opportunity of expanding the market share in the field of occupational pension provision through the acquisition of TPC THE PENSION CONSULTANCY GmbH in Hamburg, Germany, the market leader in the field of industry solutions for occupational pension provision. We had already secured a majority holding in Feri Finance AG back in 2006 and thereby completed our entry into the field of wealth management.

And acquisitions within the field of our subsidiary Feri Finance AG are also possible over the course of the next few years. This applies in particular to the sector of asset managers, which is currently in a phase of reorganisation due to the financial crisis and changes in the banking sector. Many specialised asset managers and fund boutiques are now looking for a powerful partner. We could also well envisage entering into partnerships and generating growth in our business with institutional clients – above all to grant us further internationalisation.

Yet we are also just as resolute when markets or investments fail to meet our profitability requirements. In the reporting year this was the case with our business activities in Austria and the Netherlands. As such, MLP Finanzdienstleistungen AG withdrew completely from Austria by the end of the financial year 2009 and from the Netherlands by the start of 2010. MLP Finanzdienstleistungen AG now uses the entire sales force to focus on the key growth markets in Germany's financial services market, i.e. old-age provision, health care and wealth management.

We are not currently planning any strategic financing measures for the foreseeable future. Through the increase in capital stock in 2008, the Group's financial resources and liquidity are now both excellent, meaning that no extraordinary financing would be necessary for any acquisitions we wish to make.

Within the scope of our growth strategy in the field of wealth management, we have invested consistently in the performance of our wealth management concepts over the last few years. Together with our renowned subsidiary Feri Finance AG, our Group has now become the leading independent investment adviser in Germany. Today we can offer professional asset and wealth management consulting services to our company/institutional clients, to wealthy families and also to young clients seeking to start off with small amounts. This comprehensive, wide-ranging

offer is rare in Germany's financial services landscape.

Feri advises more than 1,000 institutional clients and 220 wealthy families with at least € 5 million each in assets. And the company has even been able to expand its client base throughout the financial and economic crisis. At the same time, the number of wealthy clients in the client base of MLP Finanzdienstleistungen AG seeking wealth management advice has also risen. More than 40% of our clients were in the 40+ age group in 2009. Clients that were students back when MLP was founded are now well-positioned as managers with greater need for wealth management services. The MLP Group has adapted to changes in demand and can now offer clients wealth management services of the highest standard through the recognised expertise of Feri.

Organisation and structure

MLP AG is the holding company for the MLP Group. It defines strategic goals and ensures coordinated and aligned corporate policy within the Group. Its subsidiary, MLP Finanzdienstleistungen AG, makes the MLP Group the only large, independent financial adviser to possess a full banking licence while at the same time advising its clients as an independent broker in questions relating to finance, provision and assets.

The Group's business operations are organised in segments and are essentially carried out by the two subsidiaries, MLP Finanzdienstleistungen AG and the Feri Group. At the end of the financial year 2009, the following significant companies belonged to the Group:

- MLP Finanzdienstleistungen AG with one foreign branch
- Feri Finance AG (including its subsidiaries)
- TPC THE PENSION CONSULTANCY GmbH
- ZSH GmbH Finanzdienstleistungen

In addition, MLP Finanzdienstleistungen AG has held a 49.8% stake in MLP Hyp GmbH since December 2007. This company was established jointly with the property finance broker Interhyp AG as a platform for conducting brokerage business in the field of property finance.

In addition, the following changes took place at our subsidiary MLP Finanzdienstleistungen AG in the reporting year:

- In January 2009, the independent finance broker ZSH with its registered office in Heidelberg, Germany, was acquired. ZSH was founded in 1973 and looks after wealthy private clients as well as physicians and dentists in all questions of old-age provision and financial planning.
- Within the scope of the focus on growth markets, in future the retail business will be concentrated on the core market of Germany. In the last financial year therefore the subsidiary MLP Finanzdienstleistungen AG, Vienna, Austria, was sold on December 31, 2009 to AFSH GmbH, Vienna, Austria, a subsidiary of the German company Aragon AG. For the same reason, at the start of 2010 also the branch in the Netherlands was sold to NBG B.V., Valkenswaard, Netherlands (see events subsequent to the reporting date).

In the past financial year, one change was made within the Executive Board of MLP AG. MLP expanded its Executive Board through the appointment of a Chief Operating Officer (COO), with effect from March 1, 2009. In this connection, the Supervisory Board appointed Ralf Schmid as the new Executive Board member up to December 31, 2012 on February 16, 2009.

Disclosures pursuant to § 289 (4) of the German Commercial Code (HGB)

As at December 31, 2009 the company's share capital is € 107,877,738 and is divided into 107,877,738 ordinary bearer shares with a nominal value of € 1 per share.

MLP AG was notified of two shareholders which directly or indirectly exceeded 10% of the voting rights:

| | Number of shares* | Shareholding* |
|---|-------------------------|---------------|
| Dr. h.c. Manfred Lautenschläger ¹ | 25,205,534 ¹ | 23.36% |
| Angelika Lautenschläger Beteiligungen Verwaltungs GmbH | 22,618,932 | 20.97% |

* MLP AG's status as at December 31, 2009

1) In accordance with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG), 22,618,932 voting rights (=20.97% of the share capital of MLP AG) held by Angelika Lautenschläger Beteiligungen Verwaltungs GmbH are attributable to Dr. h.c. Manfred Lautenschläger.

The company's articles of association specify that the Executive Board must consist of at least two people. The members of the Executive Board are appointed for a maximum of five years. A further appointment or extension of the time in office, each for a maximum of five years, is permitted. The Supervisory Board can withdraw the appointment to a member of the board before the time in office expires with good cause. Such cause would be gross breach of duty, inability to manage properly or a vote of no confidence by the Annual General Meeting.

The Supervisory Board decides on the number of board members, their appointment and the withdrawal of their appointment as well as the conclusion, alteration and termination of the employment contracts with board members. The Supervisory Board can appoint one Chairman and one or more Vice Chairmen.

In accordance with § 179 (1) of the German Stock Corporation Act (AktG), each amendment to the articles of association requires a resolution by the Annual General Meeting. In deviation from § 179 (2) sentence 1 of the German Stock Corporation Act (AktG), § 17 (4) of the company's articles of association stipulates that resolutions on amendments to the articles of association by the Annual General Meeting can be passed with a simple majority of the share capital votes entitled to vote on the resolution, unless a greater majority is required according to binding legal requirements.

A resolution passed by the Annual General Meeting on May 31, 2006 authorised the Executive Board, with the Supervisory Board's approval, to increase the company's share capital by up to € 21,000,000 in total by May 30, 2011 by issuing on one or more occasions new ordinary bearer shares in exchange for cash or non-cash contributions and, with the Supervisory Board's approval, to exclude the shareholders' subscription rights for the issuance of shares in exchange for non-cash contributions.

If the share capital is increased in exchange for cash contributions, the shareholders shall be granted a subscription right. However, the Executive Board has been authorised, with the approval of the Supervisory Board, to exclude the subscription right of the shareholders if the issue price does not fall significantly short of the stock market price of company shares with the same structure. However, this authorisation is subject to the condition that shares issued in exclusion of subscription rights in accordance with § 186 (3) sentence 4 of the German Stock Corporation Act (AktG) do not exceed 10% of the share capital, either at the time of coming into effect or at the time it is implemented (authorised capital). With the Supervisory Board's consent, the Executive Board of MLP AG decided on a partial utilisation of the authorised capital on August 21, 2008 and issued 9,799,152 new shares, excluding subscription rights, in exchange for cash contributions of € 123,763,290. This has increased the share capital accordingly by € 9,799,152.

A resolution passed by the Annual General Meeting of June 16, 2009 also authorised the company, as per § 71 (1) no. 8 of the German Stock Corporation Act (AktG), to purchase up to 10% of the share capital during the authorisation period by December 15, 2010. No shares were bought by the company on the basis of this authorisation up to December 31, 2009.

In connection with the acquisition of a majority holding in Feri Finance AG, MLP AG exercised its call option in 2007, which will lead to the acquisition of the remaining shares in 2011. In the event that a third party purchases at least 51% of the entire share capital of MLP AG by December 31, 2010 and exercises the voting rights from these shares in the Annual General Meeting following the acquisition or in a later Annual General Meeting, the vendors of the options are entitled to a minimum purchase price if the acquisition of shares results in the business model agreed between MLP and Feri becoming inoperable.

The contracts of employment between the company and the Chairman of the Board, Dr. Uwe Schroeder-Wildberg, and Executive Board members Gerhard Frieg, Muhyddin Suleiman and Ralf Schmid contain a clause stating that they are entitled to terminate their contracts with a notice period of one month in the event that a third party who had a share in MLP of less than 10% at the time at which the contracts were concluded purchases a share of at least 50% of the voting rights. Should they exercise this right to termination, MLP is obliged to pay them the fourfold annual fixed remuneration which would have been payable, had the contract not been terminated by them as a result of the change of control and provided that the termination of contract is more than two years before its scheduled termination. Dr. Schroeder-Wildberg's and Mr. Ralf Schmid's contract of employment are each set to run until December 31, 2012, while Mr. Frieg's contract is set to run until May 18, 2012 and Mr. Suleiman's contract until September 3,

2012. In the case of a termination of contract within two years of the scheduled termination, the severance payment shall be paid pro rata temporis.

Disclosures pursuant to § 289 (a) of the German Commercial Code (HGB)

The disclosures relating to corporate governance in accordance with § 289a of the German Commercial Code (HGB) have been made available on our internet site www.mlp-ag.de in the Corporate Governance section. They can also be found in the Corporate Governance report within this annual report.

Results of operations

Other operating income of € 23.9 million (€ 19.7 million) was generated in the financial year 2009. The increase is mainly due to income from the reversal of provisions.

At € 4.5 million, personnel expenses remained virtually unchanged in the reporting period compared to the previous year. At € 4.9 million, amortisation expenses also remained at exactly the same level in the reporting period as the previous year.

Other operating expenses at MLP AG dropped by € 1.5 million to a level of € 16.3 million in the reporting period. Here, sundry other operating expenses in particular dropped by 27.4% to € 4.5 million. In the previous year, this item included a provision for accruals for risks due to a tax audit.

The finance cost increased by € 4.1 million to € 46.8 million in the reporting period. However, income from investments (profit distribution of Feri Finance AG) and income from profit and loss transfer agreements (MLP Finanzdienstleistungen AG) both saw a downward turn here. Interest and similar expenses also suffered negative development. On the other hand, the significantly lower write-downs of financial investments and marketable securities in the reporting period made a key contribution to this improvement. In the previous year, this item contained impairment of own shares.

Taking all of these factors into account, earnings before tax increased overall from € 35.5 million to € 45.0 million. At € 17.4 million (€ 16.0 million), the tax expenditure increased slightly in the last financial year.

Accordingly, net profit for the last financial year was € 27.6 million (€ 19.5 million).

The results of operations of MLP AG are influenced to a large extent by the business development of its largest subsidiary MLP Finanzdienstleistungen AG – with which a profit/loss transfer agreement is in place.

Investments

The commission revenue of MLP Finanzdienstleistungen AG, which makes up the main part of the company's revenue, decreased from € 472.3 million to € 424.6 million in the reporting

period. This is essentially due to a drop in commission revenue in the fields of old-age provision and wealth management. These sectors were hit particularly severely by the effects of the financial and economic crisis, with clients showing great caution about making long-term old-age provision and investment decisions due to the uncertain economic situation. Despite the significant drop in revenue, cost-cutting measures made it possible to keep the drop in the operating result within limits. As such, the operating result comes to € 39.7 million (€ 46.5 million).

In the last financial year, € 41.8 million (€ 46.8 million) was transferred to MLP AG.

The business development of the Feri Group displayed a downward trend in the reporting period, essentially due to the financial and economic crisis. Total revenue dropped to € 38.8 million (€ 46.4 million), while earnings before interest and tax (EBIT) were € 0.1 million (€ 5.7 million) (figures according to the MLP Group IFRS financial statements).

Financial position

The balance sheet total of MLP AG increased from € 453.5 million at the end of the financial year 2008 to € 455.7 million at the end of the last financial year.

On the asset side of the balance sheet, fixed assets dropped only slightly from € 218.8 million to € 215.0 million, essentially due to depreciation/amortisation charges.

"Receivables and other assets" remained virtually unchanged in the reporting period, coming to € 78.3 million (€ 78.9 million) at the end of 2009. Here, receivables from affiliated companies dropped from € 46.3 million to € 36.8 million, essentially due to the profit transfer of MLP Finanzdienstleistungen AG, which was lower than in the previous year. This was countered by the increase in other assets from € 32.6 million to € 41.5 million.

"Other securities" dropped from € 31.2 million to € 16.9 million, essentially due to the shifting of longer term investments to cash holdings.

"Cash on hand and on deposit with the Deutsche Bundesbank, bank deposits and cheques" increased significantly from € 124.5 million to € 145.3 million. Important changes were caused by the profit transfer of our subsidiary MLP Finanzdienstleistungen AG for the financial year 2008, the payment of taxes and the dividends for the financial year 2008.

On the equity side of the balance sheet, shareholders' equity decreased by 0.6% to € 425.1 million. This change can be attributed to the unappropriated profit of the financial year 2009, which at € 27.6 million (€ 30.2 million) was lower than in the previous year.

At € 18.1 million (€ 19.4 million), provisions in the reporting period remained at roughly the same level as the previous year.

In the last financial year, MLP AG's liabilities increased from € 6.5 million to € 12.5 million, in

particular due to the rise in trade accounts payable and other liabilities. All liabilities have a remaining term of up to one year.

Liquidity, dividends and share buyback programme

At the balance sheet date, MLP AG had cash holdings amounting to € 145.3 million (€ 124.5 million). Factors including the profit transfer of € 46.8 million of the subsidiary MLP Finanzdienstleistungen AG for the financial year 2008 served to increase liquidity. Cash holdings dropped due to payment of the dividends for the financial year 2008, with a dividend of € 0.28 paid per share (total volume of € 30.2 million). Tax payments of € 17.1 million also reduced the cash holdings.

As in the past, it is MLP's corporate policy to give our shareholders an adequate share in the success of the company. Dividends are paid in accordance with the Group's financial situation, the assets position and the future need for liquid funds. At the 2010 Annual General Meeting, the Executive and Supervisory Boards will propose to reduce the dividend from € 0.28 per share for the financial year 2008 to € 0.25 per share for the financial year 2009.

Remuneration report

The total remuneration of the Executive Board is made up of the following elements: fixed and variable remuneration, long-term incentive and old-age provision components.

In addition to reimbursement of expenses, members of the Supervisory Board receive a fixed payment. Further details and the individualised payments are disclosed in the remuneration report in the "Corporate Governance" section of this annual report. This remuneration report is part of the management report.

Risk report 2009

MLP AG is responsible for the MLP Group's risk organisation. MLP AG's earnings are primarily influenced by the revenue of its individual subsidiaries. The following explanations are therefore targeted specifically at the MLP Group.

Risk management

Objective

Entrepreneurial activity invariably involves taking risks. For MLP, "risk" means the danger of possible losses or lost profits. This danger can be attributable to internal or external factors. Since it will not be possible to eliminate all risks, the objective must be a risk that is commensurate with the expected return. The aim is to identify risks as early as possible in order to react to them quickly and appropriately. MLP's Group-wide early risk detection and monitoring system is used for the qualified and prompt identification of all major risks, which it then quantifies, aggregates and assesses to form the basis for proactive Group-wide risk management and controlling. This system ensures appropriate identification, assessment,

controlling, monitoring and communication of the major risks. Risk management is embedded in the Group's value-driven management and planning system. Moreover, the Group's risk culture is continuously consolidated and efforts are made to communicate information relevant to risk across all business segments.

Risk policies

The Executive Board defines the business and risk strategy. The readiness to take risks at Group level is then derived on the basis of this, taking the Group's risk-bearing ability into consideration. This gives rise to framework conditions for risk-taking and risk management in the Group. The readiness to take risks is regularly checked and adjusted as necessary.

The following basic principles are consistent with the business strategy and describe the central framework conditions for the risk management and risk controlling system of the MLP Group:

The Executive Board is responsible for proper organisation of the business and its further development:

Irrespective of its internal responsibility assignments, the Executive Board is responsible for the proper organisation of the business and its further development. This responsibility includes defining appropriate strategies and setting up appropriate internal control procedures - thereby assuming responsibility for all significant elements of the risk strategy. It is also the responsibility of the Executive Board to implement the strategies, assess the risks associated with these and also implement and monitor measures to ensure that the risks are limited.

The Executive Board bears responsibility for the risk strategy:

The Executive Board defines the risk strategy for the MLP Group. The risk strategy reflects the risk propensity or "risk tolerance" based on the targeted risk/performance ratio. The Executive Board ensures that a comprehensive approach, incorporating all risk types, is integrated in the company and that suitable steps are taken to implement the risk strategy.

MLP AG promotes a strong awareness of risks and lives a pronounced risk culture:

A strong awareness of risks across all divisions and a corresponding risk culture are encouraged through appropriate organisational structures. Risk awareness that goes beyond each department's or person's own field of responsibility is essential. The effectiveness of the risk management and risk controlling system is continuously monitored and any adjustments that become necessary are implemented as quickly as possible. Appropriate data security and quality standards are established and subjected to continuous checks.

MLP AG pursues a strategy of comprehensive risk communication and risk reporting:

Detected risks are reported to the responsible management level openly and without restriction. The Executive Board is informed in a comprehensive and timely manner (if necessary ad hoc) of the risk profile of the relevant risks, gains and losses. Every three months the Supervisory Board is provided with comprehensive written information on the company's risk situation. The Supervisory Board is also made aware of any key risk-related information immediately.

Risk capital management

Risk capital management is an integral part of corporate management at MLP. Active control to provide sufficient financial capital on the basis of risk values measured internally and the supervisory requirements ensure that risk-taking is always in line with capital backing.

Risks are only accepted within limits derived from aspects of the risk-bearing ability to achieve returns, taking into account risk/return factors. This should, in particular, prevent any risks that threaten the Group's continued existence.

The Executive Board defines the equity capital backing based on business policy targets and controls the risk profile in an appropriate ratio to the risk coverage fund. Within the scope of the analysis of risk-bearing ability, the risk coverage fund is continuously compared with and checked against the risk potential associated with our business activities. Based on this, the Executive Board has defined the applicable upper loss limits per risk type and overall.

In addition, scenario analyses are performed for special analysis of extreme market movements. These analyses quantify the effects of extraordinary events and extreme market conditions on MLP's assets. Within the scope of these analyses, the market value effects on the balance sheet and profit and loss items are also investigated. The effects of the scenarios are set against the respectively specified limits for each risk. The Executive Board is regularly informed of the results of the scenario analyses. The scenario analyses performed in the reporting year showed that the risk-bearing ability is also effective in the event of extreme market conditions.

Economic capital management is based on the internal methods of risk measurement. These take the key risk types for MLP into account. The financial risks are measured using value-at-risk approaches or approaches that express a comparable loss potential. The operational risk is measured on the basis of the supervisory basic indicator approach.

Organisation

Functional separation

Our risk management concept within the scope of internal monitoring procedures follows clearly defined basic principles that are applied as binding throughout the entire Group and whose compliance is continuously checked. A clear organisational and operational distinction is made between the individual functions and activities of risk management.

We have defined and documented the risk organisation and associated tasks and responsibilities within risk management in accordance with supervisory requirements, both at Group level and at the level of the Group companies. The operational and organisational structure, as well as the risk controlling processes, are regularly checked and assessed through internal audits and are adapted to internal and external developments as they happen.

Head of Finance acts as Group Risk Manager

In his capacity as Group Risk Manager, the Head of Finance of MLP AG is responsible for risk controlling activities in the MLP Group. He is kept continuously informed of the risk situation in the Group and gives regular reports on this to the Executive Board and Supervisory Board.

Risk management and controlling processes

Risk management at MLP and its local operative implementation in the risk-bearing business units is performed on the basis of the risk strategies. The units responsible for risk management reach decisions for conscious acceptance, reduction, transfer or avoidance of risks, observing the framework conditions specified centrally.

Risk controlling is responsible for the identification and assessment of risks, as well as for monitoring upper loss limits. This is accompanied by reporting the risks to the Executive Board and the risk-bearing business units.

Suitable early detection systems support risk monitoring, identify potential problems early on and thereby enable prompt planning of measures.

Appropriate guidelines and an efficient monitoring process also ensure that regulatory requirements for risk management and controlling are met by the Group companies.

The methods used at MLP to assess risks are up-to-date with the current level of knowledge and are aligned with practices in the banking sector as well as recommendations of the Federal Financial Supervisory Authority. The results determined with the risk models are suitable for controlling the risks without restrictions. The measurement concepts are subject to regular checks by risk controlling, as well as internal and external audits. However, despite careful model development and regular checks, it is conceivable for circumstances to occur that lead to greater losses than forecast by the risk models.

Group controlling monitors results risks

Group controlling is divided into an operational and a strategic controlling department. Operational Group controlling is responsible for continuously monitoring the short term profit risks. This involves comparing key profit figures with the corresponding planned figures and deriving controlling measure proposals for the Executive Board.

The analysis time line of strategic controlling covers the next three to five years. In this connection revenue and profit trends are analysed (in particular taking into account changes in economic or legal framework conditions) and transformed into target figures for the individual business segments. Corresponding simulations make potential revenue risks transparent for the Executive Board in the key strategic business segments.

Monitoring and risk management system in the accounting process

Group accounting is the central contact for all accounting questions, both at individual company and Group level. Financial accounting acts as the central processing point for all

accounting-related information. Job descriptions, substitution plans and work instructions are all in place to support the correct procedure. Process descriptions and various checklists are also available for further support. All regulations and instructions are published in the organisation manual, which is continuously updated and can be accessed by all employees. Functional separations, as well as ongoing and subsequent checks based on the "four-eyes principle", are in place to prevent any misuse or fraud. Continuous further training of employees ensures that all accounting is performed in line with current legislation.

Internal audits

Internal audits, which assume monitoring and control tasks throughout the Group, are an important element of the risk management system. The internal audit department performs regular, systematic risk-oriented inspections with regard to compliance with legal, supervisory and internal specifications. The department also monitors the functional separation and effectiveness of the risk management system, and performs follow-up procedures on audit recommendations. The minimum requirements for risk management governing the internal audit function are complied with throughout the Group.

The internal audit department operates in an independent capacity throughout the Group on behalf of the Executive Board. The internal auditing department is also independent in its reporting and valuation of audit results.

Risk reporting

A substantial risk reporting scheme forms the basis of appropriate controlling. To this end, we have instituted a comprehensive internal reporting system, which ensures that the decision-makers are promptly informed of the current risk situation. Risk reports are generated at fixed intervals or, if necessary, produced ad-hoc. Particular attention is paid to compliance with the risk-bearing ability and the risk loading here. In addition, planning, simulation and control instruments show possible positive and negative developments to the most important value and controlling parameters of the business model and their effect on the net assets, financial position and results of operations.

Risk reports are submitted to the controlling units, the Executive Board and the Supervisory Board. Those receiving the reports are informed promptly and comprehensively of changes to relevant influential factors. Risk controlling is responsible for making decisions regarding the methodology employed as well as the content of risk reporting.

Statement of risks

Financial risks

Counterparty default risks

The counterparty default risk is the risk of a loss or lost profit due to the defaulting of or deterioration in creditworthiness of a business partner. The counterparty default risk includes the contracting party risk (risk arising from the typical credit business, re-covering risk and

advance performance and counterparty settlement risk), as well as the risks related to specific countries which, however, are only of secondary importance to MLP.

There are no significant risks related to specific countries in accordance with § 327 (2) no. 2 of the Solvency Ordinance (SolvV), as lending is mainly limited to borrowers domiciled in the Federal Republic of Germany. The predominant geographical centre of the loan-bearing instruments is the Federal Republic of Germany.

To prevent risks from accumulating ("concentration of risks"), MLP pursues a strategy of diversification and risk avoidance. As such, investments are diversified into bonds, debentures and other financial instruments in the asset class "corporates" in various sectors. We have defined binding upper investment limits for the individual sectors and issuers in our capital investment directive.

In addition to the above-described risks, there is an issuer's risk from the bonds, debentures and other financial instruments acquired by MLP. We reduce the risk of default among issuers, whose securities we have acquired within the scope of capital investment management - also in light of current market trends - through the specified creditworthiness requirements of our capital investment directive.

Where available, MLP also bases its decisions in the field of financial investments on external ratings. Within the scope of internal risk management, MLP uses the state, bank and company ratings of the agencies Moody's, Fitch and Standard & Poor's for the relevant receivables classes.

In our view, the default risks at MLP are being allowed for appropriately.

Market price risks

The market price risks are made up of the market price risk in the narrow sense and the market liquidity risk.

The market price risk in the narrow sense is the risk of a loss that can arise as a result of detrimental fluctuations in market prices or parameters that affect price. The market price risk includes the interest risk, currency risk, share price risk and raw materials risk.

The market liquidity risk is the risk of a loss that can occur due to detrimental fluctuations in market liquidity – for example due to market disturbances.

At the MLP Group, market risks essentially come about from incomplete congruency of interest rate agreements between the loans granted by MLP and their refinancing. A low level of market price risks also comes from internal business activities.

Possible effects of different interest development scenarios are portrayed via planning and simulation calculations. The basis of this is our interest management tool, which makes risks and their effects transparent in multi-layered interest scenarios.

In this context, cash value changes of all items in the asset ledger are shown in relation to the equity, with the application of the changes in interest rates prescribed by the Federal Financial Supervisory Authority. The simulation is performed by automated means for all the interest-bearing and interest-sensitive items. It is in this manner that the controlling of the interest risk is ensured. The change in value determined in the reporting period always remained below the threshold of 20% of equity - a threshold which, if exceeded, must be reported by the institute according to the regulations of the Federal Financial Supervisory Authority.

Shares, bonds, promissory note bonds and funds held can be subject to an exchange risk due to fluctuations in the market interest rate or changes in creditworthiness. Through constant monitoring and evaluation of our portfolio, possible effects on results caused by strong exchange rate fluctuations can be addressed early on. We thereby ensure a prompt reaction to market changes.

The recognition of equity requirements for market risks in accordance with § 330 of the Solvency Ordinance (SolvV) is not relevant to the MLP Group. There are minor risks relating to foreign currency or commodities.

Liquidity risks

Liquidity risk is the danger that there are inadequate financial resources to meet payment obligations. Ensuring solvency at all times is the core function of our liquidity control system. This is secured through daily scheduling. Alongside possible cash flow scenarios, updated new business planning, investment planning and other capital transactions are all regularly taken into account. The controlling of financial instruments of the cash reserve in our inventory is based on the present value of our cash and cash equivalents and their potential development in various interest scenarios.

The fundamental principles of liquidity control and planning are defined in the internal capital investment directives. Appropriate short and medium-term credit lines have also been agreed with a number of financial institutions to safeguard against a possible short-term liquidity shortfall.

The processes used are subjected to regular checks and adjusted as and when necessary.

Operational risks

Operational risk is the risk of losses caused by inadequacy or failure of internal procedures and systems, people or by external events. This definition includes legal risks.

Operational risks are identified and assessed locally throughout the Group in the individual organisational units. To this end, a risk inventory is performed at least once a year, the scope of which includes analysis of the company's main risks. Within this framework, experts from all

departments examine and assess the operational risk within the scope of self-assessment processes that are broken down into an assessment of risk potential for identification and evaluation of the main risks and into suggested measures derived from this. In addition to this, any loss/damage occurring in the Group is continuously recorded and analysed. Collecting all loss/damage data allows loss events to be identified and evaluated as a way of detecting trends and any concentration of operational risks. The results are collated and checked for feasibility by risk controlling and then made available to the Executive Board and the controlling units.

MLP currently uses the basic indicator approach in line with §§ 270 et seq. of the Solvency Ordinance (SolvV) to determine the amount eligible for inclusion in operational risks. As per § 331 of the Solvency Ordinance (SolvV), the procedure used to determine the equity subject to operational risks is explained in the following. Within the scope of the basic indicator approach, the amount eligible for inclusion as per the supervisory regulations for the operational risk is determined using a fixed calculation scheme. The amount eligible is then 15% of the average gross proceeds of the last three financial years, whereby only positive gross proceeds are taken into account.

Risks from internal procedures

The operational and organisational structure at the MLP Group is described comprehensively and laid down in the organisation manual.

Reduction of the operational risk from internal procedures along with the reduction in the frequency and level of losses is primarily achieved through continuous improvement of business processes. Further safeguarding measures include risk transfer through conclusion of insurance policies and consciously avoiding risky products. Comprehensive emergency and business continuity plans are also in place for the most important areas and processes to secure the continuation of operations.

Here, our Business Continuity Management (BCM) system identifies potentially critical business processes which could have a major effect on the Group's business in the event of malfunction or failure. Suitable measures are defined for this in order to safeguard regular business operations within set standards. This also includes a written emergency plan which reduces losses to a minimum in the event of severe disruptions to operations and safeguards the ongoing business. The critical processes and the effectiveness of the defined measures are subject to constant monitoring and development. A BCM manual is available for the business units and employees.

Human resources risks

The MLP Group is dependent on qualified employees and managers in the back-office areas. With comprehensive personnel planning and targeted personnel marketing measures, we reduce the risk of staff shortages. Employees working with confidential information undertake to observe the respective regulations and handle the information responsibly. A clear separation of management and control functions restricts the risk of breaching internal and external regulations. Defined agency and successor regulations secure our business and decision-making processes.

IT risks

To effectively minimise possible risks in the IT area, MLP pursues a standardised IT strategy. When selecting our IT systems, we generally opt for industry-specific standard software from reputable providers. If necessary, business-specific proprietary IT applications are developed by qualified internal and external specialists. The comprehensive system tests and pilots performed prior to going live ensure that our IT systems work properly and reliably. Our data processing centre is outsourced to leading service providers with various sites, back-up systems and mirror databases. This, and a defined contingency plan, secure our data against possible loss, thereby ensuring consistent availability. We protect our IT systems against unauthorised access through our access and authorisation concept, extensive virus protection, as well as other comprehensive security concepts.

Risks from external events

As our business processes focus on the broker and banking business and because of cost optimisation and scalability, MLP makes use of external partners for standard services. However, all key outsourcing activities of the MLP Group are coupled with risk management. As such, outsourced activities are incorporated in the risk controlling and management processes with continuous risk identification, evaluation, management and reporting. MLP has clearly defined responsibility for the outsourced processes here. This ensures that any potential organisational, structural or process-based risks that may occur due to outsourced business activities can be closely managed.

In addition to this, corresponding insurance policies have been concluded where appropriate to minimise risks from external events such as fraud, burglary, theft or damage due to force majeure.

Internal security measures are also set up in such a way that any attempts at fraud, burglary or theft are thwarted before they begin.

To ensure maintenance of critical processes in all cases, the potential consequences of external events are examined within the scope of the Business Continuity Management (BCM) system and corresponding plans of action drawn up.

Legal risks

Our legal department controls legal risks. In addition to consulting on corporate decisions and designing business processes, its tasks include following and assessing current legal disputes. Possible legal risks are detected at an early stage and possible solutions for minimising, limiting or preventing such risks are shown. The legal department coordinates the commissioning and integration of external lawyers. Within the scope of risk mitigation, the legal department checks and monitors the existing insurance coverage and initiates any adjustments which may be necessary.

According to our audit, the pending or threatening legal proceedings against MLP do not represent risks which could endanger the company's continued existence. The Executive Board

at MLP AG is convinced that the legal claims filed since August 2007 with virtually the same wording and originating from a single firm of lawyers will not be successful. These claims have been filed for 32 clients for damages due to the issuing of allegedly erroneous capital market information between 2000 and 2002. Two of them have already been withdrawn.

Taxation risks

Changes that emerge in tax law are continually checked and examined with regard to any effects they may have on the Group. The company's compliance with fiscal requirements is checked by internal and external experts in accordance with the tax regulations and the documents pertaining to these issued by the tax authority.

General business risks

Overall economic risks

Changes in economic and political factors can affect the business model and the development of the company. We therefore constantly monitor national and international developments in the political, economic and regulatory arenas as well as business developments and requirements on the financial services market.

Economic development in Germany – the market in which the MLP Group generates 98% of its revenue – continued to be affected by the financial crisis in 2009. Following an extreme collapse in economic performance in the first quarter, first signs of stabilisation at a low level started to appear from the second quarter onwards. This trend then continued up to the end of the year. The stabilisation can largely be attributed to the positive effects of the comprehensive political and fiscal measures implemented by the central banks and the individual governments. Private consumption also played a particularly important part in stabilising the economy as a whole over the course of the year. The purchasing power of private households was supported by drops in employment levels remaining moderate and the stable price climate. The employment market continued to display remarkable stability and resilience.

However, the overall economic framework conditions in the financial year 2009 remained difficult for the MLP Group. Pessimistic economic expectations continued to have negative effects, including ongoing reservations on the part of clients about signing long-term provision contracts or making investment decisions. Based on our investigations, these reservations are in particular due to uncertainty regarding further economic development and potential loss of workplaces.

Business environment and sector-related risks

The financial and economic crisis has further intensified competition in the sale of financial services in Germany and accelerated consolidation of the heavily fragmented market. However, the triggers for this development actually revolved around the tightening of the basic legal conditions (EU Insurance Mediation Directive, Markets in Financial Instruments Directive (MiFID), changes to the German Insurance Act). Small and medium-sized financial services providers in particular are facing the challenge of implementing the new requirements in an appropriate

framework while remaining profitable. The MLP Group is actively engaged in consolidation of the market. With the acquisition of the independent finance broker ZSH, completed at the beginning of the year, we have been able to further expand our sales force in the German market. Competition to find qualified financial consultants has also increased.

MLP is well prepared for the changes that lie ahead. The quality of our consulting, our focus on selected client groups and our independence give us a strong market position. Thanks to our financial strength, we can also continue to play an active role in the consolidation of the market.

In its business activities, the MLP Group concentrates on the areas of old-age and health provision, as well as wealth management. The economic crisis has also become a determining factor in the further development of these markets. Clients make long-term investment decisions in the areas of old-age provision and wealth management. Since economic expectations remain rather pessimistic, private clients in particular are being extremely cautious and therefore continuing to display reservations in making long-term investment decisions.

Corporate strategy risks

Corporate strategy risks largely consist in the erroneous assessment of market trends and, in consequence, the erroneous alignment of business activities. Strategic risks also emanate from unexpected changes in market and environmental conditions with negative effects on the results of operations.

Corporate strategy control is primarily the responsibility of the MLP Executive Board. On the basis of continual observation of the competitive environment, changes and developments on the national and international markets and the business environment are analysed and decisions are derived with a view to ensuring the Group's corporate success in the long-term.

Target values are laid down based on a projected assessment of success factors. The achievement of these values is constantly monitored. In this way the Group's strategic positioning regularly undergoes critical scrutiny through comparison of target and actual values.

Commission forms the core component of the Group's total revenue and cash flow. Using our planning and simulation tools, we analyse the effects of potential changes to commission models, possible regulatory intervention in the cost calculation of the products brokered by MLP or the tax treatment of our sales concept.

Other risks

Reputation risks

Reputation risks are defined as risks that occur due to a loss of image by the MLP Group, either as a whole or by a single or several operating units, among eligible parties, shareholders, clients, employees, business partners or the general public. The company is in particular subjected to the risk that public trust in our Group may be negatively influenced through public reporting of

a transaction, a business partner or a business practice in which a client is involved. We minimise potential consulting risks by maintaining consistently high quality consulting which we ensure, for example, through IT-supported consulting tools. Consultations with our clients and the results arising from these are also comprehensively documented.

Supervisory risks / solvency

The Group is obliged to back its weighted risk assets with at least 8% equity (equity ratio). The backing of risk assets with core capital (tier 1 capital) generally requires a minimum ratio of 4%. These requirements have not changed in the financial year 2009. The same applies for MLP's internal processes, objectives and measures for investment control.

On the basis of the Basle II implementation strategy for the calculation of shareholders' equity requirements (Basle Pillar 1), MLP Finanzdienstleistungen AG employs the credit risk standardised approach (KSA) for the credit risk and the basis indicator approach (BIA) for the operational risk in accordance with the German Banking Act (KWG) and the Solvency Ordinance.

The MLP Group fulfilled all legal requirements relating to shareholders' equity backing in line with § 325 of the Solvency Ordinance (SolvV) throughout the entire financial year 2009.

No other risks are known which could have a significant influence on the Group's continued existence.

Summary

The business development of the MLP Group is essentially influenced by financial, operational and general business risks. Using our systems and comprehensive reporting, we ensure the identification, assessment, control and monitoring of our risks in terms of both current and future developments. The information provided guaranteed that risk management measures were introduced and prioritised promptly.

Both the MLP Group as a whole and the Group companies always acted within the scope of their financial risk-bearing ability in 2009. In addition, the supervisory requirements were met in full at all times. There are currently no discernible risks that could threaten MLP's continued existence. And we do not expect to see any negative development in the coming year.

Our Business Continuity Management also ensures regulated business operations in the event of any disruptions. Our risk monitoring and control systems and the consistent alignment of our business model to our risk-bearing ability enable us to ensure that the risks taken in our business activities are backed with adequate risk capital.

The effectiveness of our risk management system and its supervisory implementation are also checked cyclically by both external and internal auditors. The system of risk management and risk controlling is subject to continuous further development, in particular with regard to developing the volume and complexity of our business.

The above-mentioned risks, and such risks which are not yet known to us or are currently considered insignificant, could have a negative impact on our forecasts detailed in the outlook.

Forecast

Future overall economic development

MLP's business operations focus on financial and investment consulting to discerning private clients in Germany. More than 98% of the Group's total revenue is generated within Germany's borders. The development of the German economy and its legal framework conditions are therefore extremely important in terms of our business opportunities.

Based on the forecasts of economic research institutes, the global economy is set to recover in 2010 and 2011. Following two years of economic slump as a result of the financial and economic crisis in 2008 and 2009, global growth is now set to reach 6% in 2010 based on estimates by the Organisation for Economic Cooperation and Development (OECD). Above all driven by recovering exports and economic stimulus packages, Germany's gross domestic product is set to rise to a level of around 1.4% according to estimates by economic experts. And growth of 1.9% is expected for the year 2011.

However, the return to positive growth in Germany is not likely to be accompanied by an increase in the number of jobs. Indeed, the OECD expects the unemployment rate to go up by 2 percentage points to 9.7% by 2011. This translates to around 4.3 million unemployed people in Germany (2009: 3.3 million unemployed; 8.2%). The anticipated economic upturn will therefore not rejuvenate the employment market. Set against this background, the OECD and leading economic experts are warning that increasing unemployment will lead to reduced tax revenues, while at the same time demanding greater social welfare payments. Both of these factors will have a serious impact on public funds, leaving little if any money available in Germany for economic stimulation measures over the course of the next few years.

Based on estimates of economic researchers, the disposable income of German citizens is likely to drop by 0.5% next year in real terms. If oil prices continue to rise due to increased demand in the emerging markets - as forecast by the investment bank Goldman Sachs - this is also likely to hinder rather than stimulate consumer spending among Germans. Legislative initiatives to stimulate the economy, such as the Citizens Relief Act or the Growth Acceleration Act, both of which are set to take effect in 2010, will at best only be able to reduce the load slightly.

Even if Germany's economic performance does indeed improve in the current financial year following the collapse in 2009, the fact that unemployment is on the increase and real income is in decline means that we are not expecting to see any appreciable growth impulses from the macroeconomic environment for the MLP Group's business. In fact, we expect people to remain cautious throughout the current financial year with regard to signing new medium and long-term old-age provision and health cover contracts or with the transfer of mandates in the field of wealth management.

Future industry situation

The situation in Germany's financial services industry has changed markedly over the course of the last few years. Competition has become fiercer, not least due to the appearance of more competitors. At the same time, regulatory requirements have been tightened with measures to increase consumer protection in Europe. Only the very best financial services providers can sustain long-term profit in an environment such as this. We therefore assume that the sector will see further consolidation over the next few years.

With its quality culture, its brand strength and its non-cost-intensive business model in the form of a free broker organisation, the MLP Group is well established in the German market as an independent consulting firm for private and corporate clients, as well as institutional investors. The Group is the leading independent financial and investment adviser and has the power to draw benefits from market consolidation. And assuming we can find suitable candidates, we will take our opportunities to acquire new operations. In addition to this, the clear alignment of our business operations with the growth areas of the German financial services market, i.e. old-age and health provision as well as wealth management, put us in a sound position in the current competitive environment. We are observing first hand how the economic and political framework conditions in our growth areas are taking effect and are adjusting our sales based on actual and anticipated situations to target profitable growth.

Old-age provision

Old-age provision, one of the core competencies of the MLP Group, is an area that has enjoyed increased popularity over the last few years through Germany's pension reform. Increased awareness among Germany's population of having to at least provide a part of their old-age income through personal financing is helping sales of old-age provision products. Overall we can say that there is great demand for competent consulting in this field, as many still struggle to fully understand the three-tier old-age provision system in Germany. Indeed, most people welcome structured advice on matters pertaining to old-age provision, although such advice is not a matter of course in Germany's financial services sector. In day-to-day business with private clients (retail business), sales of standalone products scarcely tailored to the needs of the individual are still more common than a balanced, holistic approach in the financial sector. Yet in comparison with the competition, the old-age provision specialists at the MLP Group come out on top with their individual needs analyses and holistic old-age provision concepts, the effectiveness of which was recently underlined in a test on the topic of old-age provision performed by the magazine "Wirtschaftswoche".

The demand for old-age provision concepts is far from saturated in Germany. As determined by the Allensbach Institute in 2009 on behalf of Postbank, every third employed person currently has no policies in place to provide private old-age income. And the Riester pension, which with 13 million policies already in place is currently the most popular form of private old-age provision in Germany, now offers even greater sales opportunities. With the product variant colloquially referred to as "Wohn-Riester", the Riester concept has now been extended to include subsidies on property which policyholders themselves use as their residence. And the legislator is also set to further expand the scope of those eligible for these subsidies in the

coming months. Following a judgement of the European Court of Justice, those persons residing abroad but working in Germany, where they are obliged to pay into the statutory pension scheme, must also be eligible for the Riester subsidy. In addition, the judges in Luxembourg criticised the fact that the Riester subsidy had to date been restricted to domestic residential property. Germany's legislator must now correct both of these issues.

The potential sales market is even greater when we consider the Rürup pension. According to data published by the German Insurance Association e.V. (GDV), German citizens have been slow to warm to this product. In fact, it has only sold just over 1 million contracts to date. However, the increase in the level of old-age provision expenses that can now be offset against tax and the introduction of more attractive product concepts are helping to boost sales of Rürup pensions.

Occupational pension provision is also far from reaching its peak in Germany. And although with around 18 million contracts as it stands today, it is the second most important pillar of old-age provision, there is still a great deal of untapped potential. Small and medium-sized companies, which account for almost 60% of all employees in Germany, are only now slowly starting to discover what this instrument has to offer. Through its acquisition of the leading specialist in industry solutions for occupational pension provision, TPC THE PENSION CONSULTANCY GmbH, the MLP Group is now in an excellent position to build on its market share in this segment in the future.

We are advising the clients of our Group to invest the tax savings they make in 2010 due to the Citizens Relief Act in an additional, tax-privileged old-age provision concept. This is especially important for those with good earnings (such as our discerning target clients), who have become accustomed to a comparably high income and without additional provision measures could well be left with a massive pension shortfall later in life, given the ever diminishing performance of the statutory pension.

From today's perspective we do not expect to see any significant product innovations in the field of private or occupational pension provision in the years 2010 and 2011.

Health provision

The status quo in Germany's healthcare system has not improved, even more than a year after introduction of the German Health Fund. Within the scope of the MLP Health Report 2009, the Allensbach Institute determined that more than half the country's population and doctors are complaining about worse performance in healthcare provision in Germany. The gap between ever lower performance and ever increasing costs is widening. At the start of 2010, the first statutory health insurance funds announced that they would be demanding additional premiums from their policy holders, as the money raised by the German Health Fund is simply not enough to cover their running costs. Statutory insurance policy holders can hardly be happy with this situation, which in turn will lead to a high degree of willingness to make the switch to private health insurance.

The new German government has drawn some initial conclusions and announced that it will reduce the legally stipulated 3-year waiting period that must elapse before switching to a private health insurance to a 1-year waiting period. This makes it significantly easier for those wishing to make the switch to private health insurance. Policy holders who decide to make the switch this year will then be able to fulfil their wish in 2011.

Demand for private supplementary health insurance policies will also rise. German society is now increasingly aware of the need for insurance to cover potential illness and/or nursing care, not least due to the increased coverage of these topics in the media. While in 2005 just 34% of people considered taking out a private supplementary insurance policy, last year this figure increased to 46%. We therefore feel certain that demand for private healthcare provision will see a further, significant increase over current levels once the economic framework conditions pick up.

We do not expect to see any new products or services in the field of private health insurance over the next two years.

Wealth management

Growth prospects in the high-end retail banking business and the field of wealth management also remain excellent, disregarding the temporary, negative influences of the financial and economic crisis. Worldwide there were 8.6 million wealthy private individuals in 2008 with a combined wealth of US\$ 32.8 trillion. In Germany there were 809,700 private individuals with net financial assets of at least US\$1 million each (owner-occupied real estate and commodities are not included). These figures are taken from the World Wealth Report 2009 published by the investment bank Merrill Lynch and corporate consulting company Capgemini.

The high-end retail banking business, often referred to as private banking, has been the pinnacle of the financial services sector for years. Yet since the general public's trust in banks has dropped so sharply in the course of the financial crisis, there is a definite sense that this sector may too see some regulatory changes. According to an important poll performed by the Allensbach Institute on behalf of the "Frankfurter Allgemeine Zeitung" newspaper, only 23% of the population stated "complete trust" in the banks. Indeed, 70% reported "little or no trust" in banks. As such, investors in Germany are more critical of the credit and insurance industry than they were prior to the crisis and in future are more likely to scrutinise the quality of financial advice they receive more closely.

With its renowned subsidiary, Feri Finance AG, MLP AG has recognised expertise in the field of investment consulting. MLP Group is already the largest independent financial and investment adviser in Germany and will continue to build on and expand our market position. The current consolidation phase in the wealth management market offers us diverse opportunities to acquire experts and successful, small wealth management companies, both at home and abroad. We are also planning to extend Feri Finance AG's range of rating services to include company credit ratings and will launch wealth management concepts tailored precisely to the requirements of our young clients. These approaches will help us win new clients, further

improve the cross-selling quota with existing client relations and take targeted action to secure our future.

In the field of wealth management, we do not expect to see any significant new products or services in the next two years.

Competition

Competition in Germany's financial services sector, which has already been fierce for years, is now set to enter an even tougher dimension due to the lack of trust in the banking system caused by the financial and economic crisis. Indeed, Germany's "Stiftung Warentest" product test foundation gave a further damning review of the investment consulting offered by banks and savings banks as recently as December 2009, thereby providing consumer protection agencies with even more arguments to demand further legislation to protect private investors. As such, we should not be surprised to see further regulations enforced in the near future alongside existing regulatory requirements such as the EU Insurance Mediation Directive, the Markets in Financial Instruments Directive (MiFID) and the German Insurance Act. Since January 1, 2010 banks have already been obliged to document their investment consulting in a comprehensible manner and hand this documentation out to their clients. At the end of 2009, the Consumer Protection Ministry also announced that it was preparing a major package of measures designed to offer greater transparency in financial services consulting.

Regardless of whether new regulatory measures can actually bring about greater consumer protection, measures of this nature will certainly increase costs in the industry and put greater pressure on the margins. This will take its toll on small and medium-sized financial services providers, as only the strongest companies will be able to survive the stricter client requirements and extreme cost pressure to generate profitable growth in the long term.

Set against this background, the concept of independent consulting and sales will become ever more important, as underlined by the Tillinghast Sales Channel Survey published by Towers Perrin. This corporate consulting company anticipates that independent financial consultants will be able to increase their market share in the sale of financial products to 29% by 2016 (2008: 28%).

Expected development of business

With its business model geared to flexibility and cost efficiency and its pronounced quality culture, the MLP Group has remained resolute and been able to both take up and profit from all the challenges it has faced over the last few years. We have consistently tapped the growth areas in Germany's financial services market, downsized or eliminated divisions that failed to meet our revenue requirements, implemented the new regulatory requirements in the field of client consulting quickly and directly and will continue to use all means at our disposal in 2010 to guide the company securely through the temporary lull in Germany's national economy.

In our main revenue fields of old-age and health provision, we expect to see stable sales revenue in 2010. For the two subsequent financial years we then expect to see revenue

increase. Our third important revenue pillar – wealth management – is likely to see the beginning of positive developments in the current financial year. This positive trend will also continue into 2011 and 2012.

In addition to fully utilizing our revenue potential, continuing our strict level of cost discipline will remain important in the current financial year. It is our target after the ending of the financial and economic crisis to move back towards our former earnings strength.

Events subsequent to the reporting date

Within the scope of our concentration on growth markets, in future we will focus on our core market of Germany in the retail business at our subsidiary MLP Finanzdienstleistungen AG. To this end, in January 2010 MLP Finanzdienstleistungen AG agreed to sell its branch in the Netherlands to NBG B.V., Valkenswaard, Netherlands.

Apart from those described here, there were no other appreciable events after the balance sheet date with effects on the MLP Group's net assets, financial position and results of operations.

Wiesloch, March 16, 2010

MLP AG
Executive Board

Dr. Uwe Schroeder-Wildberg

Gerhard Frieg

Ralf Schmid

Muhyddin Suleiman

Corporate Governance report

Every year, the Executive Board and Supervisory Board report on the company's corporate governance in the Annual Report as required by the German Corporate Governance Code. Furthermore, the following statements and details are provided as a Declaration of Corporate Governance in the sense of § 289a of the German Commercial Code (HGB).

Text of the Declaration of Compliance pursuant to § 161 of the German Stock Corporation Act (AktG)

Declaration of Compliance of MLP AG pursuant to § 161 of the German Stock Corporation Act (AktG) (version dated December 10, 2009)

Pursuant to § 161 of the German Stock Corporation Act (AktG), the Executive Board and Supervisory Board of MLP AG hereby declare that the company has complied with the recommendations of the "German Corporate Governance Code" government commission (version dated June 18, 2009) since the last Declaration of Compliance was issued. However, the recommendations specified in section 3.8 sentence 4 and 5, section 4.2.3 (4) and (5), section 5.1.2 sentence 6, section 5.4.1 sentence 2 and section 5.4.6 sentence 4 were not complied with.

The reasons for these deviations from the recommendations are as follows:

Section 3.8 sentence 4 and sentence 5 (D&O insurance with excess)

Based on the recommendations of the German Corporate Governance Code (section 3.8 sentence 4 of the version dated June 6, 2008), the company should agree an appropriate excess for members of the Executive Board and Supervisory Board when concluding a D&O insurance. Initially, the company did not comply with this recommendation.

However, with introduction of the Appropriateness of Management Board Remuneration Act (VorStAG), members of the Executive Board must now agree to an excess. This excess must be at least 10% of the loss up to at least an amount representing one and a half times the annual remuneration of the respective Executive Board member. A corresponding insurance excess is also to be agreed as per section 3.8 sentence 5 of the German Corporate Governance Code in a D&O insurance for the Supervisory Board.

MLP initially deviated from these recommendations in 2009. In the meantime, however, MLP has modified the existing D&O insurance in such a way as to provide excesses for the members of the Executive Board and Supervisory Board in the coming financial year and thereby comply with the regulations and recommendations of the German Corporate Governance Code. As such, MLP will now comply with this recommendation in 2010, unlike in 2009.

Section 4.2.3 (4) and (5) (compensation cap)

As per the recommendations of the German Corporate Governance Code, attention must be paid when concluding Executive Board contracts to ensure that any payments to members of the Executive Board do not exceed the value of two years remuneration including perks (compensation cap) of these Executive Board members, should their position be terminated prematurely without an important reason. Calculation of the compensation cap should be based on the total remuneration of the last financial year and, if available and appropriate, also the total anticipated remuneration of the current financial year. In the event of premature termination of Executive Board membership due to a change of control, any commitment for payments should not exceed 150% of the compensation cap.

MLP deviates from this. The service contracts with the Executive Board members stipulate that, in the event of premature termination due to either dismissal or termination of appointment of an Executive Board member without an important reason, compensation corresponding to a maximum of four times the fixed annual salary of said Executive Board member is to be paid. This is paid on a pro-rata-temporis basis should the respective Executive Board member's contract be terminated within the last two years prior to its expiration. This stipulation still applies, even if members of the Executive Board make use of the extraordinary right to termination granted to them in their respective contracts. This applies in certain cases where the company changes its corporate form as per the Reorganisation of Companies Act (UmwG) or if a third party who had a shareholding of less than 10% in MLP AG when signing the contract then acquires at least a 50% share of the voting rights.

There is no entitlement to compensation in the case of termination of contract by mutual agreement. In the company's view, compensation based on the total remuneration of the last financial year, which thereby also includes a variable portion of remuneration, is not suitable for use as a basis of assessment relating to future contractual periods. For contractual reasons, provisions regulating compensation arrangements concerning the termination of contracts by mutual agreement can in any case only be seen as a guideline. And the parties involved are free to deviate from these provisions at any time with mutual consent. For this reason, any provisions of this nature would be no more than a formality. As was also the case in 2009, MLP has therefore once again elected not to comply with this recommendation in 2010.

Section 5.1.2 sentence 7 (age limit for members of the Executive Board)

Based on the recommendations of the German Corporate Governance Code, an age limit should be set for members of the Executive Board.

MLP did not follow this recommendation in 2009. No age limit is set for members of the Executive Board at MLP. The appointment of members of the Executive Board should be based solely on their knowledge, skills and specialist experience. As was also the case in 2009, MLP has therefore once again elected not to follow this recommendation in 2010.

Section 5.4.1 sentence 2 (age limit for members of the Supervisory Board)

Based on the recommendations of the German Corporate Governance Code, a definable age limit should be considered when proposing candidates for the election of Supervisory Board members.

MLP did not follow this recommendation in 2009. No age limit is set for members of the Supervisory Board at MLP. In light of the knowledge, skills and specialist experience stipulated in section 5.4.1 sentence 1 of the Code, it makes little sense to specify an age limit. As was also the case in 2009, MLP has therefore once again elected not to follow this recommendation in 2010.

Section 5.4.6 sentence 4 (performance-related remuneration of the Supervisory Board)

Based on the recommendations of the German Corporate Governance Code, the members of the Supervisory Board are to receive performance-related remuneration alongside their fixed remuneration.

MLP did not follow this recommendation in 2009. The members of the MLP AG Supervisory Board do not receive performance-related pay, as no convincing concepts in support of such remuneration structures have yet come to light. As was also the case in 2009, MLP has therefore once again elected not to comply with this recommendation in 2010.

Wiesloch, December 2009

MLP AG

The Executive Board

The Supervisory Board

You can also find further information on the topic of Corporate Governance at MLP on the internet at www.mlp-ag.de.

Corporate Governance

By complying with the stipulations of the German Corporate Governance Code of June 18, 2009, MLP AG continues to reinforce the confidence of its shareholders, clients, employees and other stakeholders in the management of the company. Responsible management geared towards long-term added value is a high priority for us. The Executive and Supervisory Boards ensure that MLP AG continues to review and develop corporate governance across the Group.

Management and controlling structure

Executive Board

As the management body of an "Aktiengesellschaft" (public limited company), the Executive Board runs the business and is tied to the interests and business principles of the company within

the scope of corporation law. The responsibilities and duties of the Executive Board are laid down in the German Stock Corporation Act (AktG), in MLP AG's articles of association, as well as in the Executive Board's rules and procedures and schedule of responsibilities.

The members of the Executive Board together hold responsibility for the entire management. Decisions of the Executive Board are made in Executive Board meetings, which take place regularly and are convened by the Chairman of the Executive Board. Resolutions are drafted as ordinary resolutions with majority votes and recorded accordingly.

The members of the Executive Board are Dr. Uwe Schroeder-Wildberg (Chairman), Mr. Gerhard Frieg, Mr. Ralf Schmid and Mr. Muhyddin Suleiman.

Supervisory Board

The Supervisory Board advises and monitors the Executive Board. The responsibilities and duties of the Supervisory Board are derived from the German Stock Corporation Act (AktG), MLP AG's articles of association and a set of rules and procedures for the Supervisory Board.

Resolutions of the Supervisory Board are passed in meetings, which are generally convened by the Chairman of the Supervisory Board. The Supervisory Board convenes for both regular and extraordinary meetings, which are generally attended by all members of the Supervisory Board in person. The Supervisory Board is informed of particularly important or urgent projects outside of the regular meetings. Where necessary, resolutions can also take the form of circular resolutions or be passed via telephone. The resolutions of the Supervisory Board require a majority of votes cast to be passed. In the event of an equal number of votes, the Chairman's vote is decisive. A transcript of the meetings is drafted.

Members of the Supervisory Board

The Supervisory Board currently consists of six members. These are four shareholder representatives, elected by the Annual General Meeting, and two employees' representatives, elected by employees. The Supervisory Board is currently made up of Dr. Peter Lütke-Bornefeld, Dr. h.c. Manfred Lautenschläger, Dr. Claus-Michael Dill, Mr. Hans Maret, Mr. Norbert Kohler and Mrs. Maria Bähr.

Efficiency of the Supervisory Board

In the absence of the Executive Board, the Supervisory Board of MLP AG also reviewed the efficiency of its own activities in 2009. Particular attention was paid to the efficiency of the procedures in the Supervisory Board, the information flow between the committees and the Supervisory Board plenary meeting and the timeliness and sufficient content of reporting by the Executive Board to the Supervisory Board. Further measures aimed at increasing efficiency were discussed intensively in target-oriented talks.

Supervisory Board committees

The Supervisory Board of MLP AG has set up committees in order to improve the effectiveness of its work. The Personnel Committee prepares the resolutions on HR issues concerning the

Executive Board members with the company. The Audit Committee is responsible for auditing the accounting processes, risk management issues and the auditing system itself, as well as ensuring the independence of the auditors, awarding the audit contract to the auditors, determining the focal points of the audits and agreements on fees. The committee also discusses the annual financial statements, the consolidated financial statements and the management reports of MLP AG and the MLP Group and submits a recommendation for resolution to the Supervisory Board. The Supervisory Board has formed a nomination committee which is exclusively composed of shareholder representatives who propose suitable candidates to the Supervisory Board for recommendation to the Annual General Meeting. Dr. Peter Lütke-Bornefeld, Dr. h.c. Manfred Lautenschläger, Dr. Claus-Michael Dill and Mr. Hans Maret are members of the three aforementioned committees.

Corporate Governance in the Supervisory Board

In 2009, the Executive and Supervisory Boards of MLP AG again dealt intensively with the German Corporate Governance Code and further new legislation significant to the work performed by the Supervisory Board and its committees. The changes to the Code passed on June 18, 2009, and in particular the changes caused by Germany's Appropriateness of Management Remuneration Act (VorstAG) and Accounting Law Reform Act (BilMoG) enforced in 2009, were a topic of intensive discussion in the Supervisory Board. The changes were analysed and corresponding adjustments made to the internal regulations and procedures followed by the Supervisory Board.

The Supervisory Board considers itself to consist of a suitable number of members who have no business or personal relationship with the company or members of the Executive Board which could form grounds for a conflict of interest. The Supervisory Board examined the knowledge and experience required of the Chairman of the audit committee under the German Corporate Governance Code with regard to reporting and internal control procedures. The Chairman of the MLP AG auditing committee fully complies with the requirements. The recommendations made by the Code with regard to the election of the company's Supervisory Board were complied with regarding the Supervisory Board election in 2008. More specifically, this means that the Supervisory Board elections took the form of uninominal voting and that the nomination of the Chairman of the Supervisory Board was made known to the shareholders prior to the Annual General Meeting. These requirements are also to be observed for future appointments to the Supervisory Board.

Further disclosures on the Supervisory Board's activities can be found in the Report by the Supervisory Board.

Cooperation between Executive Board and Supervisory Board

Intensive dialogue between the Executive and Supervisory Boards forms the basis of transparent and responsible company management. The Executive Board of MLP AG provides the Supervisory Board with regular, timely and comprehensive information on the Group's position, including information on its risk situation, risk management and compliance. The Supervisory Board is informed of particularly important or urgent projects outside of the regular meetings. Furthermore, the Chairman of the Supervisory Board meets with the Executive Board on a regular

basis to discuss specific issues. The Chairman of the Supervisory Board informs the other members of the Supervisory Board in detail about the content of his meetings with the Executive Board. The Supervisory Board discussed the Group's corporate planning and plans for the strategic development with the Executive Board.

Significant legal transactions by the Executive Board require the consent of the Supervisory Board. Internal rules of procedure issued by the Supervisory Board govern the distribution of business, powers of approval and its co-operation with the Executive Board. Further details on the co-operation between Executive Board and Supervisory Board can be found in the report by the Supervisory Board.

Transparency

Shareholdings of members of the Executive and Supervisory Boards as at the balance sheet date

As at December 31, 2009, the shares held by the members of the company's Executive and Supervisory Boards were distributed as follows:

| Supervisory Board member | Number of shares as at Dec 31, 2008 | Number of shares as at Dec 31, 2009 |
|--|--|--|
| Dr. h.c. Manfred Lautenschläger ¹ | 25,205,534 | 25,205,534 |
| Dr. Peter Lütke-Bornefeld | 30,000 | 30,000 |
| Johannes Maret | - | - |
| Dr. Claus-Michael Dill | - | - |
| Maria Bähr | 11,503 | 11,503 |
| Norbert Kohler | 1,094 | 94 |

¹incl. additional voting rights in line with § 22 of the German Securities Trading Act (WpHG)

| Executive Board member | Number of shares as at Dec 31, 2008 | Number of shares as at Dec 31, 2009 |
|-------------------------------|--|--|
| Dr. Uwe Schroeder-Wildberg | - | - |
| Gerhard Frieg | 181,463 | 181,463 |
| Muhyddin Suleiman | - | - |
| Ralf Schmid | - ² | - |

²No details, as only member of the Executive Board at MLP AG since March 1, 2009

Directors' Dealings

The expanded regulation of § 15a of the German Securities Trading Act (WpHG) on publishing and reporting transactions with shares of the issuer or financial instruments which relate thereto has been in force since October 30, 2004. This stipulates that persons who perform executive functions for share issuers are to report these transactions to the issuers and the Federal Financial Supervisory Authority (BaFin). This duty also applies to persons with a close relationship to such a person.

Pursuant to § 15a of the German Securities Trading Act (WpHG) one transaction was reported to us in the financial year 2009. This can also be viewed on our website www.mlp-ag.de.

Compliance

Section 4.1.3 of the German Corporate Governance Code defines the tasks of the Executive Board within the scope of Compliance as follows: The Executive Board must ensure compliance with the legal provisions and the internal company guidelines, and also work towards their observance by the Group companies. For us, the principles of good company management also comprise compliance with all applicable laws and codes of conducts for the capital market. This is an integral part of our corporate culture.

MLP has established a group-wide Compliance Organisation. In the interest of our clients, shareholders, employees and MLP, the Compliance Organisation supports and advises the Executive Board in its task to ensure compliance with legal obligations and intra-company directives and to establish uniform standards for all Group companies. Executive Board and Supervisory Board are regularly informed about significant facts and events.

The MLP Group has a comprehensive volume of regulations on compliance which explains the legal regulations on insider law to members of the Executive Bodies and to employees alike, and gives a legal framework within which they can carry out their investment business. The compliance guideline also ensures that sensitive information is handled responsibly at MLP. To prevent any impairment of client interests - in particular with regard to the securities business - we have defined policies regarding the avoidance and monitoring of conflicts of interest and the acceptance and granting of benefits. These policies are regularly reviewed and adapted to changing requirements.

Information on corporate governance practices

MLP redefined its core values in 2009, a process in which a large number of employees and consultants were involved. "Performance" and "Trust" were identified as values that portray MLP particularly authentically. Building on this, MLP's existing corporate mission was then revised. In a third step, the following management principles were then derived from this for MLP:

MLP managers:

- are committed to the interests of MLP clients
- live out the core values of "Performance" and "Trust"

- implement agreed targets and decisions consistently
- are proactive in shaping the future
- work together openly as team players
- ensure systematic development of managers and staff

As a contribution to the discussion on the quality of financial advice in Germany, MLP presented a consulting code in the form of guidelines for client consulting in 2009. This code does not contain any new concepts, but rather summarises MLP's consulting and client support standards, many of which have already been in use at the company for several years. The aim is to increase transparency for clients, interested parties and the general public. All guidelines are based on MLP's company values, which shape the relationship between employees and consultants, as well as all stakeholders.

A description of the business strategy, risk strategy and risk management system can be found on corresponding pages of this Annual Report.

Information

By law, the shareholders are involved in all fundamentally important decisions at MLP AG, such as decisions on amendments to the articles of association and the issue of new shares. In order to help shareholders assert their rights, MLP AG offers them the option of having their voting rights exercised in writing by non-discretionary proxies appointed by the company. We report on the main content of the Annual General Meeting on our website at www.mlp.de, where the Chairman's speech can also be accessed online.

We place great emphasis on keeping both the capital market and interested public up-to-date with regular, prompt and comprehensive information on the economic situation and results in our Group. Reporting is provided within the specified deadlines in the form of the Annual Report, the semi-annual financial report and the interim financial reports on quarterly results. We also provide information on current events and new developments in press releases or, where legally stipulated, in ad-hoc statements. All messages and statements are available on the Internet. Our financial calendar provides information on dates and deadlines relevant for the capital market, such as our Annual General Meeting and publication of our Annual Report and interim financial reports.

Under "Investor Relations" on our homepage at www.mlp-ag.de, you can not only access both German and English versions of the aforementioned information instruments, but also conference calls and presentations.

Analysts' and media conferences are held at least once a year. In accordance with legal provisions, ad-hoc notices are published on our website, where we also provide comprehensive information on corporate governance at MLP. We provide access to our Declaration of Compliance on our homepage for at least five years.

Accounting and audit

The company's accounting is performed in line with the German Commercial Code (HGB). Ernst & Young AG GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart, Germany, was appointed as auditor by the Annual General Meeting. This company audited the 2009 financial statements. The Supervisory Board gave its assurance that the relations existing between the auditors and MLP AG or its governing bodies give no cause for doubting the independence of the auditor.

Remuneration report

Subject to the disclosure obligations pursuant to the German Commercial Law, the following remuneration report also forms part of the management report.

Remuneration of the members of the Executive Board

In the course of introduction of the Appropriateness of Management Remuneration Act (VorstAG), the responsibility for laying down Executive Board remuneration was transferred from the Personnel Committee of the Supervisory Board to the plenary meeting of the Supervisory Board. In future, the Personnel Committee will no longer be responsible for the resolution on Executive Board remuneration, but instead will only prepare this.

Principles of Executive Board remuneration

With the Appropriateness of Management Remuneration Act (VorstAG), which came into force on August 5, 2009, the legislator in Germany has also created new requirements with regard to the terms of Executive Board remuneration. The legislator's goal here is to align Executive Board remuneration with sustainable company development. This goal is covered in principle by MLP's Executive Board remuneration system. In its meeting on December 10, 2009, the Personnel Committee of the Supervisory Board examined the new legislation, in particular also with a view to alignment of Executive Board remuneration with sustainable corporate management. Based on the assessment of experts, the present system of Executive Board remuneration is already largely aligned with the objectives of the new legislation. Yet despite this, the Supervisory Board will still examine the further development of the Executive Board remuneration system at MLP in the financial year 2010.

The members of the Group's Executive Board are entitled to both a fixed (non-performance-related) and a variable (performance-linked) remuneration in accordance with the contracts of employment currently in place. The basis of assessment for variable remuneration are the earnings before tax (EBT) of the MLP Group in accordance with the respective (international) accounting standards applied in the Group. The key figure is the earnings before tax (EBT) that would have resulted without deduction of profit-sharing payments. If continuing operations and discontinued operations are to be recognised in the financial year, the basis of assessment is formed by the total of the earnings before tax (EBT) of the operations to be continued and discontinued respectively. No costs and income directly connected with the discontinuation/sale of business segments are included in the basis of assessment. The variable remuneration is calculated on the basis of a fixed percentage of the

assessment basis. Should a contract of employment commence or terminate during the course of a financial year, the profit-sharing payment for this financial year is granted pro rata temporis as a matter of principle.

The members of the Executive Board are furthermore entitled to unrestricted use of a company car and payments from a whole life and disability insurance policy.

Individualised Executive Board remuneration for the financial year 2009

| All figures in €'000 | Fixed portion of remuneration | Variable portion of remuneration | Total |
|----------------------------|-------------------------------|----------------------------------|--------------|
| Dr. Uwe Schroeder-Wildberg | 527 | 206 | 734 |
| Gerhard Frieg | 383 | 165 | 548 |
| Ralf Schmid* | 317 | 138 | 455 |
| Muhyddin Suleiman | 378 | 165 | 543 |
| Total | 1,606 | 674 | 2,280 |

*Member of the Executive Board since March 1, 2009

Individualised Executive Board remuneration for the financial year 2008

| All figures in €'000 | Fixed portion of remuneration | Variable portion of remuneration | Total |
|----------------------------|-------------------------------|----------------------------------|--------------|
| Dr. Uwe Schroeder-Wildberg | 528 | 249 | 777 |
| Gerhard Frieg | 384 | 200 | 583 |
| Muhyddin Suleiman | 380 | 200 | 579 |
| Total | 1,291 | 648 | 1,939 |

As at December 31, 2009, pension provisions for former members of the Executive Board amounted to € 6,871 thsd (previous year: € 6,677 thsd).

In addition there are long-term remuneration components. The members of the Executive Board participate in the Incentive Programme 2004 and the Long-Term Incentive Programmes 2007 to 2009. The structure of these programmes is described below.

Share options programme and share-based remuneration systems

The Annual General Meeting of MLP AG held on May 28, 2002 authorised the Executive Board, with the Supervisory Board's consent, to issue on one or more occasions a total of up to 1,700,000 non-interest-bearing convertible debentures with a nominal value of € 1 each up to a total nominal value of € 1,700,000 over the period up to May 28, 2007. These may be issued with a term of six years each to members of the Executive Board and company employees, as well as to members of the Management Board, sales representatives working as independent commercial agents and employees of companies associated with the company as defined by §§ 15 et seq. of the German Stock Corporation Act (AktG). Convertible debentures entitle the owner to purchase new shares from the conditional capital of MLP AG in accordance with the convertible debenture conditions. If convertible debentures were issued to members of the company's Executive Board, only the Supervisory Board was authorised to issue these.

The convertible debentures were offered in allocated amounts in the years 2002 until 2005. Within the period from 2002 until 2005 a total of € 1,651,188 or number of convertible debentures were allocated. The size of each tranche was determined by the Executive Board with

the approval of the Supervisory Board. The beneficiaries and the scope of the corresponding right to purchase the convertible debentures were determined by the Executive Board. If members of the Executive Board were affected, these factors were determined by the Supervisory Board.

Since the exercise hurdle (€ 39.28) for the allocation of the first tranche of convertible debentures from 2002 was not reached by August 19, 2005, the convertible debentures of the first tranche could no longer be converted. The nominal amount was refunded to the beneficiaries.

| | Tranche 2003 | Tranche 2004 | Tranche 2005 |
|--|--------------|--------------|--------------|
| Exercise period | | | |
| Start | Aug 5, 2006 | Aug 17, 2007 | Aug 16, 2008 |
| End | Aug 4, 2009 | Aug 16, 2010 | Aug 15, 2011 |
| Nominal amount (€) | 1.00 | 1.00 | 1.00 |
| Exercise prices (€) | 7.02 | 12.40 | 13.01 |
| Subscribed convertible debenture (€ or number) | 281,040 | 677,042 | 577,806 |
| Converted until Dec 31, 2007 | 169,668 | 1,850 | 85 |
| Convertible debentures at Dec 31, 2007 (€ or number) | 78,595 | 582,594 | 553,018 |
| of which Executive Board (€ or number) | - | 32,300 | - |
| Converted in 2008 | 16,445 | 29,087 | 24,933 |
| Refunded in 2008 | 4,320 | 42,619 | 37,538 |
| Convertible debentures at Dec 31, 2008 (€ or number) | 57,830 | 510,888 | 490,547 |
| of which Executive Board (€ or number) | - | 32,300 | - |
| Converted in 2009 | 16,573 | 24 | - |
| Refunded in 2009 | 41,257 | 20,281 | 23,993 |
| Convertible debentures at Dec 31, 2009 (€ or number) | 0 | 490,583 | 466,554 |
| of which Executive Board (€ or number) | - | 32,300 | - |

The exercise hurdle for the second tranche emitted in the financial year 2003 was reached in the financial year 2006. During the exercise period from August 5, 2006 to August 4, 2009, the bearers of convertible debentures were entitled to exercise their right to conversion. By the end of the financial year 2009, a total of 202,686 conversion rights had been exercised and converted into shares of MLP AG.

The exercise hurdle for the tranche 2004 issued in the financial year 2004 was reached in 2007. During the exercise period from August 17, 2007 until August 16, 2010, the bearers of convertible debentures are entitled to exercise their right to conversion. By the end of the financial year 2009, a total of 30,961 conversion rights had been exercised and converted into shares of MLP AG.

The exercise hurdle for the tranche 2005 issued in the financial year 2005 was reached in 2006. During the exercise period from August 16, 2008 until August 15, 2011, the bearers of convertible debentures are entitled to exercise their right to conversion. By the end of the financial year 2009, a total of 25,018 conversion rights had been exercised and converted into shares of MLP AG.

In 2005 a Long-Term Incentive Programme ("LTI") was launched for the first time. It is designed to include the members of the Executive Board and selected managers of the MLP Group. This is a

company performance plan based on key figures, which takes into account both net profit before tax (EBT) over several years and the development of the share price. Performance shares (phantom shares) can be allocated here. These are allocated to the members of the Executive Board by the Supervisory Board. The payout for the 2005 tranche was made in 2008, the 2006 tranche expired in 2009. For the tranches approved in the financial years from 2007 to 2009, the cash payout is determined on the basis of the triple earnings before interest and tax (EBIT) achieved in the financial year preceding the year of allocation (performance hurdle). Only when this performance hurdle is reached will the beneficiaries be entitled to receive a cash payout.

An equity settlement is not planned. The fair value of the phantom shares is recalculated on each closing date on the basis of an appropriate valuation method.

If an employee or member leaves the company, the phantom shares granted expire. Of the total of 758,385 allocated performance shares, 8,039 expired by December 31, 2009.

| | Tranche 2007 | Tranche 2008 | Tranche 2009 |
|---|-----------------|-----------------|-----------------|
| Performance shares at time of allocation (number) | 233,120 | 228,825 | 296,440 |
| of which Executive Board (number) | 117,899 | 122,983 | 177,866 |
| of which others (number) | 115,221 | 105,842 | 188,574 |
| Performance shares as at Dec 31, 2008 (number) | 225,081 | 228,825 | - |
| of which Executive Board (number) | 117,899 | 122,983 | - |
| of which others (number) | 107,182 | 105,842 | - |
| Performance shares expired in 2009 | - | - | - |
| Performance shares paid out | - | - | - |
| Performance shares as at Dec 31, 2009 (number) | 225,081 | 228,825 | 296,440 |
| of which Executive Board (number) | 117,899 | 122,983 | 177,866 |
| of which others (number) | 107,182 | 105,842 | 118,574 |

Executive Board members active at December 31, 2009 hold convertible debentures issued by the company. See the table below for further details:

| All figures in €'000 or number | Convertible debentures Tranche 2004 (value at grant date) | Convertible debentures Total number as at Dec 31, 2009 | Convertible debentures Total number as at Dec 31, 2008 |
|--------------------------------|---|--|--|
| Dr. Uwe Schroeder-Wildberg | 49 | 12,300 | 12,300 |
| Gerhard Frieg | 40 | 10,000 | 10,000 |
| Muhyddin Suleiman | 40 | 10,000 | 10,000 |
| Total | 130 | 32,300 | 32,300 |

Within the scope of the Long-Term Incentive Programme, members of the Executive Board received performance shares (phantom shares) in the years 2005 to 2009. Refer to the following table for the number and values of the phantom shares, insofar as these have not been paid out or have expired:

| All figures in number | Tranche 2007 | Tranche 2008 | Tranche 2009 |
|----------------------------|----------------|----------------|----------------|
| Fair value at grant date | € 9.33 | € 9.92 | € 7.59 |
| <hr/> | | | |
| Dr. Uwe Schroeder-Wildberg | 53,591 | 50,403 | 65,876 |
| Gerhard Frieg | 32,154 | 36,290 | 39,526 |
| Ralf Schmid* | - | - | 32,938 |
| Muhyddin Suleiman | 32,154 | 36,290 | 39,526 |
| Total | 117,899 | 122,983 | 177,866 |

* Executive Board member since March 1, 2009

The costs included in the income statement arising from the Long Term Incentive Programme for Executive Board members during the financial year 2009 are € 328 thsd (previous year: € 0 thsd).

Individual occupational benefit plans have been established for members of the Group Executive Board. An old-age pension upon reaching 62 years of age, a disability pension, a widow's pension and orphan's benefits have been guaranteed. The amount of the agreed benefit is 60% of the last fixed monthly salary received, or is fixed separately on the basis of amendments to the service contracts.

The contracts of employment between the company and the Chairman of the Board, Dr. Uwe Schroeder-Wildberg, and Executive Board members Gerhard Frieg, Muhyddin Suleiman and Ralf Schmid contain a clause stating that they are entitled to terminate their contracts with a notice period of one month in the event that a third party who had a share in MLP of less than 10% at the time at which the contracts were concluded purchases a share of at least 50% of the voting rights. Should they exercise this right to termination, MLP is obliged to pay them the fourfold annual fixed remuneration which would have been payable, had the contract not been terminated by them as a result of the change of control and provided that the termination of contract is more than two years before its scheduled termination. Dr. Schroeder-Wildberg's and Mr. Ralf Schmid's contract of employment are each set to run until December 31, 2012, while Mr Frieg's contract is set to run until May 18, 2012 and Mr Suleiman's contract until September 3, 2012. In the case of a termination of contract within two years of the scheduled termination, the severance payment shall be paid pro rata temporis.

Remuneration of the members of the Supervisory Board

In addition to compensation for their expenses for the financial year, the members of the Supervisory Board receive a fixed annual remuneration of € 30,000 in accordance with the articles of association. The Chairman of the Supervisory Board receives double and his deputy one and a half times this amount. An additional remuneration is granted for activities in a committee. This amounts to 0.3 times the basic remuneration as a Supervisory Board member for

each committee. The Chairman of the committee receives 0.4 times the basic remuneration, his deputy 0.35 times this amount. If the Chairman of the Supervisory Board also holds the chair in one or more committees, he receives only the basic remuneration (0.3 times the fixed Supervisory Board remuneration) per committee in addition to his remuneration for the Supervisory Board. The fixed portion of remuneration is paid after the end of the financial year. No member of the Supervisory Board receives any variable or share-based remuneration payments.

Individualised Supervisory Board remuneration

| All figures in €'000 | Fixed portion of remuneration 2009 | Fixed portion of remuneration 2008 |
|---|--|--|
| Dr. Peter Lütke-Bornefeld (Chairman) | 87 | 67 |
| Dr. h.c. Manfred Lautenschläger (Vice Chairman) | 72 | 86 |
| Johannes Maret | 57 | 57 |
| Dr. Claus Michael Dill | 57 | 36 |
| Norbert Kohler | 30 | 30 |
| Maria Bähr | 30 | 30 |
| Gerd Schmitz-Morkramer* | - | 27 |
| Total | 333 | 333 |

*Member of the Supervisory Board until May 16, 2008

In the financial year 2009, € 21 thsd (previous year: € 4 thsd) was paid as compensation for expenses.

Financial statements/ Notes

| | |
|--|-----------|
| Financial statements / Notes..... | 54 |
| Profit and loss account for 2009..... | 55 |
| Balance Sheet as at 31 December 2009..... | 56 |
| Notes to the financial year 2009..... | 58 |
| General information..... | 58 |
| Notes to the profit and loss account..... | 60 |
| Notes to the balance sheet..... | 62 |
| Notes to the consolidated cash flow statement..... | 70 |
| Miscellaneous information..... | 72 |

Profit & loss account for 2009

All figures in €'000

| | Notes | 2009 | 2008 |
|--|-------|---------------|---------------|
| 1. Other operating income | [1] | 23,878 | 19,691 |
| 2. Personnel expenses | | | |
| a) Salaries and wages | [2] | -3,662 | -3,380 |
| b) Social security contributions and expenses for old-age provision and benefits of which for pensions: € 747 thsd (previous year: € 749 thsd) | [2] | -848 | -847 |
| 3. Depreciation/amortisation | | | |
| Amortisation of intangible assets and tangible fixed assets | [3] | -4,864 | -4,898 |
| 4. Other operating expenses | [4] | -16,282 | -17,795 |
| 5. Income from investments | | | |
| of which from affiliated companies: € 3,087 thsd (previous year: € 10,206 thsd) | [5] | 3,087 | 10,206 |
| 6. Income from profit and loss transfer agreements | [5] | 41,847 | 46,750 |
| 7. Income from other securities and financial assets | | | |
| of which from affiliated companies: € 0 thsd (previous year: € 0 thsd) | [5] | 283 | 74 |
| 8. Other interest and similar income | | | |
| of which from affiliated companies: € 344 thsd (previous year: € 987 thsd) | [5] | 5,498 | 5,482 |
| 9. Amortisation of financial assets and securities held as current assets | [5] | -312 | -18,341 |
| 10. Interest and similar expenses of which for affiliated companies: € 13 thsd (previous year: € 56 thsd) | [5] | -3,623 | -1,492 |
| 11. Finance cost | | 46,780 | 42,679 |
| 12. Earnings before tax | | 45,001 | 35,450 |
| 13. Income tax expense | [6] | -17,292 | -15,865 |
| 14. Other taxes | | -125 | -125 |
| 15. Net profit | | 27,584 | 19,460 |
| 16. Profit brought forward | | | |
| a) Unappropriated profit in the previous year | | 30,201 | 48,996 |
| b) Dividend payout | | -30,201 | -48,996 |
| 17. Withdrawal from retained earnings | [16] | | |
| a) from the reserve for treasury stock during the period | | 0 | 6,729 |
| b) from the reserve for treasury stock from cancellation | | 0 | 96,993 |
| c) from other retained earnings | | 0 | 10,741 |
| 18. Income from capital decrease | | 0 | 10,821 |
| 19. Transfer to capital reserve | | 0 | -10,821 |
| 20. Expenses of treasury stock's cancellation | | 0 | -96,993 |
| 21. Transfer to retained earnings | [16] | | |
| a) to other retained earnings | | 0 | -6,729 |
| b) to other retained earnings in accordance with the AGM resolution | | 0 | 0 |
| 22. Unappropriated profit | | 27,584 | 30,201 |

Balance sheet as at December 31, 2009

Assets

| All figures in €'000 | | Notes | 2009 | 2008 |
|----------------------|---|-------|----------------|----------------|
| A. | FIXED ASSETS | [7] | | |
| I. | Intangible Assets | | | |
| | Concessions, industrial property rights and similar rights and assets, incl. licences on such rights and assets | | 16 | 29 |
| II. | Fixed assets | | | |
| 1. | Land, leasehold rights and buildings including buildings on third-party land | | 58,078 | 61,124 |
| 2. | Other fixtures, fittings and office equipment | | 8,198 | 9,759 |
| 3. | Payments on account and assets under construction | | 0 | 33 |
| | | | 66,276 | 70,916 |
| III. | Financial investments | | | |
| | Shares in affiliated companies | [8] | 148,747 | 147,812 |
| | | | 148,747 | 147,812 |
| | | | 215,039 | 218,757 |
| B. | CURRENT ASSETS | | | |
| I. | Receivables and other assets | | | |
| 1. | Receivables from affiliated companies | [9] | 36,835 | 46,345 |
| 2. | Other assets of which € 5,696 thsd with a remaining term of more than one year (previous year: € 4,901 thsd) | [10] | 41,500 | 32,594 |
| | | | 78,335 | 78,940 |
| II. | Securities | | | |
| | Treasury stock | [12] | 16,881 | 31,168 |
| | | | 16,881 | 31,168 |
| III. | Cash on hand and on deposit at the Deutsche Bundesbank, bank deposits and cheques | | 145,348 | 124,524 |
| | | | 240,565 | 234,632 |
| C. | PREPAID EXPENSES | | 59 | 61 |
| | | | 455,664 | 453,451 |

Liabilities and shareholder's equity

| All figures in €'000 | | Anhang | 2009 | 2008 |
|--------------------------------|---|--------|----------------|----------------|
| A. SHAREHOLDER'S EQUITY | | | | |
| I. | Share capital | [13] | 107,878 | 107,861 |
| | Ordinary shares | | | |
| II. | Capital reserves | [14] | 134,525 | 134,425 |
| III. | Retained earnings | | | |
| 1. | Statutory reserve | [15] | 3,097 | 3,097 |
| 2. | Other retained earnings | | 152,003 | 152,003 |
| | | | 155,100 | 155,100 |
| IV. | Unappropriated profit | [16] | 27,584 | 30,201 |
| | | | 425,087 | 427,587 |
| B. PROVISIONS | | | | |
| 1. | Provisions for pensions and similar obligations | | 9,833 | 8,533 |
| 2. | Tax reserves | [17] | 2,857 | 0 |
| 3. | Other provisions | [17] | 5,388 | 10,864 |
| | | | 18,078 | 19,398 |
| C. LIABILITIES | | | | |
| 1. | Trade accounts payable | | 2,288 | 626 |
| 2. | Liabilities due to affiliated companies | | 2,246 | 1,552 |
| 3. | Other liabilities | | | |
| | of which € 5,039 thsd from taxes (previous year: € 71 thsd) | [18] | 7,964 | 4,288 |
| | | | 12,498 | 6,466 |
| | | | 455,664 | 453,451 |

Notes to the financial statements of 2009

General information

General information on the company

The registered office of MLP AG is located at Alte Heerstr. 40, 69168 Wiesloch, Germany. It is entered in the Mannheim Commercial Register under the number HRB 332697.

Accounting policies, estimates and assumptions

In preparing the annual financial statements, it is necessary to make estimates and assumptions which may affect the carrying amounts of the assets, liabilities and financial liabilities as at the balance sheet date as well as income and expenses for the year under review.

General information

The present financial statements have been prepared in line with §§ 242 et seq., 264 et seq. of the German Commercial Code (HGB) and the applicable regulations of the German Stock Corporation Act. The company is a large stock corporation pursuant to § 267 (3) of the German Commercial Code (HGB).

The same valuation methods were used as for the previous year.

On April 18, 2007 and in accordance with § 291 of the German Stock Corporation Act (AktG) a profit/loss transfer agreement was concluded between MLP AG and MLP Finanzdienstleistungen AG (formerly MLP Bank AG). The consent of the Annual General Meetings of MLP AG and MLP Bank AG was given on May 31, 2007 and May 2, 2007. The entry in the commercial register relevant for MLP Finanzdienstleistungen AG took place on June 13, 2007.

The balance sheet is prepared in accordance with the system of classification set forth in § 266 of the German Commercial Code (HGB).

The profit & loss account is prepared in accordance with the nature of expense method outlined under § 275 (2) of the German Commercial Code (HGB), supplemented by § 277 (3) of the German Commercial Code (HGB) for income from profit and loss transfer agreements.

Foreign currency assets and liabilities are valued at the rate of exchange in place on the day they occur or the less favourable exchange rate on the balance sheet date.

The values entered in the tables are generally given in thousands of euros (€'000). Any deviation from this style is noted directly in the relevant tables. Both single and cumulative

figures are values with the smallest rounding difference. As a result, differences to reported total amounts may arise when the individual values shown are added up.

Disclosure of the accounting policies for the individual balance sheet items

Intangible assets and tangible assets are stated at historical cost, less amortisation charges.

In each instance, acquisition costs include the portion of sales tax incurred on additions and invoiced but not eligible for input tax deduction.

In line with the average useful lives established under tax regulations, assets are written down on a straight-line basis over the following periods:

| Intangible assets | |
|---|------------------|
| Concessions, industrial property rights and similar rights and assets, incl. licences on such rights and assets | 5 years |
| Fixed assets | |
| Land, land rights and buildings including buildings on third-party land | |
| Administration buildings | 25 - 33 years |
| Land improvements | 15 - 25 years |
| Other fixtures, fittings and office equipment | |
| Furniture and fittings | 10 - 25 years |
| IT hardware / IT cabling | 3 - 13 years |
| Office equipment / office machines | 8, 10 - 13 years |

The additions to the movable assets are depreciated pro rata temporis. Disposals of movable assets are also written down pro rata temporis until their disposal.

Movable tangible fixed assets with acquisition costs of between € 150 and € 1,000 net are depreciated evenly over 5 years at 20% per year according to the new regulations specified in § 6 of the German Income Tax Act (EStG), altered in the course of the 2008 corporate tax reform, for immediate write off of low value items regardless of impairment losses, sale or withdrawal of assets. The low-value assets procured in connection with the furnishing and fitting of the administration building in Wiesloch in 2001 are depreciated over their expected useful life. The depreciation takes place pro rata temporis.

Financial assets are stated at acquisition costs or lower fair values.

Receivables and other assets are stated at face value or at the present value. Risk-carrying items are impaired where required.

The other securities carried under current assets are valued according to the principle of lower of cost or market pursuant to § 253 (4) of the German Commercial Code (HGB).

Cash and cash equivalents are stated at face value.

Pension provisions set aside to meet liabilities under the occupational pension scheme are calculated on the basis of the going-concern value as defined in § 6a of the German Income Tax Act (EStG), calculated using actuarial methods and an actuarial interest rate of 6%, and on the basis of the mortality chart 2005G by Dr. Klaus Heubeck.

Tax reserves and other provisions take into account all uncertain liabilities and impending losses from pending transactions. They are set at a level dictated by prudent business judgement.

The liabilities are stated at the settlement value.

Notes to the profit & loss account

[1] Other operating income

All figures in €'000

| | 2009 | 2008 |
|---|---------------|---------------|
| Konzernumlagen | 1,866 | 1,945 |
| Mieterträge und Nebenkosten | 9,881 | 10,843 |
| Gewinne aus dem Abgang von Wertpapieren | 1,530 | 94 |
| Erträge aus der Auflösung von Rückstellungen | 5,676 | 1,562 |
| Erträge aus der Rückdeckung von Pensionsverpflichtungen | 1,697 | 1,011 |
| Sonstige | 3,227 | 4,235 |
| | 23,878 | 19,691 |

The item 'Other' includes revenue from a subsequent profit component affecting MLP Lebensversicherung AG in the previous year. In 2009, this item contains income from the capitalisation of a VAT receivable due to an audit for the years 2004 to 2006.

[2] Personnel expenses

All figures in €'000

| | 2009 | 2008 |
|--------------------------------|--------------|--------------|
| Salaries and wages | 3,662 | 3,380 |
| Social security contributions | 101 | 98 |
| Expenses for old-age provision | 747 | 749 |
| | 4,511 | 4,228 |

The average number of full-time employees for the financial year 2009, determined according to § 267 (5) of the German Commercial Code (HGB), was 11 (previous year: 10).

[3] Depreciation/amortisation

All figures in €'000

| | 2009 | 2008 |
|---|--------------|--------------|
| Intangible assets | 13 | 13 |
| Land, leasehold rights and buildings, including buildings on third-party land | 3,231 | 3,214 |
| Other fixtures, fittings and office equipment | 1,621 | 1,671 |
| | 4,864 | 4,898 |

[4] Other operating expenses

All figures in €'000

| | 2009 | 2008 |
|---|---------------|---------------|
| Cost of premises | 2,366 | 2,284 |
| Communication costs | 413 | 498 |
| Representation / entertainment expenses | 1,233 | 1,342 |
| IT costs | 972 | 901 |
| Consultancy costs and lawyers' fees | 4,525 | 4,134 |
| Company restaurant | 397 | 401 |
| Group allocations | 1,903 | 2,014 |
| Other | 4,473 | 6,220 |
| | 16,282 | 17,795 |

In the previous year, the item 'Other' contained a provision for accruals for risks from the completed audit.

Auditor's fees

Expenses for fees in connection with the services of companies commissioned to perform the annual audit can be found in the corresponding disclosures in the notes to the consolidated financial statements.

[5] Finance cost

Income from investments concerns the profit distribution of Feri Finance AG for the financial year 2008. As a result of the profit/loss transfer agreement in place between MLP AG and MLP Finanzdienstleistungen AG, profits of € 41,847 thsd (previous year: € 46,750 thsd) had to be transferred in the last financial year.

Other interest and similar income includes € 1,335 thsd (previous year: € 1,141 thsd) from the reversal of the reserve for interest rate swaps. The amounts included from affiliated companies essentially come from the return on clearing accounts. This item also includes interest income from fixed-term deposits and interest on tax credits from the completed field tax audit.

Write-down of marketable securities contained € 18,184 thsd in the previous year, resulting from the write-down of treasury stock.

Interest and similar expenses essentially affect the payment obligations from the interest rate swaps. In addition to this, interest charges of € 1,496 thsd were disclosed due to tax liabilities resulting from the completed field tax audit.

[6] Income tax expense

A consolidated tax group for both corporate and trade tax purposes is in place between MLP AG (as the dominant enterprise), MLP Finanzdienstleistungen AG, TPC THE PENSION CONSULTANCY GmbH, ZSH GmbH Finanzdienstleistungen and MLP Media GmbH. Tax expenses, insofar as they fall upon the consolidated tax group in the time period, are therefore only determined and disclosed at the level of the dominant enterprise. Taxes that fall in time periods prior to the existence of the consolidated tax group are disclosed at the level of the respective company.

In 2006, a corporation tax credit of € 5,020 thsd had to be capitalised due to legal requirements. The corporation tax credit is to be repaid over a period of ten years, starting in 2008, with the remaining credit being discounted annually using a no-risk interest rate suitable to the deadline. As at December 31, 2009, the discounted corporation tax credit following the proportional payment of 2/10 comes to € 3,612 thsd.

Notes to the balance sheet

Fixed assets

[7] Notes to the statement of changes in assets

The development of the fixed assets and the depreciation/amortisation in the financial year 2009 are shown under note 23.

[8] Shares in affiliated companies

In the financial year 2009, the ZSH Group, consisting of ZSH Vermittlung von Versicherungen und Vermögensanlagen GmbH & Co. KG, ZSH GmbH Finanzdienstleistungen and ZSH Vermittlung von Versicherungen und Vermögensanlagen Verwaltungs GmbH were acquired by MLP Finanzdienstleistungen AG. ZSH Vermittlung von Versicherungen und Vermögensanlagen GmbH & Co. KG was changed to ZSH Holding GmbH, with which ZSH Vermittlung von Versicherungen und Vermögensanlagen Verwaltungs GmbH and ZSH GmbH Finanzdienstleistungen were then merged. ZSH Holding GmbH was then renamed ZSH GmbH Finanzdienstleistungen.

The three subsidiaries of MLP Finanzdienstleistungen AG, namely MLP Private Finance plc. based in London, UK, MLP Private Finance Correduria de Seguros S.A. based in Madrid, Spain, and MLP Private Finance AG based in Zurich, Switzerland, are in receivership as at the balance sheet date.

MLP Finanzdienstleistungen AG, Vienna, Austria, was sold to AFSH GmbH, Vienna, Austria on December 31, 2009.

Events after the balance sheet date:

The activities of the dependent enterprise in the Netherlands were sold to NBG B.V., Valkenswaard, Netherlands, on January 15, 2010 within the scope of an asset deal.

[9] Receivables from affiliated companies

The change in the item "Receivables from affiliated companies" is mainly attributable to the profit/loss transfer agreement in place between MLP AG and MLP Finanzdienstleistungen AG.

[10] Other assets

The other assets include income tax refund claims of € 32,223 thsd (previous year: € 25,193 thsd). These include the corporation tax credit of € 3,612 thsd (previous year: € 4,507 thsd), which had to be capitalised in 2006 due to legal regulations. The change is attributable to the repayment of the credit balance, which is spread evenly over 10 years and was started in 2008. The entitlements from the reinsurance of pension obligations for Executive Board members are also disclosed here.

[11] Treasury stock

At the Annual General Meeting on June 16, 2009, the shareholders in MLP AG once again authorised the Executive Board to acquire shares in the company to the value of up to 10% of the share capital in place at the date of the resolution, i.e. up to a total of 10,786,114 shares, by December 15, 2010. This replaced the authorisation given at the Annual General Meeting in 2008. No use has yet been made of this authorisation.

[12] Other securities

The item "Other securities" includes fixed income securities amounting to € 2,982 thsd (previous year: € 2,982 thsd) and investment funds of € 13,900 thsd (previous year: € 23,287 thsd). Write-downs of € 312 thsd (previous year: € 156 thsd) were applied to this.

[13] Share capital

The share capital consists of 107,877,738 (December 31, 2008: 107,861,141) ordinary shares of MLP AG. The change can be attributed exclusively to the exercise of conversion rights. 16,597 new ordinary shares were issued due to this in the financial year 2009 up to December 31, 2009. 258,665 new ordinary shares had previously been issued by exchanging convertible debentures.

Authorised capital

A resolution passed by the Annual General Meeting on May 31, 2006 authorised the Executive Board, with the consent of the Supervisory Board, to increase the company's share capital by issuing new ordinary bearer shares on one or more occasions by up to € 21,000,000 in

exchange for cash or non-cash contributions. Due to the increase in share capital of € 9,799,152 passed by the Executive Board on August 21, 2008 and approved by the Supervisory Board on the same day and also due to the amendment resolution of the Supervisory Board again dated August 21, 2008, authorised capital now totals € 11,200,848.

Conditional capital

The Annual General Meeting of MLP AG on May 28, 2002 conditionally increased the share capital of the company by up to € 1,700,000 by issuing a total of up to 1,700,000 new ordinary bearer shares, each with a proportional value of the share capital of € 1 per share. The conditional capital increase grants conversion rights to the owners of convertible debentures which are issued by the company on account of the authorisation resolution passed. The shares are issued to the owners of convertible debentures by the method for determining the conversion price defined in the authorisation resolution of the Annual General Meeting on May 28, 2002.

The conditional capital increase will only be carried out insofar as the owners of convertible debentures, issued by the company on account of the authorisation granted to the Executive Board by the resolution of the Annual General Meeting on May 28, 2002 exercise their right to conversion.

Within the scope of the MLP Incentive Programme, the company issued non-interest-bearing convertible debentures made out to the bearer within in the years 2002 until 2005. They incorporate the right to purchase MLP AG shares and were issued to members of the Executive Board, members of the management and the staff of MLP AG, as well as for MLP consultants acting as self-employed commercial agents and employees of affiliated companies pursuant to § 15 et seq. of the German Stock Corporation Act (AktG).

The convertible debentures rank *pari passu* with the partial debentures made out to the bearer with a face value of € 1 each and have a maximum maturity of six years (of which three years is a qualifying period and three years an exercise period).

The conversion right may only be exercised if, at any time during the qualifying period, the closing price of the MLP AG shares in the XETRA trade (or a comparable successor system replacing the XETRA system at the Frankfurt/Main Stock Exchange) amounts to 130% of the basis price (exercise hurdle). The basic price corresponds to the arithmetic mean of the closing price of the MLP AG shares in the Xetra trade over the last five trading days preceding the MLP AG Executive Board's resolution concerning exercising the authority to issue convertible debentures to qualifying persons.

The bearers of the convertible debentures are entitled to exercise their right to conversion during the respective exercise period. When the right is exercised, each partial debenture with a face value of € 1 is exchanged for a new ordinary share of MLP AG after payment of the conversion price (see also note 14).

From 2002 to 2005 a total of € 1,651,188 or number of convertible debentures were allocated. Since the exercise hurdle (€ 39.28) for the allocation of the first tranche of convertible debentures from 2002 was not reached by August 19, 2005, the convertible debentures of the first tranche could no longer be converted. The nominal amount was refunded to the beneficiaries.

The exercise period of the second tranche from 2003 ended on August 4, 2009. Some 202,686 conversion rights were exercised up to this cut-off date. The nominal amount of non-converted debentures (39,829 units or €) were paid back to those entitled.

Of the subscribed convertible debentures, € 957 thsd (previous year: € 1,059 thsd) were outstanding on the balance sheet date. Convertible debentures of € 86 thsd (previous year: € 84 thsd) were repaid during 2009. The exercise of conversion rights led to an increase in share capital of € 16,597 as at December 31, 2009.

By the end of the financial year 2009, a total of 258,665 conversion rights had been exercised. As a result, conditional capital decreased to € 1,441,335 (previous year: € 1,457,932).

The following table shows details of the programme:

| | tranche | | |
|--|-------------------------|--------------|--------------|
| | 2003 | 2004 | 2005 |
| Exercise period | | | |
| Start | Aug 5.,2006 | Aug 17, 2007 | Aug 16, 2008 |
| End | Aug 4, 2009 | Aug 16, 2010 | Aug 15, 2011 |
| Exercise prices (€) | (Exercise period ended) | | |
| | 7.02 | 12.40 | 13.01 |
| Subscribed convertible debentures | 281,040 | 677,042 | 577,806 |
| Exercising of conversion rights: (€ or units) | | | |
| total | 202,686 | 30,961 | 25,018 |
| * thereof in 2009 | 16,573 | 24 | 0 |
| Paid back (€ or units) | | | |
| total | 78,354 | 155,498 | 86,234 |
| * thereof in 2009 | 41,257 | 20,281 | 23,993 |
| convertible debentures at Dec 31, 2009 (€ or units) | 0 | 490,583 | 466,554 |

[14] Capital reserves

All figures in €'000

| | 2009 | 2008 |
|---------------------|----------------|----------------|
| | As at Jan 1 | 134,425 |
| Allocation | 100 | 125,515 |
| As at Dec 31 | 134,525 | 134,425 |

Due to convertible debentures exercised in 2009, capital reserves increased by € 100,043 (previous year: € 730,036). The addition is the difference between the basic price (see note 13) and nominal amount of the second tranche (€ 7.02 – € 1) and third tranche (€ 12.40 – € 1) of conversion rights. In the previous year, capital reserves continued to be influenced by the redemption of shares and an increase in capital stock.

[15] Retained earnings

Other retained earnings

Other retained earnings have changed as follows:

All figures in €'000

| | 2009 | 2008 |
|------------------------------------|----------------|----------------|
| | As at Jan 1 | 152,003 |
| Transfer/withdrawal treasury stock | 0 | 6,729 |
| withdrawal for dividend payout | 0 | -10,741 |
| Transfer from net profit | 0 | 0 |
| As at Dec 31 | 152,003 | 152,003 |

[16] Unappropriated profit

The unappropriated profit developed as follows due to the net profit in 2009:

All figures in €'000

| | 2009 | 2008 |
|---|-----------------------------------|---------------|
| | Unappropriated profit as at Jan 1 | 30,201 |
| Dividend payout | -30,201 | -48,996 |
| Withdrawal from retained earnings | 0 | 17,471 |
| Transfer to retained earnings | 0 | -6,729 |
| Net profit | 27,584 | 19,460 |
| Unappropriated profit as at Dec 31 | 27,584 | 30,201 |

[17] Provisions

Tax reserves in the last financial year were € 2,857 thsd (previous year: € 0 thsd). They contained expected payment obligations within the context of the field tax audit completed.

Other provisions consist mainly of those for impending losses from pending transactions amounting to € 2,107 thsd (previous year: € 3,442 thsd), as well as provisions for outstanding invoices of € 1,732 thsd (previous year: € 112 thsd).

The impending losses from pending transactions are the result of interest rate swaps. MLP AG holds two payer swaps, set up in August 1999 to secure financing of individual construction phases of the Wiesloch building project. Following the complete repayment of the loan in 2005 and the hedge accounting associated with this, two reverse swaps with identical amounts and terms were concluded to eliminate the interest risk caused (see also note 21).

[18] Other liabilities

Alongside bonus payments for members of the Executive Board, the item "Other liabilities" also includes interest deferrals resulting from the interest rate swaps. In addition, it includes convertible debentures of € 957 thsd (previous year: € 1,059 thsd). The structure of the programme is explained under note 13. As a result of the completed tax audit, corporation tax and trade tax liabilities of € 2,851 and € 2,110 thsd respectively are disclosed.

Composition of liabilities as at December 31, 2009

All figures in €'000

| Liability type | | With a remaining term of | | |
|---|--------|--------------------------|--------------|-------------------|
| | | up to 1 year | 1 to 5 years | more than 5 years |
| Trade accounts payable ¹⁾ | 2,288 | 2,288 | 0 | 0 |
| Liabilities due to affiliated companies ²⁾ | 2,246 | 2,246 | 0 | 0 |
| Other liabilities | 7,964 | 7,964 | 0 | 0 |
| | 12,498 | 12,498 | 0 | 0 |

¹⁾ The standard retentions of title clauses have been asserted

²⁾ Receivable from and liabilities due to affiliated companies are summed for each company and stated in a single figure as receivables or liabilities

Composition of liabilities as at December 31, 2008

All figures in €'000

| Liability type | | With a remaining term of | | |
|---|--------------|--------------------------|--------------|-------------------|
| | | up to 1 year | 1 to 5 years | more than 5 years |
| Trade accounts payable ¹⁾ | 626 | 626 | 0 | 0 |
| Liabilities due to affiliated companies ²⁾ | 1,552 | 1,552 | 0 | 0 |
| Other liabilities | 4,288 | 4,288 | 0 | 0 |
| | 6,466 | 6,466 | 0 | 0 |

¹⁾ The standard retentions of title clauses have been asserted

²⁾ Receivable from and liabilities due to affiliated companies are summed for each company and stated in a single figure as receivables or liabilities

[19] Other financial liabilities not recognised in the balance sheet

On the balance sheet date, other financial commitments were as follows:

All figures in €'000

| | 2010 | 2011 | > 2011 | Total |
|----------------------|------------|-----------|-----------|------------|
| Purchase commitments | 196 | 0 | 0 | 196 |
| Car leasing | 98 | 75 | 53 | 225 |
| Other rents | 6 | 6 | 7 | 19 |
| | 300 | 81 | 60 | 440 |

As the purchaser of 56.586% of the shares in Feri Finance AG, MLP AG was granted the right (call option) to purchase the remaining stake of 43.414% in Feri Finance AG. MLP exercised the call option on October 29, 2007. The purchase price (fixed purchase price component) to be paid by MLP AG for the remaining 43.414% stake is € 47.8 million and is due on the date of the actual transfer of the shares in April 2011.

Depending on the future economic development of Feri Finance AG and the development of funds under management at MLP, the fixed purchase price component may rise due to a variable purchase price component of up to € 98.0 million. MLP adjusted the valuation of this variable component of the purchase price to € 0 thsd as at December 31, 2009. The variable purchase price component is due at the earliest on the date of actual transfer of the shares in April 2011.

Observations were made within the scope of the tax audit for the years 2002 to 2006, which could potentially lead to additional income tax payments. For issues totalling € 8.5 million, MLP considers it highly unlikely that any payments will have to be made, if necessary after taking any legal action.

There were no other financial liabilities than those disclosed above.

[20] Guarantees and other commitments

The purchase contract signed between MLP AG and Gothaer Allgemeine Versicherung AG, Cologne, Germany, on the sale of MLP Versicherung AG contains a purchase price adjustment clause which, in the worst case, allows for a maximum reduction in the purchase price of € 7.25 million in 2010. Given the current situation, we do not expect any repayment.

As at the balance sheet date, MLP AG and MLP Finanzdienstleistungen AG were jointly and severally liable for the € 10,000 thsd line of credit granted to both companies. As at December 31, 2009, this line of credit had not yet been drawn on.

Service contracts have been and are being concluded between HP Finanz Service GmbH and the various individual companies of the MLP Group as recipients of services. In accordance with the declaration of liability of August 2, 2006 between MLP AG and HP Finanz Service GmbH, Böblingen, Germany, MLP AG is liable for all obligations of the recipients of services arising from the service contracts (cumulative assumption of debt). MLP AG is liable irrespective of whether the individual companies of the MLP Group and other holdings subject to applicable corporate law continue to exist.

There is a declaration of indemnification in accordance with §5 (10) of the statute of the depositor's guarantee fund of the Association of German Banks e. V. (BdB) in favour of MLP Finanzdienstleistungen AG.

MLP AG is jointly and severally liable for the obligations arising from the purchase contract agreed between MLP Private Finance Limited and Towry Law. Under the current conditions, the maximum risk amounts to GBP 1 million.

MLP AG is not liable in any situation other than those outlined above.

[21] Reporting for derivative financial instruments in accordance with § 285 No. 18 of the German Commercial Code (HGB)

Due to the lack of a commercial-law definition of the term "financial instrument", International Financial Reporting Standards (IFRS) were applied mutatis mutandis.

According to IAS 32.11 (2008), a financial instrument is a contract that simultaneously gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. According to IAS 39.9 (2008), a derivative financial instrument is a financial instrument whose

value changes in response to the change in a given interest rate, security price, commodity price, price or interest rate index, credit rating or credit index, or similar variable (also termed "underlying") that requires no initial investment, or one that is smaller than would be required for a contract with similar response to changes in market factors and that is settled at a future date.

The key data of the derivative financial instruments as at December 31, 2009 is as follows:

| | 1st contract | 2nd contract | 3rd contract | 4th contract |
|----------------------|--------------------|--------------------|---------------------|---------------------|
| Date of transaction | Aug 12, 1999 | Aug 12, 1999 | Jan 18, 2005 | Jan 18, 2005 |
| Start of term | Jan 15, 2001 | Jul 16, 2001 | Jan 20, 2005 | Jan 20, 2005 |
| End of term | Jan 17, 2011 | Jan 17, 2011 | Jan 17, 2011 | Jan 15, 2011 |
| Nominal amount (€) | 30,000,000 | 20,000,000 | 20,000,000 | 30,000,000 |
| Interest rate MLP AG | Fixed rate payer | Fixed rate payer | Variable rate payer | Variable rate payer |
| Fixed interest | 5.90 % | 6.00 % | 3.11 % | 3.13 % |
| Variable rate | EURIBOR – 6 months | EURIBOR – 6 months | EURIBOR – 6 months | EURIBOR – 6 months |
| Settlement | half-yearly | half-yearly | half-yearly | half-yearly |

Accounting treatment and measurement

Derivative financial instruments are measured at cost on initial recognition. They are subsequently measured at the lower of cost or fair value. Fair value (market value) is calculated using the present value method on the basis of the current swap rates.

Recognition

In accordance with the principles of commercial law, swaps are recognised in the balance sheet under "Other provisions" if the fair value is negative.

Gains or losses from measurement at fair value are recorded under the finance cost. The fair value of the interest rate swaps amounts to € -2,107 thsd on the balance sheet date (previous year: € -3,442 thsd).

Notes on the cash flow statement

[22]

The following cash flow statement, which discloses net financial assets as cash and cash equivalents, is intended to help readers understand the company's financial position. It is prepared in accordance with the provisions of DRS 2 (German Accounting Standards).

Income tax payments amounted to € 17,011 thsd in the financial year (previous year € 30,613 thsd). Interest paid amounted to € 2,319 thsd in the financial year (previous year € 1,417 thsd).

Cash holdings include cash and cash equivalents with a remaining term of no more than three months.

Capital expenditure on financial assets concerns fixed-term deposits with a term of more than three months. As they can be released prematurely at any time, these are disclosed in the balance sheet under liquid funds.

Cash flow statement

All figures in €'000

| | 2009 | 2008 |
|--|----------------|-----------------|
| Changes in net financial assets from operating activities | | |
| Net profit | 27,584 | 19,460 |
| Plus (minus) expenses (income), which do not decrease (increase) net financial assets | | |
| Amortisation of intangible assets | 13 | 13 |
| Write-ups/downs of financial assets | -935 | 0 |
| Depreciation of marketable securities | 312 | 156 |
| Depreciation of tangible fixed assets | 4,852 | 4,885 |
| Write-down of treasury stock | 0 | 18,184 |
| Allocation to pension provisions (net) | 1,300 | 630 |
| Gains from the disposal of non-current assets | -7 | 0 |
| Losses from the disposal of non-current assets | 1 | 0 |
| Gains from the disposal of marketable securities | -1,530 | -94 |
| Losses from the disposal of marketable securities | 63 | 727 |
| Losses from the disposal of shares in affiliated companies | 0 | 0 |
| | 4,068 | 24,502 |
| Plus (minus) decreases (increases) in short-term assets excluding cash holdings | | |
| Receivable from affiliated companies | 9,510 | 47,928 |
| Other assets | -8,888 | -13,955 |
| Prepaid expenses | 2 | -3 |
| | 624 | 33,969 |
| Plus (minus) increases (decreases) in short-term liabilities | | |
| Tax reserves | 2,857 | -19 |
| Other provisions | -5,476 | -3,007 |
| Trade accounts payable | 1,662 | -643 |
| Liabilities due to affiliated companies | 694 | 240 |
| Other liabilities | 3,794 | -8,396 |
| | 3,531 | -11,825 |
| Cash flow from operating activities | 35,807 | 66,106 |
| Changes in net financial assets from investing activities | | |
| Capital expenditure on intangible assets | 0 | 0 |
| Capital expenditure on tangible fixed assets | -213 | -1,003 |
| Capital expenditure on financial assets | -60,000 | -105,000 |
| Proceeds from the disposal of tangible fixed assets | 9 | 0 |
| Proceeds from the disposal of financial assets | 125,000 | 64 |
| Expenditure on the purchase of shares in affiliated companies | 0 | 0 |
| Proceeds from cash investments made in managing financial investments (marketable securities) | 34,034 | 2,364 |
| Expenditure on cash investments made in managing financial investments (marketable securities) | -18,593 | -22,348 |
| Cash flow from investing activities | 80,237 | -125,923 |
| Changes in net financial assets from financing activities | | |
| Dividend payout | -30,201 | -48,996 |
| Proceeds from transfer to equity | 100 | 124,493 |
| Payments for the acquisition of treasury stock | 0 | -11,455 |
| Repayment of loans | 0 | 0 |
| Payments received and repayments from convertible debentures | -102 | -155 |
| Change in capital reserve from discounting of convertible bonds | 0 | 0 |
| Cash flow from financing activities | -30,203 | 63,888 |
| Increase/decrease in net financial assets | 85,841 | 4,071 |
| Cash and cash equivalents at the end of the financial year | 105,348 | 19,507 |
| Cash and cash equivalents at the beginning of the financial year | 19,507 | 15,436 |
| Change in cash holdings | 85,841 | 4,071 |

Miscellaneous information

[23] Changes in assets in the financial year 2009

Procurement and manufacturing costs

All figures in €'000

| | 01.01.2009 | Addition | Cross entry | Disposals | 31.12.2009 |
|---|----------------|------------|-------------|-----------|----------------|
| I. Intangible assets | | | | | |
| Concessions, industrial property rights and similar rights and assets, incl. licenses on such rights and assets | 170 | 0 | 0 | 0 | 170 |
| | 170 | 0 | 0 | 0 | 170 |
| II. Tangible assets | | | | | |
| 1. Land, leasehold rights and buildings, incl. buildings on third-party land | 89,392 | 152 | 33 | 0 | 89,577 |
| 2. Other fixtures, fittings and office equipment | 22,067 | 61 | 0 | 11 | 22,117 |
| 3. Payments on account and assets under construction | 33 | 0 | -33 | 0 | 0 |
| | 111,492 | 213 | 0 | 11 | 111,694 |
| III. Financial investments | | | | | |
| Shares in affiliated companies | 149,801 | 0 | 0 | 0 | 149,801 |
| | 149,801 | 0 | 0 | 0 | 149,801 |
| | 261,462 | 213 | 0 | 11 | 261,664 |

Accumulated depreciation/amortisation

All figures in €'000

| | 01.01.2009 | Addition | Disposals | Appreciation | 31.12.2009 |
|---|---------------|--------------|-----------|--------------|---------------|
| I. Intangible assets | | | | | |
| Concessions, industrial property rights and similar rights and assets, incl. licenses on such rights and assets | 140 | 13 | 0 | 0 | 153 |
| | 140 | 13 | 0 | 0 | 153 |
| II. Tangible assets | | | | | |
| 1. Land, leasehold rights and buildings, incl. buildings on third-party land | 28,268 | 3,231 | 0 | 0 | 31,499 |
| 2. Other fixtures, fittings and office equipment | 12,308 | 1,621 | 10 | 0 | 13,919 |
| 3. Payments on account and assets under construction | 0 | 0 | 0 | 0 | 0 |
| | 40,575 | 4,852 | 10 | 0 | 45,418 |
| III. Financial investments | | | | | |
| Shares in affiliated companies | 1,989 | 0 | 0 | 935 | 1,054 |
| | 1,989 | 0 | 0 | 935 | 1,054 |
| | 42,705 | 4,864 | 10 | 935 | 46,624 |

Carrying amounts

All figures in €'000

| | 31.12.2009 | 31.12.2008 |
|---|----------------|----------------|
| I. Intangible assets | | |
| Concessions, industrial property rights and similar rights and assets, incl. licenses on such rights and assets | 16 | 29 |
| | 16 | 29 |
| II. Tangible assets | | |
| 1. Land, leasehold rights and buildings, incl. buildings on third-party land | 58,078 | 61,124 |
| 2. Other fixtures, fittings and office equipment | 8,198 | 9,759 |
| 3. Payments on account and assets under construction | 0 | 33 |
| | 66,276 | 70,916 |
| III. Financial investments | | |
| Shares in affiliated companies | 148,747 | 147,812 |
| | 148,747 | 147,812 |
| | 215,039 | 218,757 |

[24] Executive bodies of MLP AG

Executive Board

| | Mandates in statutory Supervisory Boards of companies based in Germany | Memberships in comparable domestic and foreign control bodies of commercial enterprises |
|--|--|---|
| <u>Dr. Uwe Schroeder-Wildberg, Heidelberg</u> Chairman | | |
| responsible for | - Feri Finance AG, Bad Homburg v.d.H. (Chairman) | - MLP Finanzdienstleistungen AG, Vienna (Chairman of the Supervisory Board) - (until December 31, 2009) |
| - Planning and Strategy, Human Resources, Communication, Legal Affairs, Audit, Marketing, Controlling, Risk Management, Accounting, Taxes, Treasury and General Administration | - Reutax AG, Heidelberg (until November 3, 2009) | |
| <u>Gerhard Frieg, Heidelberg</u> | | |
| responsible for | - Feri Finance AG, Bad Homburg v.d.H | - MLP Hyp GmbH, Schwetzingen |
| - Product management and purchasing | | |
| <u>Muhyddin Suleiman, Rauenberg</u> | | |
| responsible for | - Feri Finance AG, Bad Homburg v.d.H | |
| - Sales | | |
| <u>Ralf Schmid, Gaiberg</u> | | |
| responsible for | | |
| - Operations (Information Technology (IT), IT Business Services, Quality Management Group, Business Organisation Group) (since March 1, 2009) | | |

Supervisory Board

| | Mandates in statutory Supervisory Boards of companies based in Germany | Memberships in comparable domestic and foreign control bodies of commercial enterprises |
|---|---|---|
| Dr. Peter Lütke-Bornefeld, Everswinkel, Chairman of the Board of Kölnische Rückversicherungs-Gesellschaft AG (until March 31, 2009) <u>Chairman</u> | <ul style="list-style-type: none"> - VPV Lebensversicherungs-AG, Stuttgart - Kölnische Rückversicherungs-Gesellschaft AG (since April 1, 2009) - MLP Finanzdienstleistungen AG, Wiesloch (Chairman since March 11, 2009) | <p><i>Group companies:</i></p> <ul style="list-style-type: none"> - GeneralCologne Re Capital GmbH, Cologne <p><i>Others:</i></p> <ul style="list-style-type: none"> - Faraday Holdings Ltd, London, UK |
| Dr. h. c. Manfred Lautenschläger, Gaiberg <u>Vice Chairman</u> | <ul style="list-style-type: none"> - MLP Finanzdienstleistungen AG, Wiesloch (Chairman until March 10, 2009) | <ul style="list-style-type: none"> - University Hospital Heidelberg, Heidelberg (Supervisory Board) |
| Dr. Claus-Michael Dill, Berlin <u></u> | <ul style="list-style-type: none"> - Kölnische Rückversicherungs-Gesellschaft AG, Cologne (Chairman) - TÜV Rheinland Holding AG, Cologne (Chairman) - Damp Holding AG, Damp (since February 12, 2009) | <ul style="list-style-type: none"> - TÜV Rheinland Berlin Brandenburg Pfalz e. V., Cologne (Governing Board) - Golding Capital Partners, Munich (Advisory Board) - WestLB, Dusseldorf (Economic Advisory Board) - HUK Coburg AG, Coburg (Group Advisory Board) - Gothaer Versicherungen AG, Cologne (Social Policy Advisory Board) |
| Johannes Maret, Burgbrohl <u></u> | | <ul style="list-style-type: none"> - Gebrüder Rhodius KG, Burgbohl (Chairman of the Advisory Board) - The Triton Fund, Jersey, Great Britain (Investment Committee Member) - (Investment Committee Member) - Xchanging plc., London, Great Britain (Non Executive Director) - Basler Fashion Holding GmbH, Goldbach (Chairman of the Advisory Board) - BEX Beteiligungs GmbH, Bad Oeynhausen (Chairman of the Advisory Board) |
| Maria Bähr, Sandhausen, Employees' representative, Departmental head at MLP Finanzdienstleistungen AG <u></u> | | |
| Norbert Kohler, Hockenheim, Employees' representative, Team leader at MLP Finanzdienstleistungen AG <u></u> | | |

[25] Emoluments paid to members of the Supervisory Board and Executive Board

For the detailed structuring of the remuneration system and the remuneration of the Executive Board and Supervisory Board, please refer to the remuneration report in the "Corporate Governance" chapter. The remuneration report is part of the management report.

Executive Board

The total remuneration for members of the Executive Board was € 2,280 thsd (previous year: € 1,939 thsd). € 1,606 thsd (previous year: € 1,291 thsd) of this makes up the fixed portion of remuneration and € 674 thsd is the variable portion of remuneration (previous year: € 648 thsd).

As at December 31, 2009, pension provisions totalling € 6,871 thsd (previous year: € 6,677 thsd) were in place for former members of the Executive Board.

Executive Board members active at December 31, 2009 hold convertible debentures issued by the company. See the following table for the number and values of convertible debentures:

All figures in €'000

| | Convertible debentures | | |
|----------------------------|------------------------|--------------------|--------------------|
| | Tranche 2004 | Units | |
| | Value at grant date | as at Dec 31, 2009 | as at Dec 31, 2008 |
| Dr. Uwe Schroeder-Wildberg | 49 | 12,300 | 12,300 |
| Gerhard Frieg | 40 | 10,000 | 10,000 |
| Muhyddin Suleiman | 40 | 10,000 | 10,000 |
| Total | 130 | 32,300 | 32,300 |

Within the scope of the Long-Term Incentive Programme, the members of the Executive Board received performance shares (phantom shares) in the years 2005 to 2009. Refer to the following table for the number and values of the phantom shares, insofar as these have not been paid out or have expired:

All figures in €'000 or units

| | tranche 2007 | tranche 2008 | tranche 2009 |
|----------------------------|----------------|----------------|----------------|
| Fair value at grant date | € 9.33 | € 9.92 | € 7.59 |
| Dr. Uwe Schroeder-Wildberg | 53,591 | 50,403 | 65,876 |
| Gerhard Frieg | 32,154 | 36,290 | 39,526 |
| Ralf Schmid* | - | - | 32,938 |
| Muhyddin Suleiman | 31,154 | 36,290 | 39,526 |
| Total | 117,899 | 122,983 | 177,866 |

*Member of the Executive Board since March 1, 2009

The costs included in the profit loss account arising from the Long Term Incentive Programme for Executive Board members during the financial year 2009 are € 328 thsd (previous year: € 0 thsd).

Supervisory Board

The members of the Supervisory Board received non-performance-related remuneration of € 333 thsd (previous year: € 333 thsd) for their work in 2009. In addition, € 21 thsd (previous year: € 4 thsd) was used as compensation for expenses.

[26] Shareholders on the balance sheet date

| | Ordinary shares | | Proportion of the share capital | |
|--|--------------------|--------------------|---------------------------------|---------------|
| | 2009 | 2008 | 2009 | 2008 |
| | No. of shares | No. of shares | % | % |
| Dr. h. c. Manfred Lautenschläger | 25,205,534 | 25,205,534 | 23.36 | 23.37 |
| Other members of the Supervisory Board | 41,597 | 42,597 | 0.04 | 0.04 |
| Executive Board | 181,463 | 181,463 | 0.17 | 0.17 |
| Other shareholders | 82,449,144 | 82,431,547 | 76.43 | 76.42 |
| | 107,877,738 | 107,861,141 | 100.00 | 100.00 |

[27] Declaration of compliance with the German Corporate Governance Code

The Executive and Supervisory Boards issued a Declaration of Compliance with the German Corporate Governance Code pursuant to § 161 of the German Stock Corporation Act (AktG) and made it permanently available to the shareholders via its website, www.mlp.de.

[28] Disclosures pursuant to §§ 21 (1), 22 German Securities Trading Act (WpHG)

Manfred Lautenschläger, Germany notified us in accordance with Article 21, Section 1 of the German Securities Trading Act (WpHG) that on August 22, 2008 his holding of voting rights in MLP AG, Wiesloch, Germany fell below the threshold of 25% and totalled 23.38% (corresponding to 25,205,534 voting rights). Of these, 20.98% (22,618,932 voting rights) of Angelika Lautenschläger Beteiligungen Verwaltungs GmbH are attributable to him in accordance with Article 22, Section 1, Sentence 1, No.1 WpHG.

Angelika Lautenschläger Beteiligungen Verwaltungs GmbH, Gaiberg, Germany, has notified us in accordance with Article 21, Section 1, WpHG that on April 21, 2008 its holding of voting rights in MLP AG, Wiesloch, Germany, exceeded the thresholds of 15% and 20%, and on this date amounted to 23.08% (22,618,932 voting rights).

M.L. Stiftung gGmbH, Gaiberg, Germany informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany exceeded the threshold of 3% on December 7, 2007, and amounted to 4.14% (4,500,000 votes) on this day. This share comprises 4.14% (4,500,000 votes) of Manfred Lautenschläger Stiftung gGmbH attributable to it in line with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG).

Mrs Angelika Lautenschläger, Germany, informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that her share of the voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3% and 5% on December 7, 2007, and amounted to 5.97% (6,500,000 votes) on this day. This share comprises 4.14% (4,500,000 votes) of M.L. Stiftung gGmbH attributable to her in line with §§ 22 (1) 1 sentence 1 no. 1, and 22 (1) sentence 2 of the

German Securities Trading Act (WpHG). 4.14% (4,500,000 votes) of the shares held by Manfred Lautenschläger Stiftung gGmbH are attributable to M.L. Stiftung gGmbH in line with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG).

Barmenia Krankenversicherung a.G., Wuppertal, Germany notified us in accordance with Article 21, Section 1 of WpHG that on December 21, 2009 its holding of voting rights in MLP AG, Wiesloch, Germany increased above the thresholds of 3% and 5% and totalled on that date 6.67% (corresponding to 7,197,664 voting rights) of the voting rights. Of these, 0.27% (corresponding to 290,000 voting rights) are attributable to Barmenia Krankenversicherung a.G. in accordance with Article 22, Section 1, Subsection 1, No. 1 of WpHG.

Barmenia Krankenversicherung a. G., Wuppertal, Germany has informed us in accordance with Article 25, Section 1 of WpHG that on December 15, 2009 through the aggregation of voting rights which it can unilaterally acquire by way of directly or indirectly held financial instruments, and from voting rights in accordance with Articles 21 and 22 of WpHG, its holding would have exceeded the thresholds of 3% and 5%, and, on that day, would amount to 6.67% (corresponding to 7,197,664 voting rights). Of these, its holding of voting rights acquirable through financial instruments amounts to 6.00% (6,472,664 voting rights) and its holding of voting rights according to Articles 21 and 22 of WpHG amounts to 0.67% (725,000 voting rights). The respective exercise date for the financial instruments is December 21, 2009.

Swiss Life Beteiligungs GmbH, Hanover, Germany notified us in accordance with Article 21, Section 1 of WpHG that on December 21, 2009 its holding of voting rights in MLP AG, Wiesloch, Germany fell below the thresholds of 15% and 10% and now totals 9.90% (corresponding to 10,679,892 voting rights).

Swiss Life Holding AG, Zurich, Switzerland notified us in accordance with Article 21, Section 1 of WpHG that on December 21, 2009 its holding of voting rights in MLP AG, Wiesloch, Germany fell below the thresholds of 15% and 10% and now totals 9.90% (corresponding to 10,679,892 voting rights). The voting rights are attributable to Swiss Life Holding AG in accordance with Article 22, Section 1, Sentence 1, Number 1 of WpHG.

Barmenia Krankenversicherung a. G., Wuppertal, Germany has informed us in accordance with Article 25, Section 1 of WpHG that on December 21, 2009 it exercised its previously directly or indirectly held financial instruments and fell back below the thresholds of 3% and 5% with respect to these financial instruments. The exercise date for the financial instruments was December 21, 2009.

Barmenia Krankenversicherung a. G., Wuppertal, Germany notified us in accordance with Article 21, Section 1 of WpHG that on December 21, 2009 its holding of voting rights in MLP AG, Wiesloch, Germany increased above the thresholds of 3% and 5% and totalled on that date 6.67% (corresponding to 7,197,664 shares) of the voting rights.

Swiss Life Beteiligungs GmbH, Hanover, Germany notified us in accordance with Article 21, Section 1 of the German Securities Trading Act (WpHG) that on April 1, 2009 its holding of

voting rights in MLP AG, Wiesloch, Germany fell below the threshold of 20% and now totals 15.90% (corresponding to 17,152,556 voting rights).

Swiss Life Holding AG, Zurich, Switzerland notified us in accordance with Article 21, Section 1 of the German Securities Trading Act (WpHG) that on April 1, 2009 its holding of voting rights in MLP AG, Wiesloch, Germany fell below the threshold of 20% and now totals 15.90% (corresponding to 17,152,556 voting rights). The voting rights are attributable to Swiss Life Holding AG in accordance with Article 22, Section 1, Sentence 1, Number 1 of WpHG.

Berenberg Bank, Joh. Berenberg Gossler & Co. KG, Hamburg, Germany notified us in accordance with Article 21, Section 1 of the German Securities Trading Act (WpHG) that on November 18, 2009 its holding of voting rights in MLP AG, Wiesloch, Germany fell below the threshold of 5% and now totals 4.84% (corresponding to 5,223,957 voting rights).

AXA S.A., Paris, France has informed us in accordance with Article 21, Section 1 of WpHG that on August 22, 2008 its holding of voting rights in MLP AG, Wiesloch, Germany fell below the threshold of 5% and totalled 4.72% (corresponding to 5,090,989 voting rights). Of these, 4.18% (4,503,693 voting rights) are attributable to AXA S.A. in accordance with Article 22, Section 1, Sentence 1, No.1 WpHG and further 587,296 (0.54%) voting rights in accordance with Article 22, Section 1, Sentence 1, No.6 in conjunction with Sentence 2 of WpHG.

AXA S.A., Paris, France has also informed us that the attributed voting rights are controlled via the following group structure: AXA S.A., Paris, France is the parent company and controls Vinci B.V., Utrecht, Netherlands; this company controls AXA Konzern AG, Cologne, Germany which, in turn, controls AXA Lebensversicherung AG, Cologne, Germany.

AXA S.A., Paris, France has informed us in accordance with Article 21, Section 1 of WpHG of the following:

On August 21, 2008, the proportion of voting rights held by AXA Lebensversicherung AG, Cologne, Germany in MLP AG, Wiesloch, Germany exceeded the threshold of 3% and now amounts to 4.60% (4,503,693 voting rights).

On August 21, 2008, the proportion of voting rights held by AXA Konzern AG, Cologne, Germany in MLP AG, Wiesloch, Germany exceeded the threshold of 3% and now amounts to 4.60% (4,503,693 voting rights). The voting rights are attributable to AXA Konzern AG in accordance with Article 22, Section 1, Sentence 1, No. 1 of WpHG.

On August 21, 2008, the proportion of voting rights held by Vinci B.V., Utrecht, Netherlands in MLP AG, Wiesloch, Germany exceeded the threshold of 3% and now amounts to 4.60% (4,503,693 voting rights). The voting rights are attributable to Vinci B.V. in accordance with Article 22, Section 1, Sentence 1, No. 1 of WpHG.

On August 21, 2008, the proportion of voting rights held by AXA S.A., Paris, France in MLP AG, Wiesloch, Germany exceeded the thresholds of 3% and 5% and now totals 5.17% (corresponding

to 5,063,489 voting rights). Of these, 4,503,693 (4.60%) voting rights are attributable to AXA S.A. in accordance with Article 22, Section 1, Sentence 1, No.1 WpHG and a further 559,796 (0.57%) voting rights in accordance with Article 22, Section 1, Sentence 1, No. 6 in conjunction with Sentence 2 of WpHG.

AXA S.A., Paris, France has also informed us that the attributed voting rights are controlled via the following group structure: AXA S.A., Paris, France is the parent company and controls Vinci B.V., Utrecht, Netherlands; this company controls AXA Konzern AG, Cologne, Germany which, in turn, controls AXA Lebensversicherung AG, Cologne, Germany.

Allianz SE, Munich, Germany has informed us in accordance with Article 21, Section 1 of WpHG that on August 22, 2008 its holding of voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3% and 5% and amounted to 6.27% (6,761,893 voting rights). The voting rights are attributable to Allianz SE in accordance with Article 22, Section 1, Sentence 1, No.1 of WpHG.

The voting rights attributed to Allianz SE in this respect, were held via the following companies which it controls, whose holding of voting rights in MLP AG in each case amounts to 3% or more: Allianz Deutschland AG, Jota Vermögensverwaltungsgesellschaft mbH, Allianz Lebensversicherung AG.

At the same time Allianz SE has also informed us in accordance with Article 21, Section 1 in conjunction with Article 24 of WpHG, of the following:

On August 22, 2008, the proportion of voting rights held by Allianz Deutschland AG, Munich, Germany in MLP AG, Wiesloch, Germany exceeded the thresholds of 3% and 5% and amounted to 6.27% (6,761,893 voting rights). These voting rights were attributed to Allianz Deutschland AG in accordance with Article 22, Section 1, Sentence 1, No.1 of WpHG.

The voting rights attributed to Allianz Deutschland AG in this respect were held via the following companies which it controls, whose holding of voting rights in MLP AG in each case amounts to 3% or more: Jota Vermögensverwaltungsgesellschaft mbH, Allianz Lebensversicherung AG.

On August 22, 2008, the proportion of voting rights held by Jota Vermögensverwaltungsgesellschaft mbH, Munich, Germany in MLP AG, Wiesloch, Germany exceeded the thresholds of 3% and 5% and amounted to 6.27% (6,761,893 voting rights). These voting rights were attributed to Jota Vermögensverwaltungsgesellschaft mbH in accordance with Article 22, Section 1, Sentence 1, No.1 of WpHG.

The voting rights attributed to Jota Vermögensverwaltungsgesellschaft mbH in this respect were held via the following companies which it controls, whose holding of voting rights in MLP AG in each case amounts to 3% or more: Allianz Lebensversicherung AG.

On August 22, 2008, the proportion of voting rights held by Allianz Lebensversicherung AG, Stuttgart, Germany in MLP AG, Wiesloch, Germany exceeded the thresholds of 3% and 5% and amounted to 6.27% (6,761,893 voting rights).

HDI-Gerling Pensionskasse AG, Cologne, Germany has informed us in accordance with Article 21, Section 1 and Article 22, Section 2 of WpHG that on May 14, 2009 its holding of voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3% and 5% and amounted to 9.89% (corresponding to 10,671,969 voting rights). Of these, 9.39% (corresponding to 10,132,969 voting rights) are attributable to it in accordance with Article 22, Section 2 of WpHG. HDI-Gerling Pensionskasse AG holds 0.50% (corresponding to 539,000 voting rights) directly.

Aspecta Lebensversicherung AG, Cologne, Germany has informed us in accordance with Article 21, Section 1 and Article 22, Section 2 of WpHG that on May 14, 2009 its holding of voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3% and 5% and amounted to 9.89% (corresponding to 10,671,969 voting rights). Of these, 8.40% (corresponding to 9,054,969 voting rights) are attributable to it in accordance with Article 22, Section 2 of WpHG. Aspecta Lebensversicherung AG holds 1.50% (corresponding to 1,617,000 voting rights) directly.

CiV Lebensversicherung AG, Hilden, Germany has informed us in accordance with Article 21, Section 1 and Article 22, Section 2 of WpHG that on May 14, 2009 its holding of voting rights in MLP AG, Wiesloch, Germany, exceeded the thresholds of 3% and 5% and amounted to 9.89% (corresponding to 10,671,969 voting rights). Of these, 9.65% (corresponding to 10,408,201 voting rights) are attributable to it in accordance with Article 22, Section 2 of WpHG. CiV Lebensversicherung AG holds 0.24% (corresponding to 263,768 voting rights) directly.

PBV Lebensversicherung AG, Hilden, Germany has informed us in accordance with Article 21, Section 1 and Article 22, Section 2 of WpHG that on May 14, 2009 its holding of voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3% and 5% and amounted to 9.89% (corresponding to 10,671,969 voting rights). Of these, 9.65% (corresponding to 10,408,201 voting rights) are attributable to it in accordance with Article 22, Section 2 of WpHG. PBV Lebensversicherung AG holds 0.24% (corresponding to 263,768 voting rights) directly.

neue leben Lebensversicherung AG, Hamburg, Germany has informed us in accordance with Article 21, Section 1 and Article 22, Section 2 of WpHG that on May 14, 2009 its holding of voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3% and 5% and amounted to 9.89% (corresponding to 10,671,969 voting rights). Of these, 9.16% (corresponding to 9,878,255 voting rights) are attributable to it in accordance with Article 22, Section 2 of WpHG. neue leben Lebensversicherung AG holds 0.74% (corresponding to 793,714 voting rights) directly.

neue leben Holding AG, Hamburg, Germany has informed us in accordance with Article 21, Section 1 and Article 22, Section 1, Subsection 1, No. 1 and Section 2 of WpHG that on May 14, 2009 its holding of voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3%

and 5% and amounted to 9.89% (corresponding to 10,671,969 voting rights). Of these, 9.16% (corresponding to 9,878,255 voting rights) are attributable to it in accordance with Article 22, Section 2 of WpHG and a further 0.74% (corresponding to 793,714 voting rights) in accordance with Article 22, Section 1, Subsection 1, No. 1 of WpHG.

Proactiv Holding AG, Hilden, Germany has informed us in accordance with Article 21, Section 1 and Article 22, Section 1, Subsection 1, No. 1 and Section 2 of WpHG that on May 14, 2009 its holding of voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3% and 5% and amounted to 9.89% (corresponding to 10,671,969 voting rights). Of these, 8.67% (corresponding to 9,350,719 voting rights) are attributable to it in accordance with Article 22, Section 2 of WpHG and a further 1.22% (corresponding to 1,321,250 voting rights) in accordance with Article 22, Section 1, Subsection 1, No. 1 of WpHG.

HDI-Gerling Industrie Versicherung AG, Hanover, Germany has informed us in accordance with Article 21, Section 1 and Article 22, Section 2 of WpHG that on May 14, 2009 its holding of voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3% and 5% and amounted to 9.89% (corresponding to 10,671,969 voting rights). Of these, 9.49% (corresponding to 10,231,552 voting rights) are attributable to it in accordance with Article 22, Section 2 of WpHG. HDI-Gerling Industrie Versicherung AG holds 0.41% (corresponding to 440,417 voting rights) directly.

HDI-Gerling Firmen und Privat Versicherung AG, Hanover, Germany has informed us in accordance with Article 21, Section 1 and Article 22, Section 2 of WpHG that on May 14, 2009 its holding of voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3% and 5% and amounted to 9.89% (corresponding to 10,671,969 voting rights). Of these, 9.49% (corresponding to 10,231,552 voting rights) are attributable to it in accordance with Article 22, Section 2 of WpHG. HDI-Gerling Firmen und Privat Versicherung AG holds 0.41% (corresponding to 440,417 voting rights) directly.

HDI Direkt Versicherung AG, Hanover, Germany has informed us in accordance with Article 21, Section 1 and Article 22, Section 2 of WpHG that on May 14, 2009 its holding of voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3% and 5% and amounted to 9.89% (corresponding to 10,671,969 voting rights). Of these, 9.49% (corresponding to 10,231,553 voting rights) are attributable to it in accordance with Article 22, Section 2 of WpHG. HDI Direkt Versicherung AG holds 0.41% (corresponding to 440,416 voting rights) directly.

HDI-Gerling Sach Serviceholding AG, Hanover, Germany has informed us in accordance with Article 21, Section 1 and Article 22, Section 1, Subsection 1, No. 1 and Section 2 of WpHG that on May 14, 2009 its holding of voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3% and 5% and amounted to 9.89% (corresponding to 10,671,969 voting rights). Of these, 8.67% (corresponding to 9,350,719 voting rights) are attributable to it in accordance with Article 22, Section 2 of WpHG and a further 1.22% (corresponding to 1,321,250 voting rights) in accordance with Article 22, Section 1, Subsection 1, No. 1 of WpHG.

Talanx Beteiligungs-GmbH & Co. KG, Hanover, Germany has informed us in accordance with Article 21, Section 1 and Article 22, Section 1, Subsection 1, No. 2 and Section 2 of WpHG that on May 14, 2009 its holding of voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3% and 5% and amounted to 9.89% (corresponding to 10,671,969 voting rights). Of these, 8.67% (corresponding to 9,350,719 voting rights) are attributable to it in accordance with Article 22, Section 2 of WpHG and a further 1.22% (corresponding to 1,321,250 voting rights) in accordance with Article 22, Section 1, Subsection 1, No. 2 of WpHG.

Hannover Beteiligungsgesellschaft mbH, Hanover, Germany has informed us in accordance with Article 21, Section 1 and Article 22, Section 1, Subsection 1, No. 2 in conjunction with Subsection 2 and Section 2 of WpHG that on May 14, 2009 its holding of voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3% and 5% and amounted to 9.89% (corresponding to 10,671,969 voting rights). Of these, 8.67% (corresponding to 9,350,719 voting rights) are attributable to it in accordance with Article 22, Section 2 of WpHG and a further 1.22% (corresponding to 1,321,250 voting rights) in accordance with Article 22, Section 1, Subsection 1, No. 2 in conjunction with Subsection 2 of WpHG.

HDI Haftpflichtverband der Deutschen Industrie V.a.G., Hanover, Germany notified us in accordance with Article 21, Section 1 of the German Securities Trading Act (WpHG) that through exercise of financial instruments on April 1, 2009 its holding of voting rights in MLP AG, Wiesloch, Germany increased above the thresholds of 3% and 5% and now totals 9.89% (corresponding to 10,671,969 voting rights). The voting rights are attributable to HDI Haftpflichtverband der Deutschen Industrie V.a.G. in accordance with Article 22, Section 1, Sentence 1, No. 1 of WpHG.

The voting rights attributed to HDI Haftpflichtverband der Deutschen Industrie V.a.G. in this respect, are held via the following companies which it controls, whose holding of voting rights in MLP AG in each case amounts to 3% or more: Talanx AG, Hanover, Germany, HDI-Gerling Leben Serviceholding AG, Cologne, Germany, HDI-Gerling Lebensversicherung AG, Cologne, Germany.

Furthermore, HDI Haftpflichtverband der Deutschen Industrie V.a.G. notified us in accordance with Article 21, Section 1 of WpHG that through exercise of financial instruments on April 1, 2009 the voting rights of Talanx AG, Hanover, Germany, in MLP AG, Wiesloch, Germany increased above the thresholds of 3% and 5% and now total 9.89% (corresponding to 10,671,969 voting rights). The voting rights are attributable to Talanx AG in accordance with Article 22, Section 1, Sentence 1, No. 1 of WpHG. The voting rights attributed to Talanx AG in this respect, are held via the following companies which it controls, whose holding of voting rights in MLP AG in each case amounts to 3% or more: HDI-Gerling Leben Serviceholding AG, HDI-Gerling Lebensversicherung AG.

Furthermore, HDI Haftpflichtverband der Deutschen Industrie V.a.G. notified us in accordance with Article 21, Section 1 of WpHG that through exercise of financial instruments on April 1, 2009 the voting rights of HDI-Gerling Leben Serviceholding AG, Cologne, Germany, in MLP AG, Wiesloch, Germany increased above the thresholds of 3% and 5% and now total 9.89%

(corresponding to 10,671,969 voting rights). The voting rights are attributable to HDI-Gerling Leben Serviceholding AG in accordance with Article 22, Section 1, Sentence 1, No. 1 of WpHG. The voting rights attributed to HDI-Gerling Leben Serviceholding AG in this respect, are held via the following companies which it controls, whose holding of voting rights in MLP AG in each case amounts to 3% or more: HDI-Gerling Lebensversicherung AG.

Furthermore, HDI Haftpflichtverband der Deutschen Industrie V.a.G. notified us in accordance with Article 21, Section 1 of the German Securities Trading Act (WpHG) that through exercise of financial instruments on April 1, 2009 the voting rights of HDI-Gerling Lebensversicherung AG, Cologne, Germany, in MLP AG, Wiesloch, Germany increased above the thresholds of 3% and 5% and now total 9.89% (corresponding to 10,671,969 voting rights). Moreover, HDI Haftpflichtverband der Deutschen Industrie V.a.G. has notified us in accordance with Article 25, Section 1 and Article 24 of WpHG that on April 1, 2009, HDI Haftpflichtverband der Deutschen Industrie V.a.G., Talanx AG, HDI-Gerling Leben Serviceholding AG and HDI-Gerling Lebensversicherung AG did not (any longer) directly or indirectly hold any financial instruments that granted them the right to acquire shares in MLP AG. On this day, they would, in accordance with Article 25, Section 1 of WpHG, have thus fallen below the threshold of 5% of the voting rights in MLP AG. In accordance with Article 21 and Article 22 of WpHG they hold 9.89% of the voting rights (corresponding to 10,671,969 voting rights).

HDI Haftpflichtverband der Deutschen Industrie V.a.G., Hanover, Germany, has informed us in accordance with Article 25, Section 1 and Article 24 of WpHG that on March 23, 2009, HDI Haftpflichtverband der Deutschen Industrie V.a.G., Hanover, Germany, Talanx AG, Hanover, Germany, HDI-Gerling Leben Serviceholding AG, Cologne, Germany and HDI-Gerling Lebensversicherung AG, Cologne, Germany directly or indirectly held financial instruments that granted them the right to acquire shares in MLP AG, Wiesloch, Germany that embody 8.40% of the voting rights (9,060,334 voting rights).

Furthermore, HDI Haftpflichtverband der Deutschen Industrie V.a.G., has informed us that HDI Haftpflichtverband der Deutschen Industrie V.a.G., Talanx AG, HDI-Gerling Leben Serviceholding AG and HDI-Gerling Lebensversicherung AG, directly or indirectly hold shares which embody 1.49% of the voting rights (1,611,635 voting rights). Together with the voting rights in MLP AG already held by HDI Haftpflichtverband der Deutschen Industrie V.a.G., Talanx AG, HDI-Gerling Leben Serviceholding AG and HDI-Gerling Lebensversicherung AG, the shares in MLP AG, to which the previously-mentioned financial instruments directly held on March 23, 2009 grant entitlement, would embody 9.89% of the voting rights (10,671,969 voting rights). On March 23, 2009, HDI Haftpflichtverband der Deutschen Industrie V.a.G., Talanx AG, HDI-Gerling Leben Serviceholding AG and HDI-Gerling Lebensversicherung AG, would thus have exceeded the threshold of 5% of the voting rights in MLP AG.

The indirectly held shares and financial instruments held by HDI Haftpflichtverband der Deutschen Industrie V.a.G., Talanx AG, HDI-Gerling Leben Serviceholding AG and HDI-Gerling Lebensversicherung AG are held through the following respectively controlled companies:

1. In the case of HDI Haftpflichtverband der Deutschen Industrie V.a.G.:

- Talanx AG, Hanover, Germany
- HDI-Gerling Leben Serviceholding AG, Cologne, Germany
- HDI-Gerling Lebensversicherung AG, Cologne, Germany

2. In the case of Talanx AG:

- HDI-Gerling Leben Serviceholding AG, Cologne, Germany
- HDI-Gerling Lebensversicherung AG, Cologne, Germany

3. In the case of HDI-Gerling Leben Serviceholding AG:

- HDI-Gerling Lebensversicherung AG, Cologne, Germany

According to notification by HDI Haftpflichtverband der Deutschen Industrie V.a.G., the maturity date of the above-mentioned financial instruments is, at the latest, the third trading day after the granting of approval by the Supervisory Board of Talanx AG for the purchase agreement of March 23, 2009.

Harris Associates L.P., Chicago, USA notified us in accordance with Article 21, Section 1 of the German Securities Trading Act (WpHG) that on October 14, 2009 its holding of voting rights in MLP AG, Wiesloch, Germany increased above the threshold of 5% and totalled on that date 5.10% (corresponding to 5,500,772 shares) of the voting rights. These voting rights are attributable to Harris Associates L.P. in accordance with Article 22, Section 1, Sentence 1, No. 6 of the German Securities Trading Act (WpHG).

Harris Associates Inc., Chicago, USA, notified us that pursuant to Sec. 21 para. 1 WpHG on 21 March 2008 the voting interest held by Harris Associates Inc. in MLP AG, Wiesloch, Germany, fell below the 5% and the 3% threshold of Sec. 21 para. 1 WpHG and at that date amounted to 0,00% of the voting rights (i.e. 0 shares with voting rights) in MLP AG. This notification is based on the fact that Harris Associates Inc. fulfils the requirements of § 32 InvG, §§ 22 para. 3a, 29a para. 3 WpHG. This notification does not apply to the voting interest held by Harris Associates LP, Chicago, USA.

Harris Associates Inc., Chicago, USA notified us that they revoke the notifications of voting rights pursuant to Sec. 21 para. 1 WpHG made by Harris Associates Inc. with regard to its shareholding in MLP AG, Wiesloch, Germany on 03 April 2008, 21 May 2008, 01 October 2008, 03 November 2008, 13 March 2009, 20 May 2009 and on 25 June 2009. This revocation of voting rights is based on the fact that on 03 April 2008, 21 May 2008, 01 October 2008, 03 November 2008, 13 March 2009, 20 May 2009 and on 25 June 2009 Harris Associates Inc. did not have a shareholding in MLP which triggered a notification obligation. This revocation does not apply to notifications of voting rights made by Harris Associates LP, Chicago, USA.

Harris Associates L.P., Chicago, USA notified us in accordance with Article 21, Section 1 of the German Securities Trading Act (WpHG) that on June 24, 2009 its holding of voting rights in MLP AG, Wiesloch, Germany increased above the threshold of 3% and totalled on that date 3.09% (corresponding to 3,332,291 shares) of the voting rights. These voting rights are attributable to Harris Associates L.P. in accordance with Article 22, Section 1, Sentence 1, No. 6 of the German Securities Trading Act (WpHG).

Harris Associates Inc., Chicago, USA notified us in accordance with Article 21, Section 1 of the German Securities Trading Act (WpHG) that on June 24, 2009 its holding of voting rights in MLP AG, Wiesloch, Germany increased above the threshold of 3% and totalled on that date 3.09% (corresponding to 3,332,291 shares) of the voting rights. These voting rights are attributable to Harris Associates Inc. in accordance with Article 22, Section 1, Sentence 1, No. 6 in conjunction with Article 22, Section 1, Sentence 2 of the German Securities Trading Act (WpHG).

Harris Associates L.P., Chicago, USA notified us in accordance with Article 21, Section 1 of the German Securities Trading Act (WpHG) that on May 19, 2009 its holding of voting rights in MLP AG, Wiesloch, Germany fell below the threshold of 3% and totalled on that date 2.99% (corresponding to 3,233,217 shares) of the voting rights. These voting rights are attributable to Harris Associates L.P. in accordance with Article 22, Section 1, Sentence 1, No. 6 of the German Securities Trading Act (WpHG).

Harris Associates Inc., Chicago, USA notified us in accordance with Article 21, Section 1 of the German Securities Trading Act (WpHG) that on May 19, 2009 its holding of voting rights in MLP AG, Wiesloch, Germany fell below the threshold of 3% and totalled on that date 2.99% (corresponding to 3,233,217 shares) of the voting rights. These voting rights are attributable to Harris Associates Inc. in accordance with Article 22, Section 1, Sentence 1, No. 6 in conjunction with Article 22, Section 1, Sentence 2 of the German Securities Trading Act (WpHG).

Harris Associates L.P., Chicago, USA notified us in accordance with Article 21, Section 1 of the German Securities Trading Act (WpHG) that on March 12, 2009 its holding of voting rights in MLP AG, Wiesloch, Germany increased above the threshold of 3% and totalled on that date 3.00% (corresponding to 3,236,336 shares) of the voting rights. These voting rights are attributable to Harris Associates L.P. in accordance with Article 22, Section 1, Sentence 1, No. 6 of the German Securities Trading Act (WpHG).

Harris Associates Inc., Chicago, USA notified us in accordance with Article 21, Section 1 of the German Securities Trading Act (WpHG) that on March 12, 2009 its holding of voting rights in MLP AG, Wiesloch, Germany increased above the threshold of 3% and totalled on that date 3.00% (corresponding to 3,236,336 shares) of the voting rights. These voting rights are attributable to Harris Associates Inc. in accordance with Article 22, Section 1, Sentence 1, No. 6 in conjunction with Article 22, Section 1, Sentence 2 of the German Securities Trading Act (WpHG).

Regionalverbandsgesellschaft mbH, Berlin, Germany, as the party obligated to report, has informed us in accordance with Article 21, Section 1 of WpHG that on May 8, 2008, its holding of voting rights in MLP AG, Wiesloch, Germany fell below the threshold of 3% and on this day amounted to 2.23% (2,183,499 voting rights). Of these, 2.23% (2,183,499 voting rights) were attributable to it in accordance with Article 22, Section 1, Sentence 1, No. 1 of WpHG. These voting rights attributable to it in this respect were held by the following companies which it controls, and whose holding of voting rights in MLP AG in(directly) amounted to 2.23%:

Erwerbsgesellschaft der S-Finanzgruppe mbH & Co. KG, Landesbank Berlin Holding AG and Landesbank Berlin AG, Berlin.

Erwerbsgesellschaft der S-Finanzgruppe mbH & Co. KG, Berlin, Germany, as the party obligated to report, has informed us in accordance with Article 21, Section 1 of WpHG that on May 8, 2008 its holding of voting rights in MLP AG, Wiesloch, Germany fell below the threshold of 3% and on this day amounted to 2.23% (2,183,499 voting rights). Of these, 2.23% (2,183,499 voting rights) were attributable to it in accordance with Article 22, Section 1, Sentence 1, No. 1 of WpHG. These voting rights attributable to it in this respect were held by the following companies which it controls, and whose holding of voting rights in MLP AG in(directly) amounted to 2.23%: Landesbank Berlin Holding AG, Landesbank Berlin AG, Berlin.

Landesbank Berlin Holding AG, Berlin, Germany has informed us in accordance with Article 21, Section 1 of WpHG that on May 8, 2008 its holding of voting rights in MLP AG, Wiesloch, Germany fell below the threshold of 3% and on this date amounted to 2.23% (2,183,499 voting rights).

Landesbank Berlin Holding AG, Berlin, Germany also informed us that of these voting rights, 2.23% (2,183,499 voting rights) are attributable to itself in accordance with Article 22, Section 1, Subsection 1, No. 1 of WpHG. These voting rights, attributable to the Landesbank Berlin Holding AG, are held through the following company which it controls, whose holding of voting rights in MLP AG directly amounts to 2.23%: Landesbank Berlin AG, Berlin, Germany.

Erwerbsgesellschaft der S-Finanzgruppe mbH & Co. KG, Berlin, Germany, has notified us that Landesbank Berlin Holding AG is their daughter company in accordance with Article 22, Section 1, Sentence 1, No.1 of the German Securities Trading Act (WpHG) and that the voting rights of this company in MLP AG are attributable to Erwerbsgesellschaft der S-Finanzgruppe mbH & Co. KG. The voting rights of Landesbank Berlin Holding AG in MLP AG, Wiesloch, Germany, fell below the threshold of 3% and amounted to 2.23% (2,183,499 voting rights) on May 8, 2008.

Furthermore, Erwerbsgesellschaft der S-Finanzgruppe mbH & Co. KG has notified us that these 2.23% (2,183,499 voting rights) are attributable to itself in accordance with Article 22, Section 1, Sentence 1, No. 1. of the German Securities Trading Act (WpHG). These voting rights attributable to Erwerbsgesellschaft der S-Finanzgruppe mbH & Co. KG, Berlin, Germany, are held through the following companies: Landesbank Berlin Holding AG and Landesbank Berlin AG, Berlin, Germany. These companies are subsidiaries of Erwerbsgesellschaft der S-Finanzgruppe mbH & Co. KG and their direct or indirect holding of voting rights in MLP AG, Wiesloch, Germany, amounted to 2.23%.

Regionalverbandsgesellschaft mbH, Berlin, Germany, has notified us that Landesbank Berlin Holding AG is a daughter company of Erwerbsgesellschaft der S-Finanzgruppe mbH & Co. KG in accordance with Article 22, Section 1, Sentence 1, No. 1. of the German Securities Trading Act (WpHG) and that the voting rights of this company in MLP AG are attributable to Erwerbsgesellschaft der S-Finanzgruppe mbH & Co. KG. The voting rights of Landesbank Berlin

Holding AG in MLP AG, Wiesloch, Germany, fell below the threshold of 3% and amounted to 2.23% (2,183,499 voting rights) on May 8, 2008.

Furthermore, Regionalverbandsgesellschaft mbH, Berlin, Germany, has notified us that these 2.23% (2,183,499 voting rights) are attributable to itself in accordance with Article 22, Section 1, Sentence 1, No. 1. of the German Securities Trading Act (WpHG). These voting rights attributable to Regionalverbandsgesellschaft mbH, Berlin, Germany, are held through the following companies: Erwerbsgesellschaft der S-Finanzgruppe mbH & Co. KG, Landesbank Berlin Holding AG and Landesbank Berlin AG, Berlin, Germany. These companies are subsidiaries of Regionalverbandsgesellschaft mbH and their direct or indirect holding of voting rights in MLP AG, Wiesloch, Germany, amounted to 2.23%.

[29] Investments in affiliated companies

The company's shareholdings are as follows as at December 31, 2009:

Direct holdings

| Name, registered office | Carrying amount 01.01.2009 | Carrying amount 31.12.2009 | Share | Shareholders' equity as at 31.12.2009 | Net profit/ loss |
|--|-------------------------------|-------------------------------|-------|---|---------------------|
| | € | € | % | € | € |
| MLP Finanzdienstleistungen AG, Wiesloch | 79,004,832.92 | 79,004,832.92 | 100 | 78,939,445.87 | - ¹⁾ |
| MLP Consult GmbH, Wiesloch | 1,344,959.00 | 2,280,000.00 | 100 | 2,281,143.45 | 409,737.25 |
| Feri Finance AG, Bad Homburg | 67,462,073.77 | 67,462,073.77 | 56.59 | 21,334,164.41 | 1,514,473.02 |
| | 147,811,865.69 | 148,746,906.69 | | | |

¹⁾ There is a profit and loss transfer agreement in place

Indirect holdings

| Name | Registered office | Share | Shareholders' equity as at 31.12.2008 | Net profit/loss |
|---|---------------------|--------|---------------------------------------|-----------------|
| | | % | € | € |
| MLP Media GmbH (100% subsidiary of MLP Finanzdienstleistungen AG) | Wiesloch | 100.00 | 25,788.72 | - ¹⁾ |
| TPC THE PENSION CONSULTANCY GmbH (100% subsidiary of MLP Finanzdienstleistungen AG) ³⁾ | Hamburg | 100.00 | 248,420.44 | - ¹⁾ |
| ZSH GmbH Finanzdienstleistungen (100% dubsidiary of MLP Finanzdienstleistungen AG) ³⁾ | Heidelberg | 100.00 | 1,190,000.00 | - ¹⁾ |
| MLP Hyp GmbH ⁴⁾ | Schwetzingen | 49.80 | 3,739,206.06 | 739,206.06 |
| Feri Family Trust GmbH (100% subsidiary of Feri Finance AG) | Bad Homburg v. d. H | 56.59 | 3,243,831.43 | - ²⁾ |
| Feri Institutional Advisors GmbH (100% subsidiary of Feri Finance AG) | Bad Homburg v. d. H | 56.59 | 1,914,092.15 | - ²⁾ |
| Feri EuroRating Service AG (100% subsidiary of Feri Finance AG) | Bad Homburg v. d. H | 56.59 | 957,969.49 | - ²⁾ |

1) There is a profit and loss transfer agreement in place with MLP Finanzdienstleistungen AG

2) There is a profit and loss transfer agreement in place with Feri Finance AG

3) Shares are held by MLP Finanzdienstleistungen AG

4) MLP Finanzdienstleistungen AG holds 49.8% of shares

As at December 31, 2009, neither MLP AG nor the companies shown here possessed any other holdings requiring disclosure under the provisions of § 285 no. 11 of the German Commercial Code (HGB). The voting right granted under § 286 (3) sentence 1 no. 1 of the German Commercial Code (HGB) was exercised.

[30] Proposal for the appropriation of MLP AG's unappropriated profit

Pursuant to § 170 (2) of the German Stock Corporation Act, the Executive Board proposes that the unappropriated profit of € 27,584,065.05 disclosed in the annual financial statements for the year ending December 31, 2009 be used as follows:

| | Dec 31, 2009 |
|-------------------------------------|-----------------------------|
| | € |
| Payout to shareholders | 26,969,434.50 |
| Transfer to revenue reserves | 0 |
| <u>Profit brought forward</u> | <u>614,630.55</u> |
| <u>Unappropriated profit</u> | <u>27,584,065.05</u> |

Wiesloch, March 16, 2010

MLP AG

Executive Board

Dr. Uwe Schroeder-Wildberg

Gerhard Frieg

Ralf Schmid

Muhyddin Suleiman

Audit opinion

"We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of Model MLP AG, Wiesloch, for the fiscal year from January 1 to December 31, 2009. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with Sec. 317 HGB ["Handelsgesetzbuch": "German Commercial Code"] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with German principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development."

Stuttgart, March 17, 2010

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Müller-Tronnier

German Public Auditor

Frey

German Public Auditor

Responsibility statement

"To the best of our knowledge and in accordance with the applicable reporting principles, the financial statements give a true and fair view of the net assets, financial position and results of operations of the company, and the management report gives a fair view of the performance of the business including business results and the overall position of the company, together with a description of the principal opportunities and risks associated with the expected development of the company in the remainder of the financial year."

Wiesloch, March 16, 2010

MLP AG

Executive Board

Dr. Uwe Schroeder-Wildberg

Gerhard Frieg

Ralf Schmid

Muhyddin Suleiman

Financial calendar 2010

May 12, 2010

Results for the 1st quarter 2010

May 20, 2010

Annual General Meeting 2010, Mannheim, Germany

August 12, 2010

Results for the 2nd quarter 2010

November 11, 2010

Results for the 3rd quarter 2010

Imprint

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