

# Report for the second quarter 2007

# The MLP Group

Key figures in € m	2nd Quarter 2007	2nd Quarter 2006	1st half year 2007	1st half year 2006	Change in %
<b>Continuing operations</b>					
Total income	126.2	116.9	270.9	246.7	10%
Income from brokerage business	88.7	91.5	195.9	197.6	-1%
Income from banking business	20.0	17.3	38.9	34.1	14%
Income wealth management	9.7	-	19.7	-	-
Other income	7.7	8.0	16.4	15.1	9%
Earnings before interest and tax (EBIT)	15.6	12.2 <sup>1</sup>	32.3	24.6 <sup>1</sup>	31%
EBIT margin %	12.4	10.4 <sup>1</sup>	11.9	10.0 <sup>1</sup>	-
Earnings from continuing operations	9.6	12.1	19.5	20.5	-5%
<b>MLP Group</b>					
Earnings before interest and tax and before profit from the sale of operations (EBIT)	15.6	12.2	32.3	24.3	33%
Net profit (total)	9.0	12.5	19.3	19.4	-1%
Earnings per share in €	0.09	0.12	0.19	0.18	6%
Capital expenditure	3.7	5.3	6.5	14.5	-55%
Shareholders' equity	-	-	301.6	323.4 <sup>2</sup>	-7%
Equity ratio %	-	-	24.6	25.5 <sup>2</sup>	-
Balance sheet total	-	-	1,225.1	1,266.1 <sup>2</sup>	-3%
Clients <sup>3</sup>	-	-	705,000	691,000 <sup>2</sup>	2%
Consultants <sup>3</sup>	-	-	2,622	2,649 <sup>2</sup>	-1%
Branch offices <sup>3</sup>	-	-	265	267 <sup>2</sup>	-1%
Employees <sup>3</sup>	-	-	1,963	1,631	20%
<b>Arranged new business</b>					
Old-age provisions (premium sum in € billion)	1.3	1.2	2.2	2.8	-21%
Health insurance (annual premium)	9.0	17.4	23.6	33.9	-30%
Loans	313	345	618	649	-5%
Funds under management in € billion	-	-	11.0	10.8 <sup>4</sup>	2%

<sup>1</sup> Adjustments of previous year's figures, see note 3.

<sup>2</sup> As at December 31, 2006.

<sup>3</sup> Continuing operations.

<sup>4</sup> MLP and Feri as at December 31, 2006.

# Interim Group Report for the first half year and Q2 2007

## Macroeconomic environment

The business development at MLP is primarily influenced by the development in our largest market, Germany, in which we generate around 97 % of our total income.

The German economy is in a strong and sustained upswing. Economists of various major banks are expecting real growth rates in the German economy of more than 2 %, both for the current as well as for the coming year. In the first half year of 2007, economic development particularly benefited from strong export demand and the accelerating recovery in private consumption. In the first three months of 2007, the increase by three percentage points in the VAT rate continued to negatively influence German consumer demand. However, the foreign economic spark seems to have subsequently jumped over to the home economy, resulting in a recovery in domestic consumption. This positive development also supports the labour market. According to figures released by the Federal Employment Agency, the number of people unemployed in April fell back down to below the four-million level for the first time and this trend is likely to continue during the coming months. In this respect, for instance, the IFO Institute is forecasting a reduction in the number of people unemployed to be below the 3.5 million level by the autumn of this year.

## Situation within the industry and the competitive environment

### Old-age pension provision

The improvements in tax deductibility regarding the so-called "base" pension by the state have further increased the attractiveness of this product as a tax-subsidized form of private old-age pension provision. Although up to now state subsidized "base" pension products have only been available from life insurance companies, this situation will change from September 2007, when two large German investment fund houses - Deka and Union Investment - bring tax-subsidized "base" pension products onto the market. Demand for another tax-subsidized private pension product, the "Riester-pension", has also been on the increase so far this year. In the first quarter of 2007 alone, the number of policies rose by 620,000 to around 8.5 million. Based on the number of those eligible to take out such policies, experts estimate that the total potential for "Riester-policies" amounts to 30 to 36 million.

### Health provision

After having been passed by the German Bundestag and Bundesrat, the health-care reform came into effect on 1st April 2007. Important new aspects include the introduction of a basic tariff for privately insured patients, the introduction of optional tariffs for those who are compulsorily insured as members of state health insurance funds as well as the requirement for private health insurance companies to accept non-insured patients into the newly created base tariff from 1st July 2007. Particularly the implementation of the legally-imposed base tariff and the planned transferability of old-age accruals for existing customers when switching between health insurance companies are encountering heavy criticism from the private health insurance companies.

### Competition

In the first half of 2007 there was intense discussion within the financial services industry concerning the implementation of the Insurance Mediation Directive that was incorporated into national law and came into force on 22nd May 2007. The associated changed framework conditions with respect to training standards, documentation obligations as well as the clarification of the level of independence of a financial broker will, in our opinion, lead to a tightening of competitive conditions and a process of consolidation within the industry. In addition, further changes planned for the coming months concerning the regulatory environment were also the subject of discussion. These specifically concern the following aspects:

- Markets in Financial Instruments Directive (MiFID)  
(comes into effect on 1st November 2007)
- Revision of the insurance contract law (VVG)  
(expected to come into effect at the start of January 2008)
- Introduction of a so-called flat rate withholding tax on capital gains within the framework of the corporation tax reform  
(expected to come into force on 1st January 2009)

### Company situation

#### EBIT rises by 31 % in the first half year

The financial services company MLP increased its profit from operations (EBIT) in the first half year by 31 % to €32.3 million (€24.6 million). This figure includes €1.0 million of restructuring expenses resulting from the implemented merger of MLP Finanzdienstleistungen AG with MLP Bank AG. Total income rose significantly from €246.7 to €270.9 million (plus 10 %). Due to a higher tax ratio, net profit fell slightly to €19.5 million (€20.5 million).





### Profit from operations (EBIT, in € million)

H1 2007		32.3
H1 2006		24.6

The brokerage business accounted for the largest portion of total income. Income here amounted to €195.9 million (€197.6 million) and was only marginally below the previous year's level, although this figure was significantly influenced by the increase in "Riester-pension" contributions ("Riester-step"; approx. €25 million). In the period from April to June very pleasing progress was achieved in old-age pension provision business. Compared to the previous year's quarter, income rose by 7 % to €69.3 million (Q2 2006: €64.5 million). In comparison to the first quarter of 2007 this represented an increase of 14 % (Q1 2007: €60.9 million). MLP thereby compensated for expected weaker development in the healthcare business where income declined to €9.1 million (Q2 2006: €15.9 million) following implementation of the healthcare reform.

### Total income of continuing operations (in Mio. €)

H1 2007		270.9
H1 2006		246.7

	Income brokerage business
	Income banking business
	Income from Wealth Management
	Other income

In the banking business, income at the half-year stage rose by 14 % to €38.9 million (€34.1 million). This figure also reflects the placement of MLP financial investment concepts. Wealth management, which shows Feri Finance AG, contributed for €19.7 million to total income.

Personnel expenses in the first half of 2007 increased by 34 % to €52.9 million, mainly due to the incorporation of the Feri Finance AG employees. The depreciation and operating expenses were likewise primarily due to consolidation of Feri, rising by 12 % to €9.5 million and by 2 % to € 77.8 million respectively. At €0.5 million (previous year: €3.8 million) and €0,0 million (previous year: €1.8 million), the finance costs, both in the first half year of 2007 as well as in the second quarter of the current business year, came in significantly lower than in the corresponding periods of the previous year. This shows the effects of the reduction of the cash and cash equivalents available for investment as well as of interest expenses arising from accumulation of the residual purchase price for Feri Finance AG.

The rise in receivables and liabilities from the banking business at June 30, 2007 results from the increased deposit business and associated investment of funds. The tax refund claims significantly reduced during the reporting period through receipts of payment for taxes on earnings, falling from €21.1 million to € 9.7 million. Tax liabilities at June 30, 2007 amounted to €10.1 million (December 31, 2006: €7.6 million). The MLP-typical business cycle is responsible for the fall in receivables and other assets from €177.1 million to €101.6 million as well as for the reduction in other liabilities from €281.9 million to €200.4 million.

The financial resources on the reference date stood at €101.8 million (previous year: €191.5 million). The cash flow from operating activities rose in the first half year from €14.8 million to €30.6 million. This is mainly attributable to tax refunds that were paid in the first quarter of 2007. The cash flows from investing activities and financing activities increased in the first half year of the current financial year from €-17.6 million to €-7.3 million and from €-135.7 million to €-42.2 million. The increase of cash flows from financing activities is primarily due to the share buy back programme in the previous year.

The company's equity capital reduced to €301.6 million. (December 31, 2006: €323.4 million), attributable to dividend distribution on June 1, 2007 to the shareholders of MLP AG amounting to a total of €40 million. The result in the reporting period had a reverse effect.

In the first six months of 2007 MLP invested a total of €6.5 million (previous year: €14.5 million) mainly within the consulting and sales segment in the improvement of IT support for client consultation and all client support and service related processes.

#### **New business: Significant increase in old-age provision business compared to Q1**

The premium sum from newly arranged business in the area of old-age provision products as at June 30 amounted to €2.2 billion (previous year: €2.8 billion; including “Riester step”), of which €1.3 billion was achieved in the second quarter. This corresponds to an increase of 44 % when compared to the first quarter of the year. In health insurance, annual premiums in the first half year fell from €33.9 million to €23.6 million. The loans and mortgages volume stood at €618 million (€649 million). Following the successful integration of Feri Finance AG, jointly managed funds under management rose from €10.8 billion at the end of March to €11.0 billion.

#### **Increase in the number of new clients**

In the first half of 2007 MLP gained a total of 20,000 new clients. The number of clients on June 30, 2007 stood at 705,000, the number of consultants totalled 2,622. After adjustment for the markets in Great Britain and Spain from which MLP is withdrawing, the number of clients rose to 698,000. Likewise, after taking these two foreign units into account, the adjusted figure at June 30 totalled 2,549 consultants (March 31, 2007: 2,518). For the full year, MLP anticipates that this figure will rise to 2,750 consultants covering the profitable markets in Germany, Austria and the Netherlands.

#### **Merger successfully completed**

In the first half of the year, MLP successfully completed the merger of MLP Finanzdienstleistungen AG with MLP Bank AG. The merged company will trade under the name MLP Finanzdienstleistungen AG. Thereby MLP is the only large independent financial services company with a full banking license and provides its clients with consultation and advice as an independent broker in all aspects of finance, provision and wealth management.

#### **Change in the company executive management**

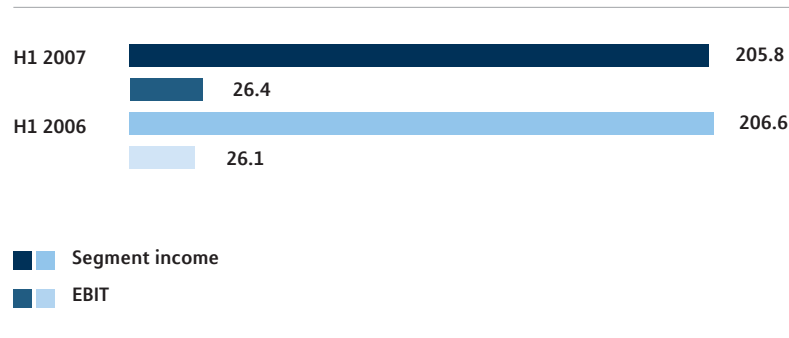
Nils Frowein, CFO of MLP AG, left the executive board at MLP AG on June 30, 2007 in a friendly agreement to pursue new professional challenges elsewhere. Until further notice, his tasks will be undertaken by the chairman Dr. Uwe Schroeder-Wildberg.

## Segment Report

### Consulting and sales segment

At €205.8 million, income in the consulting and sales segment in the first half of 2007 remained at the previous year's level (previous year: 206.6 million). The second quarter of 2007 contributed €94.4 million (previous year: €96.7 million) to segment income.

### Segment income and EBIT for consulting and sales segment (in € million)



The expenses in the sales and consulting segment in the first half of 2007 amounted to €189.4 million (previous year: €193.9 million). The total expenses in the second quarter amounted to €85.9 million and were thus slightly below the previous year's figure of €90.8 million. The primarily variable expenses for the brokerage business account for the largest portion of the expenses in this segment. In the first half year of 2007 they amounted to €86.2 million, a reduction of around 2 % compared to the previous year. The decrease was more pronounced in the second quarter of the current financial year. In the period from April to June the expenses for the brokerage business fell by 12 % to €32.9 million. The personnel expenditure exceeded the previous year's figure by 7 % and amounted to €35.0 million. The same development was also evident in the second quarter of the current financial year, in which personnel expenses amounting to €19.1 million (previous year: €17.9 million) were incurred.

Depreciation expenses in this segment in the first half of 2007 totalled €6.3 million (previous year: €6.5 million) and were thus less than in the previous year. In the second quarter, depreciation costs amounted to €3.3 million and therefore remained at the level achieved in the previous year. Overall, profit from operations (EBIT) in the first half of 2007 totalled €26.4 million (previous year: €26.1 million).



In the second quarter, EBIT improved by 4 % compared to the corresponding period in the previous year and reached €13.0 million. At 12.8 %, the EBIT margin in the first half of 2007 exceeded the previous year's figure of 12.6 %. The increase was more pronounced in the second quarter in which we were able to achieve an EBIT margin of 13.8 % (previous year: 12.9 %) in the consulting and sales segment.

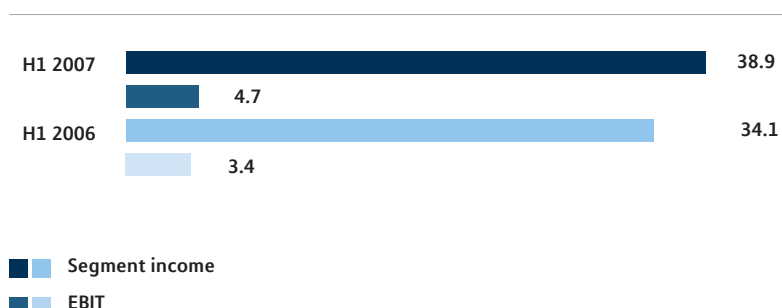
The finance costs of the segment in the first half year of 2007 amounted to €0.4 million (previous year: €0.2 million). In the second quarter of the current financial year finance costs amounted to €0.3 million (previous year: € 0.1 million).

In our foreign business units (including Great Britain and Spain) we achieved a profit from operations (EBIT) figure of €-4.5 million (previous year: €-2.0 million). In the second quarter, operating profit from foreign operations amounted to €-2.0 million (previous year: €-1.3 million).

#### Bank segment

In the first half of 2007, the bank segment exhibited a continuation of the positive business development achieved in 2006 and generated an increase in segment income of 14 % compared to the previous year, amounting to a total of €38.9 million. In the second quarter income of €20.0 million (previous year: €17.3 million) was achieved. Due to the increase in the deposit business (+ 16 %) and in the securities custody business (+ 16 %) the commission income rose by 5 % compared to the previous year and amounted to €23.6 million, and in the second quarter the figure rose by 6 % to €12.0 million. The positive development of interest income is primarily attributable to the increased balance sheet volume as well as to the increased rate of interest.

#### Segment income and EBIT for the banking segment (in € million)



The overall expenses in the segment, both in the first half of 2007 as well as in the second quarter, increased under-proportionally to the income. It amounted to €34.3 million (previous year: €30.8 million) and €17.0 million (previous year: €15.5 million). The interest expenses rose due to the increased balance sheet volume. Increased inflow of funds in the securities custody business led to a significant rise in commission expenses. The interest and commission result in the first half year of the current financial year amounted to €7.3 million (previous year: €5.5 million) and €12.7 million (previous year: €12.2 million). In the second quarter an interest and commission result of €3.9 million (previous year: €2.8 million) and €6.5 million (previous year: €6.1 million) was achieved.

The segment profit from operations (EBIT) in the first half year rose by 38 % to €4.7 million. In the second quarter of the current financial year the EBIT increased by 58 % to €3.0 million.

#### **Wealth management segment**

In the wealth management segment, income amounting to €19.7 million was achieved in the first half year, whereby the second quarter contributed €9.7 million to the segment income. Profit from operations (EBIT) in the first six months of the current financial year amounted to €3.0 million. In the second quarter, an EBIT figure of €1.6 million was achieved. Comparative values for the previous year are not available for this new segment which was created in the fourth quarter of 2006 within the framework of the acquisition of a majority holding in Feri Finance AG.

#### **Internal services and administration segment**

In this segment profit before tax (EBT) amounted to €3.5 million (previous year: €1.4 million) in the first half of 2007. This included an additional subsequent profit component from the sale of the former subsidiary MLP Lebensversicherung AG amounting to €3.4 million (previous year: €2.4 million). In the second quarter of the current financial year the EBT of €0.3 million was significantly below the previous year's figure of €2.1 million. Due to the outflow of cash the interest income from cash or cash equivalents available for investment decreased compared to the previous year. Furthermore, the previous year's value was positively influenced by the interest on a tax credit.

### **Risik report**

There were no significant changes to the risk situation of the company during the period under review. Currently, no existence-threatening risks to the MLP Group have been identified. A detailed presentation of the corporate risks as well as a description of our risk management is provided in our 2006 annual report.

Information relating to business with affiliated companies and persons is presented in the notes.

### **Outlook for the current financial year/forecast**

The robust economic upswing in MLP's relevant core market, Germany, continued throughout the first half of 2007. Private consumption gathered momentum, particularly in the second quarter, and compensated for the fall in demand that resulted from the VAT increase at the start of the year. Leading economic research institutes expect this positive development to continue during the coming months. Furthermore, this economic dynamism will have a positive effect on the labour market. The IFO Institute takes the view that a further significant fall in the number of people unemployed from the current figure of around 3.7 million to below the 3.5 million level by the autumn of this year is realistic.

The industry-specific framework conditions in MLP's important areas of old age pension and healthcare provision as well as financial investment and wealth management have not significantly altered since the end of the financial year 2006. The markets for old-age pension and healthcare provision in Germany are subject to a high degree of legal regulation. In general, there is noticeable heightened awareness on the part of the population with respect to the essential need for personal provision measures in order to secure an income during old age and to safeguard the level of care in case of illness. However, this realisation does not always result in specific action since many people underestimate the time aspect when building up an adequate level of provision. Provision products are set to remain sales-intensive in the future.

The forecasted decline in the development for the health insurance business for the financial year 2007 has now occurred. In the first quarter of 2007 income from policies concluded in the fourth quarter of 2006 continued to have a positive effect on this business. These concluded contracts incorporated a cancellation right for clients and could therefore only be booked as being revenue-effective in the first three months of the year 2007. However, following the final passing of the healthcare reform by the German Bundestag and Bundesrat there was a significant decline in the demand for private full medical insurance policies from March onwards. For the remaining two quarters of the current financial year we expect continued sluggish demand for full medical insurance which in our view will also lead to retrograde business development in the health insurance business for 2007 overall. However, in the medium to long-term, we anticipate that the demand for private full health insurance and supplementary medical cover will pick up again.

In view of this macroeconomic and industry-specific background we see no reason to revise the forecasts made in our annual report 2006 with respect to the business development in the financial year 2007. More specifically, we continue to expect that MLP can achieve a profit from operations (EBIT) figure from continued operations of €110 million. In the previous year this figure, including the to be discontinued business activities in Great Britain and Spain amounted to €84.9 million.

In view of the intended cessation of the under-performing foreign business operations in Great Britain and Spain, the forecast for the number of consultants at the end of 2007 has been revised downwards from 3,000 to 2,750. The reduction thus only affects the consultants actually employed and the budgeted levels for the business units in Great Britain and Spain.

### Events subsequent to the reporting date

In July 2007, MLP Finanzdienstleistungen AG acquired a 49.8 % holding in Interhyp Service GmbH, that will in future trade under the name MLP Hyp GmbH. The company will serve the purpose of handling the joint residential mortgage business of MLP Finanzdienstleistungen AG and Interhyp AG. Business activities are expected to commence at the end of 2007 and will result in an investment obligation on the part of MLP until the end of the year amounting to around €1.5 million.

In the course of further concentration on profitable growth markets it is intended to cease operative activities in Great Britain and Spain in the second half year. MLP currently anticipates a loss in the single-digit millions.

Feri Rating & Research GmbH has sold Feri Fund Market Information Ltd. and its database specialist subsidiary FI Datenservice GmbH to Lipper European Media Manager, a wholly owned subsidiary of Reuters. MLP expects a pre-tax sales profit in the low single digit millions.

On 6th July 2007 the German Bundesrat (upper house) passed the corporate tax reform law. Due in particular to the reduction in the corporation tax rate from the current 25 % to 15 % from 1st January 2008, the MLP Group's tax ratio will decrease with effect from the financial year 2008. This requires a revaluation of the domestic deferred tax assets and liabilities of the MLP Group in the third quarter of 2007. In view of the overhang of deferred tax liabilities, it is expected that the revaluation will lead to a reduction in tax expenses in the financial year 2007

On 26th July 2007 the executive board of MLP AG decided, in accordance with article 71 section 1 item 8 of the German Stock Corporation Law, to make use of authorisation by the Annual General Meeting to withdraw the repurchased shares. The withdrawal of the shares is subject to a further decision by the executive board.

Apart from this, there were no appreciable events after the reporting date that affect the net worth, financial or profit situation of the MLP Group.

#### 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.

## Investor Relations

The international capital markets developed very positively during the first half of 2007 and in this respect the large German indices were particularly outstanding and exhibited rapid growth during the reporting period. A mixture of positive economic data, takeover speculation and good corporate earnings propelled the DAX to a multi-year high just below the 8,100 points level and the MDAX to a new all-time high of 11,182 points. In the period between the start of January and the end of June of the current financial year, the DAX rose by 19.85 % and the MDAX by 15.70 %.

In the same period the MLP share was not able to benefit from the positive mood on the capital markets. The share price fell by 4.93 % compared to the first trading day of 2007 and stood at €14.27 at the end of the last trading day in June.

On May 22, 2007, we held our analysts day event, concentrating on the topic of MLP Wealth Management. A presentation was made to the attending financial analysts that featured the wealth management concepts developed by MLP and Feri as well as the intended sales implementation measures.

At the Annual General Meeting held on May 31, 2007 in Mannheim, the shareholders approved all the items on the agenda by a clear majority. The dividend amounting to €0.40 per share, as passed at the Annual General Meeting, was paid out to shareholders on June 1, 2007, corresponding to a total distribution volume of around €40 million. Furthermore, the Executive Board was empowered to buy back shares up until November 29, 2008 up to a maximum of 10 percent of the share capital. Further information concerning the results of the voting as well as the Annual General Meeting is available at [www.mlp.de](http://www.mlp.de).

## Consolidated income statement

### Income statement for the period from January 1 to June 30, 2007

All figures in €'000	Note	2nd Quarter 2007	2nd Quarter 2006	1st half year 2007	1st half year 2006
<b>Continuing operations</b>					
Income from brokerage business	[7]	88,749	91,514	195,891	197,553
Income from banking business	[8]	20,024	17,326	38,946	34,075
Income wealth management	[9]	9,722	–	19,657	–
Other income		7,723	8,050	16,403	15,080
<b>Total income</b>		<b>126,218</b>	<b>116,890</b>	<b>270,896</b>	<b>246,709</b>
Expenses for brokerage business		–32,856	–36,987	–86,207	–87,886
Expenses for banking business	[10]	–4,777	–4,902	–10,660	–9,887
Expenses wealth management		–756	–	–1,536	–
Personnel expenses	[11]	–28,296	–21,036*	–52,898	–39,544*
Depreciation/amortisation		–4,900	–4,258	–9,532	–8,495
Operating expenses	[12]	–39,031	–37,535	–77,796	–76,262*
<b>Earnings before interest and tax (EBIT)</b>		<b>15,602</b>	<b>12,172</b>	<b>32,268</b>	<b>24,635</b>
Other interest and similar income		1,369	3,155	3,299	5,911
Other interest and similar expenses		–1,358	–1,366*	–2,830	–2,124*
<b>Finance cost</b>		<b>12</b>	<b>1,788</b>	<b>469</b>	<b>3,787</b>
<b>Earnings before tax (EBT)</b>		<b>15,614</b>	<b>13,959</b>	<b>32,737</b>	<b>28,422</b>
Income taxes		–6,042	–1,886	–13,284	–7,874
<b>Earnings from continuing operations</b>		<b>9,572</b>	<b>12,073</b>	<b>19,452</b>	<b>20,548</b>
<b>Earnings from discontinued operations</b>	[13]	<b>–525</b>	<b>462</b>	<b>–160</b>	<b>–1,152</b>
<b>Net profit (total)</b>	[19]	<b>9,048</b>	<b>12,535</b>	<b>19,292</b>	<b>19,396</b>
Of which					
shareholders of the parent company account for		9,048	12,535	19,292	19,396
minority interests account for		–	–	–	–
Earnings per share in €					
From continuing operations					
basic**		0.09	0.11	0.19	0.19
diluted**		0.09	0.11	0.19	0.19
From continuing and discontinued operations					
basic**		0.09	0.12	0.19	0.18
diluted**		0.09	0.12	0.19	0.18

\* Adjustments of previous year's figures, see note 3.

\*\* The ordinary shares resulting from the conversion of convertible debentures are treated as shares already issued.

## Consolidated balance sheet

### Assets as at June 30, 2007

All figures in € '000	Notes	June 30, 2007	Dec 31, 2006
Intangible assets		178,134	186,803
Property, plant and equipment		87,572	89,063
Investment property		14,838	15,063
Deferred tax assets		353	170
Receivables from banking business	[14]	674,727	606,383
Financial assets	[15]	48,018	49,905
Tax refund claims		9,674	21,057
Receivables and other assets	[16]	101,572	177,134
Cash and cash equivalents		100,812	120,507
Non-current asset or disposal group classified as held for sale	[17]	9,362	–
<b>Total</b>		<b>1,225,062</b>	<b>1,266,085</b>

### Liabilities and shareholders' equity as June 30, 2007

All figures in € '000	Notes	June 30, 2007	Dec 31, 2006
Equity attributable to MLP AG shareholders	[18]	301,584	323,376
Minority interest		63	63
<b>Total shareholders' equity</b>		<b>301,647</b>	<b>323,439</b>
Provisions		29,939	33,908
Deferred tax liabilities		20,769	19,556
Liabilities due to banking business		660,822	599,699
Tax liabilities		10,094	7,618
Other liabilities	[16]	200,404	281,865
Liabilities in connection with the disposal of non-current assets held for sale and disposal groups		1,387	–
<b>Total</b>		<b>1,225,062</b>	<b>1,266,085</b>



## Consolidated cash flow statement

### Consolidated cash flow statement for the period from January 1 to June 30, 2007

All figures in € '000	1st half year 2007	1st half year 2006
Cash flow from operating activities	30,609	14,788
Cash flow from investing activities	-7,267	-17,579*
Cash flow from financing activities	-42,160	-135,651*
<b>Changes in cash and cash equivalents</b>	<b>-18,818</b>	<b>-138,442</b>
Changes in cash and cash equivalents due to exchange rate movements	-7	-25
Changes in cash and cash equivalents at end of period	101,659	191,507

### Thereof discontinued operations

All figures in € '000	1st half year 2007	1st half year 2006
Cash flow from operating activities	-	-57
Cash flow from investing activities	-572**	-2,586***
Cash flow from financing activities	-	-
<b>Changes in cash and cash equivalents</b>	<b>-572</b>	<b>-2,643</b>
Changes in cash and cash equivalents due to exchange rate movements	-	-13
Changes in cash and cash equivalents at end of period	-	1,100

\* The payments for the acquisition of own shares were transferred from the „cash flow from investing activities“ to the „cash flow from financing activities“.

\*\* The payments in the financial year 2007 are in connection with the sale of the two insurance companies.

\*\*\* The payments in the financial year 2006 are in connection with the discontinuation of the operative business of MLP Private Finance AG, Zurich and the sale of the two insurance companies.

## Segment reporting (quarterly comparison)

### Continuing operations

All figures in €'000	Consulting and Sales		Bank	
	2nd Quarter 2007	2nd Quarter 2006	2nd Quarter 2007	2nd Quarter 2006
<b>Segment income</b>				
Brokerage business	94,352	96,700	–	–
Banking business	–	–	20,024	17,326
Wealth management	–	–	–	–
of which with other continuing segments	5,603	5,186	–	0
<b>Total segment income</b>	<b>94,352</b>	<b>96,700</b>	<b>20,024</b>	<b>17,326</b>
Other income	4,527	6,582	9	18
<b>Segment expenses</b>				
Brokerage business	–32,856	–36,987	–	–
Banking business	–	–	–10,444	–9,059
Wealth management	–	–	–	–
Personnal expenses	–19,124	–17,908*	–2,643	–1,873*
Depreciation and amortisation expenses	–3,288	–3,280	–59	–71
Operating expenses	–30,647	–32,608	–3,895	–4,445
<b>Total segment expenses</b>	<b>–85,915</b>	<b>–90,782</b>	<b>–17,040</b>	<b>–15,450</b>
<b>Segment earnings before interest and tax (EBIT)</b>	<b>12,964</b>	<b>12,500</b>	<b>2,993</b>	<b>–1,895</b>
Other interest and similar income	375	247	1	1
Other interest and similar expenses	–106	–113*	–15	–17*
<b>Finance cost</b>	<b>269</b>	<b>134</b>	<b>–14</b>	<b>–17</b>
<b>Segment earnings before tax (EBT)</b>	<b>13,233</b>	<b>12,634</b>	<b>2,979</b>	<b>1,879</b>
Income taxes				
<b>Segment result from continuing operations</b>				
<b>Segment results from discontinued operations</b>	<b>–2</b>	<b>–52</b>	<b>–</b>	<b>–</b>
<b>Group net profit incl. minority interest</b>				

\* Adjustment of previous year's figures, see note 3.

	Wealth mangement		Internal services and administration		Consolidation/ Other		Total	
	2nd Quarter 2007	2nd Quarter 2006	2nd Quarter 2007	2nd Quarter 2006	2nd Quarter 2007	2nd Quarter 2006	2nd Quarter 2007	2nd Quarter 2006
	–	–	–	–	–5,603	–5,186	88,749	91,514
	–	–	–	–	–	0	20,024	17,326
	9,722	–	–	–	–	–	9,722	–
	–	–	–	–	–	–	–	–
	9,722	–	–	–	–5,603	–5,186	118,494	108,840
	1,541	–	5,657	5,460	–4,011	–4,011	7,723	8,050
	–	–	–	–	–	–	–32,856	–36,987
	–	–	–	–	5,667	4,157	–4,777	–4,902
	–756	–	–	–	–	–	–756	–
	–5,637	–	–891	–1,256*	–	–	–28,296	–21,036
	–657	–	–896	–907	–	–	–4,900	–4,258
	–2,597	–	–5,903	–5,563*	4,011	5,081	–39,031	–37,535
	–9,647	–	–7,691	–7,726	9,678	9,238	–110,615	–104,718
	1,615	–	–2,034	–2,265	64	41	15,602	12,172
	29	–	3,571	5,582	–2,607	–2,675	1,369	3,155
	–1	–	–1,264	–1,252*	28	16	–1,358	–1,366
	28	–	2,307	4,329	–2,578	–2,659	12	1,788
	1,643	–	273	2,065	–2,514	–2,619	15,614	13,959
							–6,042	–1,886
							9,572	12,073
	–	–	–	–	–523	514	–525	462
							9,048	12,535

## Segment reporting (half-year comparison)

### Continuing operations

All figures in €'000	Consulting and Sales		Bank	
	1st half year 2007	1st half year 2006	1st half year 2007	1st half year 2006
<b>Segment income</b>				
Brokerage business	205,763	206,600	–	–
Banking business	–	–	38,946	34,075
Wealth management	–	–	–	–
of which with other continuing segments	9,872	9,047	1	0
<b>Total segment income</b>	<b>205,763</b>	<b>206,600</b>	<b>38,946</b>	<b>34,075</b>
Other income	10,073	13,420	23	96
<b>Segment expenses</b>				
Brokerage business	–86,207	–87,886	–	–
Banking business	–	–	–20,658	–17,826
Wealth management	–	–	–	–
Personnel expenses	–34,976	–32,701*	–4,664	–3,695*
Depreciation and amortisation expenses	–6,279	–6,507	–118	–164
Operating expenses	–61,958	–66,848	–8,832	–9,103
<b>Total segment expenses</b>	<b>–189,420</b>	<b>–193,941</b>	<b>–34,272</b>	<b>–30,789</b>
<b>Segment earnings before interest and tax (EBIT)</b>	<b>26,417</b>	<b>26,078</b>	<b>4,697</b>	<b>3,383</b>
Other interest and similar income	842	470	1	1
Other interest and similar expenses	–463	–243*	–36	–33*
<b>Finance cost</b>	<b>380</b>	<b>227</b>	<b>–34</b>	<b>–33</b>
<b>Segment earnings before tax (EBT)</b>	<b>26,796</b>	<b>26,305</b>	<b>4,662</b>	<b>3,350</b>
Income taxes				
<b>Segment result from continuing operations</b>				
<b>Segment results from discontinued operations</b>	<b>–2</b>	<b>–2,250</b>	<b>–</b>	<b>–</b>
<b>Group net profit incl. minority interest</b>				

\* Adjustment of previous year's figures, see note 3.

	Wealth magement		Internal services and administration		Consolidation/ Other		Total	
	1st half year 2007	1st half year 2006	1st half year 2007	1st half year 2006	1st half year 2007	1st half year 2006	1st half year 2007	1st half year 2006
	–	–	–	–	–9,872	–9,047	195,891	197,553
	–	–	–	–	–1	0	38,946	34,075
	19,657	–	–	–	–	–	19,657	–
	–	–	–	–	–	–	–	–
	19,657	–	–	–	–9,873	–9,047	254,493	231,628
	2,413	–	11,873	9,595	–7,979	–8,031	16,403	15,080
	–	–	–	–	–	–	–86,207	–87,886
	–	–	–	–	9,998	7,939	–10,660	–9,887
	–1,536	–	–	–	–	–	–1,536	–
	–10,932	–	–2,326	–3,147	–	–	–52,898	–39,544
	–1,348	–	–1,787	–1,824	–	–	–9,532	–8,495
	–5,275	–	–9,712	–9,549	7,980	9,238	–77,796	–76,262
	–19,090	–	–13,825	–14,520	–17,978	17,177	–238,628	–222,073
	2,979	–	–1,952	–4,925	127	99	32,268	24,635
	102	–	8,051	8,191	–5,697	–2,751	3,299	5,911
	–1	–	–2,584	–1,887	253	40	–2,830	–2,124
	101	–	5,467	6,304	–5,444	–2,711	469	3,787
	3,081	–	3,515	1,379	–5,317	–2,612	32,737	28,422
							–13,284	–7,874
							19,452	20,548
	–	–	–	–	–158	1,098	–160	–1,152
							19,292	19,396

## Changes in the consolidated shareholders' equity

All figures in € '000	Equity attributable to MLP AG shareholders						Minority interest	Total shareholders' equity
	Share capital	Treasury stock	Capital reserves	Available-for-sale reserve	Other comprehensive income	Total		
<b>As at January 1, 2006</b>	<b>108,641</b>	<b>- 10,505</b>	<b>11,474</b>	<b>63</b>	<b>345,456</b>	<b>455,129</b>	<b>63</b>	<b>455,192</b>
Currency translation	-	-	-	-	-32	-32	-	-32
Change in available for sale reserve	-	-	-	-49	-	-49	-	-49
Net profit	-	-	-	-	19,396	19,396	-	19,396
Dividends paid to shareholders and minority interests	-	-	-	-	-62,991	-62,991	-	-62,991
Convertible debentures	-	-	1,235	-	-	1,235	-	1,235
Acquisition of treasury stock	-	-72,496	-	-	-	-72,496	-	-72,496
<b>As at June 30, 2006</b>	<b>108,641</b>	<b>- 83,001</b>	<b>12,709</b>	<b>14</b>	<b>301,829</b>	<b>340,192</b>	<b>63</b>	<b>340,255</b>
<b>As at January 1, 2007</b>	<b>108,781</b>	<b>-148,353</b>	<b>14,487</b>	<b>69</b>	<b>348,392</b>	<b>323,376</b>	<b>63</b>	<b>323,439</b>
Currency translation	-	-	-	-	-17	-17	-	-17
Change in available for sale reserve	-	-	-	68	-	68	-	68
Net profit	-	-	-	-	19,292	19,292	-	19,292
Dividends paid to shareholders and minority interests	-	-	-	-	-42,118	-42,118	-	-42,118
Convertible debentures	20	-	963	-	-	983	-	983
Acquisition of treasury stock	-	-	-	-	-	-	-	-
<b>As at June 30, 2007</b>	<b>108,801</b>	<b>-148,353</b>	<b>15,450</b>	<b>137</b>	<b>325,549</b>	<b>301,584</b>	<b>63</b>	<b>301,647</b>

## Selected notes to the financial statement

### General Information

#### [1] Information about the company

The parent company of the group is MLP AG, in Wiesloch, Germany. It is entered in the Mannheim Commercial Register under the number HRB 332697 with the address Alte Heerstrasse 40, 69168 Wiesloch, Germany.

Since it was founded in 1971, MLP has been advising academics and other discerning clients in the fields of old-age and health provision, insurance cover, financial investments and loans and mortgages.

The MLP Group offers financial services, wealth management and banking services.

#### [2] Principles governing the preparation

The interim financial report has been prepared in line with the regulations set out in IAS 34 (Interim financial reporting). It is based on the International Financial Reporting Standards of the International Accounting Standards Board (IASB) as well as the interpretations of the International Financial Reporting Interpretation Committee (IFRIC), as applicable within the European Union (EU). The interim accounts were subject to an independent auditor's review.

Apart from the exception detailed in appendix information 3, the same consolidation principles and accounting policies as for the consolidated financial statements of the financial year 2006 have been applied to this interim financial report. These are presented in the Group notes of the annual report 2006 that can be downloaded from the company's website ([www.mlp.de](http://www.mlp.de)). The taxes on earnings in the period under review are entered based on the tax rates that were published in the last annual report.

The interim financial report has been drawn up in euros (€), the functional currency of MLP AG. Unless the notes state otherwise, all amounts are rounded to the nearest thousand euros (€'000). 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 are added up.

### [3] Changes in accounting policies

As of 2007, interest costs from the accrued interest of pension provisions are no longer recorded under the items "Personnel expenses" and "Operating expenses" but under the item "Other interest and similar expenses". The change in the disclosure of these figures means that accrued interests are now stated in accordance with their economic character under finance costs. In the income statement for the first half of 2006, accrued interest of pension provisions amounting to €340 thsd has been reclassified from "Personnel expenses" and €63 thsd from "Operating expenses" to "Other interest and similar expenses". This reclassification had no effect on net profit and earnings per share.

### [4] Changes in the scope of consolidation

The interim financial report contains the financial statements of MLP AG and those of its controlled companies (subsidiaries) in accordance with IAS 27, in which it holds the majority of voting rights or for which it has control possibilities through other means. Control, within the meaning of IAS 27, exists if there is the possibility to determine the financial and business policy of a company in order to draw benefit from this activity.

In the second quarter of 2007, MLP Finanzdienstleistungen AG was amalgamated with MLP Bank AG. The merged company will trade under the name MLP Finanzdienstleistungen AG.

In the financial year 2007 the name of the subsidiary Mainsee 437.V V GmbH, Frankfurt am Main was changed to FI Datenservice GmbH in preparation for the sale of the investment fund database business.

Apart from this, there were no changes in the scope of consolidation.

### [5] Acquisition of companies

MLP reported the purchase price allocation that was undertaken in the course of the acquisition of Feri Finance AG in the Group financial statements for the financial year 2006 based on provisional figures. In the second quarter of 2007 new information became available that led to a slight adjustment in the purchase price allocation.

Compared to 31st December 2006, the book values of the intangible assets were adjusted from €35,789 thsd to €36,629 thsd. This led to an increase of €314 thsd of deferred tax liabilities. On the other hand, the business or firm value decreased from €118,951 thsd to €118,424 thsd.



## [6] Seasonal influences on the business operations

Due to the seasonal development of its business, the Group generally expects earnings from continuing operations to be higher in the second half of the year than in the first six months.

## Notes to the consolidated income statement

The interim financial report as at 30th June 2007 also includes the costs and income generated by the Feri Group which was acquired on 20th October 2006. This means that a comparison with the figures of H1 2006 or the second quarter of 2006 is only possible to a limited extent.

## [7] Income from brokerage business

All figures in €'000	2nd Quarter 2007	2nd Quarter 2006	1st half year 2007	1st half year 2006
Old-age provisions	69,282	64,489	130,155	136,768
Health insurance	9,122	15,942	34,702	30,792
Non-life insurance	3,643	2,992	16,603	15,067
Loans and mortgages	3,436	3,551	7,087	6,907
Mutual funds	2,451	3,777	5,760	6,661
Other income	816	764	1,583	1,359
<b>Total</b>	<b>88,749</b>	<b>91,514</b>	<b>195,891</b>	<b>197,553</b>

Due to a modified itemisation in the previous year there were minor movements between the sub-items “Old-age provisions”, “Loans and mortgages” and “Other income”.

## [8] Income from banking business

All figures in €'000	2nd Quarter 2007	2nd Quarter 2006	1st half year 2007	1st half year 2006
Comission income	12,035	11,354	23,636	22,477
Interest and similar income	7,826	5,812	15,108	11,285
Change fair value option	163	160	202	313
<b>Total</b>	<b>20,024</b>	<b>17,326</b>	<b>38,946</b>	<b>34,075</b>

## [9] Income from wealth management

All figures in €'000	2nd Quarter 2007	2nd Quarter 2006	1st half year 2007	1st half year 2006
Wealth management	5,646	–	11,790	–
Income from consulting/fees	4,076	–	7,867	–
<b>Total</b>	<b>9,722</b>	<b>–</b>	<b>19,657</b>	<b>–</b>

## [10] Expenses for banking business

All figures in €'000	2nd Quarter 2007	2nd Quarter 2006	1st half year 2007	1st half year 2006
Commissions paid	–90	1,164	1,109	2,457
Interest and similar expenses	3,911	2,945	7,712	5,662
Allowances for losses	771	673	1,524	1,439
Change fair value option	184	120	315	329
<b>Total</b>	<b>4,777</b>	<b>4,902</b>	<b>10,660</b>	<b>9,887</b>

## [11] Personnel expenses/Number of employees

Personnel expenses rose from €39,544 thsd to €52,898 thsd. This was mainly due to the first-time consolidation of the Feri Group in the fourth quarter of 2006 and general salary increases.

As at 30th June 2007, MLP employed a staff of 1,963 (Previous year: 1,631). Of these, 528 (Previous year: 395) are part-time employees.

## [12] Operating expenses

All figures in €'000	2nd Quarter 2007	2nd Quarter 2006	1st half year 2007	1st half year 2006
IT costs	8,213	9,263	15,996	19,129
Cost of premises	5,755	5,699	11,602	11,851
Audit and consultancy costs	4,757	2,617	7,498	4,712
Communication	2,027	3,257	4,167	6,057
Allowances for bad debts	719	438	2,438	543
Training and seminars	3,965	3,393	6,341	5,441
Expenses for retired sales representatives	926	957	2,580	2,019
Advertising expenses	1,907	2,300	4,080	5,350
Representation, entertainment expenses	1,440	1,603	2,810	3,158
Office supplies	954	641	1,667	1,479
Other taxes	91	51	171	126
Currency translation expenses	6	1	30	5
Sundry other expenses	8,272	7,314	18,416	16,391
<b>Total</b>	<b>39,031</b>	<b>37,535</b>	<b>77,796</b>	<b>76,262</b>

The IT costs decreased by €3,133 thsd and communication expenses fell by €1,890 thsd due to optimisation measures in the communication and IT areas.

Allowances for bad debts compare to income from the release of allowances for bad debts amounting to €664 thsd that are shown in other income.

Sundry other expenses mainly comprises banking related expenses, rental of notebooks, insurances, other rents, other personnel costs, travelling costs as well as contributions and fees.

### [13] Earning taxes

Earnings tax expenses rose from €7,874 thsd to €13,284 thsd due to trade tax refunds recorded in the previous year.

## Notes on Group balance sheet

### [14] Receivables from banking business

All figures in € '000	June 30, 2007	Dec 31, 2006
Receivables from clients	254,642	271,451
Receivables from other financial institutions	420,085	334,932
<b>Total</b>	<b>674,727</b>	<b>606,383</b>

The rise in receivables from the banking business from €606,383 thsd to €674,727 thsd results from the increase in receivables from other financial institutions, due to investment of funds from the increased deposit business.

## [15] Financial assets

All figures in € '000	June 30, 2007	Dec 31, 2006
Available for sale		
Investments	3,304	3,222
Securities	28,761	34,763
Held to maturity securities	15,952	11,916
Loans and receivables		
Loans	1	4
<b>Total</b>	<b>48,018</b>	<b>49,905</b>

## [16] Receivables and other assets/other liabilities

Due to the seasonally strong year end business, high receivables from insurance companies as well as high liabilities towards commercial agents at 31st December 2006 were reported that were balanced out in the first quarter of 2007. In the second quarter of 2007, a lower amount of receivables and liabilities were built up. This explains the lower figure for receivables from insurance companies as well as liabilities towards commercial agents.

## [17] Long-term assets held for disposal and disposal groups

This balance sheet item contains assets associated with the disposal of FI Datenservice GmbH. It mainly consists of intangible assets.

## [18] Share capital

### Subscribed capital

The subscribed capital consists of 108,801,559 (31st December 2006: 108,781,403) no par value common shares. In the financial year 2007, 20,156 new shares were issued through the exercising of rights of conversion. In total, so far 160,873 new shares have been issued through convertible loan stock.

**Purchase of own shares**

MLP did not buy back any shares in the period from 1st January 2007 to 30th June 2007. In the same period of the previous year 3,934,600 shares were acquired for the price of €72,496,202 thsd. This corresponds to 3.62 % of the share capital existing (at the date of resolution).

Since the beginning of the share buy back program a total of 8,863,109 shares have been acquired with an overall value of €148,353 thsd. This corresponds to 8.16 % of the share capital (date of the resolution). The acquired shares correspond to €8,863 thsd of the share capital (date of resolution).

Through a resolution passed at the Annual General Meeting on 31st May 2007, MLP AG was granted further authorisation to purchase its own shares in accordance with article 71, section 1 item 8 of the German Stock Corporation Law. Up until 29th November 2008 a total of 10 % of the share capital existing at the time of the passing of the resolution (31st May 2007) can be bought back.

**Paid dividend**

In accordance with the resolution passed at the Annual General Meeting on 31st May 2007, the dividend for the financial year 2006 amounted to €0.40 per dividend-entitled individual share. For the financial year 2005 MLP AG distributed a regular dividend amounting to €0.30 and an extra dividend of €0.30.

**Discontinued operations**

Within the scope of its restructuring activities, MLP ceased its operative business at the Swiss subsidiary MLP Private Finance AG, Zürich, Switzerland and deconsolidated the company in the last financial year. Back in the financial year 2005, MLP Lebensversicherung AG and MLP Versicherung AG were sold. These three companies constitute the discontinued operations.

In line with IFRS 5, discontinued operations are to be disclosed separately from the continuing operations. The income statement of the continuing operations has thus been adjusted by the expenses and income of the discontinued operations, the net result generated by these is shown in a separate line.

## [19] Income statement for the discontinued operations

### Income statement for the period from January 1 to June 30, 2007

All figures in € '000	2nd Quarter 2007	2nd Quarter 2006	1st half year 2007	1st half year 2006
Income from brokerage business	–	369	–	947
Other income	–	4	–	4
<b>Total income</b>	<b>–</b>	<b>373</b>	<b>–</b>	<b>951</b>
Other expenses	–	–370	–	–1,261
<b>Earnings before interest and tax (EBIT)</b>	<b>–</b>	<b>3</b>	<b>–</b>	<b>–310</b>
Finance cost	–	–36	–	–67
<b>Earnings before tax (EBT)</b>	<b>–</b>	<b>–33</b>	<b>–</b>	<b>–377</b>
Income taxes	–	12	–	10
<b>Operating result from discontinued operations</b>	<b>–</b>	<b>–45</b>	<b>–</b>	<b>–367</b>
Earnings from the sale of operations	–479	830	–45	–107
Income taxes	–46	–342	–115	–679
<b>Earnings from discontinued operations</b>	<b>–525</b>	<b>–462</b>	<b>–160</b>	<b>–1,152</b>
Earnings per share in €				
From discontinued operations				
basic	0.00	0.00	–0.00	–0.01
diluted	0.00	0.00	–0.00	–0.01

The posted loss in the first half year in the item “Earnings from disposals of operations” is due to an expected purchase price reduction. On the other hand, income from the release of non-utilised accruals and the reduction of liabilities which were recorded in connection with the sale of MLP Lebensversicherung AG in the financial year 2005 were taken into account.

### Notes on the consolidated cash flow statement

Cash and cash equivalents with a term to maturity of not more than three months are recorded under cash and cash equivalents. Cash equivalents are short term financial investments which can be converted into cash at any time and which are only subject to minor value fluctuation risks. The cash and cash equivalents disclosed in the balance sheet have been reduced by €16 thsd (previous year: €20 thsd) which are intended for committed donations or are subject to other restraints.

All figures in €'000	June 30, 2007	June 30, 2006
Cash and cash equivalents	100,795	150,415
Non-current asset held for sale	1,470	1,100
Other investments < 3 months	–	40,000
Liabilities to banks due on demand	– 606	– 8
<b>Cash and cash equivalents</b>	<b>101,659</b>	<b>191,507</b>

Non current assets held for sale contain cash and cash equivalents of €1,470 thsd. The previous year's figure of €1,100 thsd concerns MLP Private Finance AG, Zürich, Switzerland.

The receivables from financial institutions outside the brokerage business are not incorporated into the cash and cash equivalents as these are allocated to the regular business operations of the Banking business unit (previously MLP Bank AG).

## Notes on Group reporting by segment

The MLP Group is structured into the following business segments:

- Consulting and sales
- Banking
- Wealth management
- Internal services and administration

The object of the **consulting and sales** segment consists of consulting services for academics and other discerning clients, particularly with regards to insurance, investments, occupational old-age pension provision schemes and financing as well as the brokerage of contracts concerning these financial services. With 2,622 consultants and a comprehensive scope of services, the Group currently caters to some 705,000 clients in the named segments.

The **banking** segment includes the administration of financial portfolios, the trustee credit business, loan and credit card business, consulting regarding investment in investment funds as well as the conception and organisational implementation of new financial products for the MLP Group.

Due to the acquisition of the Feri Group in 2006, the segment report was expanded to include **wealth management**. The business operations of this segment cover wealth management and investment consulting.

The main internal services and activities are embraced within the segment of **internal services and administration**.

As the Group chiefly confines its business activities to Germany (proportion of foreign revenue in the period under review and in the previous year is less than 3 %), a geographic (secondary) breakdown of the segments is not required.

## **Contingent liabilities and other obligations**

The concluded purchase contract between MLP AG and Clerical Medical International Holdings B.V., Maastricht, Netherlands, concerning the sale of MLP Lebensversicherung AG contains a purchase price adjustment clause for the years 2005 to 2007, which provides for an increase or a decrease in the purchase price up to a maximum of €15 million if certain conditions arise. The current status leads MLP to anticipate a reduction amounting to €2.6 million (31st December 2006: €1.2 million). A corresponding liability has been taken into account.

Beyond this, there were no other significant changes in the contingent liabilities and other obligations during the period under review.

## **Relationships with affiliated companies and persons**

Apart from the change in the Executive Board of MLP AG there were no significant changes compared to 31st December 2006.

## **Events subsequent to the reporting reference date**

In July 2007, MLP Finanzdienstleistungen AG acquired a 49.8 % holding in Interhyp Service GmbH, that will in future trade under the name MLP Hyp GmbH. The company will serve the purpose of handling the joint residential mortgage business of MLP Finanzdienstleistungen AG and Interhyp AG. Business activities are expected to commence at the end of 2007 and will result in an investment obligation on the part of MLP until the end of the year amounting to around €1.5 million.

In the course of further concentration on profitable growth markets it is intended to cease operative activities in Great Britain and Spain in the second half year. MLP currently anticipates a loss in the single-digit millions.

Feri Rating & Research GmbH has sold Feri Fund Market Information Ltd. and its database specialist subsidiary FI Datenservice GmbH to Lipper European Media Manager, a wholly owned subsidiary of Reuters. MLP expects a pre-tax sales profit in the low single digit millions.



On 6th July 2007 the German Bundesrat (upper house) passed the corporate tax reform law. Due in particular to the reduction in the corporation tax rate from the current 25 % to 15 % from 1st January 2008, the MLP Group's tax ratio will decrease with effect from the financial year 2008. This requires a revaluation of the domestic deferred tax assets and liabilities of the MLP Group in the third quarter of 2007. In view of the overhang of deferred tax liabilities, it is expected that the revaluation will lead to a reduction in tax expenses in the financial year 2007.

On 26th July 2007 the Executive Board of MLP AG decided, in accordance with article 71 section 1 item 8 of the German Stock Corporation Law, to make use of authorisation by the Annual General Meeting to withdraw the repurchased shares. The withdrawal of the shares is subject to a further decision by the executive board.

There were no further notable events after the balance sheet date which may affect the MLP Group's net assets, financial position or results of operations.

## Review Attestation

We have reviewed the interim condensed consolidated financial statements, comprising the condensed balance sheet, the condensed income statement, the condensed cash flow statement, the condensed statement of changes in equity and selected explanatory notes, and the interim group management report of MLP AG, Wiesloch for the period from January 1 to June 30, 2007, which are part of the six-monthly financial report pursuant to Sec. 37w WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act] / quarterly financial report pursuant to Sec. 37x (3) WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act]. The preparation of the interim condensed consolidated financial statements in accordance with IFRSs on interim financial reporting as adopted by the EU and of the group management report in accordance with the requirements of the WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act] applicable to interim group management reports is the responsibility of the Company's management. Our responsibility is to issue an attestation on the interim condensed consolidated financial statements and the interim group management report based on our review.

We conducted our review of the interim condensed consolidated financial statements and the interim group management report in accordance with German generally accepted standards for the review 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 review to obtain a certain level of assurance in our critical appraisal to preclude that the interim condensed consolidated financial statements have not been prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the applicable provisions of the WpHG. A review is limited primarily to making inquiries of company personnel and applying analytical procedures and thus does not provide the assurance that we would obtain from an audit of financial statements. In accordance with our engagement, we have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements have not been prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Stuttgart, 8th August 2007

Ernst & Young AG  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft

Prof. Dr. Pfitzer  
Wirtschaftsprüfer  
[German Public Auditor]

Skirk  
Wirtschaftsprüfer  
[German Public Auditor]

### **Assurance by the legal representatives**

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Wiesloch, 7th August 2007

MLP AG

The Executive Board

Dr. Uwe Schroeder-Wildberg

Dr. Wulf Böttger

Gerhard Frieg

## Executive Bodies at MLP AG

### Executive Board

Dr. Uwe Schroeder-Wildberg (Chief Executive Officer)  
Dr. Wulf Böttger  
Gerhard Frieg  
Nils Frowein (until June 30, 2007)

### Supervisory Board

Manfred Lautenschläger (Chairman)  
Gerd Schmitz-Morkramer ( Vice Chairman)  
Dr. Peter Lütke-Bornefeld  
Johannes Maret  
Maria Bähr (Employee Representative)  
Norbert Kohler (Employee Representative)

## Financial calendar

### September 12-13, 2007

UBS Conference „Best of Germany“  
New York/USA

### September 25-27, 2007

HVB German Conference  
Munich, Germany

### November 07, 2007

Results for the 3<sup>rd</sup> quarter 2007

### January 14-16, 2007

Dresdner Kleinwort German  
Investment Seminar  
New York/USA

### January 21-23, 2008

Cheuvreux 7th German  
Corporate Conference  
Frankfurt, Germany

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