

## MLP increases revenues in the first half-year – operating EBIT rises strongly

- Total revenues increase by 3 percent to EUR 240.1 million (H1 2010: EUR 232.8 million)
- Operating EBIT climbs by 47 percent to EUR 12.2 million (EUR 8.3 million)
- Q2: New business in old-age provision remains at the previous year's level; earnings burdened primarily by previously announced one-off exceptional costs
- Assets under Management grow significantly, reaching EUR 20.6 billion – including an increase of EUR 700 million in the second quarter alone
- Outlook: Operating EBIT margin to rise to 15 percent in 2012

Wiesloch, 11th August 2011 – MLP, the independent financial services and wealth management consulting company, increased total revenues by 3 percent and operating earnings before interest and taxes (EBIT before one-off exceptional costs) by 47 percent in the first half-year 2011. In this respect MLP benefited from its dynamic start to the year, followed by stable revenue development in the second quarter. As already communicated in April, earnings were affected by one-off exceptional costs which were incurred within the framework of the investment and efficiency programme – particularly during the second quarter.

“MLP had a successful first half-year,” comments Chief Executive Officer Dr. Uwe Schroeder-Wildberg. “Both in terms of revenue development as well as

Page 1/ 7

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with respect to the implementation of our extensive investment and efficiency programme, we remain firmly on course to achieve our objectives.”

Page 2 / 7  
11th August 2011

## **H1: Revenues from commissions and fees rise across almost all consulting areas**

During the period from January to June 2011 total revenues increased by 3 percent to EUR 240.1 million (H1 2010: EUR 232.8 million). This growth was mainly driven by the successful development in revenues from commissions and fees, which rose by 4 percent to EUR 217.6 million (EUR 208.8 million). Interest income also made pleasing progress, climbing to EUR 13.8 million (EUR 12.4 million). However, other revenues fell by 24 percent to EUR 8.8 million (EUR 11.6 million).

The breakdown of the revenues from commissions and fees shows growth in almost all consulting areas. The health insurance business exhibited particularly dynamic progress – revenues rose by 57 percent to EUR 41.8 million (EUR 26.6 million). The increased demand was primarily due to the abolition of the three-year rule for insurees intending to switch to private insurance and to the increasingly sceptical perception on the part of broad sections of the population with respect to the statutory health insurance system.

Wealth management also developed well. The increase from EUR 37.1 million to EUR 40.2 million was due to positive business development both at MLP as well as at Feri. Clients continue to show a high level of interest in purchasing their own residential property. Against this background, revenues from mortgages and loans rose by 32 percent to EUR 6.2 million (EUR 4.7 million). In addition, the earnings from our joint venture company MLP

Hyp, through which MLP conducts a considerable portion of its property mortgages, rose by 25 percent to EUR 0.5 million (EUR 0.4 million). Revenues in non-life insurance amounted to EUR 20.8 million and were thus also above the figure for the previous year (EUR 20.2 million).

Page 3 / 7  
11th August 2011

However, revenues in old-age provision decreased, falling by 10 percent from EUR 118.6 million to EUR 106.9 million. When viewed in isolation, the second quarter showed significantly less decline – revenues amounted to EUR 56.4 million (Q2 2010: EUR 59.7 million) representing a decrease of just 6 percent. The continuingly difficult market environment is mainly due to the hesitancy of many clients with respect to the conclusion of long-term contracts. “We expect to achieve an improvement in new business for old-age provision products during the coming months,” comments MLP Chief Financial Officer Reinhard Loose. “For the full year, we currently still expect to achieve stable revenues in this consulting area. However we remain cautious due, not least, to the recent upheaval on the capital markets.”

## **H1: Operating EBIT rises to EUR 12.2 million**

Operating EBIT in the first half-year increased by 47 percent to EUR 12.2 million (H1 2010: EUR 8.3 million). As announced in April, the second quarter in particular was affected by one-off exceptional costs relating to the extensive investment and efficiency programme, primarily for severance payments. For the first half-year these exceptional charges amounted to EUR 10.5 million, resulting in EBIT of EUR 1.7 million (EUR 8.3 million). Group net profit fell correspondingly to EUR 0.3 million (EUR 5.3 million). Liquid funds at 30th June 2011 fell in line with expectations to EUR 160 million (31st

March 2011: EUR 226 million), mainly due to the dividend payment and the payment of the purchase price for the acquisition of the remaining Feri shares.

Page 4 / 7  
11th August 2011

## **Q2: Stable revenues from commissions and fees, special effects burden earnings**

Total revenues in the second quarter fell slightly to EUR 109.3 million (Q2 2010: EUR 111.6 million). Here, revenues from commissions and fees remained stable at EUR 98.9 million (EUR 99.7 million), whilst other revenues fell by 39 percent to EUR 3.5 million (EUR 5.7 million). Operating EBIT fell from EUR 4.3 to EUR 0.4 million. In the second quarter the one-off exceptional costs amounted to EUR 7.3 million, resulting in an EBIT of EUR –6.8 million (EUR 4.3 million). The group net profit fell correspondingly to EUR –4.4 million (EUR 3.6 million).

## **New business in old-age provision in Q2 at the previous year's level**

Assets under Management, which form an important foundation for future revenue in wealth management, reached a new record high of EUR 20.6 billion (31st March 2011: EUR 19.9 billion) – thanks primarily to the acquisition of new institutional clients. In old-age provision the premium sum in the second quarter stood at EUR 1.0 billion and thus remained at the previous year's level (Q2 2010: EUR 1.0 billion). At the half-year, the figure amounted to EUR 1.9 billion and was therefore slightly below the previous year (H1 2010: EUR 2.0 billion). Occupational pension provision accounted for 10 percent of this amount (Full year 2010: 9 percent).

## **15,300 new clients**

Page 5 / 7  
11th August 2011

MLP welcomed 15,300 new clients (16,000) in the period from January to June. The total number of clients rose to 781,000 (31st March 2011: 778,000). The number of consultants fell to 2,186 (31st March 2011: 2,222).

## **Acquisition of Feri completed, extensive programme initiated**

In April 2011 MLP acquired the remaining 43.4 percent holding in Feri Finance AG as planned. The purchase price for the shares provisionally amounts to EUR 50.6 million. This step represents an important foundation for the further strengthening of the wealth management business.

In the same month MLP initiated an extensive programme designed to strengthen its future growth. In addition to a marketing campaign, the measures also include significant improvement of visibility at the branch locations, even more effective support for the MLP consultants as well as further optimisation of processes. At the same time, MLP has also brought forward and accelerated the previously planned efficiency measures.

## **Goal 2012: To increase the operating EBIT margin to 15 percent**

The concentration of the efficiency measures into the current financial year will lead, as already announced, to one-off exceptional costs of some EUR 30 million - of which, MLP has already booked around EUR 10.5 million in the first half year. From 2012, the programme will contribute to a significant improvement of the previously planned efficiency measures. Overall, MLP expects to achieve a sustained reduction in its annual fixed costs of at least EUR 30 million by the end of 2012. "Our target remains to improve the op-

erating EBIT margin to 15 percent in 2012”, comments Chief Financial Officer Reinhard Loose. “Following the first half-year, we are well on the way to achieving this goal.”

Page 6 / 7  
11th August 2011

## Overview of the key figures

Continuing operations (in EUR million)	Q2/2011	Q2/2010	Change in %		6 months 2011	6 months 2010	Change in %
Revenues	105.9	106.0	-		231.4	221.3	5
Revenues from commissions and fees	98.9	99.7	-1		217.6	208.8	4
Interest income	6.9	6.3	10		13.8	12.4	11
Other revenue	3.5	5.7	-39		8.8	11.6	-24
<b>Total revenues</b>	<b>109.3</b>	<b>111.6</b>	<b>-2</b>		<b>240.1</b>	<b>232.8</b>	<b>3</b>
<i>Operating EBIT (before one-off exceptional costs)</i>	0.4	4.3	-91		12.2	8.3	47
Earnings before interest and tax (EBIT)	-6.8	4.3	>-100		1.7	8.3	-80
Earnings before tax (EBT)	-6.5	4.1	>-100		1.1	7.6	-86
Earnings from continuing operations	-4.9	3.5	>-100		-0.2	5.5	>-100
Group net profit	-4.4	3.6	>-100		0.3	5.3	-94
Earnings per share (diluted) in EUR	-0.04	0.03	>-100		0.00	0.05	>-100
Clients					781,000	778,000*	-
Consultants					2,186	2,222*	-2

\*) 31st March 2011

### About MLP:

MLP is Germany's leading independent consulting company. 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 from insurance companies, banks and investment firms. The MLP Group manages total assets of more than € 20.6 billion and supports more than 781,000 private and over 4,000 corporate clients. The financial services and wealth management consulting company was founded in 1971 and holds a full banking licence.

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 old-age provision, financial investment, health insurance, non-life insurance, loans and mortgages and banking. Those with assets above € 5 million are looked after by the subsidiary Feri Family Trust. Moreover, the Group provides consulting services to institutional investors via Feri Institutional Advisors GmbH. Supported by its subsidiary TPC and the joint venture HEUBECK-FERI Pension Asset Consulting GmbH, MLP also provides companies with independent consulting and conceptual services in all issues pertaining to occupational pension schemes and remuneration as well as asset and risk management.