

MLP posts revenue of almost EUR 339 million in the first nine months of 2013

Page 1 / 7

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- **9M: Total revenue amounts to EUR 338.8 million, some 5 percent below the previous year (EUR 355.3 million)**
- **EBIT totals EUR 12.3 million – around EUR 4.6 million of the announced EUR 8 million future investments were made in the first nine months**
- **High number of consulting appointments in Q3: very positive development in wealth management, loans and mortgages as well as non-life insurance**
- **More difficult framework conditions in old-age provision and in health insurance**
- **Further pick-up in business expected in the coming weeks**

Wiesloch, 14th November 2013 – MLP, the independent financial services and wealth management consulting company generated total revenue of EUR 338.8 million in the first nine months of 2013 – representing a decrease of 5 percent compared to the same period in 2012. The consulting areas of wealth management, loans and mortgages as well as non-life insurance were, in part, significantly above the previous year. However, in health insurance, and particularly in old-age provision, the market burdens increased in recent months. Due to the fall in revenue, EBIT (earnings before interest and tax) decreased to EUR 12.3 million.

In the third quarter EBIT amounted to EUR 7.3 million, which was the largest quarterly contribution so far in this financial year. On the revenue side, a pick-up in business was evident during this period, such that total revenue

grew by 6 percent compared to the previous quarter. In the final quarter MLP expects – as is customary in its business model – a further increase in momentum.

Page 2 / 7
14th November 2013

“Our consultants intensively care for their clients, an aspect which can be seen in our loans and mortgages revenue as well as in wealth management and in non-life insurance. In old-age provision, particularly the debate about low interest rates as well as the negative headlines concerning life insurance contracts have added to the already hesitant stance of many clients,” comments Chief Executive Officer Dr. Uwe Schroeder-Wildberg. “MLP is well equipped to cope with this more difficult market environment. In the first nine months of the year we benefitted once again from the measures we have undertaken in recent years such as the establishment of stable revenue sources like wealth management and occupational provision as well as the considerable reduction of our administration costs.”

9M: Significant increase in wealth management

In the period from January to September 2013 total revenue amounted to EUR 338.8 million (9M 2012: EUR 355.3 million). Revenue from commissions and fees accounted for the largest portion of this figure and totalled EUR 308.0 million (EUR 319.6 million). Due to the lower interest rate environment, interest income fell by 17 percent to EUR 17.2 million (EUR 20.6 million). Other revenue decreased from EUR 15.1 million to EUR 13.6 million.

The revenue breakdown by consulting areas shows significant growth in wealth management. Here, revenue rose from EUR 83.7 million to EUR 100.4 million – an increase of 20 percent. The private client business at MLP as well as the subsidiary FERI both contributed to this positive business development. In non-life insurance revenue rose from EUR 26.7 million to EUR 27.1 million; when viewing the third quarter in isolation, the increase amounted to 12 percent (from EUR 4.1 million to EUR 4.6 million). The growth in loans and mortgages reflects the currently high level of interest shown by many clients with respect to purchasing their own home – on a nine month basis revenue here climbed by 11 percent to EUR 9.8 million (9M 2012: EUR 8.8 million). Additional earnings from the joint venture company MLP Hyp amounted to EUR 0.7 million (EUR 0.7 million).

Page 3 / 7
14th November 2013

On the other hand, revenue in health insurance decreased. In this consulting area many clients remained hesitant due to political uncertainties. Revenue thus fell from EUR 45.5 million to EUR 36.2 million. In old-age provision, the market environment has been difficult since the outbreak of the financial crisis in 2008 and the subsequent debate surrounding the European debt crisis, as many citizens are reluctant to commit to long-term contracts. The public discussions about the currently low interest rates, the negative reports about life insurance contracts and fears about possible post-election tax increases further burdened the market environment. For the full-year, new business with monthly saving rates is therefore expected to decline throughout the industry. Against this background, revenue at MLP in the first months decreased by 14 percent to EUR 131.6 million (EUR 152.3 million). "Private and occupational old-age provision are becoming ever

more important as a result of falling state pensions and the changing demographic situation – and there is no way around it. We must, however, recognise that many clients are currently very hesitant despite the strong need for provision,” comments Chief Financial Officer Reinhard Loose.

Page 4 / 7
14th November 2013

EBIT falls due to decrease in revenue

In the first nine months EBIT fell to EUR 12.3 million (EUR 26.4 million) which was primarily attributable to lower revenue. The administration costs (personnel expenses, depreciation and amortisation as well as other operating expenses) amounted to EUR 180.6 million and were thus around EUR 4 million less than in the corresponding period of the previous year – even though MLP booked approximately EUR 4.6 million of the temporary expenses announced in February during the period from January to September. In total, MLP will incur around EUR 8 million of temporary expenditure in the financial year 2013 – either in order to make important investments for the future or to relieve expenses in subsequent years through one-off initial costs. Group net profit amounted to EUR 9.5 million (EUR 18.8 million).

The balance sheet strength of MLP is evident in the equity ratio of 24.7 percent at September 30, 2013. At this reference date the core capital ratio stood at 17.2 percent – and thus significantly exceeded the 8 percent stipulated by the supervisory body for banks such as MLP.

Q3: Pick-up compared to the previous quarter

Page 5 / 7
14th November 2013

When viewed in isolation, total third quarter revenue of EUR 114.5 million remained below the same period in the previous year (Q3 2012: EUR 121.5 million). However, compared to the second quarter (Q2 2013: EUR 107.9 million) a pick-up was evident. EBIT fell to EUR 7.3 million (Q3 2012: EUR 11.0 million); Group net profit decreased to EUR 5.3 million (EUR 8.4 million).

Managed assets rose to EUR 23.7 billion

At the end of the third quarter, assets under management stood at EUR 23.7 billion (June 30, 2013: EUR 22.7 billion). The premium sum in old-age provision fell to EUR 2.1 billion (9 M 2012: EUR 2.4 billion). Occupational pensions accounted for 13 percent of this figure (11 percent). The rise in the loans and mortgages volume from EUR 1.0 billion to EUR 1.2 billion highlights the currently increased importance of building loans for clients.

18,900 new clients

In the first nine months of the financial year MLP welcomed 18,900 new clients (21,600). The number of consultants fell slightly to 1,996 (June 30, 2013: 2,012).

Outlook: Further pick-up expected during the coming weeks

In its business model, MLP traditionally generates the majority of its revenue and earnings in the fourth quarter. In this respect, particularly the final weeks of the financial year greatly influence the full-year result. Following a pick-up in business since September, MLP expects to see a further upwards trend in revenue through to the end of the year. "MLP is a well-positioned

company with a strong balance sheet, a very competitive cost structure and a broad revenue base,” comments Uwe Schroeder-Wildberg. “Despite the increased market burdens, we will therefore still generate solid earnings in 2013.” For the financial years 2014 and 2015, MLP reiterates its forecast for EBIT to range within a corridor of EUR 65 to 78 million.

Page 6 / 7
14th November 2013

Overview of the key figures

MLP Group (in EUR million)	Q3/2013	Q3/2012	Change in %		9 months 2013	9 months 2012	Change in %
Revenue	109.2	118.0	-7		325.2	340.2	-4
Revenue from commissions and fees	103.4	111.3	-7		308.0	319.6	-4
Interest income	5.7	6.7	-15		17.2	20.6	-17
Other revenue	5.3	3.6	47		13.6	15.1	-10
Total revenue	114.5	121.5	-6		338.8	355.3	-5
Earnings before interest and tax (EBIT)	7.3	11.0	-34		12.3	26.4	-53
Earnings before tax (EBT)	7.4	11.1	-33		12.4	27.1	-54
Group net profit	5.3	8.4	-37		9.5	18.8	-49
Earnings per share (diluted) in Euro	0.05	0.08	-38		0.09	0.17	-47
Clients					825,600	821,000*	1
Consultants					1,996	2,012*	-1

*) June 30, 2013

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 around € 24 billion and supports more than 825,000 private and 5,000 corporate clients or employers. The financial services and wealth management consulting company was founded in 1971 and holds a full banking licence.

Page 7 / 7
14th November 2013

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, financial investment, health insurance, non-life insurance, loans and mortgages and banking. Private individuals with assets of over € 5 million and institutional clients benefit from extensive wealth management and consulting services as well as receiving economic forecasts and ratings provided by the subsidiaries of the FERI Group. Supported by its subsidiary TPC, MLP also provides companies within dependent consulting and conceptual services in all issues pertaining to occupational pension schemes and remuneration as well as asset and risk management.