

MLP starts year with slight growth

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- Q1: Total revenue rises by 3 percent to EUR 119.8 million, EBIT climbs by 10 percent to EUR 4.4 million
- Early indicators for future revenue development positive – despite the persistently difficult market environment
- Outlook for 2014 reiterated

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Wiesloch, 15th May 2014 – In the first quarter 2014 the MLP Group grew total revenue by 3 percent to EUR 119.8 million and increased earnings before interest and tax (EBIT) by 10 percent to EUR 4.4 million. Within a difficult market environment, old-age provision began to show initial signs of a pick-up and both wealth management and non-life insurance recorded revenue growth. Important early indicators for future revenue development also showed a positive trend.

“The market burdens remain high and place great demands on us,” comments Chief Executive Officer Dr. Uwe Schroeder-Wildberg.

“Nevertheless, we have seen some positive signs during the first few weeks of the year but these still need to become more established.”

Rising momentum in new clients and new business

From January to March 2014 several early indicators for future revenue development showed a positive trend: The number of new clients increased by 20 percent compared to the same period of the previous year, climbing to 6,000 (Q1 2013: 5,000). New business in old-age provision rose by around 15 percent from EUR 550 million to EUR 630 million, whereas brokered new

business within the overall industry fell by 16 percent. In the real estate sector, MLP is already registering noticeable interest from its clients even though the new product offering was only launched in March.

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These positive trends are not yet fully reflected in the revenue from commissions and fees. In old-age provision, revenue rose by 3 percent to EUR 40.1 million (EUR 38.9 million). This area remains burdened by the discussions about the low interest rate environment as well as by the extensive negative reports about life insurers and their products. In wealth management revenue increased by 3 percent to EUR 32.6 million (EUR 31.7 million); assets under management at 31st March 2014 amounted to EUR 24.4 billion (31st December 2013: EUR 24.5 billion). In non-life insurance revenue rose to EUR 18.8 million (EUR 18.2 million) thus maintaining the continuous growth pattern of the last quarters. Loans and mortgages generated revenue of EUR 2.9 million (EUR 2.9 million) and thus remained at the level of the previous year; additional earnings from the joint venture company MLP Hyp amounted to EUR 0.2 million (EUR 0.1 million).

The health insurance environment remains difficult. According to figures released by the German Private Health Insurance Association in March of this year for example, within the industry as a whole, the number of people with full private health insurance in 2013 fell by 66,000. However, during the same time frame, MLP registered a slight increase in its corresponding number of insurees. In the first quarter too many clients remained hesitant. Against this backdrop, revenue at MLP decreased from EUR 13.9 million to EUR 11.4 million.

Across all consulting areas together, revenue from commissions and fees rose to EUR 107.1 million (EUR 106.4 million). Interest income totalled EUR 5.8 million (EUR 5.9 Mio.) and thus remained around the level of the previous year. Total revenue amounted to EUR 119.8 (EUR 116.4 million).

EBIT rises to EUR 4.4 million

EBIT rose to EUR 4.4 million (EUR 4.0 million). Group net profit totalled EUR 3.4 million, increasing by 6 percent compared to the previous year (EUR 3.2 million).

MLP welcomed 6,000 new clients in the first quarter

New client numbers developed positively in the first quarter, resulting in 6,000 new clients – a figure which significantly exceeded gains in the first quarter of 2013 (5,000). In spite of the usual seasonal decrease in the first quarter of the year, the number of consultants stood at 1,979 (31st December 2013: 1,998) and thus fell only slightly. In the first quarter MLP opened two new branches in the university segment, one in Münster and one in Frankfurt.

Outlook for 2014 reiterated

The previous financial year clearly demonstrated the prevalence of even more difficult market conditions. This consequently makes it more difficult to issue a concrete forecast for the business development which led MLP – as communicated in February – to use a scenario-based approach in the forecast. Under the most probable scenario MLP continues to expect EBIT of

around EUR 65 million in the financial year 2014. This base scenario assumes initial improvements to the general conditions. Risk factors for further development include the continuing, and in part very critical, public discussion about a possible further reduction in the guaranteed interest rate for life insurance and pension insurance policies. If, during the course of the year and on account of this situation, clients were to adopt a similarly hesitant approach as seen in 2013, MLP would expect a lower-based scenario to apply, corresponding to an EBIT of at least EUR 50 million. However, should the environment improve significantly more than currently expected, a higher-based scenario would be possible with EBIT rising up to a maximum of EUR 75 million. “Due to the market burdens, uncertainties remain with respect to the further operative development. As is usual in our business model, the upcoming quarters, and in particular the second-half year, will crucially influence the full-year result,” comments Chief Financial Officer Reinhard Loose. “It remains our objective to once again significantly increase revenue and earnings in 2014.”

Overview of the key figures

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MLP Group (in EUR million)	Q1/2014	Q1/2013	Change in %
Revenue	112.8	112.3	0
Revenue from commissions and fees	107.1	106.4	1
Interest income	5.8	5.9	-2
Other revenue	7.0	4.1	71
Total revenue	119.8	116.4	3
Earnings before interest and tax (EBIT)	4.4	4.0	10
Earnings before tax (EBT)	4.4	4.1	7
Group net profit	3.4	3.2	6
Earnings per share (diluted/undiluted) in EUR	0.03	0.03	0
Clients	836,200	830,300*	1
Consultants	1,979	1,998*	-1

*) 31st December 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 € 24.4 billion and supports more than 835,000 private and 5,000 corporate clients or employers. The financial services and wealth management consulting company was founded in 1971 and holds a 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 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 with independent consulting and conceptual services in all issues pertaining to occupational pension schemes and remuneration.