

Acceleration of Growth and Efficiency

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Key messages

- MLP has decided to initiate extensive investments and to significantly accelerate its efficiency measures
- The programme specifically prepares MLP for future challenges in a significantly changed market
- The efficiency measures ensure high profitability despite considerably higher investments
- Reduction of fixed costs of at least €30 million until end of 2012
- One-off exceptional costs of around €30 million in 2011
- Reiteration of the forecast: Operating EBIT margin to increase to 15% in the financial year 2012 – despite the continuingly difficult framework conditions in old-age provision

Significantly changed legal framework

Some of the main regulatory changes ...

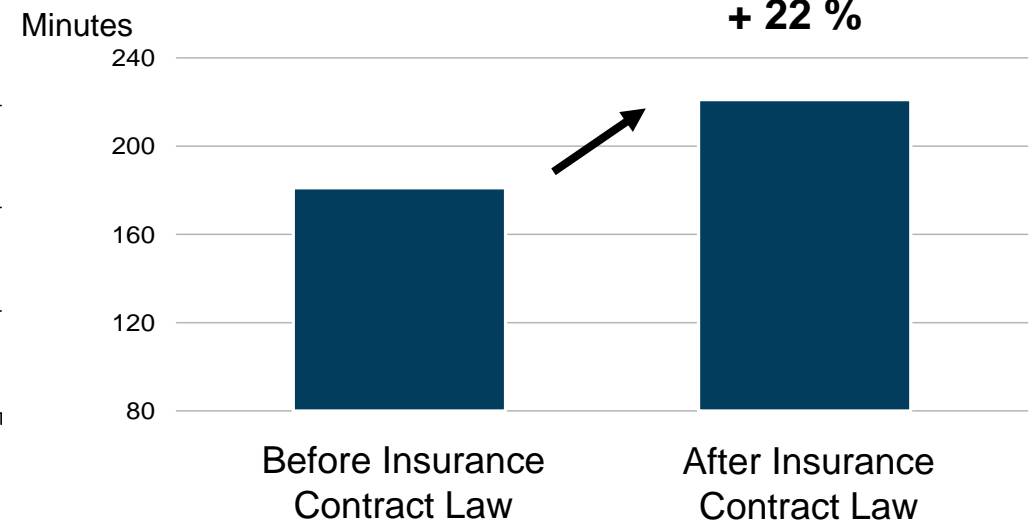
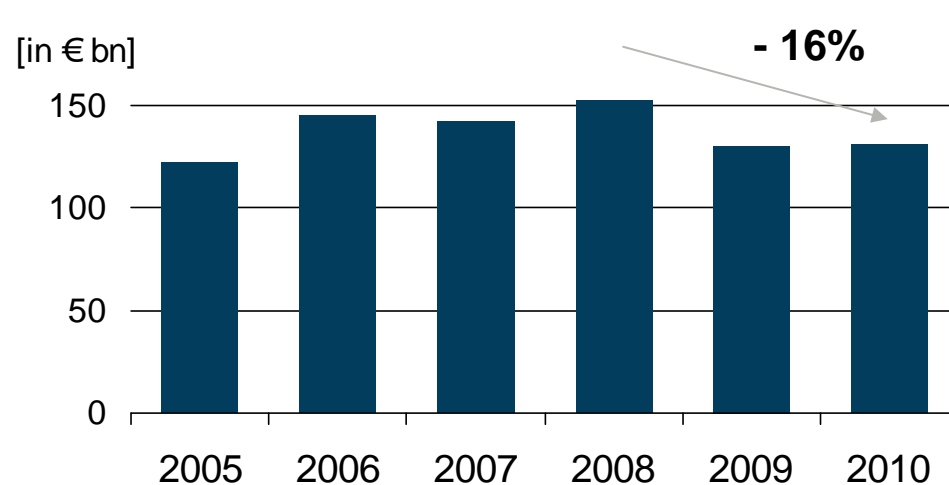
- 2005: Retirement Income Act
- 2007: Introduction of the Insurance Mediation Directive
- 2007: Markets in Financial Instruments Directive (MiFID)
- 2008: Amendment to the Insurance Contract Law
- 2009: Introduction of the Withholding Tax
- 2010: Introduction of consultation protocols in financial investment
- ...
- 2011: Investor Protection Act
- 2011: Amendment to the Financial Investment Mediation and Investment Law
- 2011 et seq.: Revision of the Insurance Mediation Directive

Significant changes in the market

Framework conditions

New business: old-age provision
(recurring premiums) in the market

Average consulting time
(incl. preparation and follow-up) for brokers



Source: GDV (German Insurance Association), own calculations; Journal "Versicherungswirtschaft Heft 4/2010"

Further strengthening of the brand and specific improvement of visibility

- Targeted strengthening of the MLP brand through an extensive marketing campaign
- At 16 large locations, all local branches will move into one larger building (“MLP Houses”) by the end of 2014
 - Significantly greater visibility and local tangibility
 - Further improved client and consultant services
 - Bundling of administrative and organisational activities
 - Cost reduction through better use of space
- Strengthening of new acquisition channels at universities

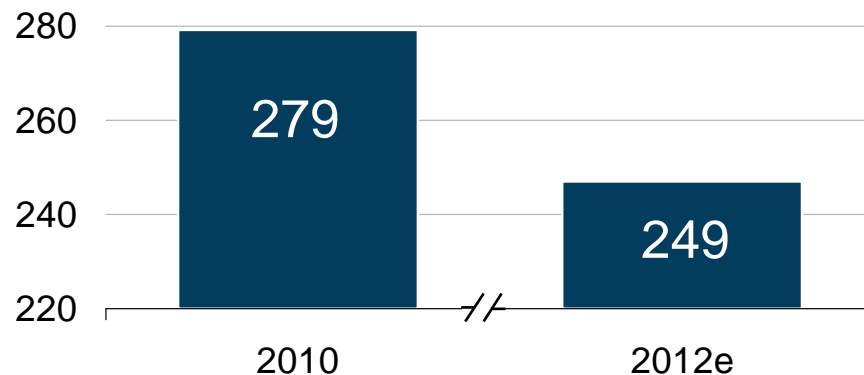
More intensive client consulting through optimized consultant support

- Further optimisation of workplace processes (e.g. reduction of IT complexity)
- Improved support through consulting programmes (e.g. in product selection)
- Greater standardisation and automation of administrative tasks
- Further optimisation of processes
- Even more effective service for the consultants from the back office (e.g. bundling of consultant services, strengthening of sales-related units)

Significant acceleration of the efficiency programme

Forecast: Development of fixed costs

[€ million]



- 2011: One-off exceptional costs of around € 30 million
- Sustainable reduction in the annual fixed costs by a total of at least € 30 million until the end of 2012

Growth in wealth management and health insurance expected

Outlook

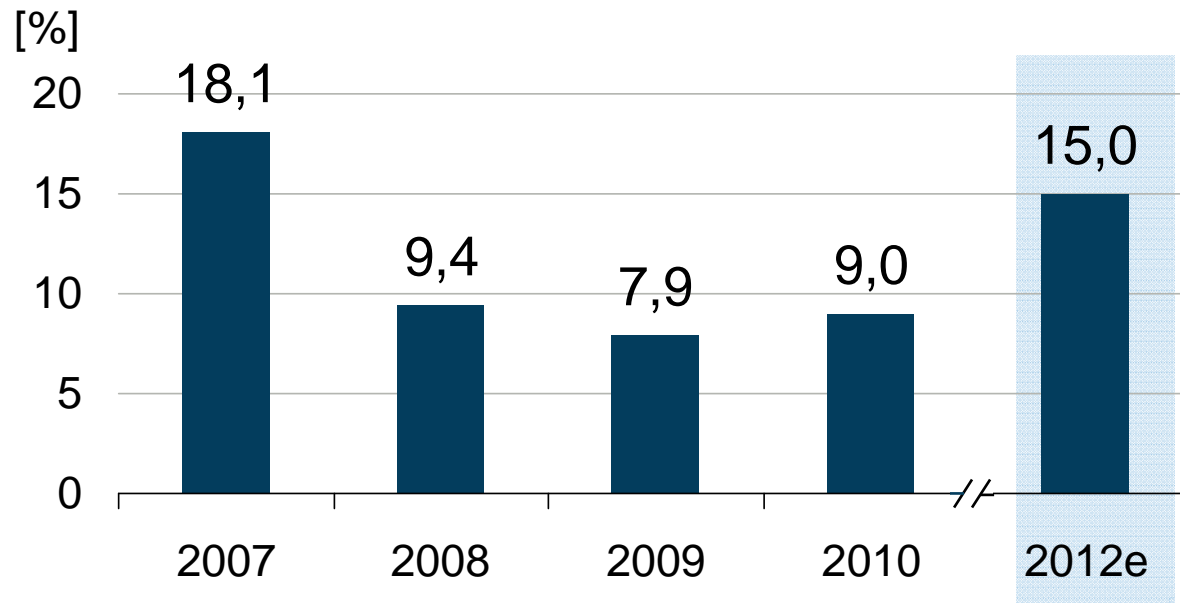
	2011	2012
Revenues: Old-age provision	→	→
Revenues: Wealth Management	↗	↗
Revenues: Health insurance	↗	↗

- Further growth in wealth management and health insurance expected in 2011 and 2012
- Outlook for old-age provision remains uncertain – from a current perspective, stable revenue in 2011 and a slight increase in the following year

Target 2012: Increase in EBIT margin to 15%

MLP Group

Operative EBIT margin*



* Before acquisitions and one offs

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