

# Preliminary results 2005: Excellent basis for future growth

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# Market environment 2005

- 2005 was a challenging year
  - Pension reform in Germany
  - New product environment
  - Major change in taxation of old-age pension products
  - Increased complexity in old-age provision
  - New business of German life insurance companies declined significantly
    - Number of new contracts: - 39 %
    - Premium sum from new contracts: - 46 %

# Successful transition year for MLP

- Leading the way in the product world
  - MLP quickly anticipated trends in the new product world of pensions
  - MLP took full advantage of new products
  - 40% market share for basic pensions (Basisrente)
  - Around 5% overall market share in 2005
- Operating targets achieved
  - EBT target raised from € 100 mln. to € 110 mln. during 2005
  - EBT increased by 38 % to € 119.9 mln.

# Successful re-positioning of the company

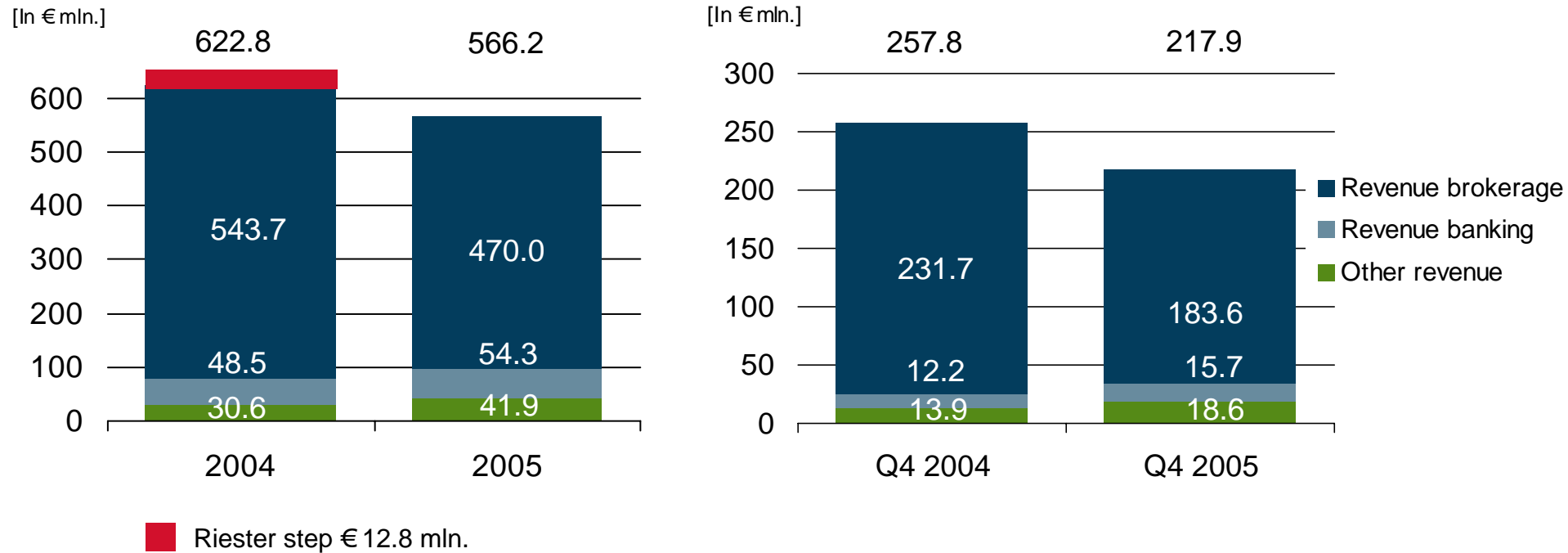
- Portfolio restructuring completed as planned
  - Sale of life and non-life insurance subsidiaries
  - Total consideration of around € 334 mln. (of which € 40 mln. earn-out in 2005-2008)
- Strategic development further advanced
  - Private Wealth Management business unit developed as planned
- Excess cash used for the benefit of shareholders and balance sheet
  - Extensive € 180 mln. share buy-back programme
  - Extra dividend of € 0.30 per share
  - Termination of existing factoring agreements totalling € 124 mln.

→ **Excellent basis for further growth**

# Revenues developed as planned

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## Total revenue

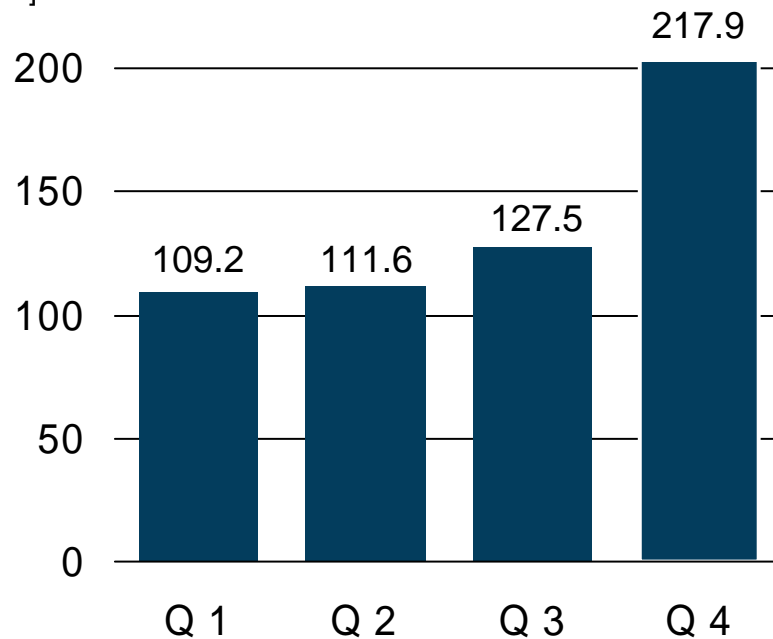


# Revenue development reflects adoption of new products

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## Quarterly revenue development 2005

[In € mln.]



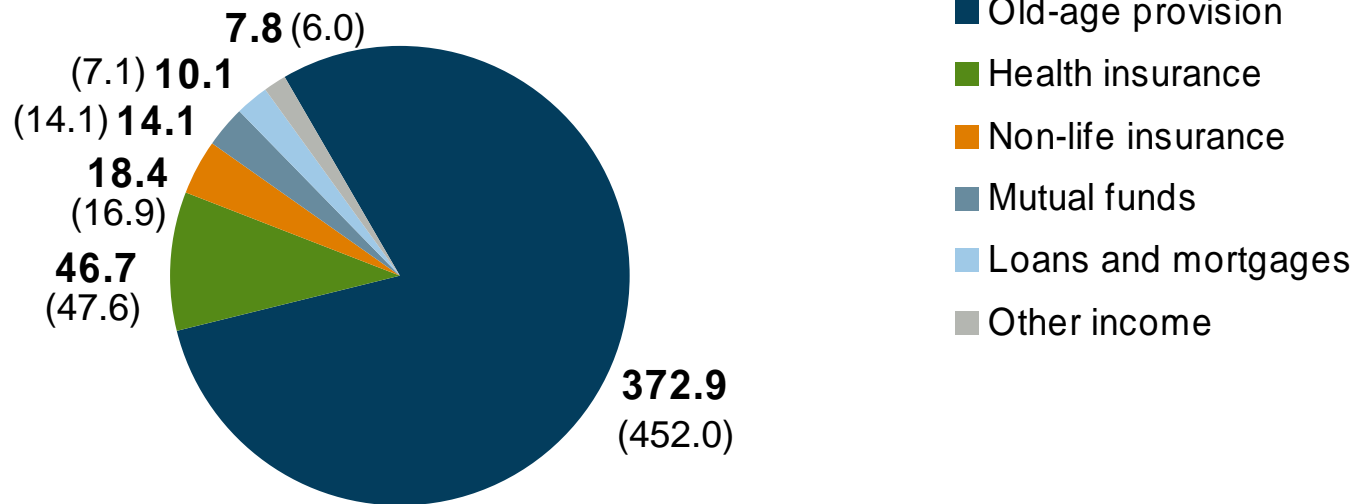
- Q1 and Q2 were affected by education and training
- Q3 showed 5% growth over previous year
- Q4 strongest quarter of the year

# Strong performance in the new product world

## MLP continued operations

Brokerage revenue split, 2005 (2004): € 470.0 mln. (€ 543.7 mln.)

[In € mln.]



# MLP Group with strong earnings growth

## Key figures

All figures in €mln.	2005	2004	Q4 2005	Q4 2004
<b>Continued operations</b>				
Revenues	566.2	622.8	217.9	257.8
EBIT	69.7	88.3	36.8	40.6
EBT	68.7	77.6	37.3	37.5
Net profit	40.4	43.0	24.1	20.6
<b>Discontinued operations *</b>				
EBT before disposal result	51.2	9.0	0	-2.3
Net profit before disposal result	33.9	7.3	0	-1.3
Disposal result	125.4	0	0.8	0
Net profit	159.3	7.3	0.8	-1.3
<b>MLP Group</b>				
EBT before disposal result	119.9	86.6	37.3	35.2
Net profit	199.7	50.3	24.9	19.3
EPS in €	1.84	0.46	0.23	0.17

\* until deconsolidation



# Continued operations

## Segment Consulting and Sales and segment Bank

All figures in € mln.	2005	2004	Q4 2005	Q4 2004
<b>Segment Consulting and Sales</b>				
Total segment revenues	481.2	551.6	187.3	234.5
Profit before tax (EBT)	66.0	90.7	32.7	45.9
<b>New business</b>				
Old-age provision (€ bln)	6.7	11.2		
Health insurance	56.4	60.4		
Loans and mortgages	1,016.3	806.0		
Inflow into funds	917.9	575.0		
Funds under management (€ bln) *	2.9	2.5		
EBT foreign operations	-8.0	-9.4	-3.7	-5.9
Operational EBIT margin **	17%	20%	21%	24%
<b>Segment Bank</b>				
Total segment revenues	54.9	49.5	15.8	12.3
Profit before tax (EBT)	7.6	7.8	2.9	1.3

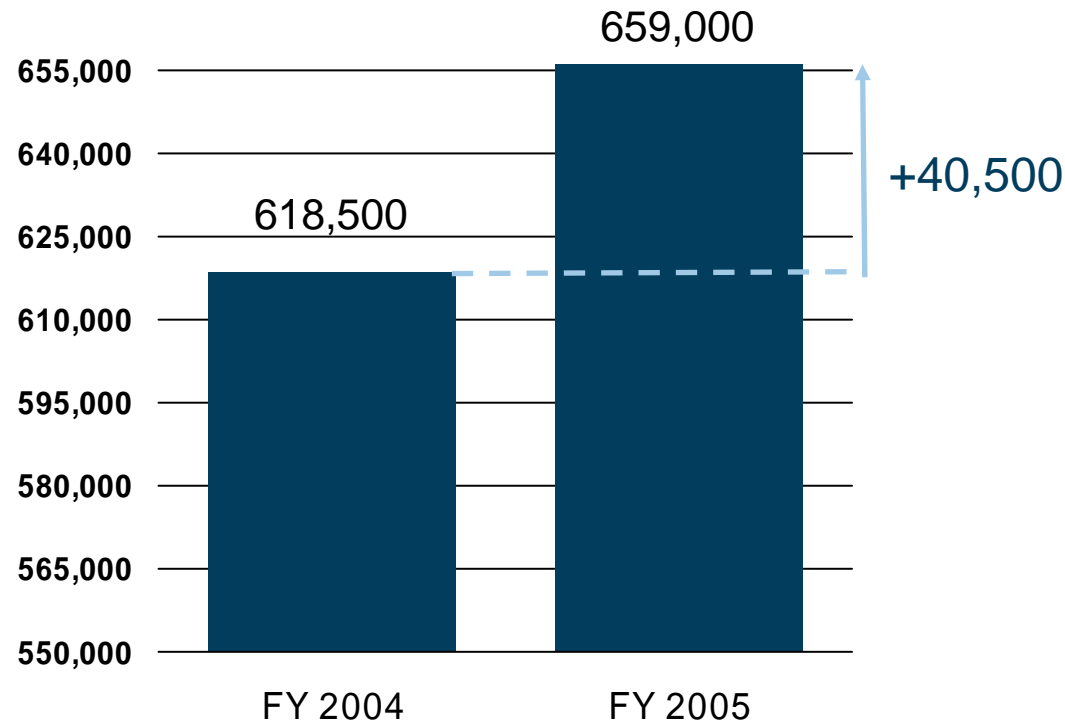
\* excluding investment fund of former MLP life insurance

\*\* excluding foreign operations

# Number of clients up by 40,500 in 2005

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## Number of clients

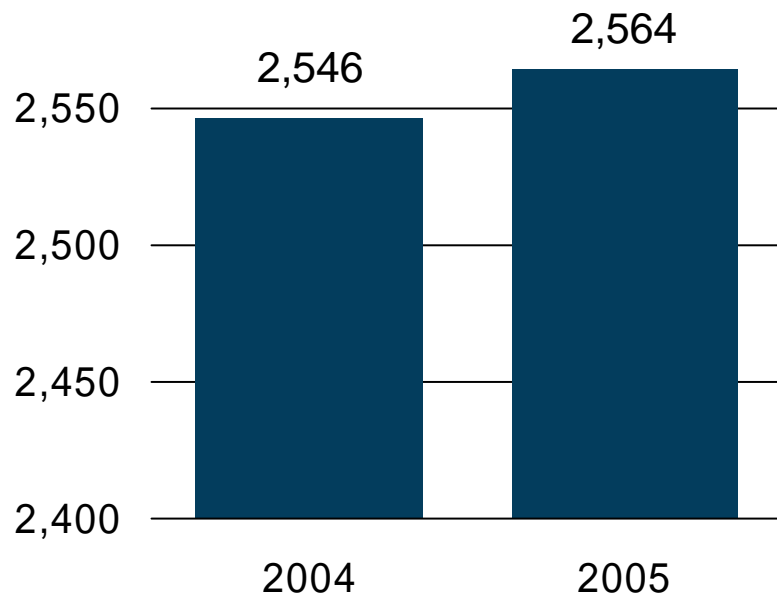


- 2005 was a transition year
- Priority given to servicing customer base with new products

# Slight increase in number of consultants

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## Number of consultants



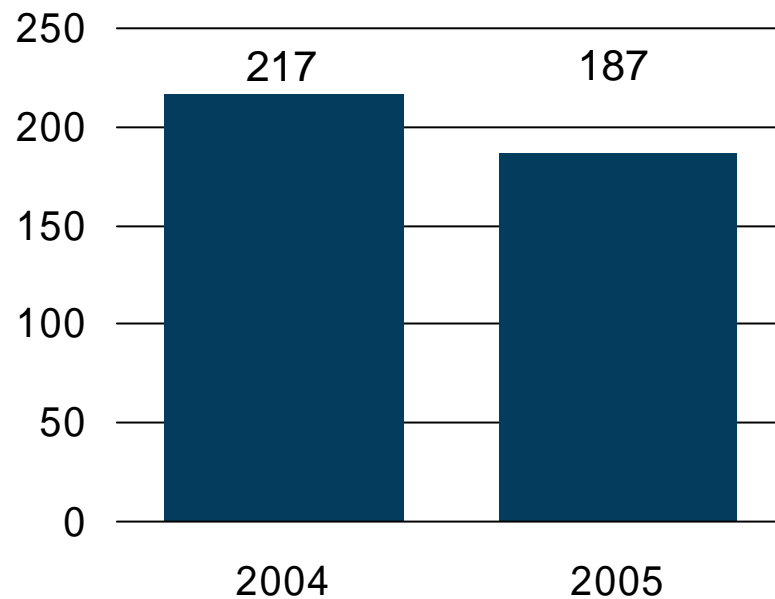
- Continued low fluctuation
- Quality of new consultants is the decisive factor
- Hiring of consultants slower than expected

# Sustainable high productivity in 2005

## Segment Consulting and Sales

### Revenue per consultant

[In € '000]



- Productivity developed as planned
- Training and education pays off
- Benchmark in the industry

# MLP 2006: Leading the new pension product world

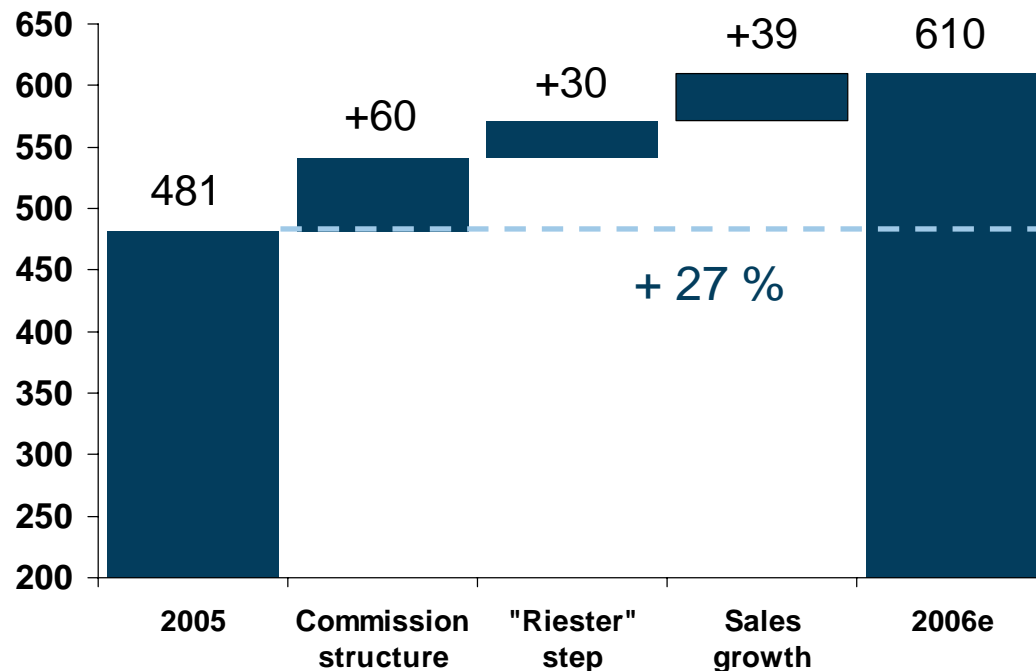
- Clear lead over competitors in basic pension products
- Further potential for “Riester” products
- Demand for annuity products likely to increase (coverage of longevity risk)
- Reduction of guaranteed interest stimulates sales of life insurance
- Client-specific mix of pension products is becoming more and more important

# Outlook 2006: Significant top line growth

## Segment Consulting and Sales

### Brokerage revenue 2006e

[In € mln.]



Growth in brokerage revenue

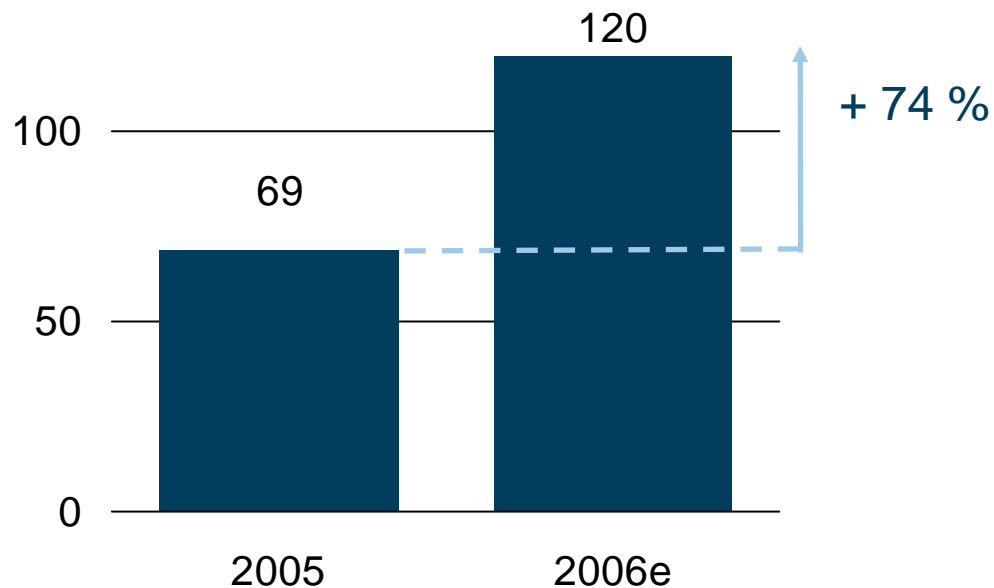
will be driven by

- Rollout of standard market commission structure
- "Riester" step
- Sales growth

# Outlook 2006: Strong leverage effect on earnings

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EBT continued operations 2005, 2006e



[In € mln.]

Reasons for strong increase in earnings:

- Sales growth
- Rollout of standard market commission structure
- “Riester” step

# Outlook 2006: Excellent basis for further growth

## Management focus 2006

- Acquisition of additional consultants
  - Clear management focus on acquisition of additional consultants
  - Optimisation of the recruiting process
  - Active personnel marketing
- Further increase in productivity and profitability
- Active management of foreign business
  - Switzerland: operational business under consideration
  - UK: Management team strengthened
- Further expansion of Private Wealth Management business unit



## Targets for 2007e: Mid-term outlook remains valid

- Group revenues: € 780 mln.
- EBT<sub>e</sub>: € 160 mln.
- Number of clients: ~825,000
- Number of consultants: ~3,000

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