

# Shaping change - Creating opportunities

Investor Presentation

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November 2008

# Agenda

1. Highlights and Results 9M and Q3 2008
2. MLP's Business Model and Positioning
3. KPIs
4. Market Environment
5. Growth Drivers
6. Outlook and Summary

# 1. Highlights and Results 9M and Q3 2008

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# Highlights – Overall market developments 9M 2008

- Extremely difficult market environment
- Capital market crisis has
  - led to a loss of confidence among retail and institutional customers
  - spread out to the whole economy and lowered expectations regarding future economic development
- Old-age pension provision market: New business has been flat and this is currently a “crowding out” market
- Wealth management market: Inflows into funds decreased – despite introduction of a flat-rate withholding tax on capital gains from 2009
- Private health insurance market: New business decreased significantly due to health insurance reform in 2007

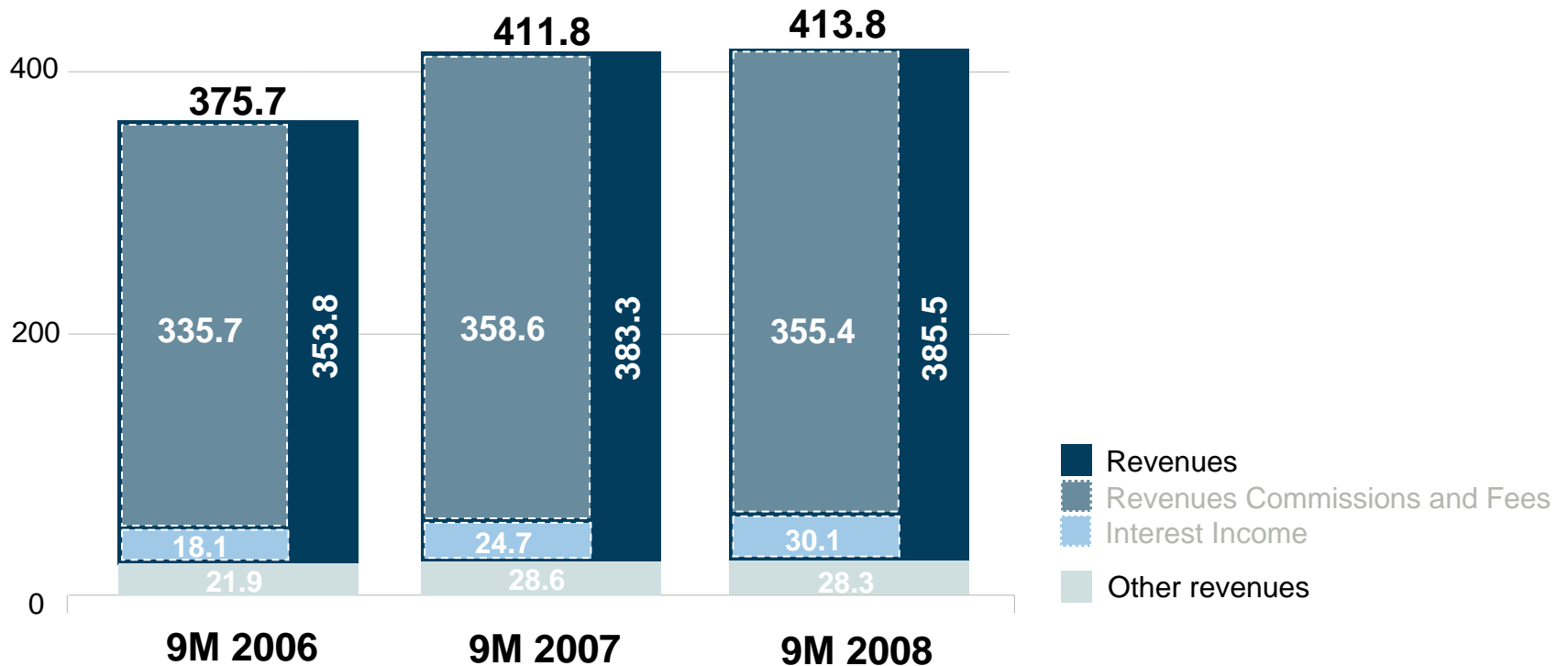
# Highlights – 9M and Q3 2008

- MLP has successfully implemented the new regulatory rules and regulations
- Total revenues for 9M 2008 at previous year's level
- Business development indirectly influenced by capital market crisis
  - Customers reluctant to make long-term investment decisions
  - Sluggish new business in wealth management
  - Lower recurring and performance fees in wealth management business due to the fall in capital markets
- Unexpected loss at TPC

# 9M: Total revenues at previous year's level

## Total revenues 9M 2008

[in € million]



# Earnings burdened by capital market crisis and new regulatory requirements

Continuing operations

## Income statement

[in € million]

	Q3 2007	Q3 2008	9M 2007	9M 2008
Total revenues	138.7	126.5	411.8	413.8
EBIT	18.2	2.8	56.4	35.5
Finance cost	0.0	-0.1	-2.4	-9.0
EBT	18.2	2.6	54.0	26.5
Taxes	-1.4	-1.8	-15.2	-11.3
Net profit	16.8	0.8	38.8	15.1
EPS in € (diluted)	0.16	0.01	0.38	0.15

## 2. MLP's Business Model and Positioning

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# Independent Business Model creates Value for Customers and Shareholders

Independent Business Model is unique in the German Market

Target group focus

+

Quality of advice

+

Independence



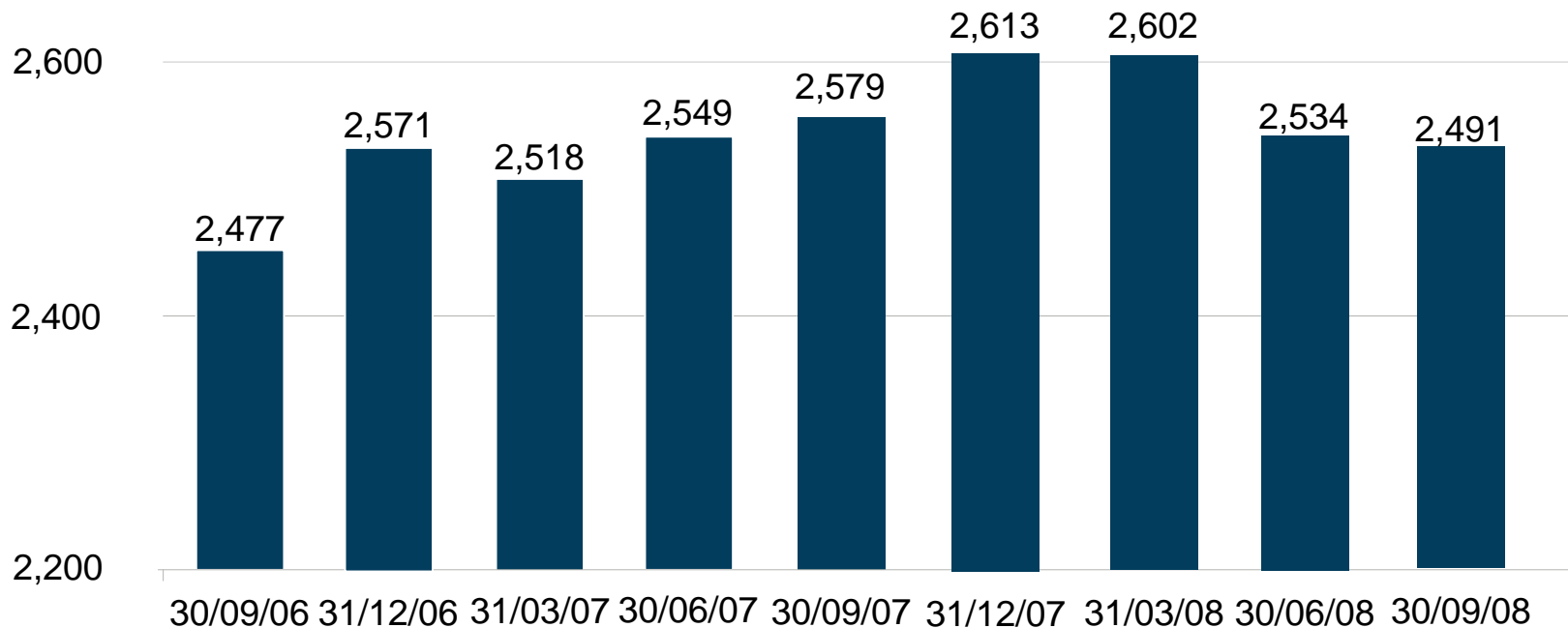
Objectives

Advice

Solution

# Most Profitable Independent Sales Force in the German Financial Market

Number of Consultants – Continuing Operations



# One-stop for Lifetime Financial Solutions

Added Value for the Client: Financial Planning



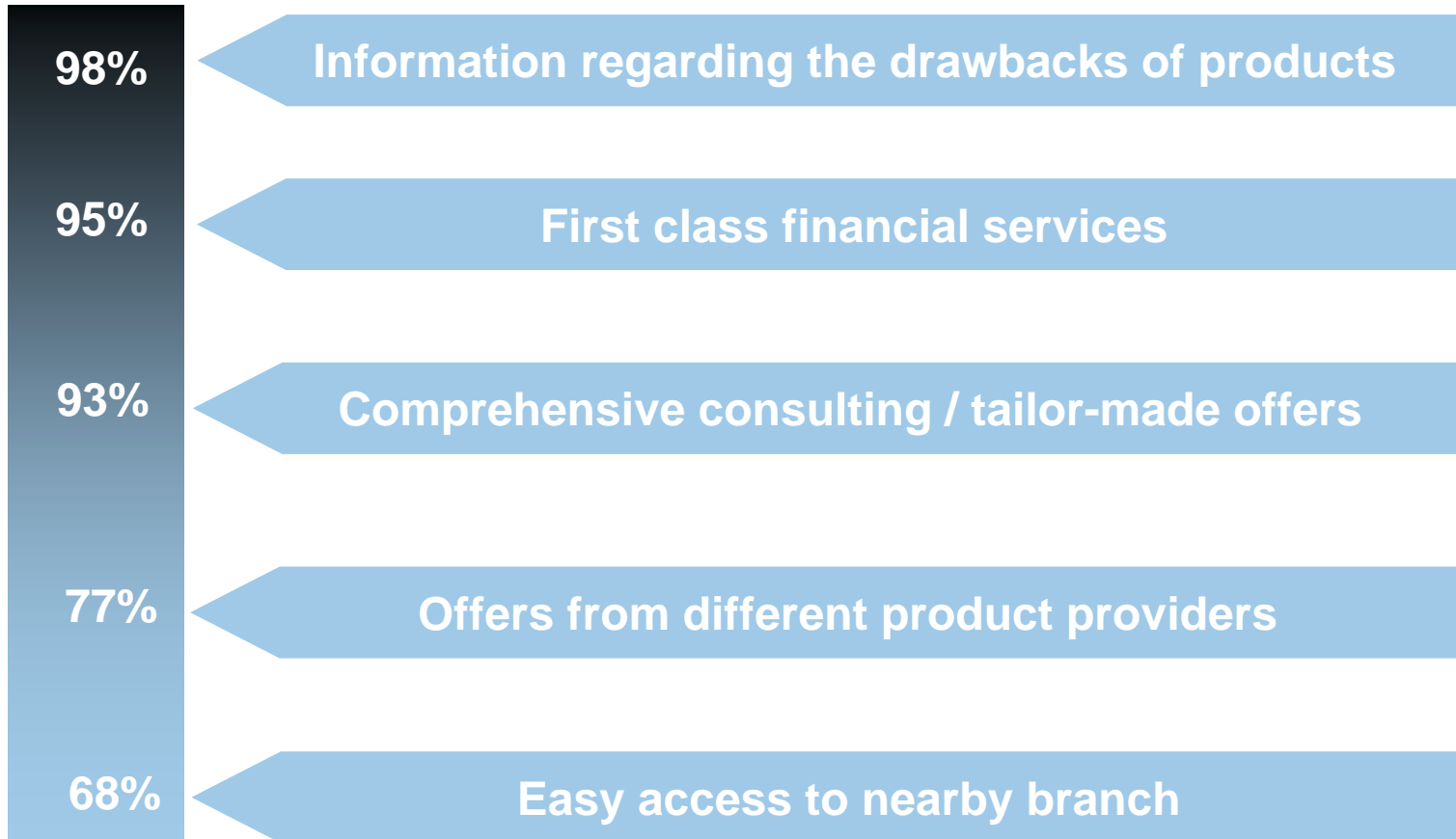
Planning  
 Insurance coverage  
 Retirement provision  
 Health  
 Consumption

**Solutions**

Old-age provision management  
 Non-Life management  
 Health management  
 Loan and mortgage management  
 Wealth management  
 Cash management

# Independence is Key for MLP's Customer Group

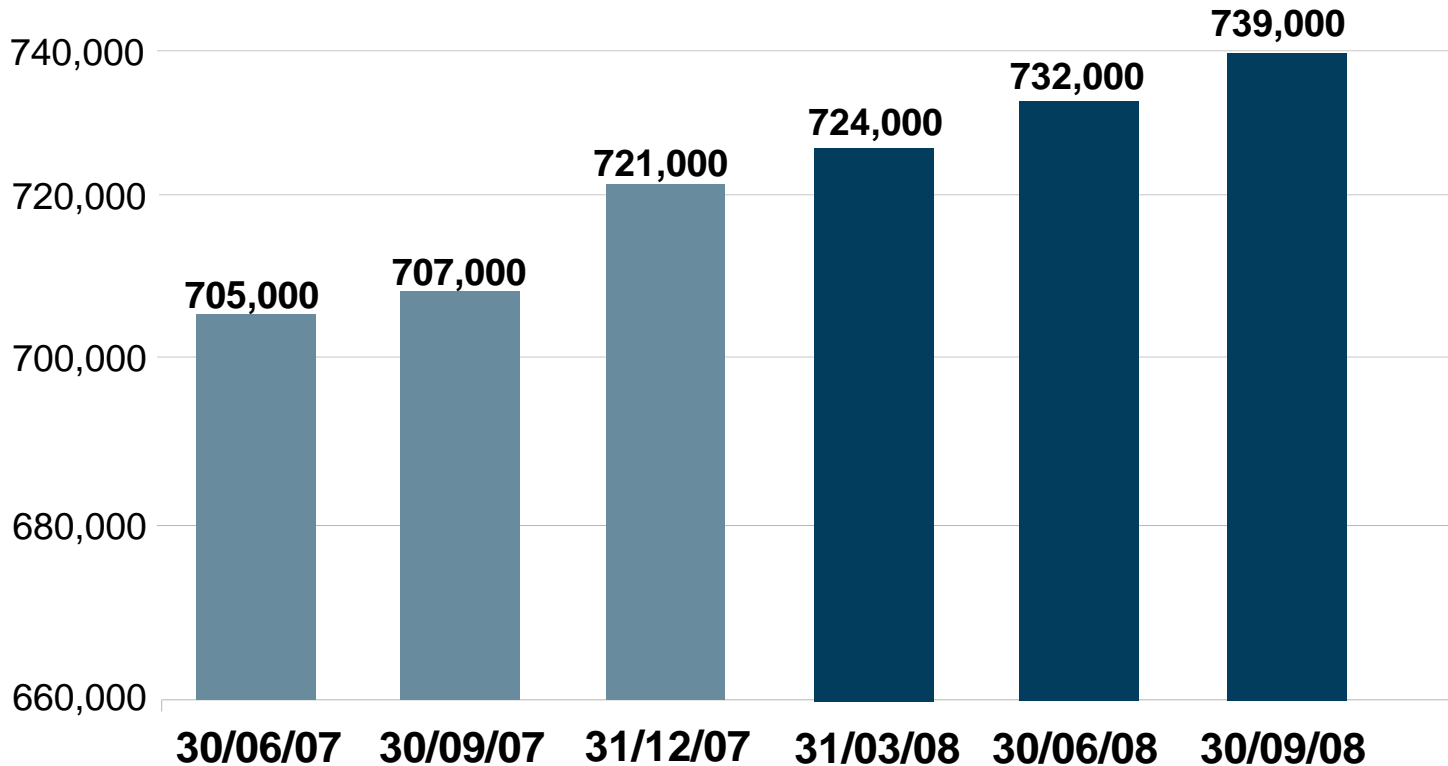
The most important Demands of Customers with an University Degree



Source: Spiegel-Studie Soll & Haben, 2004

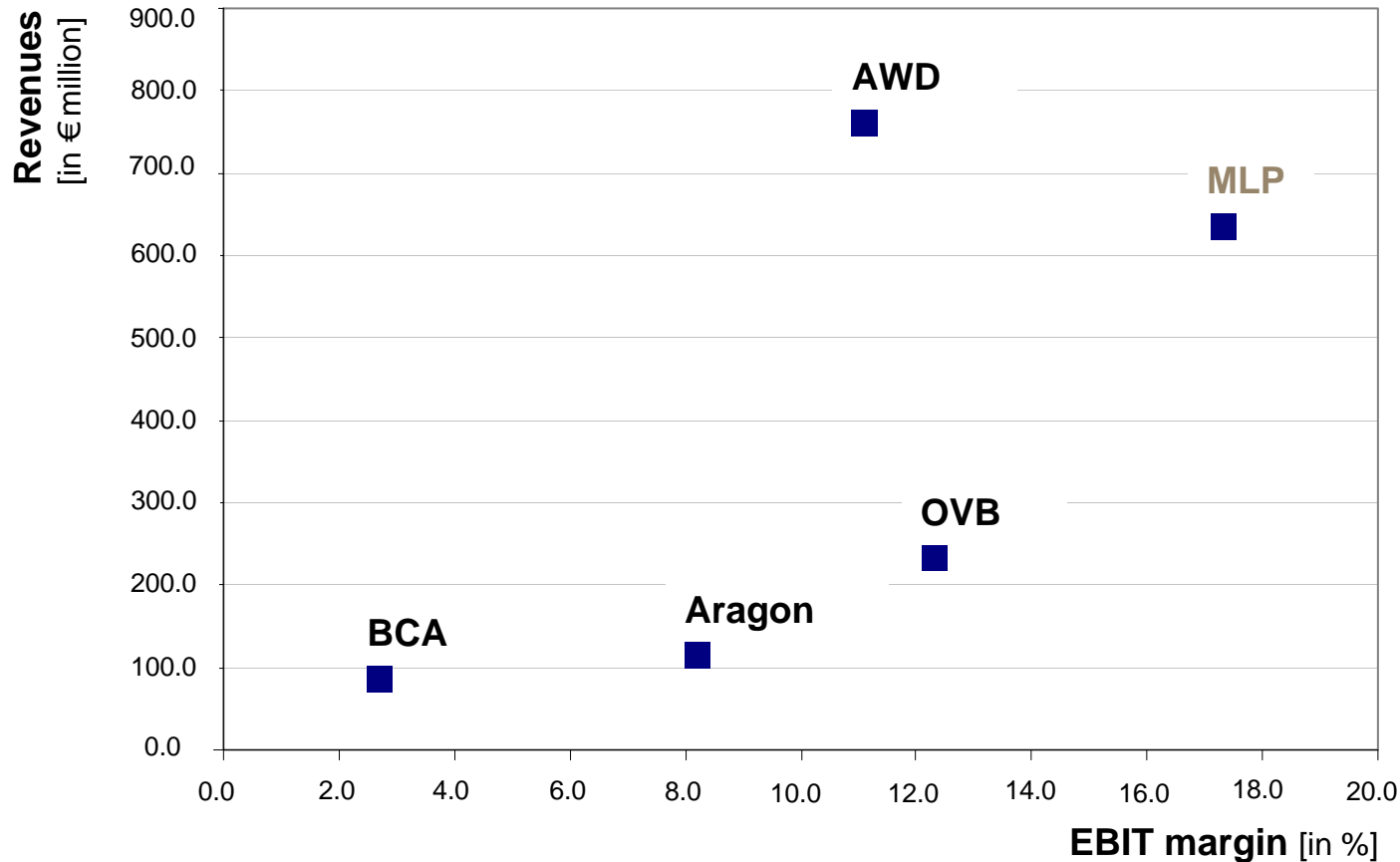
# Number of clients growing steadily

- 10,000 new clients (gross) gained in Q3



# MLP has a leading Market Position in Germany

## Market Position of Selected Distribution Companies in the German Market 2007



# 3. Key Performance Indicators

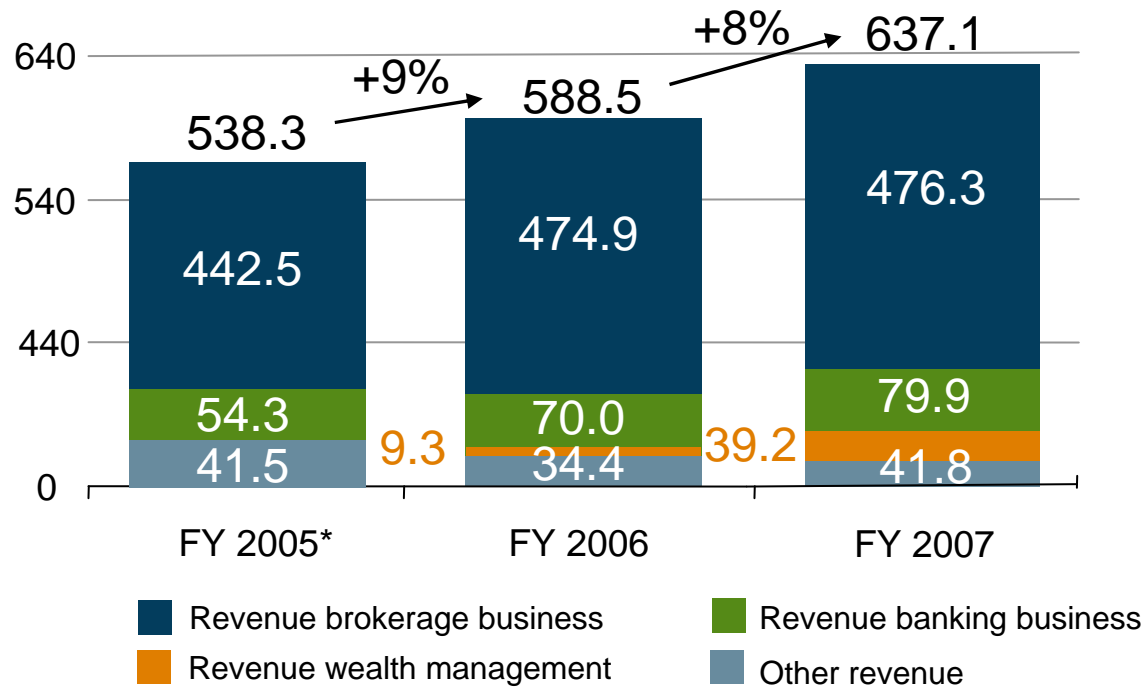
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# Strong Total Revenues Growth Trend

## Continuing Operations

### Total revenues

[in € million]



\* pro forma

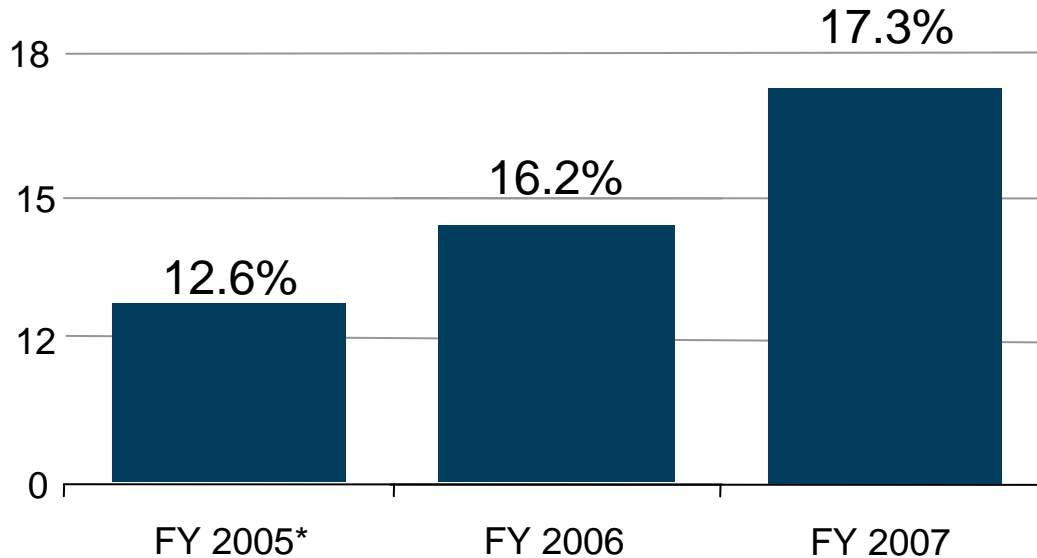


# EBIT Margin at Record High

## Continuing Operations

EBIT margin

[in %]



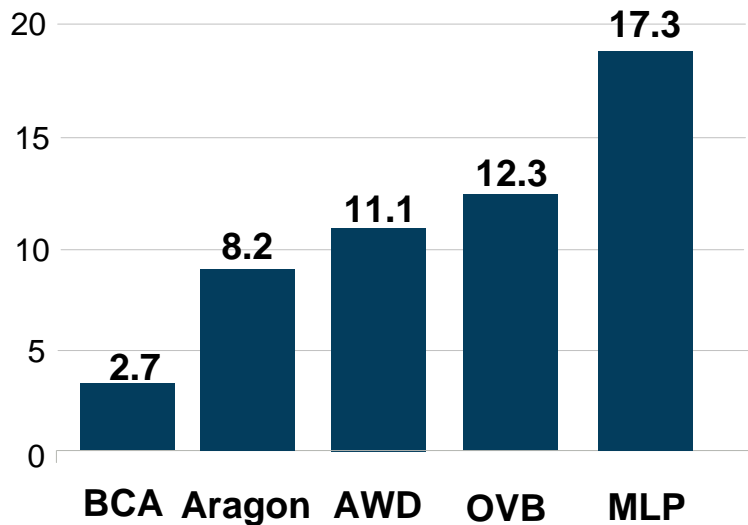
- Highest cross-selling rate of 6.9 in the industry

\* Pro forma

# Peer Group Comparison 2007

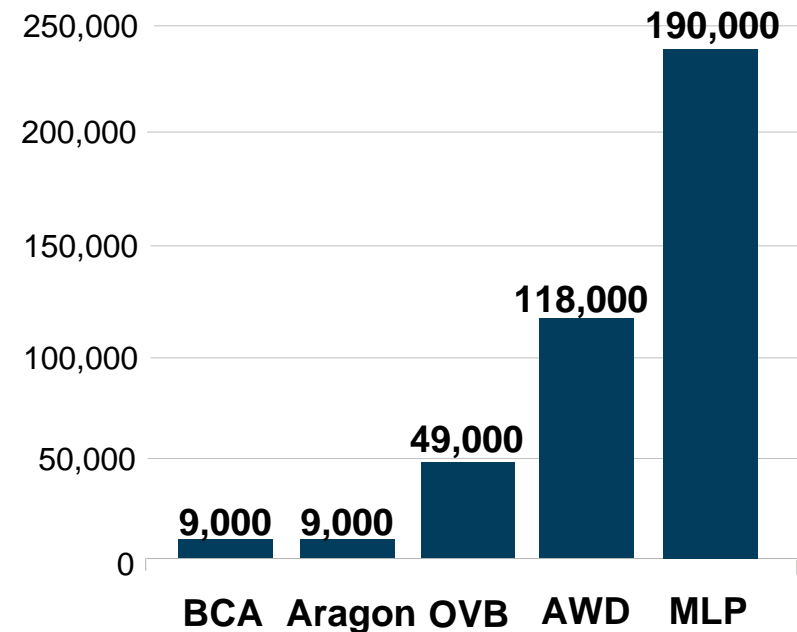
## EBIT margin

[in %]



## Revenue per consultant

[in €]



Sources: Annual Reports 2007

# 4. Market Environment

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# Extensive Statutory Changes . . .

## Regulatory Requirements

May 22, 2007	November 1, 2007	Beginning of 2008
<b>Insurance Mediation Dir.</b>	<b>MiFID</b>	<b>German Ins. Contract Law</b>
<b>Insurance brokerage</b>	<b>Banks / Fin. investments</b>	<b>Insurers/ Brokers</b>
<ul style="list-style-type: none"> <li>• Rising requirements concerning the qualification of consultants and the quality of consulting</li> <li>• Extensive documentation requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Broadening of the consulting, information and documentation requirements</li> <li>• Stricter requirements regarding transparency</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in cash surrender values / spreading of the distribution and acquisition costs</li> <li>• Increased cost transparency for life and healthcare insurance policies</li> <li>• Broadening of the information obligations</li> </ul>

# ... Lead to Radical Changes in the German Financial Industry

Major Market Trends for Banks, Insurance Companies and IFAs

Increasing regulatory requirements will further change the market place dramatically:

- Further optimisation of cost structure and processes
- Consolidation
- Professionalisation
- Specialisation

# MLP is optimally prepared to meet the new Requirements

## Extensive new regulations:

- Brokerage guideline, MiFID, VVG
- Flat-rate capital gains tax, healthcare reform

## Increasing competition:

- Banks and new providers are entering the market

## High client requirements:

- Clients demand quality and comprehensive consultation

## High complexity:

- Numerous products/high tax complexity



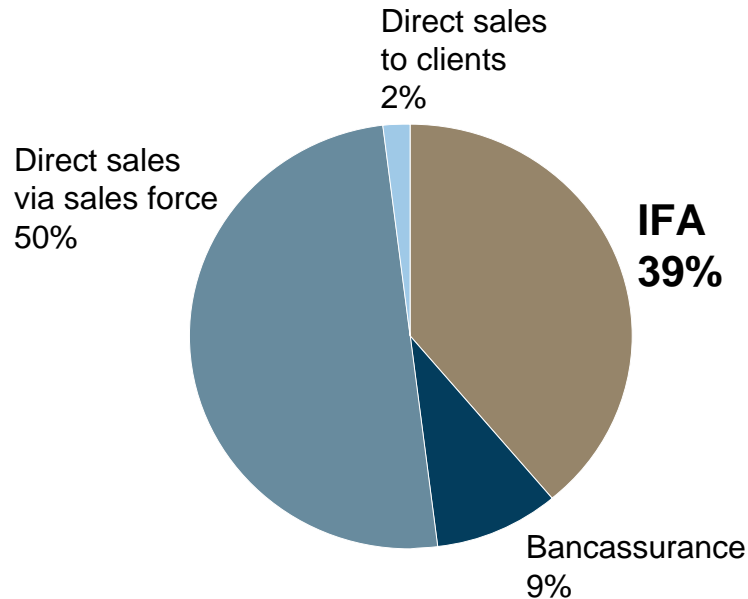
- Capability to adjust rapidly to changed framework conditions
- Highly developed IT systems and processes
- Unique positioning in the market
- Industry-leading education and further training
- High quality target group and excellent quality parameters

→ Excellent prospects through clear positioning and targeted further development

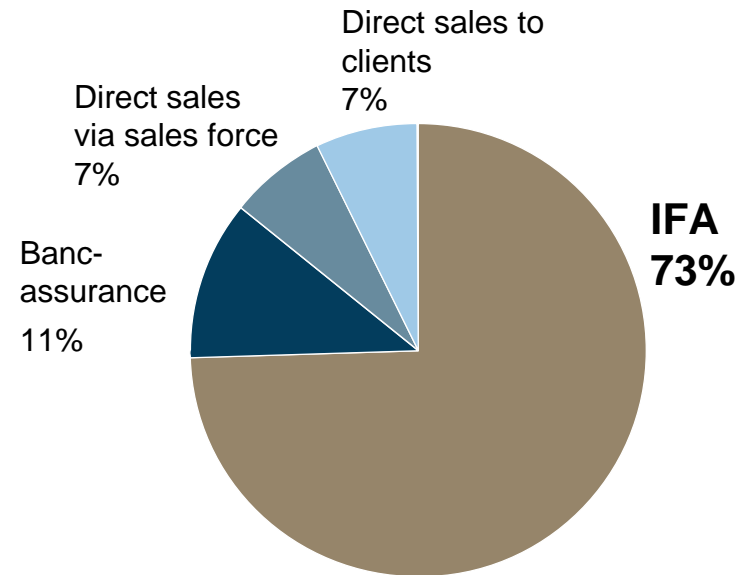
# Independent Brokers gain significant Market Shares

Effects of the Regulation in Great Britain

Sales by channel in 1992



Sales by channel in 2006



Market share in sales of pension provision products  
Source: Association of British Insurers

# 5. Growth Drivers

- Old-age Pension Provisions
- Wealth Management
- Productivity Increases

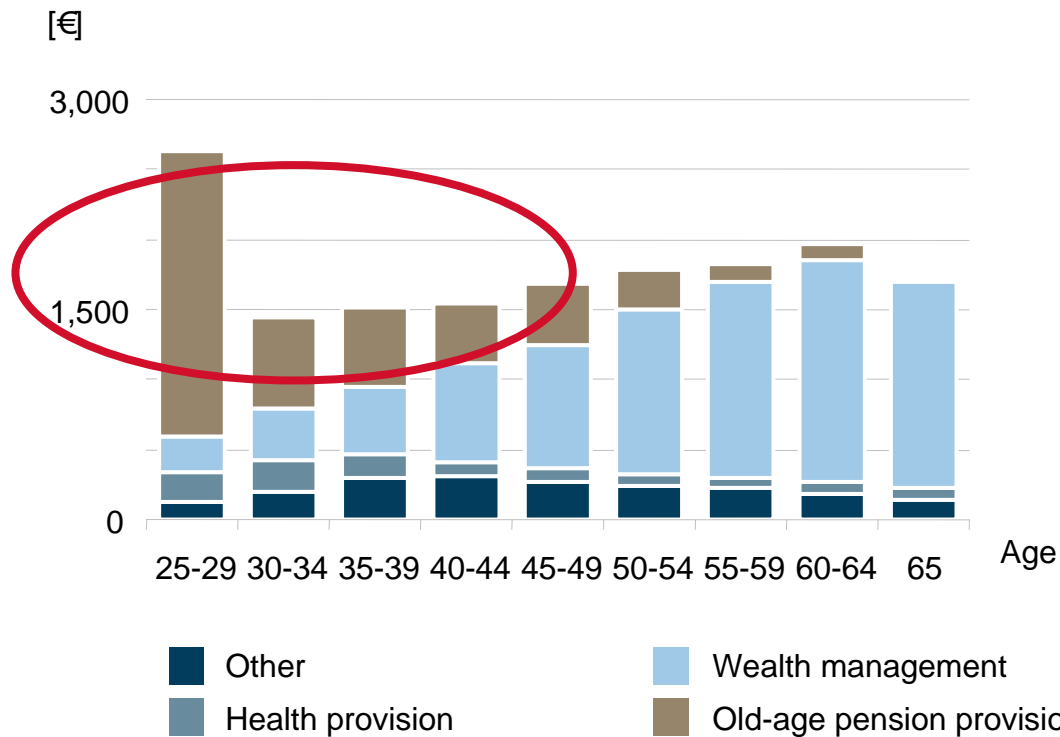
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# Growth through holistic Consulting Approach

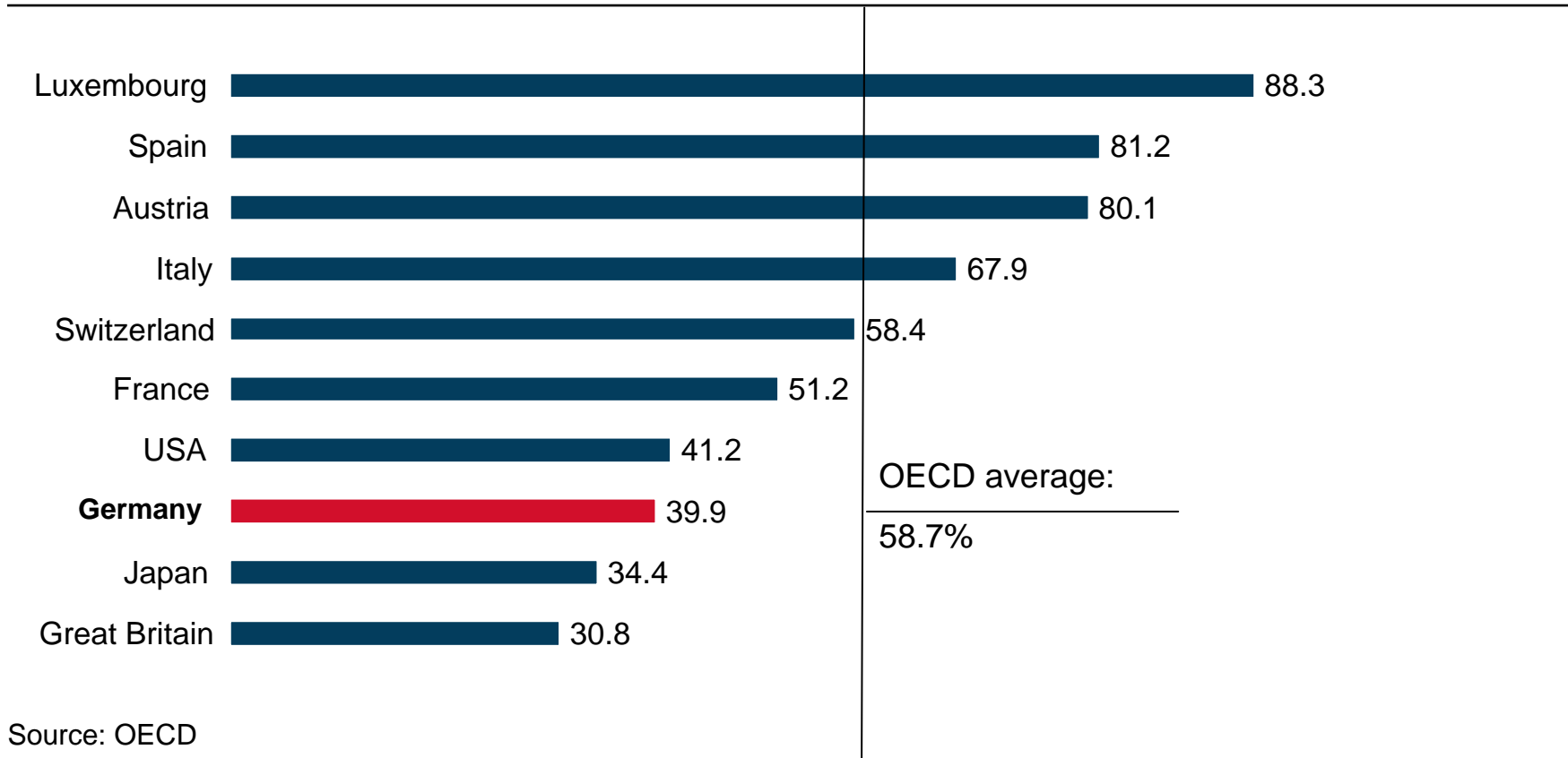
## High Revenue Potential with Old-age Pension Provisions

Potential sales revenue – MLP Finanzdienstleistungen AG per year and client



# High Potential in Old-age Pension Provision

The Pension Level of the Future – as a Percentage of gross Salary\*



Source: OECD

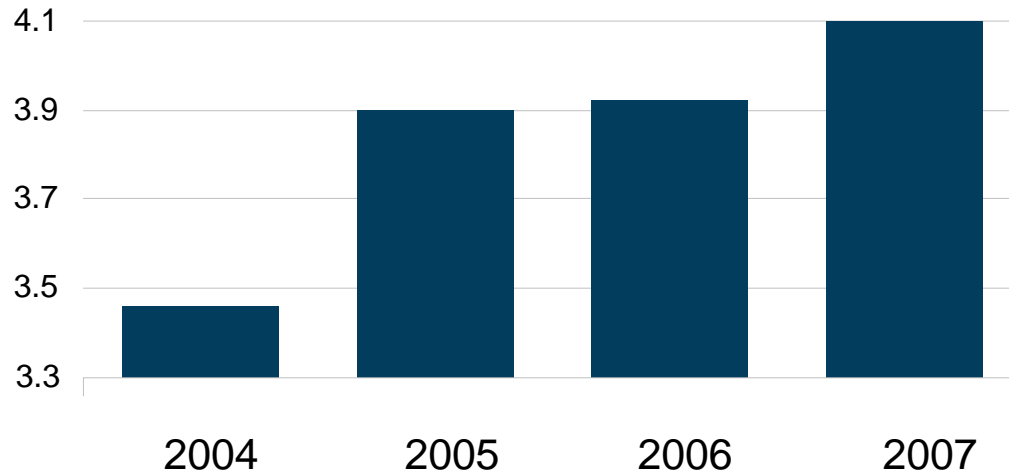
\* Level of state pension according to current legislation. Selected countries. Basis for calculation: employee, aged 20 who starts full time work in 2004 and continues working up until the legal pension age (average earner).

# Market Share of Old-age Pension Provision Business increased

Core Competence strengthened

MLP market share

[in %]

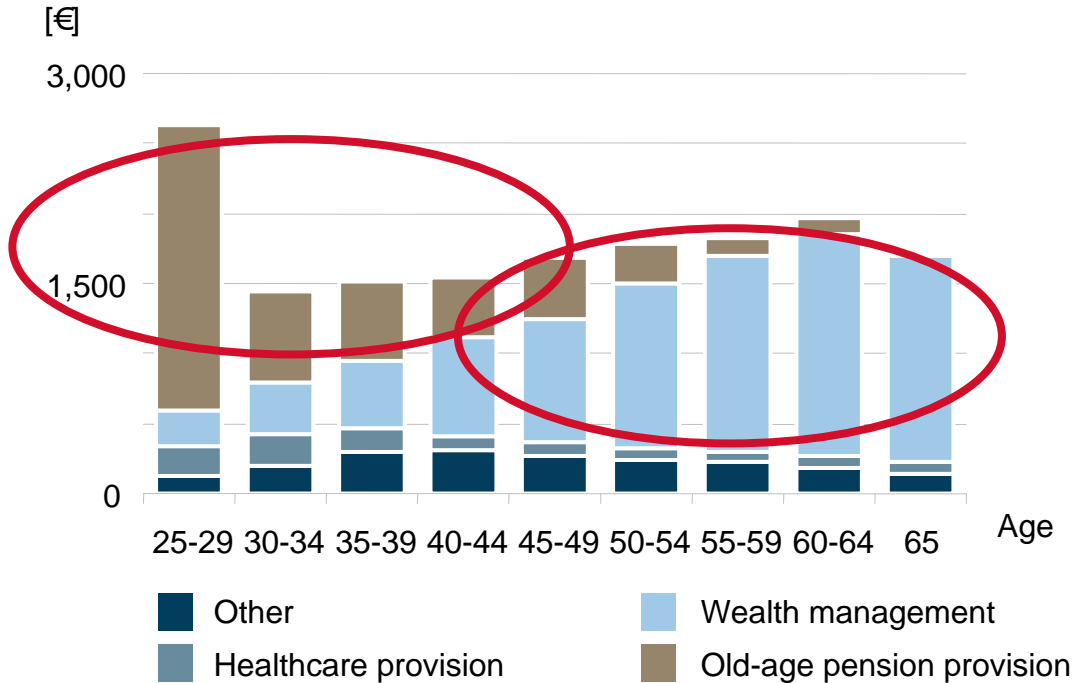


Source: Own calculations / market share measured as percentage of total annual premiums

# Growth through a holistic Consulting Approach

## Rising Revenue Potential in Wealth Management

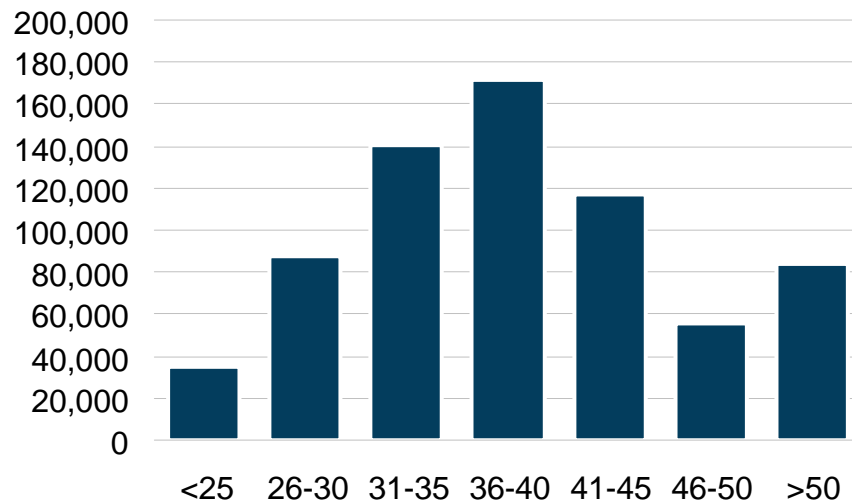
Potential sales revenue - MLP Finanzdienstleistungen AG per client and year



# Low Average Age offers high Potential

## Targeted Expansion of MLP Wealth Management

### Clients by age

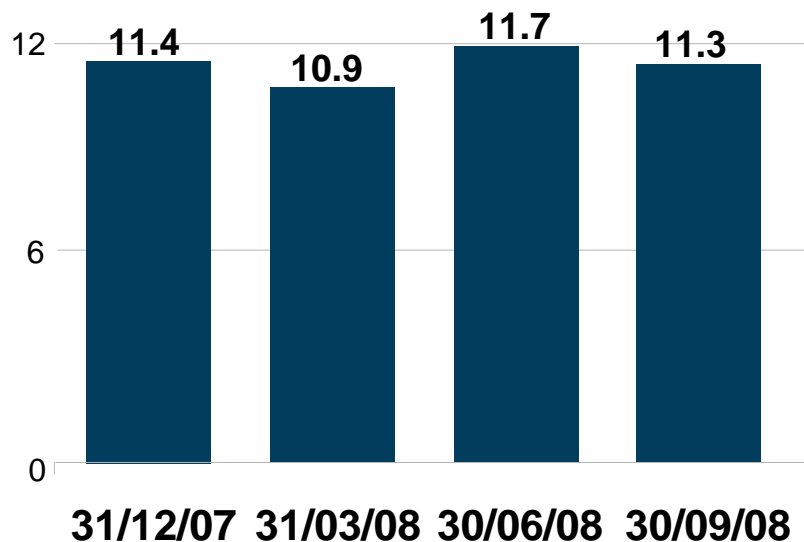


- MLP clients' income and savings quotas clearly exceed average levels
- The average age of an MLP client is 39
- Already 37 per cent of clients are older than 40
- The number of clients over 40 years of age will double within five years

# Stable Development of AuM against the Market Trend

Assets under Management

[in €bn]



- Inflows into funds fell by almost 45% in 9M 2008 in the German market

# Increase in Productivity through targeted Support for the Consultants

Example: Mortgages

## Requirements – MLP client

1. Personal consultation
2. Customised mortgage offers
3. Offers from several companies
4. Innovative mortgage products
5. Quick and simple processes
6. Favourable terms

## Requirements – MLP consultant

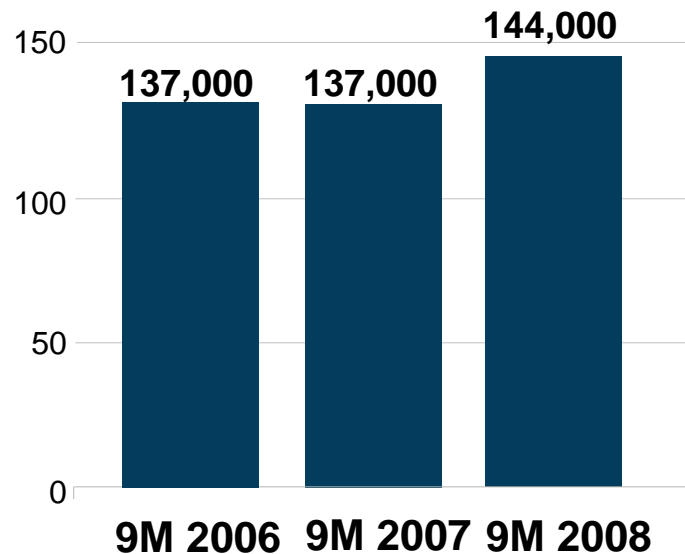
1. Support with
  - Inspection/preparation of the files
  - Collecting the documents
  - Consultation
2. Technology/Use
  - Intuitive, current, fast
3. Comprehensive product portfolio

**MLP Hyp**

# Most productive Sales Force in the German Financial Services Industry

Revenues per consultant

[in €]





# 6. Outlook and Summary

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# Outlook and Summary

- Capital market crisis had a negative impact on MLP's business development, especially in Q3
- Retail and institutional customers are apprehensive and reluctant to make long-term investment decisions
- Business development in Q3 was weaker than expected
- Year-end business has started – but less dynamically compared to previous fourth quarters
- Despite challenging market environment MLP expects total revenues in 2008 to be around previous year's level

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