



# MLP Group

All figures in EUR million			
	1st quarter 2004	1st quarter 2003	Change
Total revenues	147.4	102.5	43.9 %
Revenue from brokerage business	88.3	54.1	63.2 %
Revenue from insurance business	45.5	35.3	29.0 %
Revenue from banking business	11.2	11.0	2.1 %
Other income	2.4	2.1	13.1 %
Profit from operations (EBIT)	17.5	12.2	42.9 %
EBIT-margin	11.9	11.9	-
Profit before tax (EBT)	14.6	9.6	52.9 %
Net profit for the period	8.9	5.4	66.0 %
Earnings per share	0.08	0.05	60.0 %
Capital expenditure	7.7	9.5	-18.9 %
Shareholders' equity	263.6	253.8	3.8 %
Clients	571,000	518,000	10.2 %
MLP consultants	2,696	2,895	-6.9 %
Branch offices	321	388	-17.3 %
Employees	1,460	1,603	-8.9 %
Arranged new business			
Pension provision (premium sum in billion EUR)	1.7	1.3	30.0 %
Health insurance (annual premium)	13.1	13.7	-4.4 %
Loans and Mortgages	201	226	-11.1 %
Inflows into mutual funds	138	146	-5.5 %
Funds under management (in billion EUR)	3.8	2.9	31.0 %

## Financial calendar

Results for the 1st quarter 2004	26. May 2004
Annual General Meeting 2004 in Mannheim	22. June 2004
Results for the 2nd quarter 2004	25. August 2004
Results for the 3rd quarter 2004	24. November 2004
Full year results 2004	21. April 2005

# High demand for provision products - MLP reports a sharp increase in Q1 profits

- Profit from operations (EBIT) climbs by 42.9 per cent to EUR 17.5 million
- Net profit up 66 per cent to EUR 8.9 million.
- Total revenue grows by 43.9 per cent to EUR 147.4 million
- Brokerage business is the major value driver
- Profitability increases once again
- Double-digit growth planned for both revenues and profit

## Total revenues and profits both far exceed last year's results

The MLP Group has made a very pleasing start to the 2004 business year. In the first three months of the current financial year, total revenues at the MLP Group amounted to EUR 147.4 million, representing an increase of 43.9 per cent (Q1/2003: EUR 102.5 million). The highest share had revenues from brokerage business with an increase of 63.2 per cent to EUR 88.3 million (cf. EUR 54.1 million in 2003). The prime factors behind this increase were, on the one hand, the high demand for life insurance policies and the second level of the so-called "Riester Pension" in Germany on the other. New partner companies incorporated into the MLP product offering last December made also a contribution to new business.

Profit from operations (EBIT) climbed by 42.9 per cent to EUR 17.5 million (cf. EUR 12.2 million), which corresponds to a Group EBIT margin of 11.9 per cent, that, despite restructuring costs totaling EUR 7.4 million, was maintained at its existing level. Net profit for the quarter rose by 66 per cent to EUR 8.9 million (cf.: EUR 5.4 million). Earnings per share totals EUR 0.08 (cf.: EUR 0.05).

## Brokerage is the major value driver

The business segment consultation and sales (brokerage) has once again substantiated its role as the main driving force. Profit before tax and result transfer agreement (EBT) totalled EUR 13.3 million, up 75.8 per cent over the same period last year (EUR 7.6 million), despite some incurred restructuring cost. Profit before tax (EBT) in the life insurance segment rose slightly from 4.7 to EUR 4.8 million, while the non-life insurance segment contributed 50.8 per cent more to the consolidated profit before tax (EBT) than last year with EUR 1.5 million (cf.: EUR 1.0 million). The MLP Bank's segment profit before tax (EBT) more than doubled with EUR 1.6 million (cf.: EUR 0.6 million).

## Focus upon branch office and consultant productivity

Major financial indicators improved in the 1st quarter as a result of measures initiated to increase efficiency and productivity within the MLP Best Value Program. For example, revenue per consultant rose by 67 per cent to EUR 42,411 (EUR 25,399) in the first quarter and branch office network productivity also increased significantly. Revenue per branch office climbed by 88 per cent to EUR 356,196 (EUR 189,513). The foreign operations of MLP showed a satisfactory performance. Losses from foreign business operations were reduced considerably to EUR 0.7 million over EUR 2.6 million for the same period last year.

### **Focus upon existing client base in the 1st quarter**

One of the main reasons for the clear increase in revenues and profits results from the intensive consultation provided to MLP clients in recent months. MLP has focussed upon existing clients since year-start due to the foreseeable changes likely in the private pension provision. The number of new clients grew in the 1st quarter by 9,500 (13,000) to 571,000. The number of consultants and branch offices has fallen to 2,696 and 321 respectively since last year (2,895 consultants and 388 branch offices).

### **Cash and cash equivalents continue to climb**

In the 1st quarter cash and cash equivalents increased over the end-of-year mark in 2003 by EUR 7.8 million to EUR 132.9 million and capital expenditure declined as planned to EUR 7.7 million (EUR 9.5 million). These funds of EUR 4.5 million (EUR 4.8 million) were invested mainly in expanding the company headquarters in Wiesloch.

### **High demand for provision products**

The reductions to the statutory pension- and health insurance system announced and partly already implemented by the government within the scope of the so-called "Agenda 2010" as well as the demographic developments prove that Germany faces imminent fundamental and long-term changes to social security systems. The necessity for private and company pension provision becomes increasingly important.

As an independent broker, MLP is excellently prepared for this development with its broad product range and acknowledged high consulting quality standards and plans therefore to continue to grow at a double digit rate this and the coming years.

### **Prognoses**

This documentation includes certain prognoses and information on future developments founded on the conviction of MLP AG's Executive Board and on assumptions and information currently available to MLP AG. Words such as "expect", "anticipate", "estimate", "assume", "intend", "plan", "should", "could", "project" and other similar terms used in reference to the company describe prognoses based on certain factors subject to uncertainty.

Many factors can contribute to the actual results of the MLP Group differing significantly from the prognoses made in such statements.

MLP AG accepts no liability to the public for updating or correcting prognoses. All prognoses and predictions are subject to various risks and uncertainties, which can lead to the actual results differing from expectations. The prognoses reflect the points of view at the time when they were made.

# Consolidated income statement MLP Group

Consolidated income statement in accordance with IFRS for the period 1. January to 31. March 2004

All figures in €'000			
	Note	1st quarter 2004	1st quarter 2003
Revenue from brokerage business	[1]	88,331	54,124
Revenue from insurance business	[2]	45,530	35,296
Revenue from banking business	[3]	11,221	10,989
Other income		2,351	2,078
<b>Total revenues</b>		<b>147,433</b>	<b>102,487</b>
Change in deferred acquisition costs (DAC)	[4]	21,637	15,983
Expenses for brokerage business		-53,449	-24,599
Expenses for insurance business	[5]	-31,192	-22,429
Expenses for banking business	[6]	-3,082	-2,743
Personnel expenses		-17,442	-17,047
Depreciation and amortisation expense		-5,977	-5,664
Other operating expenses	[7]	-40,443	-33,752
<b>Profit from operations (EBIT)</b>		<b>17,485</b>	<b>12,236</b>
Finance cost	[8]	-2,874	-2,681
<b>Profit before tax (EBT)</b>		<b>14,611</b>	<b>9,555</b>
Taxes		-5,723	-4,199
Minority interes		0	-1
<b>Net profit for the period</b>		<b>8,888</b>	<b>5,355</b>
(Net profit incl. minority interest)		8,888	5,356
		<b>EUR</b>	<b>EUR</b>
Earnings per share		0.08	0.05
Diluted earnings per share		0.08	0.05

# Consolidated balance sheet MLP Group

## Consolidated balance sheet as at 31. March 2004

Assets – All figures in €'000			
	Note	1st quarter 2004	31st Dec. 2003
Intangible assets		60,546	61,267
Property, plant and equipment		125,543	123,191
Financial assets	[9]	191,101	162,495
Investments held on account and at risk of life insurance policy holders		1,303,355	1,183,754
Reinsurance receivables		32,881	19,493
Receivables due from banking business	[10]	335,762	316,447
Accounts receivable and other assets		136,264	182,451
Cash and cash equivalents		80,795	51,469
Deferred acquisition costs (DAC)		291,186	269,549
Deferred tax assets		49,138	49,915
Prepaid expenses		8,346	7,567
		<b>2,614,917</b>	<b>2,427,598</b>

Shareholders' equity and liabilities – All figures in €'000			
	Note	1st quarter 2004	31st Dec. 2003
Shareholders' equity		263,584	253,822
Minority interest		125	125
Insurance provisions	[11]	381,049	315,620
Insurance provisions for investments held on account and at risk of life insurance policy holders		1,303,355	1,183,754
Other provisions		146,239	140,994
Reinsurance liabilities		31,704	49,883
Liabilities due to banking business		322,536	302,610
Other liabilities		160,870	178,379
Deferred tax liabilities		1,910	1,829
Deferred income		3,545	582
		<b>2,614,917</b>	<b>2,427,598</b>

## Consolidated statement of changes in shareholders' equity

All figures in €'000					
	Share capital	Capital reserves	Unrealised-gains/losses on available-for-sale investments	Accumulated profits	Shareholders' equity
<b>As at 31. Dec. 2003</b>	<b>108,641</b>	<b>7,707</b>	<b>-217</b>	<b>137,691</b>	<b>253,822</b>
Currency conversion				247	247
Capital increases					
Change in unrealised gains/losses on available-for-sale investments			627		627
Net profit				8,888	8,888
Dividends paid to shareholders					
Convertible debenture					
Others					
<b>As at 31.03.2004</b>	<b>108,641</b>	<b>7,707</b>	<b>410</b>	<b>146,826</b>	<b>263,584</b>

## Consolidated cash flow statement MLP Group

All figures in €'000		
	1st quarter 2004	1st quarter 2003
Cash flow from operating activities	97,700	81,918
Cash flow from investing activities	-87,943	-89,058
Cash flow from financing activities	-2,003	0
Change in cash and cash equivalents	7,754	-7,140
Cash and cash equivalents at period-end	132,876	45,704

# Segment reporting

Consulting and sales – All figures in €'000		
	1st quarter 2004	1st quarter 2003
<b>Segment revenue</b>		
External revenue	88,331	54,124
Inter-segment revenue	26,008	19,407
<b>Total segment revenue</b>	<b>114,339</b>	<b>73,531</b>
Other income	4,695	6,497
<b>Segment expenses</b>		
Brokerage business	-56,580	-26,928
Personnel expenses	-11,232	-11,029
Depreciation/amortisation	-2,930	-3,051
Other expenses	-33,276	-29,638
<b>Total segment expenses</b>	<b>-104,018</b>	<b>-70,646</b>
<b>Profit from operations (EBIT)</b>	<b>15,015</b>	<b>9,382</b>
Finance cost	-1,741	-1,831
<b>Profit before tax (EBT)</b>	<b>13,275</b>	<b>7,551</b>

## Segment Consultation and Sales

Segment revenues climbed by over 50 per cent to EUR 114.3 (EUR 75.5 million). This increase can be attributed mainly to strong sales of pension provision products such as life insurance policies and the second level of the so-called “Riester” pension scheme.

Expenditure was burdened by restructuring costs of EUR 7.4 million aimed at improving efficiency and productivity under the MLP BEST VALUE Program. In spite of this, profit from operations (EBIT) climbed by 60 per cent to EUR 15 million representing an EBIT margin of 12.6 per cent (11.4 per cent).

Improvements in major financial indicators were already apparent in the 1st quarter as a result of measures initiated to increase efficiency and productivity (under the MLP BEST VALUE PROGRAM). For example, revenue per consultant rose by 67 per cent to EUR 42,411 (EUR 25,399) in the first quarter. Branch office network productivity also increased significantly. Revenue per branch office climbed by 88 per cent to EUR 356,196 (EUR 189,513). Losses from foreign business operations were reduced considerably to EUR 0.7 million over EUR 2.6 million for the same period last year.

MLP has focussed upon its existing client base since year-start due to the foreseeable changes expected in the private pension area. The number of new clients grew in the first quarter by 9,500 (13,000) to 571,000. The number of both consultants and branch offices is lower than last year at 2,696 (2,895) and 321 (288) respectively. A total of 215 consultants (218) are employed by MLP in 33 (42) foreign branch offices.

Arranged new business in the area of life insurance increased significantly by 30 per cent to EUR 1.7 billion premium sum. Not included is new business stemming from the second step of the so called “Riester pension” amounting to EUR 0.48 billion (EUR 0.05 billion) premium sum. Arranged new business in the area of health insurance stood nearly at the same level as last year. The high volume of arranged loans and mortgages was not reached due a reduction of the supplementary allowance for homes. It decreased by 11 per cent to EUR 201 million (EUR 226 million). Inflows into mutual funds remained nearly unchanged at EUR 138 million (EUR 146 million).



Life insurance – All figures in €'000		
	1st quarter 2004	1st quarter 2003
<b>Segment revenue</b>		
External revenue	36,186	26,895
Inter-segment revenue	2,470	1,846
<b>Total segment revenue</b>	<b>38,656</b>	<b>28,741</b>
Other income	242	135
Change in deferred acquisitions costs	18,548	15,003
<b>Segment expenses</b>		
Insurance business	-45,467	-31,821
Personnel expenses	-2,116	-2,239
Depreciation/amortisation	-1,530	-1,017
Other expenses	-3,577	-4,089
<b>Total segment expenses</b>	<b>-52,690</b>	<b>-39,166</b>
<b>Profit from operations (EBIT)</b>	<b>4,756</b>	<b>4,713</b>
<b>Finance cost</b>	<b>66</b>	<b>22</b>
<b>Profit before tax (EBT)</b>	<b>4,822</b>	<b>4,735</b>

### Segment Life Insurance

Revenue in the life insurance segment rose largely as a result of new business by 34.5 per cent to EUR 38.6 million (EUR 28.7 million), a fact that is also reflected in the clear increase in annual premium equivalent (APE) for new business, which climbed from EUR 9.4 million to EUR 23.9 million. Profit from operations in this segment (EBIT) remained almost unchanged at EUR 4.8 million compared with EUR 4.7 million last year. The investments held on account and at risk of life insurance policyholders increased as a result of insurance premiums and performance to EUR 1.3 billion (as per 31.12.2003: EUR 1.1 billion).

Non-life insurance – All figures in €'000		
	1st quarter 2004	1st quarter 2003
<b>Segment revenue</b>		
External revenue	9,344	8,401
Inter-segment revenue	0	0
<b>Total segment revenue</b>	<b>9,344</b>	<b>8,401</b>
Other income	183	235
Change in deferred acquisition costs	2,316	1,882
<b>Segment expenses</b>		
Insurance business	-7,532	-6,626
Personnel expenses	-1,258	-1,135
Depreciation/amortisation	-232	-216
Other expenses	-1,277	-1,521
<b>Total segment expenses</b>	<b>-10,299</b>	<b>-9,498</b>
<b>Profit from operations (EBIT)</b>	<b>1,544</b>	<b>1,021</b>
<b>Finance cost</b>	<b>2</b>	<b>5</b>
<b>Profit before tax (EBT)</b>	<b>1,546</b>	<b>1,025</b>

### Segment Non-life Insurance

Increased new business led to a rise in revenue in this segment by 11.2 per cent to EUR 9.3 (EUR 8.4 million). Acquisition costs incurred during the year are capitalised according to the accrual principle and written-off by the end of the reporting year. Consequent monitoring of expenses and an increase in new business have led to a rise in profit from operations (EBIT) by more than 50 per cent to EUR 1.5 million (EUR 1.0 million).

Bank – All figures in €'000		
	1st quarter 2004	1st quarter 2003
<b>Segment revenue</b>		
External revenue	11,221	10,988
Inter-segment revenue	820	83
<b>Total segment revenue</b>	<b>12,041</b>	<b>11,071</b>
Other income	209	326
<b>Segment expenses</b>		
Banking business	-4,692	-4,348
Personnel expenses	-1,598	-1,815
Depreciation/amortisation	-68	-147
Other expenses	-4,158	-4,403
<b>Total segment expenses</b>	<b>-10,516</b>	<b>-10,713</b>
<b>Profit from operations (EBIT)</b>	<b>1,734</b>	<b>685</b>
Finance cost	-85	-134
<b>Profit before tax (EBT)</b>	<b>1,649</b>	<b>550</b>

### Segment Bank

Bank segment revenue climbed by 8.7 per cent to EUR 12 million (EUR 11.1 million). Equal contributions were made to this increase by both interest and commission result, while savings initiatives introduced by the Bank are starting to bear initial fruits. Personnel expenditure and other expenses were reduced. The profit from operations in this segment has thus more than doubled, reaching the EUR 1.7 million mark (EUR 0.7 million).

Internal services and administration – All figures in €'000		
	1st quarter 2004	1st quarter 2003
<b>Segment revenue</b>		
External revenue	0	0
Inter-segment revenue	0	0
<b>Total segment revenue</b>	<b>0</b>	<b>0</b>
Other income	4,700	5,181
<b>Segment expenses</b>		
Personnel expenses	-1,238	-829
Depreciation/amortisation	-1,217	-1,233
Other expenses	-4,900	-3,389
<b>Total segment expenses</b>	<b>-7,355</b>	<b>-5,451</b>
<b>Profit from operations (EBIT)</b>	<b>-2,655</b>	<b>-270</b>
Finance cost	-1,117	-744
<b>Profit before tax (EBT)</b>	<b>-3,772</b>	<b>-1,014</b>

### Segment Internal Services and Administration

This segment covers all in-house services and activities within the MLP Group. Profit from operations totals some EUR -2.7 million compared with EUR -0.3 million in the same period last year.

# MLP consolidated financial statements in accordance with IFRS

## I. General information

The quarterly financial statements of MLP AG dated 31 December 2003 were created in accordance with the Directive 83/349/EU (Group Balance Sheet Directive) on the basis of the International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS) passed and published by the International Accounting Standards Board (IASB).

This intermediary report is based upon the same accounting, evaluation and reporting principles as those applied for the last annual financial statements.

Unless otherwise stated, the figures are given in thousands of Euro and have been rounded.

## II. Notes on the consolidated income statement

Sales revenue is stated by business segment in the segment report.

### [1] 1. Revenue from brokerage business

Revenue from brokerage business breaks down as follows:

All figures in €'000		
	1st quarter 2004	1st quarter 2003
Life insurance	61,467	29,160
Health insurance	13,803	15,315
Non-life insurance	5,678	4,693
Mutual funds	4,179	3,113
Loans	1,962	1,149
Other income	1,242	694
<b>Total</b>	<b>88,331</b>	<b>54,124</b>

### [2] 2. Revenue from insurance business

All figures in €'000		
	1st quarter 2004	1st quarter 2003
Insurance premiums	37,200	28,696
Revenue from financial assets	1,687	807
Other income	6,643	5,793
<b>Total</b>	<b>45,530</b>	<b>35,296</b>

Insurance premiums are made up as follows:

All figures in €'000				
	Life insurance		Non-life insurance	
	Q1 2004	Q1 2003	Q1 2004	Q1 2003
Posted gross premiums	51,609	37,853	40,258	33,008
Released reinsurance premiums	-4,032	-4,531	-8,926	-5,501
Change in unearned premium reserves (gross)	-18,221	-11,492	-23,488	-20,641
<b>Total (net)</b>	<b>29,356</b>	<b>21,830</b>	<b>7,844</b>	<b>6,866</b>

Gross premiums from life insurance business include EUR 18.990 thsd (previous period: EUR 14.055 thsd) from reinsurance.

Revenue from financial assets and the other income from insurance businesses are shown below:

All figures in €'000		
	1st quarter 2004	1st quarter 2003
Interest and similar income	824	807
Non-current revenue from financial assets	863	0
Revenue from syndicate business	3,537	2,775
Other income	3,106	3,018
<b>Total</b>	<b>8,330</b>	<b>6,600</b>

### [3] 3. Revenue from banking business

All figures in €'000		
	1st quarter 2004	1st quarter 2003
Interest and similar income	3,870	3,777
Commission earnings	7,351	7,212
<b>Total</b>	<b>11,221</b>	<b>10,989</b>

[4] 4. Change in deferred acquisition costs

All figures in €'000				
	Life insurance		Non-life insurance	
	Q1 2004	Q1 2003	Q1 2004	Q1 2003
Capitalisation	15,835	11,840	4,674	2,686
Portion of reinsurers	-1,765	-804	-1,595	-185
	<b>14,070</b>	<b>11,036</b>	<b>3,079</b>	<b>2,501</b>
Interest added	5,765	4,673	0	0
Portion of reinsurers	-1,894	-2,087	0	0
	<b>3,871</b>	<b>2,586</b>	<b>0</b>	<b>0</b>
Amortisation	-3,805	-3,522	-1,163	-793
Portion of reinsurers	5,185	4,000	400	175
	1,380	478	-763	-618
	<b>19,321</b>	<b>14,100</b>	<b>2,316</b>	<b>1,883</b>

[5] 5. Expenses for insurance business

Net actuarial expenses are made up as follows:

All figures in €'000				
	Life insurance		Non-life insurance	
	Q1 2004	Q1 2003	Q1 2004	Q1 2003
Gross claims payments	911	301	5,176	4,408
Change in the claims reserve (gross)	4,373	1,387	3,621	384
<b>Gross claims expenditure</b>	<b>5,284</b>	<b>1,688</b>	<b>8,797</b>	<b>4,792</b>
Portion of reinsurers	-2,543	-853	-4,457	-718
<b>Net claims expenditure</b>	<b>2,741</b>	<b>835</b>	<b>4,340</b>	<b>4,074</b>
Change in the insurance provisions (gross)	4,536	4,960	0	0
Change in the provision for policy holder participation (gross = net)	5,149	2,708	0	0
<b>Total (net)</b>	<b>12,426</b>	<b>8,503</b>	<b>4,340</b>	<b>4,074</b>

The change in the deferred provision for policy holder participation which are recognised in the income statement amounts to EUR 4,853 thsd (EUR 3,322 thsd).

The other expenses for insurance business are made up as follows:

All figures in €'000		
	1st quarter 2004	1st quarter 2003
Interest and similar expenses	7,712	6,139
Expenses for financial assets	70	132
Other expenses	9,633	5,236
<b>Total</b>	<b>17,415</b>	<b>11,507</b>
Commission paid/earned	935	-666
Reinsurance commission received	-3,924	-989
<b>Total</b>	<b>14,426</b>	<b>9,852</b>

[6] 6. Expenses for banking business

All figures in €'000		
	1st quarter 2004	1st quarter 2003
Interest and similar expenses	1,557	1,532
Allowances for losses	859	750
Commissions paid	666	461
<b>Total</b>	<b>3,082</b>	<b>2,743</b>

[7] 7. Other operating expenses

All figures in €'000		
	1st quarter 2004	1st quarter 2003
Currency translation expenses	1	12
IT costs	10,698	13,630
Communications requirements	3,671	3,856
Audit and consultancy costs	3,542	692
Expenses for retired sales representatives	1,079	832
Training and seminars	1,570	1,178
Costs of premises	6,061	6,188
Advertising activities	2,181	468
Office supplies	833	967
Representation, entertainment expenses	671	618
Other taxes	65	25
Other remaining expenses	10,071	5,286
<b>Total</b>	<b>40,443</b>	<b>33,752</b>

The other remaining expenses for the year under review comprise in particular expenses for the rental of notebooks, expenses for insurance, other personnel expenses, travel expenses, dues and fees and money transfer costs.

[8] 8. Finance cost

All figures in €'000		
	1. Quartal 2004	1. Quartal 2003
Income from the sale of financial assets	1	0
Other interest and similar income	754	473
Interest and similar expenses	-3,628	-3,151
Transfer of losses	-1	-1
<b>Total</b>	<b>-2,874</b>	<b>-2,681</b>

### III. Notes to the balance sheet

#### [9] 1. Financial assets

Financial assets are made up as follows:

All figures in €'000		
	1st quarter 2004	1st quarter 2003
Investments	1,383	1,383
Securities	102,234	87,422
Loans	62	100
Other capital assets	87,422	73,590
<b>Total</b>	<b>191,101</b>	<b>162,495</b>

#### [10] 2. Receivables due from banking business

All figures in €'000		
	1st quarter 2004	1st quarter 2003
Accounts receivable due from bank clients	223,852	237,998
Accounts receivable due from financial institutions	111,910	78,449
<b>Total</b>	<b>335,762</b>	<b>316,447</b>

Accounts receivable due from bank clients are mostly in the form of loans, current accounts and credit cards.



### [11] 3. Insurance provisions

Gross insurance provisions are as follows:

	Life insurance		Non-Life insurance	
	31.03.2004	31.12.2003	31.03.2004	31.12.2003
Unearned premium reserves	190,305	172,084	30,232	60
Insurance reserve	72,464	67,929	0	0
Provisions for insurance claims not yet settled (pending claim reserve)	10,483	6,110	16,331	12,709
Provisions for policy holder participation	61,234	56,728	0	0
<b>Total</b>	<b>334,486</b>	<b>302,851</b>	<b>46,563</b>	<b>12,769</b>

The position “unearned premium reserves“ includes an unearned revenue liability (URL) amounting to EUR 185,244 thsd (EUR 119,007 thsd).

The position “provisions for policy holder participation“ includes deferred provisions amounting to EUR 52,819 thsd (31.12.2003 48,608 thsd).

### IV. Notes to the cash flow statement

The cash flow statement illustrates the change in cash resources of the MLP Group over the financial year as a result of the cash flows from operating activities, investing and financing activities. The cash flows of investing activities comprise mainly changes of investments. The financing activity illustrates the cash-related equity capital changes and loans used. All other cash flows of turnover-related principal activities are allocated to operating activities.

### V. Notes to the reporting by business segments

Segmentation of the annual accounts data is based on the internal organisational structure of the MLP Group according to business sectors (primary segment).

The operative segments consist of the individual companies of the MLP Group. The segments which have to be reported constitute strategic Group business sectors which differ as regards their services and products, as well as the regulatory framework.

Derivation of the strategic business sectors which have to be reported is based on the criteria of the relationship between potential opportunities and risks in the market in which the MLP Group transacts business.

The strategic business sectors are the following:

- Consulting and sales
- Life insurance
- Non-life insurance
- Banking
- Internal services and administration

The object of the consulting and sales segment consists of commercial and advisory services to clients, particularly with regard to insurance, investments and financing of all kinds, as well as of the broking of contracts concerning these financial services. The segment is formed by MLP Finanzdienstleistungen AG, Heidelberg, MLP Private Finance plc, London, Great Britain, MLP Private Finance Correduria de Seguros S.A., Madrid, Spain, as well as MLP Private Finance AG, Zurich, Switzerland.

The range of products and services of the life insurance segment comprises various types of life insurance policies, insurance policies attracting tax relief pursuant to the German Old Age Assets Act (AvmG), capitalisation transactions as well as the administration of pension schemes. The life insurance segment is composed exclusively of MLP Lebensversicherung AG.

The business activity of the non-life insurance segment extends to the conception and running of property and accident insurance. The segment is formed by MLP Versicherung AG.

The business sectors of the banking segment include the administration of financial portfolios, the trustee credit business, the loan and credit card business, consulting regarding investment decisions in respect of investment funds, as well as the conception and organisational implementation of new financial products for the MLP Group. The segment is formed exclusively by MLP Bank AG.

The internal services and administration segment is formed by MLP AG, as well as by Login GmbH. All internal services and activities of the MLP Group are thus combined in a separate segment.

## VI. Miscellaneous information

The number of staff as at 31st March 2004 amounts to 1.460 (previous period 1,603).

## **Executive bodies MLP AG**

### **Executive board:**

Dr. Uwe Schroeder-Wildberg (Chairman and CEO)  
Eugen Bucher  
Gerhard Frieg  
Nils Frowein (as at 1st April 2004)

### **Supervisory board:**

Manfred Lautenschläger (Chairman)  
Gerd Schmitz-Morkramer  
Dr. Peter Lütke-Bornefeld  
Johannes Maret  
Maria Bähr (Employees' representative)  
Norbert Kohler (Employees' representative)

## **Contact**

MLP AG  
Investor Relations

Michael Pfister, Head of Communication  
Andreas Dittmar, Head of Investor Relations  
Sebastian Slania, Manager Investor Relations

Phone +49 (0) 6221 308-8320  
Fax +49 (0) 6221 308-1131  
[investorrelations@mlp-ag.com](mailto:investorrelations@mlp-ag.com)



**MLP AG**

Telephone: +49 (0) 6221 308-0

Telefax: +49 (0) 6221 308-9000

Forum 7, 69126 Heidelberg, Germany

[www.mlp.de](http://www.mlp.de)

