

REPORT FOR THE FIRST QUARTER 2005

13,530	100,702				
536,152	44,335	1	13,530	142,648	89,783
89,366	13,530		536,152	+3,113	10,254
156,558	536,152		89,366	13,530	75,284

MLP GROUP 2005

MLP Group

Key figures in EUR million			
	1st Quarter 2005	1st Quarter 2004	Change
Total revenues	109.2	129.5	- 16 %
Revenue from brokerage business	89.6	112.7	- 20 %
Revenue from banking business	12.3	11.8	4 %
Other income	7.3	5.0	45 %
Profit from operations (EBIT)	6.9	14.0	- 51 %
EBIT-margin	6.3 %	10.8 %	
Profit before tax (EBT)	5.7	11.0	- 48 %
Net profit for the period	9.3	8.9	4 %
Earnings per share	0.09	0.08	13 %
Capital expenditure	4,1	7,7	- 47 %
Shareholder's equity (incl. minority interests)	299.4	289.6*	3 %
Clients	624,000	618,500*	1 %
MLP consultants	2,528	2,546*	- 1 %
Branch offices	300	300*	0 %
Employees	1,908	1,874*	2 %
Arranged new business			
Pension provision (premium sum in billion EUR)	0.6	1.7	- 65 %
Health insurance (annual premium)	9.4	13.1	- 28 %
Loans and Mortgages	197.8	200.9	- 2 %
Inflows into mutual funds	154.6	139.0	11 %
Funds under management (in billion EUR)	4.3	4.1*	5 %

* as at 31.12.2004

Financial calendar	
Results for the 1st quarter 2005	25.05.2005
Annual General meeting 2005 in Mannheim	21.06.2005
Results for the 2nd quarter 2005	24.08.2005
Results for the 3rd quarter 2005	23.11.2005

MLP's Q1 2005 earnings exceed those of last year

- Net profit climbs by 4 per cent to EUR 9.3 million
- Total revenues fall by 16 per cent to EUR 109.2 million (excluding insurance subsidiaries)
- Revenues from brokerage business decline by 20 per cent to EUR 89.6 million
- New Basis Pension ("Rürup") becomes an important element of the MLP product portfolio
- The scheduled sale of subsidiaries results in changes to financial disclosure in line with IFRS stipulations

Q1 2005 results at the Heidelberg-based financial services company MLP surpass the high net income of last year. Net profit rose by 4 per cent to EUR 9.3 million (Q1/2004: EUR 8.9 million). Total revenues at the MLP Group declined by 16 per cent to EUR 109.2 million (EUR 129.5 million). This figure does not include revenues from MLP Lebensversicherung AG and MLP Versicherung AG. The scheduled sale of both companies means that they are both posted separately for the first time in Q1 2005 in line with the international financial reporting standards, IFRS. The MLP Group income statement has been adjusted by the corresponding amounts and the net amount posted separately.

Brokerage business weaker, life insurance stronger

As forecast, the brokerage business included in MLP Finanzdienstleistungen AG results has declined somewhat in comparison with the same period last year. The segment revenues declined by 20 per cent to EUR 91.8 million (EUR 114.3 million). The pre-tax profits (EBT) declined by 38 per cent to EUR 8.2 million (EUR 13.3 million). The main reason for this is training activities lasting for weeks in early 2005 to prepare MLP consultants for the new framework conditions in the world of provisional products. The expenditure for this totalled some EUR 3.0 million in Q1. Special effects from the automatic adjustments to the Riester policies are also not included this year. The so-called Riester steps made a difference last year with EUR 12.8 million on revenues as well as EUR 5.8 million on pre-tax profit in the Consulting and Sales segment.

By contrast, the life insurance segment grew considerably. Pre-tax profit (EBT) climbed by 37 per cent to EUR 6.6 million. This result can mainly be attributed to slower new business and the associated lower acquisition costs as well as increases in premium income from total policies in-force. The non-life insurance segment contributed some 5 per cent more to the Group earnings over last year with EUR 1.6 million (EUR 1.5 million). Earnings at MLP Bank fell by 16 per cent to EUR 1.4 million (EUR 1.6 million).

Special effects affect new client acquisition

The number of MLP clients increased in Q1 by 5,500 (9,500) to a total of 624,000. This development was also clearly influenced by the extensive training activities in the first two months of 2005. At 2,528, the number of consultants equates to the same number as in late 2004 (2,546). MLP still forecasts an additional 200 consultants for the entire business year 2005.

Positive outlook for the year as a whole

“After the first five months of 2005 we can see that our clients have recognised and accepted the opportunities presented in the new world of provisional products”, comments MLP CEO Uwe Schroeder-Wildberg.

The new Basis Pension, or Rürup-Pension, has developed to become another major element of the MLP product portfolio within just a few months alongside the Riester Pension and the occupational pension schemes.

MLP forecasts an increase in pre-tax profit (EBT) of 14 per cent for the year as a whole to EUR 100 million against the background of a continued growing market for private pension and health provisions

Consolidated income statement

Consolidated income statement for the period 1 January to 31 March 2005

All figures in €'000			
	Note	1st quarter 2005	1st quarter 2004
Continued operations			
Revenue from brokerage business	[1]	89,644	112,719
Revenue from banking business	[2]	12,288	11,793
Other income		7,280	5,026
Total revenues		109,212	129,538
Expenses for brokerage business		- 40,561	- 56,514
Expenses for banking business	[3]	- 3,105	- 3,082
Personnel expenses		- 15,544	- 14,068
Depreciation/amortisation		- 4,511	- 4,215
Other operating expenses	[4]	- 38,593	- 37,703
Profit from operations (EBIT)		6,898	13,956
Other interest and similar income		1,790	719
Other interest and similar expenses		- 2,981	- 3,661
Finance cost		- 1,191	- 2,942
Profit before tax (EBT)		5,707	11,014
Income taxes		- 2,811	- 4,851
Net profit of continued operations		2,896	6,163
Net profit of discontinued operations	[7]	6,357	2,725
Net profit of continued and discontinued operations		9,253	8,888
Earnings per share in EUR		0,09	0,08
Diluted earnings per share in EUR		0,08	0,08
Profit before tax of continued and discontinued operations		14,886	14,611

Consolidated balance sheet

Consolidated balance sheet as at 31. March 2005

Assets – All figures in €'000			
	Note	31st March 2005	31st December 2004
Intangible assets		23,643	60,268
Property, plant and equipment		115,517	117,356
Financial assets	[5]	64,088	204,624
Investments held on account and at risk of life insurance policy holders		–	1,564,065
Reinsurance receivables		–	30,482
Receivables due from banking business	[6]	422,256	371,641
Accounts receivables and other assets		67,910	137,738
Cash and cash equivalents		122,323	190,957
Deferred acquisition costs (DAC)		–	357,600
Deferred tax assets		48,536	51,462
Assets discontinued operations	[8]	2,371,291	–
		3,235,564	3,086,193

Shareholders' equity and liabilities – All figures in €'000			
	Note	31st March 2005	31st December 2004
Shareholders' equity		298,796	288,977
Minority interest		591	586
Total shareholders' equity		299,387	289,563
Insurance provisions		–	431,639
Insurance provisions for investments held on account and at risk of life insurance policy holders		–	1,564,065
Other provisions		166,849	192,513
Reinsurance liabilities		–	36,594
Liabilities due to banking business		411,164	355,408
Other liabilities		80,592	214,793
Deferred tax liabilities		1,830	1,618
Liabilities of discontinued operations	[9]	2,275,742	–
		3,235,564	3,086,193

Consolidated statement of changes in shareholders' equity

All figures in €'000					
	Share capital	Capital reserves	Available-for-sale reserve	Remaining shareholder's equity	Shareholders' equity
As at 31.12.2004	108,641	7,920	-229	172,645	288,977
Currency translation				60	60
Capital increases					
Change in available-for-sale reserve			117*		117
Net profit				9,241	9,241
Dividends paid to shareholders					
Convertible debenture		1,842		-1,441	401
As at 31.03.2005	108,641	9,762	-112	180,505	298,796

* thereof € 108 thsd. of discontinued operations

Consolidated cash flow statement

Consolidated cash flow statement for the period from 1 January to 31 March 2005

All figures in €'000		
	1st Quarter 2005	1st Quarter 2004
Cashflow from operating activities	63,967	97,700
Cashflow from investing activities	-75,508	-87,943
Cashflow from investing activities	-23,153	-2,003
Change in cash and cash equivalents	-34,694	7,754
Changes in cash and cash equivalents due to exchange rate movements	15	79
Canges in cash and cash equivalents at end of period	199,855	132,876

Thereof discontinued operations:

All figures in €'000		
	1st Quarter 2005	1st Quarter 2004
Cashflow from operating activities	59,529	52,101
Cashflow from investing activities	-69,120	-83,197
Cashflow from financing activities	-	-
Change in cash and cash equivalents	-9,591	-31,096
Changes in cash and cash equivalents due to exchange rate movements	-	-
Canges in cash and cash equivalents at end of period	57,782	54,397

Segment reporting

Consulting and sales

All figures in €'000		
	1st Quarter 2005	1st Quarter 2004
Segment revenue		
External revenue	69,583	88,331
Inter-segment revenue	22,253	26,008
Total segment revenue	91,836	114,339
Other income	7,153	4,695
Segment expenses		
Brokerage business	- 40,688	- 56,580
Personnel expenses	- 12,483	- 11,232
Depreciation/amortisation	- 2,946	- 2,930
Other expenses	33,177	- 33,276
Total segment expenses	- 89,294	- 104,018
Segment result before finance cost (EBIT)	9,695	15,016
Finance cost	- 1,516	- 1,741
Segment result after finance cost (EBT)	8,179	13,275

Segment earnings declined by 21 per cent in Q1 from EUR 88.3 million to EUR 69.6 million. This can largely be attributed to the lower sales of pension provisions products. The reason for this was, among other things, the intense training period of our consultants in view of the new pension provisions in the first two months of this year and the associated production losses. The figures for the same period last year include revenues from the second Riester step which totalled some EUR 12.8 million.

Both the earnings from the brokerage business as well as the expenditure for brokerage were clearly affected by these developments and fell from EUR 56.6 million to EUR 40.7 million. The figures for brokerage expenditure last year also included restructuring expenditure of some EUR 4.8 million; a further EUR 2.6 million are expressed in the operating expenses. Personnel expenditure climbed by 11 per cent from EUR 11.2 million to EUR 12.5 million. A main factor here was the expansion of the occupational pension provisions. Depreciation remains unchanged. Operating expenditure includes EUR 3.0 million for training activities related to the new environment for provisional products.

The pre-tax earnings and financial results fell by 35 per cent from EUR 15.0 million to EUR 9.7 million. Foreign operations reported losses of EUR 1.4 million (EUR 0.7 million) here. The EBIT margin totals some 10.6 per cent.

The number of clients has risen since year-end by 5,500 to 624,000. Last year's growth rate could not be matched in Q1 due to the extensive time spent on training activities.

While the number of branch offices (300) remained stable, the number of consultants fell slightly at the end of Q1 to 2,528 (31.12.2004: 2,546). In our foreign operations our clients were supported by 177 (215) consultants in 26 (33) branch offices.

New business development was, as forecast, much weaker for the first three months in comparison with last year. For example, pension provisions (excl. Riester) posted a new business volume of some EUR 0.6 billion premium total (EUR 1.7 billion), whereby the volumes clearly increased towards the end of the quarter. The arranged new business in the health insurance sector fell from EUR 13.1 million annual premiums to just EUR 9.4 million. The division loans performed well with an arranged loan volume of EUR 198 million, matching last year's level. Inflows into financial investments performed equally well. Here we posted an increase of EUR 139 million to EUR 155 million. At the same time managed assets rose from EUR 4.1 billion at the end of 2004 to some EUR 4.3 billion at the end of Q1 2005.

Life insurance

All figures in €'000		
	1st Quarter 2005	1st Quarter 2004
Segment revenue		
External revenue	48,852	38,656
Inter-segment revenue	–	–
Total segment revenue	48,852	38,656
Other income	178	242
Change in deferred acquisition costs	10,720	18,548
Segment expenses		
Insurance business	– 47,158	– 45,467
Personnel expenses	– 1,995	– 2,116
Depreciation/amortisation	– 610	– 1,530
Other expenses	– 3,521	– 3,577
Total segment expenses	– 53,284	– 52,690
Segment result before finance cost (EBIT)	6,466	4,756
Finance cost	129	66
Segment result after finance cost (EBT)	6,595	4,822

The earnings in the life insurance segment climbed in Q1 2005 by 26 per cent and reached EUR 48.9 million over EUR 38.7 million last year. This mainly results from the higher earnings from insurance premiums resulting from the high level of new business in 2004.

The changes to deferred acquisition costs (DAC) fell due to the lower new business over the first three months of last year from EUR 18.5 million to EUR 10.7 million.

The expenses from insurance business rose slightly by 4 per cent from EUR 45.5 million to EUR 47.2 million.

The pre-tax profit for this sector (EBIT) climbed to EUR 6.5 million in Q1 2005 in comparison with EUR 4.8 million one year previously. This corresponds to an increase of 36 per cent over the same period last year.

The “current contribution for one year” for new business (APE) fell from EUR 23.9 million last year to EUR 5.4 million for Q1 2005. The higher premium income and the capital market developments resulted in an increase of investment stock for unit-linked provisional products over year-end 2004 to EUR 1.7 billion (31.12.2004: EUR 1.6 billion).

Non-life insurance

All figures in €'000		
	1st Quarter 2005	1st Quarter 2004
Segment revenue		
External revenue	13,706	9,344
Inter-segment revenue	-	-
Total segment revenue	13,706	9,344
Other income	54	183
Change in deferred acquisition costs	2,896	2,316
Segment expenses		
Insurance business	- 12,157	- 7,532
Personnel expenses	- 1,342	- 1,258
Depreciation/amortisation	- 85	- 232
Other expenses	- 1,485	- 1,277
Total segment expenses	- 15,069	- 10,299
Segment result before finance cost (EBIT)	1,587	1,544
Finance cost	31	2
Segment result after finance cost (EBT)	1,618	1,546

In the non-life insurance segment, the positive new business development and the reduction in reinsurance charges effective at year-end 2004 resulted in an increase in earnings from insurance business of EUR 9.3 million to EUR 13.7 million. Expenditure from insurance business rose equally to EUR 12.2 million in comparison with EUR 7.5 million in the same quarter last year. The reduction in collected reinsurance commissions also resulted in increased changes to deferred acquisition costs of EUR 0.6 million to EUR 2.9 million. Personnel expenditure remained practically unchanged at EUR 1.3 million. The segment financial earnings (EBIT) were up slightly on last year at EUR 1.6 million over EUR 1.5 million in 2004.

Banking

All figures in €'000		
	1st Quarter 2005	1st Quarter 2004
Segment revenue		
External revenue	12,163	11,221
Inter-segment revenue	252	820
Total segment revenue	12,415	12,041
Other income	49	209
Segment expenses		
Banking business	- 5,132	- 4,692
Personnel expenses	- 1,514	- 1,598
Depreciation/amortisation	- 87	- 68
Other expenses	- 4,335	- 4,158
Total segment expenses	- 11,068	- 10,516
Segment result before finance cost (EBIT)	1,396	1,734
Finance cost	- 12	- 85
Segment result after finance cost (EBT)	1,384	1,649

Earnings in the Bank sector climbed by 3 per cent over last year from EUR 12.0 million to EUR 12.4 million. The interest and commission profit contributed to this result with EUR 2.4 million (EUR 2.3 million) and EUR 5.7 million (EUR 5.9 million) respectively. Expenditure from the banking business climbed by EUR 0.4 million to EUR 5.1 million. Personnel expenditure reduced slightly by 5 per cent to EUR 1.5 million. The segment financial result (EBIT) totalled EUR 1.4 million in the reported quarter compared with EUR 1.7 million one year previously.

Internal service and administration

All figures in €'000		
	1st Quarter 2005	1st Quarter 2004
Segment revenue		
External revenue	-	-
Inter-segment revenue	-	-
Total segment revenue	-	-
Other income	5,140	4,700
Segment expenses		
Personnel expenses	- 1,547	- 1,238
Depreciation/amortisation	- 1,479	- 1,217
Other expenses	- 6,186	- 4,900
Total segment expenses	- 9,212	- 7,355
Segment result before finance cost (EBIT)	- 4,072	- 2,655
Finance cost	337	- 1,117
Segment result after finance cost (EBT)	- 3,735	- 3,772

This segment covers all in-house services and activities within the MLP Group. The pre-tax losses remained unchanged over the same quarter last year at EUR 3,7 million (EUR 3,8 million).

Notes

I. General Notes

The MLP AG Interim Report was compiled in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), London, taking into account the interpretation of the International Financial Reporting Interpretations Committee (IFRIC). IAS 34 (interim reporting) was also applied. The “interim report” presented here was not subject to an audit examination.

Figures are presented in euro thousands (‘000) unless otherwise stated.

II. Accounting and valuation methods

Fundamentally the same consolidation principles and accounting and valuation methods were applied for the interim report and the comparison with figures from the previous year as were applied for the group annual report 2004. A detailed description of the accounting and valuation methods is published in the notes to the annual report 2004. This can be downloaded from the company’s website at www.mlp.de.

The following section explains the changes to accounting and valuation methods as well as disclosure.

Until now, the IAS 1 has allowed the right to choose between presenting the financial statements according to maturity or by order of liquidity. This right to choose has been removed as part of the IASB Improvement Project. However, certain companies such as Financial Institutions (IAS 1.54) or for companies with different business areas (IAS 1.55), are still entitled to structure the financial statements by order of liquidity, if a more reliable and more relevant presentation is achieved as a result. The structure of financial statements has thus been maintained in the MLP Group.

IFRS 2 was applied for the first time as per 1st January 2005. IFRS 2 contains rules for treating equity-based transactions, which must be compiled as from 1st January as expenditure.

In 2004 the IASB issued the new standard IFRS 5 “Non-current assets held for sale and discontinued operations”. We have adopted the IASB recommendation to implement this standard ahead of time and have already applied IFRS 5 in the Group consolidated financial statements for 2004. Hereby, the criteria determined in IFRS 5, which must be met in order to classify business areas as discontinued operations in the financial statements, were not yet fulfilled. These criteria were met in the first quarter of 2005. The companies held for sale, MLP Lebensversicherung AG and MLP Versicherung AG, were therefore, in contradiction to the group year-end report 2004, to be reported as discontinued operations.

The profit from discontinued operations in the income statement as well as non-current assets and liabilities on the balance sheet held for sale will be posted separately. The comparative periods were adjusted accordingly in the income statement and are thus no longer comparable with the financial statements presented in previous years. The balance sheet figures from previous years do not have to be adjusted according to IFRS 5.

In order to provide financial statement addressees with a better assessment of the financial effects of discontinued operations (IFRS 5.30), we have not consolidated continued and discontinued operations in contradiction to the previous year.

The scheduled depreciation of long-term assets for discontinued operations was compiled according to IFRS 5.25.

The following explanations in the notes refer to continued operations, with the exception of the explanations made explicitly under the item "discontinued operations".

III. Consolidated Group

The consolidated Group report includes the MLP AG financial statements and those of the companies it controls, listed below (subsidiaries) according to IAS 27, in which it holds the majority of voting rights or for which it has the factual control. In the financial year 2005 MLP AG has extended its consolidated group by one further foreign subsidiary, the "MLP Vermögensberatung AG, Vienna, Austria".

In comparison with the same quarter in 2004 the consolidated group has been extended by the companies acquired in 2004 MLP BAV GmbH, Heidelberg, BERAG Beratungsgesellschaft für betriebliche Altersversorgung und Vergütung mbH, Bremen, as well as BERAG Versicherungsmakler GmbH, Bremen.

IV. Notes on the income statement

Revenues by business area can be found in the segment report.

[1] 1. Revenue from brokerage business

All figures in €'000		
	1st Quarter 2005	1st Quarter 2004
Old-age provision*	61,894	81,151
Health insurance	10,470	13,803
Non-life insurance	10,937	9,811
Mutual funds	3,263	4,178
Loans	1,763	1,962
Other income	1,317	1,814
Total	89,644	112,719

* before consolidation with discontinued operations

[2] 2. Revenue from banking business

All figures in €'000		
	1st Quarter 2005	1st Quarter 2004
Commission income	8,084	7,923
Interest in similar income	4,204	3,870
Total	12,288	11,793

Commission income from banking business is mainly composed of income from current accounts, credit cards and loans as well as fees from asset management and savings plans.

[3] 3. Expenses for banking business

All figures in €'000		
	1st Quarter 2005	1st Quarter 2004
Interest and similar expenses	1,832	1,557
Allowance for losses	808	859
Hedging result	30	–
Commissions paid	435	666
Total	3,105	3,082

[4] 4. Other operating expenses

All figures in €'000		
	1st Quarter 2005	1st Quarter 2004
IT costs	8,998	9,557
Rent and rent incidentals	5,456	5,847
Training and seminars	4,764	1,528
Audit and consultancy costs	3,509	3,037
Communications requirements	2,870	3,383
Advertising activities	1,145	2,171
Expenses for retired sales representatives	1,098	1,079
Representation, entertainment expenses	740	655
Office supplies	653	798
Other taxes	69	64
Bad debt allowances	18	2,700
Currency translation expenses	1	1
Other remaining expenses	9,272	6,883
Total	38,593	37,703

Other remaining expenses in the reporting period include mainly expenses for renting notebooks, expenses for insurance policies, other personnel expenses, travel expenses, contributions and fees as well as expenses related to money transactions.

V. Notes on the balance sheet

[5] 1. Financial assets

All figures in €'000		
	31.03.2005	31.12.2004
Available-for-sale securities	40,116	157,030
Held-to-maturity securities	2,586	2,599
Investments	1,378	1,383
Loans	8	12
Other capital assets	20,000	43,600
Total	64,088	204,624

The decrease of financial assets is due to the separate disclosure of amounts attributable to MLP Lebensversicherung AG and MLP Versicherung AG in discontinued operations.

[6] 2. Receivables due from banking business

All figures in €'000		
	31.03.2005	31.12.2004
Accounts receivable due from bank clients	267,865	229,138
Accounts receivable due from financial institutions	154,391	142,503
Total	422,256	371,641

Accounts receivable due from bank clients mainly include accounts receivable from loans, current accounts and credit cards.

VI. Discontinued Operations

As part of the continued focus on our core competencies we intend to sell our subsidiaries MLP Lebensversicherung AG and MLP Versicherung AG this year. IFRS 5 stipulates that these discontinued operations are to be posted separately for the first time in Q1 2005. The income statement has been adjusted by the respective amounts from the discontinued operations, the net amount from this has been posted in a separate line in the income statement. There were no losses from depreciations. The assets defined as held for sale and the associated liabilities have been posted separately in the financial statements.

Both operations to be discontinued, MLP Lebensversicherung AG and MLP Versicherung AG, represent precisely one segment in the segment report.

The result of discontinued operations is presented below.

[7] Income statement of discontinued operations

All figures in €'000		
	1st Quarter 2005	1st Quarter 2004
Revenue from insurance business	60,715	45,530
Other income	232	344
Total revenues	60,947	45,874
Change in deferred acquisition costs	16,662	21,637
Expenses for insurance business	- 59,505	- 54,104
Other expenses	- 9,045	- 9,878
Profit from operations (EBIT)	9,019	3,529
Finance cost	160	68
Profit before tax (EBT)	9,179	3,597
Income taxes	- 2,822	- 872
Net profit discontinued operations	6,357	2,725
Earnings per share in EUR	0,06	0,02
Diluted earnings per share in EUR	0,06	0,02

Assets and liabilities of discontinued operations as at 31 March 2005 are made up as follows:

[8] Assets – All figures in €'000	31.03.2005
Intangible assets	36,966
Property, plant and equipment	319
Financial assets	176,429
Investments held on account and at risk of life insurance policy holders	1,680,847
Reinsurance receivables	36,588
Account receivable and other assets	37,298
Cash and cash equivalents	27,202
Deferred acquisition costs (DAC)	374,222
Deferred tax assets	1,420
	2,371,291

[9] Liabilities – All figures in €'000	31.03.2005
Shareholders' equity	–
Insurance provisions	495,920
Insurance provisions for investments held on account and at risk of life insurance policy holders	1,680,847
Other provisions	4,106
Reinsurance liabilities	35,834
Other liabilities	59,029
Deferred tax liabilities	6
	2,275,742

VII. 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 mainly comprise changes in fixed assets. The financing activity shows the cash-related equity capital changes and loans used. All other cash flows of revenue-related principal activities are allocated to operating activities.

VIII. Notes on Group reporting by segment

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

The business segments are made up of the individual companies in the MLP Group. The reportable segments constitute strategic Group business segments which differ as regards their services and products, as well as the regulatory framework.

Derivation of the reportable strategic business 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 client consulting services, particularly with regard to insurance, investments, occupational pension schemes and financing of all kinds, as well as of the broking of contracts concerning these financial services. This strategic line of business expanded by one company in the first quarter 2005 due to the foundation of the MLP Vermögensberatung AG.

The segment is made up of MLP Finanzdienstleistungen AG, Heidelberg, MLP Private Finance plc, London, Great Britain, MLP Private Finance Correduria, de Seguros S.A., Madrid, Spain, MLP Private Finance AG, Zurich, Switzerland, BERAG Beratungsgesellschaft für betriebliche Altersversorgung und Vergütung mbH, Bremen, BERAG Versicherungs-Makler GmbH, Bremen, MLP BAV GmbH, Heidelberg and MLP Vermögensberatung AG, Wien, Österreich.

The portfolio of products and services of the **life insurance** segment comprises various types of life insurance policies, tax-privileged insurance policies pursuant to the German law on pension income, capitalisation transactions as well as the administration of pension schemes. The life insurance segment is made up 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 **banking** segment includes 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 and Login GmbH. All internal services and activities of the MLP Group are thus combined in a separate segment.

IX. Miscellaneous information

The number of employees of the Group as at 31st March 2005 amounts to 1,908 (31.12.2004: 1.874). Thereof 384 (31.12.2004: 373) have been minor part time employees.

Executive bodies MLP AG

Executive board:

Dr. Uwe Schroeder-Wildberg (Chairman and CEO)
Eugen Bucher
Gerhard Frieg
Nils Frowein

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