

MLP-Group

All figures in EUR million						
	2nd quarter 2004	2nd quarter 2003	1st half year 2004	1st half year 2003	Change	
Total revenues	138.5	123.2	286.0	225.7	26.7 %	
Revenue from brokerage business	75.1	63.2	163.5	117.3	39.4 %	
Revenue from insurance business	49.7	46.4	95.3	81.7	16.6 %	
Revenue from banking business	11.7	10.3	22.9	21.3	7.5 %	
Other income	2.0	3.3	4.3	5.4	-20.4 %	
Profit from operations (EBIT)	17.8	16.3	35.3	28.6	23.4 %	
EBIT-margin	12.9	13.2	12.3	12.7	-3.2 %	
Profit before tax (EBT)	16.2	12.0	30.8	21.5	43.3 %	
Net profit for the period	10.0	6.9	18.9	12.2	54.9 %	
Earnings per share	0.09	0.06	0.17	0.11	54.5 %	
Capital expenditure	6.5	9.2	14.1	18.7	-24.6 %	
Shareholders' equity			256.9	253.8*	1.2 %	
Clients			579,000	561,500*	3.1 %	
MLP consultants			2,625	2,771*	-5.3 %	
Branch offices			316	347*	-8.9 %	
Employees			1,892	1,835*	3.1 %	
Arranged new business						
Pension provision (premium sum in billion EUR)	1.5	1.3	3.2	2.6	23.1 %	
Health insurance (annual premium)	11.2	12.6	24.3	26.3	-7.6 %	
Loans and Mortgages	215	236	416	462	-10.0 %	
Inflows into mutual funds	174	138	321	284	9.9 %	
Funds under management (in billion EUR)			3.8	3.5*	8.6 %	

* as at 31.12.2003

Financial calendar

Results for the 3rd quarter 2004

24. November 2004

Full year results 2004

21. April 2005

Results for the 1st quarter 2005

25. May 2005

Annual General Meeting 2005 in Mannheim

21. June 2005

Results for the 2nd quarter 2005

24. August 2005

Results for the 3rd quarter 2005

23. November 2005

MLP continues strong growth

- Net profit up 54.9 per cent to EUR 18.9 million in the first half 2004
- Profit before tax (EBT) up 43.3 per cent to EUR 30.8 million
- Total revenue up 26.7 per cent to EUR 286.0 million
- Positive forecast for the 2nd half 2004

In the first half 2004 the MLP group again significantly increased its revenue and earnings, continuing its strong course of growth. Total revenue rose by 26.7 per cent to EUR 286.0 million (2003: EUR 225.7 million). MLP again saw the greatest increase in the brokerage business, which grew by 39.4 per cent to EUR 163.5 million (EUR 117.3 million). Profit before tax (EBT) rose by 43.3 per cent to EUR 30.8 million (EUR 21.5 million). Net profit increased disproportionately by 54.9 per cent to EUR 18.9 million (EUR 12.2 million). Earnings per share total EUR 0.17 (EUR 0.11). This increase in business shows, that MLP is on course and has also consolidated in Q2 the positive trend set at the beginning of the year.

In Q2 2004 the company saw a growth in total revenue of 12.4 per cent to EUR 138.5 million. Profit before tax (EBT) rose by 35 per cent to EUR 16.2 million. Net profit for the period was 44.9 per cent above the previous year's quarter at EUR 10 million. Despite this strong growth MLP has managed at the same time to significantly optimise its cost structure and procedures. Operating expenses fell by around EUR 6,5 million compared to the same quarter the previous year.

All business segments show significant gains

All MLP business segments have significantly increased their result in the first half of the year. The business segment Consultation and Sales (MLP Finanzdienstleistungen AG) benefited from the continued expansion of its product offer. Profit before tax was up on the previous year by 33.9 per cent to EUR 29.2 million (EUR 21.8 million).

Arranged new business in the area of pension provision rose by 23 per cent to EUR 3.2 billion premium sum due to the high demand for long-term provision products. The expansion of the mutual funds area announced at the beginning of the year has already shown a positive contribution. Funds under management in the MLP group rose by 18.8 per cent to EUR 3.8 billion (31.12.2003: EUR 3.5 billion). Inflows into mutual funds went up by 9.5 per cent to EUR 312 million (EUR 284 million), with Q2 seeing a very encouraging increase of over 25 per cent compared to the previous quarter.

On the other hand there was a slight drop in the demand for private health insurance, loans and mortgages. The arranged annual premium for health insurance fell by 7.6 per cent to EUR 24.3 million (EUR 26.3 million). Arranged new business for loans and mortgages was 10 per cent below the previous year at EUR 416 million. However, in a similar fashion to inflows into mutual funds, Q2 was also 7 per cent up on the previous quarter for loans and mortgages.

Profit before tax from the business segment Life insurance increased by 13.6 per cent to EUR 8.7 million. Non-life insurance with its EUR 2.4 million contributed 28.9 per cent more to the consolidated profit before tax than the previous year. Measures to increase efficiency had a positive effect on the business segment Bank. This business segment increased its profit before tax significantly from EUR 0.5 to 3.9 million.

MLP's foreign operations also showed a pleasing result. Losses were reduced from EUR 6.3 million in the previous year to EUR 1.4 million.

Program to increase value has a significant effect

Within the MLP BEST VALUE Program to increase company value the company has initiated numerous individual projects since the beginning of the year, some of which are already showing extremely positive results after only a few months. For example, internal procedures, consultant training as well as the network of MLP branch offices have been further optimised. In the first half of the year revenue per branch office rose by 59.4 per cent to EUR 672,918 (EUR 422,068). Revenue per consultant was 47.7 per cent above the previous year's figure at EUR 81,006 (EUR 54,852).

Due to increased quality standards MLP employed as of 30 June 2004 2,625 financial consultants, 5.3 per cent fewer than at the end of 2003 (2,771). The number of branch offices has fallen by 9 per cent to 316 (347). The company has expanded the number of clients from 561,500 to 579,000. This corresponds to 8,000 new clients in Q2 2004.

Pension provision will play a key role in the second half of 2004

Due to the reductions to the statutory pension as well as changes in the taxation of investment returns from pension provision products associated with the law on pension income passed in June, MLP expects the trend of sustained growth to continue in the second half of the year.

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

All figures in €'000					
	Note	2nd quarter 2004	2nd quarter 2003	1st half year 2004	1st half year 2003
Revenue from brokerage business	[1]	75,131	63,159	163,462	117,283
Revenue from insurance business	[2]	49,738	46,446	95,268	81,742
Revenue from banking business	[3]	11,687	10,325	22,908	21,313
Other income		1,967	3,264	4,319	5,342
Total revenues		138,524	123,194	285,957	225,680
Change in deferred acquisition costs (DAC)	[4]	15,371	18,828	37,008	34,811
Expenses for brokerage business		-37,290	-19,896	-90,739	-44,494
Expenses for insurance business	[5]	-31,502	-33,447	-62,649	-55,876
Expenses for banking business	[6]	-2,831	-2,914	-5,913	-5,657
Personnel expenses		-21,938	-21,034	-39,380	-38,081
Depreciation and amortisation expense		-6,577	-5,937	-12,554	-11,601
Other operating expenses	[7]	-35,930	-42,455	-76,373	-76,207
Profit from operations (EBIT)		17,827	16,339	35,312	28,575
Finance cost	[8]	-1,612	-4,351	-4,486	-7,032
Profit before tax (EBT)		16,215	11,988	30,826	21,543
Taxes		-6,245	-5,131	-11,968	-9,330
Minority interest		3	-1	3	-1
Net profit for the period		9,973	6,856	18,861	12,212
(Net profit incl. minority interest)		9,970	6,857	18,858	12,213
		EUR	EUR	EUR	EUR
Earnings per share		0,09	0,06	0,17	0,11
Diluted earnings per share		0,09	0,06	0,17	0,11

Consolidated balance sheet MLP Group

Consolidated balance sheet as at 30. June 2004

Assets – All figures in €'000			
	Note	30th June 2004	31st Dec. 2003
Intangible assets		59,870	61,267
Property, plant and equipment		126,023	123,191
Financial assets	[9]	175,602	162,495
Investments held on account and at risk of life insurance policy holders		1,370,784	1,183,754
Reinsurance receivables		27,214	19,493
Receivables due from banking business	[10]	346,519	316,447
Accounts receivable from other assets		129,046	182,451
Cash and cash equivalents		85,214	51,469
Deferred acquisition costs (DAC)		306,556	269,549
Deferred tax assets		50,461	49,915
Prepaid expenses		8,507	7,567
		2,685,796	2,427,598

Shareholders' equity and liabilities – All figures in €'000			
	Note	30th June 2004	31st Dec. 2003
Shareholders' equity		256,872	253,822
Minority interest		123	125
Insurance provisions	[11]	396,462	315,620
Insurance provisions for investment held on account and at risk of life insurance policy holders		1,370,784	1,183,754
Other provisions		148,507	140,994
Reinsurance liabilities		31,691	49,883
Liabilities due to banking business		329,940	302,610
Other liabilities		146,825	178,379
Deferred tax liabilities		2,060	1,829
Deferred income		2,532	582
		2,685,796	2,427,598

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
As at 31. Dec. 2003	108,641	7,707	-217	137,691	253,822
Currency conversion				-170	-170
Capital increases				2,250	2,250
Change in unrealised gains/losses on available-for-sale investments			659		659
Net profit				16,608	16,608
Dividends paid to shareholders				-16,297	-16,297
Convertible debenture					
Others					
As at 30.06.2004	108,641	7,707	442	140,082	256,872

Consolidate cash flow statement MLP Group

All figures in €'000		
	1st half year 2004	1st half year 2003
Cash flow from operating activities	205,946	125,668
Cash flow from investing activities	-174,587	-133,222
Cash flow from financing activities	-18,448	-151
Change in cash and cash equivalents	12,911	-7,705
Cash and cash equivalents at period-end	138,052	45,122

Segment reporting

Consulting and sales – All figures in €'000				
	2nd quarter 2004	2nd quarter 2003	1st half year 2004	1st half year 2003
Segment revenue				
External revenue	75,131	63,159	163,462	117,283
Inter-segment revenue	23,172	19,475	49,180	38,882
Total segment revenue	98,303	82,635	212,462	156,165
Other income	4,809	5,884	9,503	12,381
Segment expenses				
Brokerage business	-39,173	-22,427	-95,753	-49,355
Personnel expenses	-14,409	-13,411	-25,640	-24,440
Depreciation/amortisation	-3,172	-2,948	-6,102	-5,999
Other expenses	-28,453	-34,117	-61,730	-63,755
Total Segment expenses	-85,207	-72,903	-189,225	-143,549
Profit from operations (EBIT)	17,905	15,615	32,920	24,996
Finance cost	-2,003	-1,369	-3,744	-3,200
Profit before tax (EBT)	15,902	14,246	29,176	21,797

Segment Consultation and sales

Segment revenues rose by 36.1 per cent to EUR 212.6 million (EUR 156.2 million) in the first quarter. This increase can be attributed mainly to a higher demand for pension provision products. Expenditure for the brokerage business climbed from EUR 49.4 million to EUR 95.8 million. Apart from increased revenues, this was due to both an altered product mix and improved development of the branch offices. Personnel expenses costs saw a slight increase of 4.9 per cent from EUR 24.4 million to EUR 25.6 million. Other expenses fell by around EUR 2 million to EUR 61.7 million (EUR 63.8 million). Profit from operations (EBIT) stood 31.6 % above that of the previous year at EUR 32.9 million (EUR 25.0 million), representing an EBIT margin of 15.5 per cent (16.0 per cent).

Revenue per consultant continued to rise under the MLP Best Value program, the aims of which include improved efficiency and productivity. This figure climbed by 48.6 per cent from EUR 54,852 to EUR 81,486. Branch office productivity was significantly higher than the previous year at EUR 676,899 (EUR 422,068). Losses from foreign business operations were further reduced, amounting to EUR 1.4 million (EUR 6.3 million).

The number of new clients increased by 17,500 in the reporting period, totalling 579,000 (561,500). The number of consultants and branch offices dropped slightly to 2,625 (2,771) and 316 (347) respectively. 198 consultants (214) worked in 31 (34) foreign branch offices.

The ongoing discussion regarding pension provision and demography positively influenced new business. Arranged new business in the area of life insurance, not including the so-called „Riester pension“, rose once more to a total of EUR 3.2 billion premium sum (EUR 2.6 billion), exceeding the previous year's figures by 23.1 per cent. Business from the „Riester pension“ recorded an increase of EUR 0.5 billion (EUR 0.08 billion) in premium sum in the first half of the year. The prime factor behind this increase was the second step of the „Riester pension“ in the first quarter. Sales of health insurance declined by 7.6 per cent compared with the previous year, reaching an annual premium of EUR 24.3 million (EUR 26.3 million). Arranged new business in the area of financing sank by 10.2 per cent to EUR 416 million (EUR 463 million) in comparison with the same quarter of the previous year, which saw a very strong performance. This continues to be affected by the reduction of the supplementary allowance for homes. Clients' increased trust in the capital market saw growth in the area of investments for the first time since 2001. The inflow into investment funds climbed by 10 per cent to EUR 312 million (EUR 284 million) compared with the same period in the previous year.

Life insurance – All figures in €'000				
	2nd quarter 2004	2nd quarter 2003	1st half year 2004	1st half year 2003
Segment revenue				
External revenue	39,957	37,477	76,143	64,372
Inter-segment revenue	2,596	1,513	5,066	3,359
Total Segment revenue	42,553	38,990	81,209	67,731
Other income	256	179	498	314
Change in deferred acquisitions cost	17,938	17,939	36,486	32,942
Segment expenses				
Insurance business	-48,492	-45,643	-93,959	-77,464
Personnel expenses	-2,699	-2,785	-4,815	-5,024
Depreciation/amortisation	-1,556	-1,248	-3,086	-2,265
Other expenses	-4,185	-4,524	-7,762	-8,613
Total segment expenses	-56,932	-54,200	-109,622	-93,366
Profit from operations (EBIT)	3,815	2,908	8,571	7,621
Finance cost	55	11	121	33
Profit before tax (EBT)	3,870	2,919	8,692	7,654

Segment Life insurance

Due to increased new business, the total revenue of the segment was way up on the previous year's figure at EUR 81.2 million (EUR 67.7 million). The running annual premium equivalent (APE) for new business rose from EUR 24.6 million to EUR 45.7 million. Expenditure for life insurance business climbed some 21.3 per cent from EUR 77.5 million to EUR 94.0 million. Personnel expenses and other expenses were reduced by some EUR 1.0 million by means of an increased efficiency of processes. The profit from operations in this segment (EBIT) increased by 13.2 per cent from EUR 7.6 to 8.6 million. The investments held on account and at risk of the life insurance policy holders for unit-linked provision products rose as a result of insurance premiums and stock market performance to EUR 1.4 billion (as per 31.12.2003: EUR 1.2 billion).

Non-life insurance – All figures in €'000				
	2nd quarter 2004	2nd quarter 2003	1st half year 2004	1st half year 2003
Segment revenue				
External revenue	9,781	8,969	19,125	17,370
Inter-segment revenue	0	0	0	0
Total Segment revenue	9,781	8,969	19,125	17,370
Other income	42	343	225	578
Change in deferred acquisitions cost	-786	-574	1,530	1,309
Segment expenses				
Insurance business	-4,779	-4,747	-12,311	-11,373
Personnel expenses	-1,613	-1,451	-2,871	-2,586
Depreciation/amortisation	-235	-220	-467	-436
Other expenses	-1,608	-1,515	-2,885	-3,036
Total segment expenses	-8,235	-7,933	-18,534	-17,431
Profit from operations (EBIT)	802	805	2,346	1,826
Finance cost	4	-5	6	0
Profit before tax (EBT)	806	800	2,352	1,826

Segment Non-life insurance

Total revenue for the segment climbed by 9.8 per cent to EUR 19.1 million (EUR 17.4 million). Acquisition costs incurred during the year are capitalized according to the accrual principle and written-off by the end of the reporting year. The change in acquisition costs increased by 15.4 per cent to EUR 1.5 million (EUR 1.3 million). Personnel expenses stood 11.5 per cent above the figure for the same period of the previous year at EUR 2.9 million (EUR 2.6 million). The profit from operations in this segment (EBIT) increased by 27.8 per cent to EUR 2.3 million (EUR 1.8 million).

Bank – All figures in €'000				
	2nd quarter 2004	2nd quarter 2003	1st half year 2004	1st half year 2003
Segment revenue				
External revenue	11,687	10,324	22,908	21,313
Inter-segment revenue	913	1,365	1,733	1,447
Total segment revenue	12,600	11,689	24,641	22,760
Other income	209	502	418	828
Segment expenses				
Banking business	-4,836	-4,585	-9,528	-8,933
Personnel expenses	-1,614	-2,018	-3,212	-3,833
Depreciation/amortisation	-67	-138	-135	-285
Other expenses	-3,933	-5,484	-8,091	-9,887
Total segment expenses	-10,450	-12,225	-20,966	-22,938
Profit from operations (EBIT)	2,359	-34	4,093	650
Finance cost	-80	-60	-165	-194
Profit before tax (EBIT)	2,279	-94	3,928	456

Segment Bank

The total revenue for the segment rose by 7.9 per cent compared to the same period of the previous year, from EUR 22.8 million to EUR 24.6 million. The interest and commission results amounted to EUR 4.6 million (EUR 4.3 million) and EUR 12.3 million (EUR 11.0 million) respectively. By means of increasing the efficiency of processes, other expenses were reduced by some EUR 1.8 million and amounted to EUR 8.1 million (EUR 9.9 million). The profit from operations in this segment (EBIT) rose from EUR 0.7 million in the previous year to EUR 4.1 million.

Internal services and administration – All figures in €'000				
	2nd quarter 2004	2nd quarter 2003	1st half year 2004	1st half year 2003
Segment revenue				
External revenue	0	0	0	0
Inter-segment revenue	0	0	0	0
Total segment revenue	0	0	0	0
Other income	5,085	6,531	9,785	11,712
Segment expenses				
Personnel expenses	-1,604	-1,370	-2,842	-2,199
Depreciation/amortisation	-1,546	-1,381	-2,763	-2,614
Other expenses	-4,884	-6,358	-9,784	-9,747
Total segment expenses	-8,034	-9,109	-15,389	-14,560
Profit from operations (EBIT)	-2,949	-2,578	-5,604	-2,848
Finance cost	944	-2,928	-173	-3,672
Profit before tax (EBT)	-2,005	-5,506	-5,777	-6,520

Segment Internal services and administration

This segment covers all in-house services and activities within the MLP Group. The profit from operations totals EUR -5.6 million compared with EUR -2.8 million in the same period last year.

MLP consolidated financial statements in accordance with IFRS

I. General information

The interim report 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				
	2nd quarter 2004	2nd quarter 2003	1st half year 2004	1st Half year 2003
Life insurance	53,702	42,537	115,170	71,696
Health insurance	13,768	11,716	27,572	27,031
Non-life insurance	2,151	2,128	7,829	6,821
Mutual funds	3,290	4,752	7,469	7,866
Loans	2,014	1,162	3,976	2,311
Other income	206	864	1,446	1,558
Total	75,131	63,159	163,462	117,283

[2] 2. Revenue from insurance business

All figures in €'000				
	2nd quarter 2004	2nd quarter 2003	1st half year 2004	1st half year 2003
Insurance premiums	41,195	39,529	78,395	68,225
Revenue from financial assets	571	923	2,258	1,730
Other income	7,972	5,994	14,615	11,787
Total	49,738	46,446	95,268	81,742

Insurance premiums are made up as follows:

All figures in €'000								
	Life insurance		Non-life insurance		Life insurance		Non-life insurance	
	Q2 2004	Q2 2003	Q2 2004	Q2 2003	1H. 2004	1H. 2003	1H. 2004	1H. 2003
Posted gross premiums	53,461	51,278	1,201	971	105,070	89,131	41,459	33,979
Released reinsurance premiums	-4,031	-4,530	16	-74	-8,063	-9,061	-8,910	-5,575
Change in unearned premium reserves (gross)	-16,563	-14,445	7,111	6,329	-34,784	-25,937	-16,377	-14,312
Total (net)	32,867	23,303	8,328	7,226	62,223	54,133	16,172	14,092

The change in unearned premium reserve (gross) includes Unearned Revenue Liabilities of EUR 35,804 thsd (EUR 29,500 thsd) in the first half year 2004.

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

All figures in €'000				
	2nd quarter 2004	2nd quarter 2003	1st half year 2004	1st half year 2003
Interest and similar income	522	923	1,346	1,730
Non-current revenue from financial assets	49		912	
Revenue from syndicate business	3,710	3,240	7,247	6,015
Other income	4,262	2,754	7,368	5,772
Total	8,543	6,917	16,873	13,517

[3] 3. Revenue from banking business

All figures in €'000				
	2nd quarter 2004	2nd quarter 2003	1st half year 2004	1st half year 2003
Interest and similar income	3,905	3,752	7,775	7,528
Commission earnings	7,782	6,573	15,133	13,785
Total	11,687	10,325	22,908	21,313

[4] 4. Change in deferred acquisition costs

All figures in €'000								
	Life insurance		Non-life insurance		Life insurance		Non-life insurance	
	Q2 2004	Q2 2003	Q2 2004	Q2 2003	1H. 2004	1H. 2003	1H. 2004	1H. 2003
Capitalisation	17,347	14,443	-27	89,0	33,182	26,283	4,647	3,285
Portion of reinsurers	-5,456	-215	-34	-8,0	-7,222	-1,019	-1,629	-703
	11,890	14,228	-61	81	25,960	25,264	3,018	2,582
Interest added	6,033	4,912			11,798	9,585		
Portion of reinsurers	-1,936	-2,049			-3,830	-4,136		
	4,097	2,863			7,968	5,449		
Amortisation	-4,244	-2,519	-1,137	-831	-8,049	-6,041	-2,300	-1,624
Portion of reinsurers	4,414	4,830	412	176	9,599	8,830	812	351
	170	2,311	-725	-655	1,550	2,789	-1,488	-1,273
	16,157	19,402	-786	-574	35,478	33,502	1,530	1,309

[5] 5. Expenses for insurance business

Net actuarial expenses are made up as follows:

All figures in €'000								
	Life insurance		Non-life insurance		Life insurance		Non-life insurance	
	Q2 2004	Q2 2003	Q2 2004	Q2 2003	1H. 2004	1H. 2003	1H. 2004	1H. 2003
Gross claims payments	349	666	4,751	4,502	1,260	967	9,926	8,910
Change in the claims reserve (gross)	-4,052	-1,399	1,583	-26	321	-12	5,205	358
Gross claims expenditure	-3,703	-733	6,334	4,476	1,581	955	15,131	9,268
Portion of reinsurers	1,790	-40	-1,463	174	-753	-893	-5,920	-544
Net claims expenditure	-1,913	-733	4,871	4,650	828	62	9,211	8,724
Change in the insurance provisions (gross = net)	6,530	3,768			11,066	8.728		
Change in the provisions for policy holder participation (gross = net)	4,544	5,295			9,693	8.003		
Total (net)	9,161	8,290	4,871	4,650	21,587	16,793	9,211	8,724

The change in the provision for policy holder participation includes a deferred provision for policy holder participation amounting to EUR 9,285 thsd (EUR 7,990 thsd) affecting net income.

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

All figures in €'000				
	2nd quarter 2004	2nd quarter 2003	1st half year 2004	1st half year 2003
Interest and similar expenses	7,371	5,736	15,083	11,875
Expenses for financial assets	-21	104	49	236
Other expenses	16,826	16,732	26,459	21,968
Total	24,176	22,572	41,591	34,079
Commissions paid/earned	715	-747	1,650	-1,413
Reinsurance commission	-7,421	-1,318	-11,345	-2,307
Total	17,470	20,507	31,896	30,359

In the first half year 2003 reinsurance commissions of the segment Non-life insurance were recognised under the item "Commissions paid/earned" amounting to EUR 702 thsd. In the first half year 2004 reinsurance commissions amounting to EUR 1,602 thsd. are recognised in the position "Reinsurance commissions".

[6] 6. Expenses for banking business

All figures in €'000				
	2nd quarter 2004	2nd quarter 2003	1st half year 2004	1st half year 2003
Interest and similar expenses	1,605	1,683	3,163	3,215
Allowances for losses	941	750	1,800	1,500
Commissions paid	285	481	950	942
Total	2,831	2,914	5,913	5,657

[7] 7. Other operating expenses

All figures in €'000				
	2nd quarter 2004	2nd quarter 2003	1st half year 2004	1st half year 2003
Currency translation expenses	9	4	10	16
IT costs	11,135	13,653	21,834	27,283
Communications requirements	3,969	4,155	7,640	8,011
Audit and consultancy costs	2,989	4,078	6,531	4,771
Expenses for retired sales representatives	1,064	3,458	2,143	4,289
Training and seminars	1,863	1,419	3,433	2,596
Costs of premises	5,678	5,947	11,739	12,134
Advertising activities	1,158	1,661	3,339	2,130
Office supplies	828	817	1,660	1,785
Representation, entertainment expenses	1,353	1,323	2,024	1,941
Other taxes	472	45	537	70
Other remaining expenses	5,412	5,895	15,483	11,181
Total	35,930	42,455	76,373	76,207

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				
	2nd quarter 2004	2nd quarter 2003	1st half year 2004	1st half year 2003
Income from the sale of financial assets			1	
Other interest and similar income	646	440	1,400	913
Interest and similar expenses	-2,257	-4,791	-5,885	-7,942
Transfer of losses	-1		-2	-1
Losses on the disposal of financial assets				-2
Total	-1,612	-4,351	-4,486	-7,032

III. Notes to the balance sheet

[9] 1. Financial assets

Financial assets are made up as follows:

All figures in €'000	30.06.2004	31.12.2003
Investments	1,410	1,383
Securities	103,804	87,422
Loans	28	100
Other capital assets	70,360	73,590
Total	175,602	162,495

[10] 2. Receivables due from banking business

All figures in €'000	30.06.2004	31.12.2003
Accounts receivable due from bank clients	222,346	237,998
Accounts receivable due from financial institutions	124,173	78,449
Total	346,519	316,447

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	
	30.06.2004	31.12.2003	30.06.2004	31.12.2003
Unearned premium reserves	206,868	172,084	20,897	60
Insurance reserve	79,042	67,929		
Provisions for insurance claims not yet settled (pending claim reserve)	6,431	6,110	17,913	12,709
Provisions for policy holder participation	65,311	56,728		
Total	357,652	302,851	38,810	12,769

The position “unearned premium reserves“ includes an unearned revenue liability (URL) amounting to EUR 202,059 thsd (31.12.2003 EUR 166,254 thsd).

The position “provisions for policy holder participation“ includes deferred provisions amounting to EUR 56,783 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 average number of staff as at 30th June 2004 amounts to 1,533 (31.12.2003: 1,492).

The number of part time employees increased slightly to 359 (31.12.2003: 343). Additionally, an average number of 140 (31.12.2003: 169) people underwent commercial apprenticeship/training.

Executive bodies MLP AG

Executive board:

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

Supervisory board:

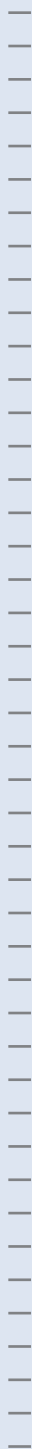
Manfred Lautenschläger (Chairman)
Dr. Peter Lütke-Bornefeld
Johannes Maret
Gerd Schmitz-Morkramer (Deputy chairman)
Maria Bähr (Employees' representative)
Norbert Kohler (Employees' representative)

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