



Interim Group Report for
the first nine months and
the third quarter 2014

MLP key figures

All figures in € million	3rd quarter 2014	3rd quarter 2013	9 months 2014	9 months 2013	Change in %
MLP Group					
Total revenue	117.8	114.5	345.7	338.8	2.0%
Revenue	115.1	109.2	331.9	325.5	2.1%
Other revenue	2.6	5.3	13.8	13.6	1.5%
Earnings before interest and tax (EBIT)	4.9	7.3	10.4	12.3	-15.4%
EBIT margin (%)	4.2%	6.4%	3.0%	3.6%	-
Net profit					
Net profit	3.4	5.3	7.9	9.5	-16.8%
Earnings per share (diluted/undiluted) in €	0.03	0.05	0.07	0.09	-22.2%
Cashflow from operating activities					
Cashflow from operating activities	12.4	-5.6	39.9	67.2	-40.6%
Capital expenditure					
Capital expenditure	5.9	5.9	12.2	15.4	-20.8%
Shareholders' equity					
Shareholders' equity	-	-	361.6	374.5 ¹	-3.4%
Equity ratio (%)	-	-	23.3%	24.4% ¹	-
Balance sheet total					
Balance sheet total	-	-	1,550.2	1,536.9 ¹	0.9%
Clients					
Clients	-	-	841,600	830,300 ¹	1.4%
Consultants					
Consultants	-	-	1,944	1,998 ¹	-2.7%
Branch offices					
Branch offices	-	-	163	169 ¹	-4.1%
Employees					
Employees	-	-	1,523	1,558	-2.2%
Arranged new business					
Old-age provisions (premium sum)					
Old-age provisions (premium sum)	830.0	800.0	2,200.0	2,060.0	6.8%
Loans mortgages					
Loans mortgages	351.0	379.7	1,048.9	1,177.8	-10.9%
Assets under management in € billion					
Assets under management in € billion	-	-	26.2	24.5 ¹	6.9%

¹ As of December 31, 2013

Interim Group Report for the first nine months and the third quarter 2014

The first nine months and the third quarter 2014 at a glance

- Total revenue in the first nine months rises by 2% to € 345.7 million
- Significant increase in wealth management, slight growth in old-age provision – health insurance remains difficult throughout the market
- Quarter earnings burdened by several one-off costs
- EBIT in the first nine months: € 10.4 million (€ 12.3 million)

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Introductory notes

This Group interim report has been compiled in accordance with the requirements of the German Accounting Standards No. 16 (DRS 16) "Interim Reporting" and constitutes a continuation of the consolidated financial statements 2013. In this regard it presents significant events and business transactions of the first nine months and the third quarter 2014 and updates forecast-oriented information contained in the last joint management report. The Annual Report is available on our website at www.mlp-ag.com.

In the presentation of the results of operations, financial position and net assets of the MLP Group in accordance with the International Financial Reporting Standards (IFRS), the corresponding figures from the previous year are shown in brackets.

The information contained in this Group interim report has neither been audited by an auditor nor subjected to an audit review.

Profile

MLP – The leading independent consulting company

MLP is Germany's leading independent consulting company. Supported by comprehensive research, the Group provides a holistic consulting approach that covers all economic and financial questions for private and corporate clients, as well as institutional investors. The key aspect of the consulting approach is the independence from insurance companies, banks and investment firms. The MLP Group manages total assets of around € 26.2 billion and supports more than 840,000 private and 5,000 corporate clients or employers. The financial services and wealth management consulting company was founded in 1971 and holds a banking licence.

The concept of the founders, which still forms the basis of the current business model, is to provide long-term consulting for academics and other discerning clients in the fields of provision, wealth management, health insurance, non-life insurance, loans and mortgages and banking. Private individuals with assets of over € 5 million and institutional clients benefit from extensive wealth management and consulting services as well as receiving economic forecasts and ratings provided by the subsidiaries of the FERI Group. Supported by its subsidiary TPC, MLP also provides companies with independent consulting and conceptual services in all issues pertaining to occupational pension schemes and remuneration.

Group Interim Management Report for the first nine months and the third quarter 2014

The values disclosed in the following management report have been rounded to one decimal place. As a result, differences to reported total amounts may arise when adding up the individual values.

FUNDAMENTAL PRINCIPLES OF THE GROUP

Compared to the fundamental principles of the Group as described in the MLP Group's Annual Report 2013, and apart from the changes in organisation and administration detailed on page 5 of the Group interim report for the first quarter, no further changes occurred during the period under review. Detailed information concerning "Business model", "Goals and strategies" and "Control system" can be found on pages 18 to 31 of the MLP Group's Annual Report 2013.

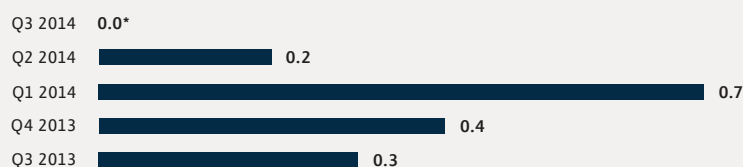
ECONOMIC REPORT

Overall economic climate

The macroeconomic and industry-specific framework conditions did not significantly differ to the outline provided in the MLP Group's Annual Report 2013 (pages 32 to 40).

Following a strong start to the year, German economic growth weakened in the second quarter 2014 and, according to the autumn report issued by the leading economic research institutes, came to a standstill in the third quarter. In particular, the consumption climate has recently worsened and companies remain hesitant with respect to future investments. At the end of September the unemployment rate stood at the level of July 2014 and amounted to 6.5%. However, after adjustment for seasonal effects, the underlying unemployment rate increased.

Economic growth in Germany (change in % to the previous quarter)



*Estimate

Source: Autumn report, economic research institutes, rate of change in GDP, price adjusted

Industry situation and the competitive environment

Old-age provision

As previously described in the report for the first half-year, the German market for old-age provision products remains difficult, due primarily to the continuing low interest rate phase and discussions about life insurance companies and their products.

However, despite the current hesitancy, the market potential remains large. This aspect is demonstrated in a KUBUS market study conducted by MSR Consulting: almost half (46%) of the insurance clients polled stated that they still have the financial means for additional old-age provision. 24% of these clients already possess the means to act, whereas 22 % would need to reduce their expenditure in other areas of their lives in order to accommodate an increase in their level of provision. Especially home owners (33%) possess reserves for potentially greater provision without the need to impose constraints. In particular, a rise was reported in the proportion of households that have identified a deficit in their level of provision – increasing from 26% in 2010 to the current figure of 38%. According to the wealth barometer of the German Savings Bank Association, 60% of people between the age of 30 and 60 fear that their level of old-age provision will be less than they had planned.

The continuingly very low level of willingness to make provision is also evident in the current market figures. According to the German Insurers Association (GDV), the total premium from new business fell by around 2% in the period from January to September 2014 compared to the corresponding period in the previous year.

Health insurance

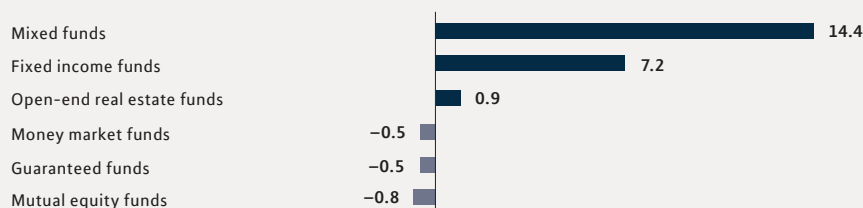
The private health insurance market in Germany remains characterised by significant hesitancy on the part of clients. Figures released by the Association of Private Health Insurance Companies revealed that throughout the industry the overall number of people with full private health insurance fell by more than 66,000 in 2013 following a preceding decrease of around 20,000 in 2012. The difficult market environment has not changed compared to the report for the first half-year.

On the other hand, citizens are becoming increasingly conscious of the topic of long-term care. The risk of needing long-term care currently ranks as the primary concern of Germans, ahead of other anxieties such as illness, poverty in old-age and unemployment. This was one of the findings of the representative “Continentale Study 2014” survey amongst the general public. Accordingly, around 84% of Germans cite their greatest fear as being dependent on long-term care and 83% are most afraid of personally burdening their relatives. However, at the same time only 3% of those surveyed have taken out private supplementary care insurance.

Wealth management

At August 31, 2014 managed assets in the overall market rose to € 2,295 billion (June 2014: € 2,239 billion). This growth continued to be driven by institutional business. In retail funds, particularly fixed income funds and mixed funds were in demand. Equity funds continued to record net outflows, although to a far lesser degree than in the first half-year.

Cash inflows and outflows of various categories of retail funds in Germany from January until August 2014 (all figures in € billion)



Source: German Association of Investment and Asset Management e. V. (BVI)

Competition and regulation

The competitive conditions and the regulatory environment during the reporting period did not differ significantly from the information provided in the MLP Group's Annual Report 2013 (pages 38 to 40).

At the start of August the Life Insurance Reform Act (LVRG) came into force. This new rate is intended to align the framework conditions for life insurers with the low interest rate phase. In this respect it seeks to more fairly apportion the available funds between existing and departing clients. Whereas some of the changes will come into immediate effect, certain other aspects will not be implemented into law until January 1, 2015. The legislation essentially comprises the following amendments:

- Modification of policyholders' participation in the valuation reserves
- Increase in the minimum participation in the risk surplus from 75% to 90%
- Reporting of the effective costs on the yield
- Reduction in the guaranteed interest rate from 1.75% to 1.25%
- Reduction of the maximum zillmerisation rate from 4% to 2.5%

The new LVRG legislation did not significantly impact the third quarter. Further details concerning the anticipated future effects of these changes are provided in the section "Future industry situation and the competitive environment".

In general, MLP already implemented several of the requirements now stipulated in the new legislation at an early stage and views these actions as providing the company with a competitive advantage over other market participants. During the coming years the legislator will further tighten the requirements and thereby accelerate the consolidation within the market.

Business performance

In the period from January to September 2014 total revenue of the MLP Group rose compared to the same period in the previous year. In old-age provision we recorded slight revenue growth despite the continuingly difficult market environment. Wealth management and non-life insurance also showed positive development. Significant growth was achieved in other commissions and fees where initial successes from the expanded real estate offering were evident. In health insurance, business performance remains dominated by the difficult market conditions. Consequently, revenue fell below the level achieved in the same period in the previous year.

From a quarterly perspective, total revenue in the third quarter also rose slightly – and exhibited the same basic tendencies in the various consulting areas as those evident on a nine-month basis.

As is usual in the MLP business model, and due to the seasonality of our business performance, the fourth quarter, and particularly the last six weeks of the financial year, contribute very significantly to revenue and earnings for the full year.

Changes in corporate structure

There were no significant changes in the corporate structure during the period under review.

Consultants

At the end of the first nine months the number of consultants fell again slightly. Due to the continuingly challenging recruitment environment the number of consultants at September 30 fell to 1,944. The turnover rate stood at 9.37% and thus remained well below our target range of a maximum of 12% to 15%. The junior staff development programmes that were introduced in 2013 should have a positive effect over the medium term. During the period under review these measures already led to a slight rise in the number of applicants.

In the financial year 2014 MLP opened four new branches in the university segment – in Münster, Frankfurt am Main, Düsseldorf and Essen. We aim to open at least four new branches per year in this segment in order to more effectively tap the potential arising from the increasing number of students graduating from universities.

New clients

New client acquisition continued to show pleasing development in the first nine months of the financial year, resulting in 18,900 (18,900) new clients and equalling the figure achieved in the same period of the previous year. Consequently, the total number of clients at September 30 rose to 841,600 (June 30, 2014: 839,300).

Research and development

As our consulting firm is a service provider, we are not engaged in any research and development in the classic sense.

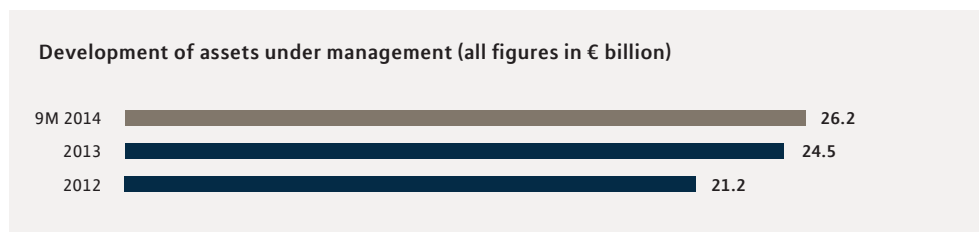
Results of operations

Development of total revenue

In the first nine months, total revenue of the MLP Group rose from € 338.8 million to € 345.7 million. Within this figure, revenue from commissions and fees increased by 2.2% to € 314.8 million (€ 308.0 million). Interest income amounted to € 17.1 million and thus almost equalled the level of the previous year (€ 17.2 million). Other revenue totalled € 13.8 million compared to € 13.6 million in the previous year.

The revenue breakdown by consulting area reveals slight growth in old-age provision, where revenue rose to € 133.1 million (€ 131.6 million). New business brokered by MLP increased by around 7% compared to the previous year, climbing to € 2.20 billion (€ 2.06 billion), whereas the volume of brokered new business throughout the industry as a whole fell by around 2%. Occupational pensions accounted for 13% (13%) of new business and thus remained at the level of the previous year.

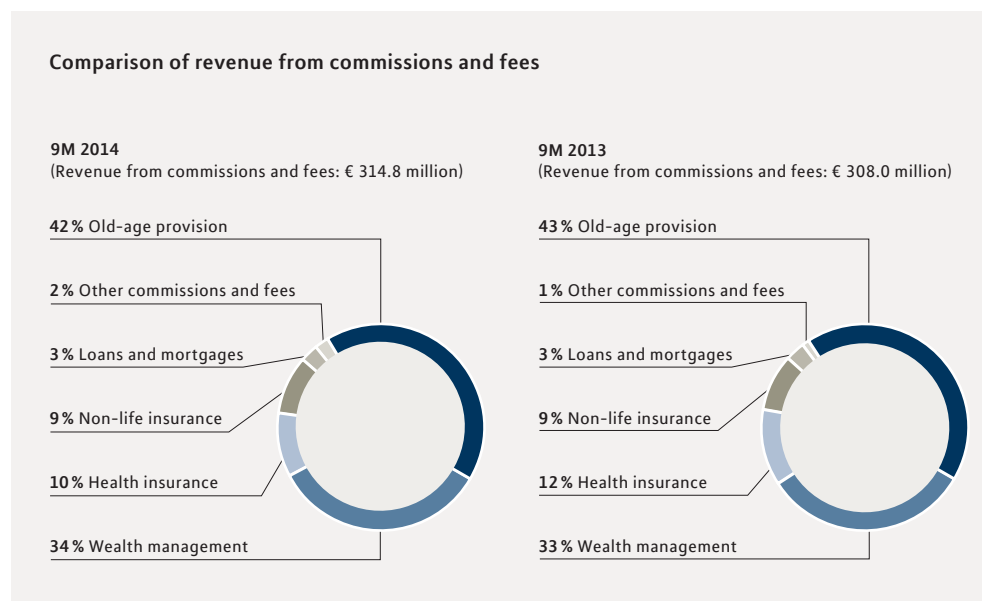
Revenue in wealth management continued to develop positively in the first nine months, rising from € 100.4 million to € 105.7 million. Managed assets also showed positive growth, climbing to € 26.2 billion at September 30 after € 25.3 billion at June 30, 2014 (see chart).



Revenue in non-life insurance increased by 9.2% to € 29.6 million (€ 27.1 million). Revenue in loans and mortgages totalled € 9.1 million (€ 9.8 million) and thus fell short of the high level achieved in the previous year. Additional earnings from the joint venture company MLP Hyp amounted to € 0.8 million (€ 0.7 million). Revenue from other commissions and fees rose by 86% to € 5.4 million (€ 2.9 million) and was significantly influenced by the expanded real estate offering.

The market conditions in health insurance remain difficult and continue to be characterised by great hesitancy. Against this negative background, MLP recorded a fall in revenue from commissions and fees from € 36.2 million to € 31.8 million.

Viewing the third quarter in isolation, total revenue rose slightly to € 117.8 million (€ 114.5 million). Here, revenue from commissions and fees rose by 5.4% to € 115.1 following € 109.2 million in the previous year. Interest income amounted to € 5.7 million which was exactly the same figure as in the previous year. Other revenue totalled € 2.6 million after € 5.3 million in the previous year, whereby the previous year's figure benefitted from the release of provisions.



Analysis of expenses

Commission expenses primarily contain performance-linked commission payments to our consultants. In addition, this item also includes commission expenses in the FERI segment which particularly result from the activities of our Luxembourg-based subsidiary that specialises in the administration of funds. Variable expenses incurred in this business area include, for example, payment to the deposit bank and for fund sales. In the period from January to September commission expenses amounted to € 149.6 million (€ 142.9 million). The increase was partly attributable to the higher proportion of business from the Luxembourg-based FERI operations. Interest expenses fell from € 3.8 million to € 2.3 million due to the continuing fall in interest rates. Cost of sales thus increased from € 146.6 million to € 151.9 million.

Viewing the third quarter in isolation, cost of sales also rose, climbing from € 49.1 million to € 53.6 million. Commission expenses accounted for € 53.0 million (€ 48.3 million) of this figure. In addition to the aforementioned Luxembourg effect, several smaller, one-off commission effects also contributed to this increase. Interest expenses fell slightly and totalled € 0.7 million (€ 0.9 million).

In the first nine months administration costs (defined as the sum of personnel costs, depreciation and amortisation as well as other operating expenses) increased slightly to € 184.2 million (€ 180.6 million). Here, personnel costs remained unchanged at € 77.1 million (€ 77.1 million), despite a one-off charge incurred in the first quarter. Depreciation and amortisation rose to € 10.1 million (€ 8.7 million) due to investments undertaken in the previous year particularly in IT, which then lead to corresponding depreciation in the following years. Other operating expenses increased to € 97.0 million (€ 94.8 million). Overall, around € 2.8 million of the previously announced temporary expenses relating to the ongoing growth initiative were incurred in the first nine months of this financial year.

Viewing the third quarter in isolation, administration costs also rose, climbing from € 58.4 million to € 59.6 million. Personnel expenses amounted to € 24.3 million (€ 24.3 million) and thus remained at the level of the previous year. Depreciation and amortisation increased to € 3.4 million (€ 3.0 million). Other operating expenses rose to € 31.9 million (€ 31.2 million) due, primarily, to temporary expenses within the framework of the ongoing growth initiative.

Development of earnings

In the first nine months EBIT (earnings before interest and tax) amounted to € 10.4 million (€ 12.3 million) and thus remained below the level of the previous year. This reduction was due to several one-off effects in the third quarter (for further details see “Analysis of expenses”). The finance cost fell from € 0.1 million to € –0.1 million. The tax rate stood at 22.9%. Group net profit amounted to € 7.9 million (€ 9.5 million). The diluted and basic earnings per share were € 0.07 (€ 0.09).

EBIT development – comparison (all figures in € million)

9M 2014	10.4
9M 2013	12.3

Viewing the third quarter in isolation EBIT decreased to € 4.9 million (€ 7.3 million) due to the aforementioned factors. The finance cost stood at € 0.0 million (€ 0.1 million). Group net profit totalled € 3.4 million following € 5.3 million in the previous year. The diluted and basic earnings per share amounted to € 0.03 (€ 0.05).

Overview of earnings development

All figures in € million	9 months 2014	9 months 2013	Change in %
Total revenue	345.7	338.8	2.0%
Gross profit [†]	193.8	192.2	0.8%
Gross profit margin (%)	56.1%	56.7%	-0.1%
EBIT	10.4	12.3	-15.4%
EBIT margin (%)	3.0%	3.6%	-16.7%
Finance cost	-0.1	0.1	-
EBT	10.3	12.4	-16.9%
EBT margin (%)	3.0%	3.7%	-18.9%
Income taxes	-2.4	-2.9	-17.2%
Net profit	7.9	9.5	-16.8%
Net margin (%)	2.3%	2.8%	-17.9%

[†] Definition: Gross profit results from total revenue less commission expenses and interest expenses.

Related party disclosures are contained in Note 18.

Financial position**Aims of financial management**

Detailed information concerning the aims of financial management is contained on page 46 of the MLP Group's Annual Report 2013.

Financing analysis

The MLP business model is low capital intensive and generates high cash flows. However, increased capital has been budgeted for the next few years in order to meet the revised definition of equity and the stricter requirements of Basel III.

At present we are not using any borrowed funds in the form of securities or promissory note bond issues to finance the Group long-term. Our non-current assets are partially financed by non-current liabilities. Current liabilities to clients and banks from the banking business also represent further refinancing funds, which are generally available to us in the long term.

At September 30, 2014 liabilities towards clients and banks from the banking business which totalled € 1,005.8 million (December 31, 2013: € 956.4 million) were offset on the assets side of the balance sheet by receivables from clients and financial institutions from the banking business amounting to € 985.1 million (December 31, 2013: € 981.7 million).

No capital measures were undertaken during the period under review.

Liquidity analysis

Cash flow from operating activities fell to € 39.9 million compared to € 67.2 million in the same period of the previous year. Here, the primary cash flows result from the deposit business with our clients and from the investment of these funds.

Cash flow from investing activities changed from € -44.4 million to € -21.7 million. In the reporting period, less term deposits were reinvested than in the same period of the previous year.

Overall at the end of the third quarter 2014 the Group had cash holdings amounting to € 128.0 million. The liquidity situation therefore remains good. There are sufficient cash reserves available to the Group. In addition to cash holdings, free lines of credit are in place.

Condensed statement of cash flow

in € million	3rd quarter 2014	3rd quarter 2013	9 months 2014	9 months 2013
Cash and cash equivalents at the beginning of period	48.5	50.9	61.4	60.7
Cashflow from operating activities	12.4	-5.6	39.9	67.2
Cashflow from investing activities	1.4	3.6	-21.7	-44.4
Cashflow from financing activities	-	-	-17.3	-34.5
Change in cash and cash equivalents	13.8	-2.0	0.9	-11.7
Cash and cash equivalents at the end of period	62.3	48.9	62.3	48.9

Analysis of investment

At the end of September the investment volume of the MLP Group stood at € 12.2 million compared to € 15.4 million in the previous year. The major portion of these investment measures, accounting for 88% of the total, was undertaken in the financial services segment. Here, the investments were primarily made in IT. All investments were financed from cash flow.

Net assets

Analysis of the asset and liability structure

At the balance sheet reference date on September 30, 2014 the balance sheet total of the MLP Group amounted to € 1,550.2 million (December 31, 2013: € 1,536.9 million). On the assets side of the balance sheet there were significant changes primarily to the following items: compared to the year end, receivables from clients in the banking business reduced to € 468.1 million (€ 491.6 million). This decrease was mainly due to lower investments in promissory note bonds as well as lower receivables from the credit card business. Receivables from financial institutions from the banking business rose to € 517.0 million (December 31, 2013: € 490.1 million). This was essentially due to an increase in investment in on-demand monies. At the reporting date financial assets climbed to € 164.6 million (December 31, 2013: € 146.1 million), while cash and cash equivalents decreased from € 46.4 million to € 39.3 million. Both changes mainly result from investment redeployed in other asset classes. Tax refund claims rose to € 30.7 million (December 31, 2013: € 20.6 million) and result from continued tax prepayments for the current financial year. Other receivables and assets fell to € 95.2 million (December 31, 2013: € 109.2 million). This item essentially comprises commission receivables from insurance companies for whom we have brokered insurance policies. Due to the traditionally strong year-end business, these rise significantly at the end of the year and then reduce again during the course of the following financial year.

Assets as at September 30, 2014

All figures in € million	September 30, 2014	December 31, 2013	Change in %
Intangible assets	156.5	155.3	0.8%
Property, plant and equipment	66.4	65.8	0.9%
Investment property	7.3	7.3	0.0%
Investments accounted for using the equity method	2.4	2.5	-4.0%
Deferred tax assets	2.7	2.0	35.0%
Receivables from clients in the banking business	468.1	491.6	-4.8%
Receivables from banks in the banking business	517.0	490.1	5.5%
Financial assets	164.6	146.1	12.7%
Tax refund claims	30.7	20.6	49.0%
Other receivables and other assets	95.2	109.2	-12.8%
Cash and cash equivalents	39.3	46.4	-15.3%
Total	1,550.2	1,536.9	0.9%

At the reference date on September 30, 2014, the equity capital of the MLP Group stood at € 361.6 million (December 31, 2013: € 374.5 million). The changes are largely attributable to the dividend pay-out for the financial year 2013 in the second quarter of this financial year. The equity capital situation of MLP therefore remains good with a balance sheet equity ratio at the reference date of 23.3% (December 31, 2013: 24.4%).

At the end of the period under review provisions amounted to € 82.8 million (December 31, 2013: € 85.1 million). Liabilities due to clients from the banking business rose from € 946.5 million to € 989.5 million and primarily reflect a further increase in client deposits. Liabilities due to financial institutions from the banking business climbed to € 16.3 million (December 31, 2013: € 9.9 million). Other liabilities fell from € 106.6 million to € 84.7 million which was largely attributable to lower commission claims from our consultants. Due to our traditionally strong year-end business, commission claims by consultants rise at the balance sheet reference date of December 31 and then fall again in the following quarters.

Liabilities as at September 30, 2014

All figures in € million	September 30, 2014	December 31, 2013	Change in %
Shareholders' equity	361.6	374.5	-3.4%
Provisions	82.8	85.1	-2.7%
Deferred tax liabilities	8.0	8.6	-7.0%
Liabilities due to clients in the banking business	989.5	946.5	4.5%
Liabilities due to banks in the banking business	16.3	9.9	64.6%
Tax liabilities	7.2	5.7	26.3%
Other liabilities	84.7	106.6	-20.5%
Total	1,550.2	1,536.9	0.9%

Comparison of the actual and forecast development of business

Due to the exceptional burdens in the market environment we decided to use a scenario-based approach at EBIT level for the forecast we provided in the Annual Report 2013. Further details are contained on pages 93 to 97 of the MLP Group's Annual Report 2013. After the conclusion of the first nine months we remain within the framework of this forecast (for further details see forecast).

In the first nine months MLP recorded revenue growth both in wealth management as well as in old-age provision. Whilst the increase in wealth management generally met our expectations, the revenue rise in old-age provision fell short of plan. In health insurance, revenue decreased significantly in the first nine months due to the market conditions and remained below our expectations.

In the first nine months administration costs were burdened by one-off exceptional items. For the full year we continue to anticipate that the administration costs will remain within the forecast framework.

Segment report

The MLP Group structures its business into the following operating segments:

- Financial services
- FERI
- Holding

A detailed description of the individual segments is contained on pages 51 et seq. of the MLP Group's Annual Report 2013.

Financial services segment

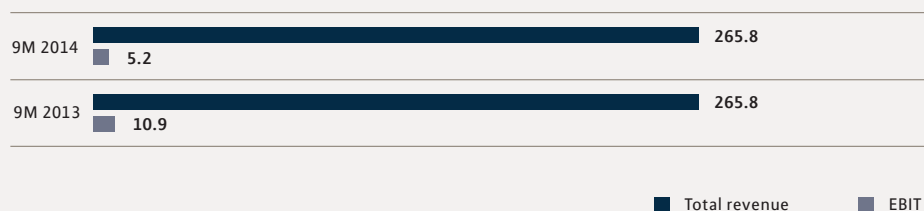
In the first nine months revenue in the financial services segment amounted to € 265.8 million (€ 265.8 million) and thus remained at the level of the previous year. Whereas sales revenue improved slightly to € 256.5 million (€ 256.1 million), other revenue fell slightly to € 9.3 million (€ 9.7 million).

Commission expenses increased from € 104.9 million to € 107.7 million as a result of one-off commission effects in the third quarter. Interest expenses fell from € 3.8 million to € 2.3 million due to the continued fall in interest rates. Personnel expenses remained almost unchanged at € 53.6 million (€ 53.3 million). Depreciation and amortisation increased to € 6.9 million (€ 5.4 million) due mainly to higher investments in the previous year, particularly in IT. Other operating expenses rose to € 90.9 million (€ 88.2 million), primarily as a result of higher IT expenditure. As a consequence of, in part, one-off burdens on the cost side, EBIT decreased to € 5.2 million (€ 10.9 million). The finance cost stood at € -0.1 million (€ 0.2 million). Earnings before tax (EBT) therefore totalled € 5.1 million compared to € 11.1 million in the previous year.

Viewing the third quarter in isolation, total revenue rose to € 88.9 million (€ 87.9 million). Sales revenue grew by 3.2% to € 87.3 million (€ 84.6 million). Other revenue fell to € 1.6 million (€ 3.3 million) due to positive one-time effects in the previous year.

Commission expenses increased to € 38.5 million (€ 35.4 million) as a result of primarily one-off commission effects. Personnel expenses amounted to € 16.7 million (€ 16.5 million) and thus remained at the level of the previous year. Depreciation and amortisation as well as other operating expenses rose slightly to € 2.4 million (€ 1.9 million) and € 30.4 million (€ 29.0 million) respectively. In view of the aforementioned one-off costs, EBIT in the third quarter amounted to just € 0.6 million after € 4.6 million in the same period of the previous year.

Total revenue and EBIT in the financial services segment (all figures in € million)

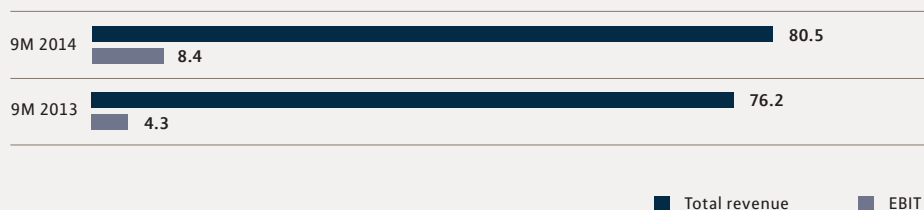


FERI segment

In the first nine months total revenue in the FERI segment rose from € 76.2 million to € 80.5 million. Commission expenses increased to € 43.9 million (€ 41.3 million) due to the higher proportion of business from our Luxembourg-based subsidiary. Personnel expenses decreased compared to the previous year, falling to € 19.5 million (€ 21.1 million) due to partly one-off additional expenses incurred in the same period of the previous year. Other operating expenses reduced to € 7.2 million (€ 8.0 million). EBIT rose significantly to € 8.4 million (€ 4.3 million). EBT doubled to € 8.3 million (€ 4.1 million).

Viewing the third quarter in isolation, total revenue increased from € 26.9 million to € 29.6 million. Commission expenses rose in this context to € 15.2 million (€ 13.9 million). Personnel expenses remained unchanged at € 6.8 million (€ 6.8 million). Other operating expenses decreased to € 2.2 million (€ 2.6 million). EBIT improved significantly to € 4.9 million following € 3.0 million in the previous year. EBT totalled € 4.8 million (€ 2.9 million).

Total revenue and EBIT in the FERI segment (all figures in € million)



Holding segment

In the first nine months total revenue in the Holding segment rose to € 10.0 million (€ 8.7 million), mainly due to revenue relating to the positive effect on MLP from the negative declaratory judgement against several former FERI shareholders. This already occurred in the first quarter. Personnel expenses increased to € 4.0 million (€ 2.7 million) due to one-off exceptional costs which were also booked in the first quarter. Other operating expenses rose slightly to € 7.5 million after € 6.9 million in the previous year. EBIT thus decreased to € -3.1 million (€ -2.7 million). The finance cost remained unchanged at € 0.4 million (€ 0.4 million). At the end of the first nine months EBT stood at € -3.2 million (€ -2.7 million).

Viewing the third quarter in isolation, total revenue fell to € 2.7 million (€ 3.6 million). Personnel expenses reduced to € 0.7 million compared to € 1.0 million in the previous year. Other operating expenses remained almost unchanged at € 2.1 million (€ 2.2 million). EBIT amounted to € -0.7 million (€ -0.2 million).

Personnel

As MLP is a knowledge-based service provider, qualified and motivated employees and consultants represent the most important foundations for sustainable corporate success and for achieving the company targets described in the chapter entitled “Goals and strategies” on pages 23 et seq. of the MLP Group’s Annual Report 2013.

In the period under review the number of employees in the MLP Group fell slightly. At the reporting reference date on September 30, 2014 MLP employed 1,523 people – 35 less than in the same period of the previous year. The reduction was mainly due to a lower number of marginal part-time staff which fell from 164 to 133.

Development of the number of employees by segment (excluding MLP consultants)

Segment	September 30, 2014	September 30, 2013
Financial services	1,288	1,312
FERI	228	237
Holding	7	9
Total	1,523	1,558

EVENTS SUBSEQUENT TO THE REPORTING DATE

There were no appreciable events after the balance sheet date affecting the MLP Group’s net assets, financial position or results of operations.

RISK AND OPPORTUNITY REPORT

MLP's Group-wide early risk detection and monitoring system is used as the basis for a Group-wide active risk management. This system ensures appropriate identification, assessment, controlling, monitoring and communication of the major risks. The aim of the MLP Group's integrated opportunity management system is the systematic and early identification of opportunities and corresponding assessment.

There were no significant changes to the risk and opportunity situation of the MLP Group during the period under review. There were no exceptional burdens within the framework of our counterparty default risks, market price risks, liquidity risks and operational or other risks in the first nine months of 2014

The MLP Group has adequate liquidity. At the balance sheet reference date on September 30, 2014, our core capital ratio stood at 13.6% and thus remained above the 8% level prescribed by the supervisory body. At the present time, no existence-threatening risks to the MLP Group have been identified.

A detailed presentation of our corporate risks and opportunities as well as a detailed description of our risk and opportunity management are contained in our risk and opportunity report on pages 59 to 85 of the MLP Group's Annual Report 2013.

FORECAST

Future overall economic development

In the period under review there were no significant changes in our expectations of overall future economic development. A detailed description of these expectations can be found in the forecast section on page 86 of the MLP Group's Annual Report 2013.

In their Autumn Report, the leading economic research institutes downgraded their expectations of economic growth for 2014 and 2015. The experts are now anticipating growth of just 1.3% for the current year compared to 1.9% in the spring. The researchers' revised forecasts for 2015 reveal an even greater correction – with growth now expected to reach just 1.2% following the predicted figure of 2.0% in their Spring Report.

Future industry situation and competitive environment

In the period under review there were no significant changes in our expectations of the overall future industry situation and the competitive environment. A detailed description of these expectations can be found in the forecast section on page 86 of the MLP Group's Annual Report 2013.

The market conditions in old-age provision will remain challenging throughout the entire year. In this respect the German Insurance Association (GdV) anticipates that the number of new contracts for the full year 2014 will fall by 4.6%, and that the premium sum for new business will decrease by 1.6% – supported by positive development in single premium business.

The difficult market environment in private health insurance will continue. Here, the experts at the Assekurata rating agency forecast that the number of people with full private insurance in 2014 will fall throughout the industry for the third consecutive year.

Some of the legislative amendments contained within the new Life Insurance Reform Act (see section on "Competition and regulation") will not come into effect until 2015.

MLP takes a positive view of the fact that binding regulations have now been found which should lead to a reduction in the public discussions about the future of life insurance products. We also welcome the future requirement to report effective costs as well as the fact that no overall cap for acquisition commissions has been incorporated into the legislation.

The adopted limitation of the maximum zillmerisation rate to 2.5% relates to the question of which costs the insurer can charge, and when – and thus has no direct effect on the level of acquisition commission. However, in our view this measure will lead to greater margin pressure. From a current perspective we expect that, in future, MLP as a quality provider will continue to receive appropriate levels of commission.

Furthermore we anticipate that the new LVRG legislation will present challenges for insurers with a weaker capital base. Clients will thus focus more attention than ever before on their choice of insurance company. As an insurance broker we select products for our clients from the broad range of offerings available on the market and implement an elaborate selection process. Our role will gain in importance and we consequently expect to benefit from these market developments in the medium term.

In the short term, the reduction in the guaranteed interest rate to 1.25% on January 1, 2015 could create business potential as occupational disability insurance cover, for example, will probably become more expensive from the coming year as a result of this measure such that – where there is a corresponding client need – contract conclusion in 2014 may be beneficial.

Anticipated business development

The financial year 2013 clearly demonstrated the prevalence of even more challenging market conditions. This makes it more difficult to issue a concrete forecast for the business development. In view of these exceptional burdens in the market environment MLP decided to adopt a scenario-based approach in its Annual Report 2013 – details of which can be found on pages 93 to 97.

At the half-year we communicated our expectation that full-year EBIT would range within a corridor between the lower forecast scenario (€ 50 million) and the base scenario (€ 65 million). This was based on the experiences of the first six months of the financial year which showed that the market conditions remain difficult. For achievement of the base scenario, an initial improvement in the framework conditions would have been necessary.

After conclusion of the third quarter the lower forecast scenario with an EBIT of at least € 50 million now looks more ambitious. The coming weeks through to the end of December will be of crucial importance to our business success for the full year. This period is traditionally a timeframe in which MLP generates a large portion of its earnings.

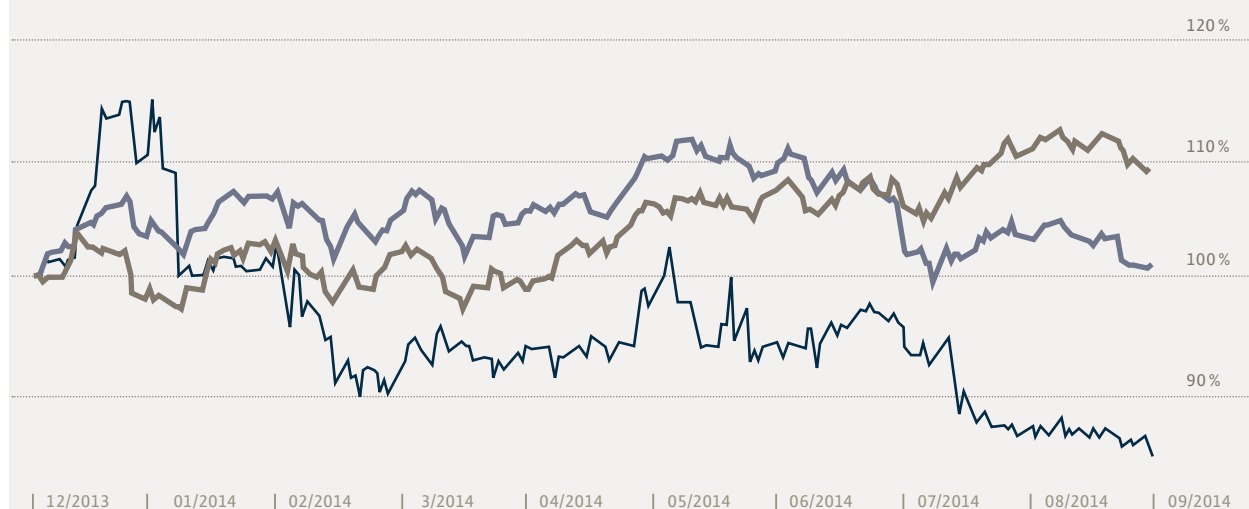
In the first part of the final quarter new business developed positively. However, very high momentum will be required in the remaining weeks of the year in order to achieve the lower forecast scenario. On the cost side we continue to expect that the administration costs for the full year will amount to around € 255 million. Overall, our goal remains to significantly increase revenue and EBIT in the full year.

We will continue to have good financial strength, which we intend to utilise together with our market positioning in order to further expand our competitive position. We also continue to expect that the overall development of the MLP Group will be clearly positive.

Investor Relations

During the first nine months of the year global equity markets were characterised by high volatility. Swayed by the interplay of favourable economic data and the continuation of the cheap money policy on the one hand, and the disturbing news flow emanating from the crisis regions of the Crimea, Syria and Iraq as well as fears of an imminent interest rate rise on the other hand, the German benchmark index DAX reached a historic all-time high of 10,051 points in June. However, the nervous state of the market was particularly evident during the course of the third quarter. Following a rise in the DAX at the beginning of July back up towards its previous high, the index then entered a negative phase, posting heavy falls through to the beginning of August. Within the space of just a few weeks the DAX retreated by more than 1,000 points. Once again, action by the European Central Bank paved the way for the equity market to stage an equally fulminant recovery. The implemented reduction in the main refinancing rate to 0.05% constituted a new historic low level. The DAX responded to this step with a significant rally, rising to 9,891 points. During the further course of the month, the release of better than expected economic data rekindled fears of an interest rate rise, pushing the index down to 9,474 points by the end of the third quarter.

MLP share, SDAX and DAXsector Financial Services, January to September 2014



Source: Bloomberg

■ MLP AG

■ DAXsector Financial Services

■ SDAX

The MLP share

Following a volatile first half-year, the MLP share price continued to oscillate in the third quarter as well. After falling at the end of the second quarter, the MLP share re-established itself above the € 5 level in June before renewed selling pressure with higher volumes led to a fall by the end of August back down to the previous low of the year at € 4.50. At that level the MLP share was able to establish valid support but fell below this mark at the end of the month, closing at € 4.42 at the end of trading on September 30.

Further information about the MLP share is available on our Investor Relations page on the internet at www.mlp-ag.com in the section “MLP share”.

Key figures of the MLP share

	9 months 2014	9 months 2013
Share price at the beginning of the year	€ 5.26	€ 5.08
Share price high	€ 6.07	€ 6.64
Share price low	€ 4.40	€ 4.40
Share price at the end of the quarter	€ 4.42	€ 4.73
Average trading volume ¹	€ 43,600	€ 37,900
Dividend for the previous year	€ 0.16	€ 0.32
Shares outstanding (end of reporting period)	107,877,738	107,877,738
Market capitalisation (end of reporting period)	€ 476,819,601.96	€ 510,261,700.74

¹ Average daily trading volume Xetra, based on the preceding 12 months.

Income statement and statement of comprehensive income

Income statement for the period from January 1 to September 30, 2014

All figures in €'000	Notes	3rd quarter 2014	3rd quarter 2013	9 months 2014	9 months 2013
Revenue	(6)	115,143	109,185	331,908	325,202
Other revenue		2,610	5,292	13,761	13,601
Total revenue		117,752	114,477	345,668	338,803
Commission expenses	(7)	-52,959	-48,242	-149,603	-142,872
Interest expenses		-667	-867	-2,275	-3,761
Personnel expenses	(8)	-24,283	-24,322	-77,132	-77,105
Depreciation and impairments		-3,422	-2,954	-10,076	-8,684
Other operating expenses	(9)	-31,929	-31,162	-97,002	-94,842
Earnings from investments accounted for using the equity method		375	405	793	733
Earnings before interest and tax (EBIT)		4,866	7,337	10,374	12,272
Other interest and similar income		218	290	519	686
Other interest and similar expenses		-218	-179	-639	-547
Finance cost	(10)	1	112	-120	139
Earnings before tax (EBT)		4,867	7,449	10,254	12,411
Income taxes		-1,479	-2,177	-2,353	-2,926
Net profit		3,388	5,272	7,901	9,485
Of which attributable to					
owners of the parent company		3,388	5,272	7,901	9,485
Earnings per share in €¹					
basic/diluted		0.03	0.05	0.07	0.09

¹ Basis of calculation: Average number of shares at September 30, 2014: 107,877,738.

Statement of comprehensive income for the period from January 1 to September 30, 2014

All figures in €'000	3rd quarter 2014	3rd quarter 2013	9 months 2014	9 months 2013
Net profit	3,388	5,272	7,901	9,485
Gains/losses due to the revaluation of defined benefit obligations	-1,647	-30	-6,531	-1,465
Deferred taxes on non-reclassifiable gains/losses	477	7	1,893	424
Non-reclassifiable gains/losses	-1,170	-23	-4,638	-1,041
Gains/losses from changes in the fair value of available-for-sale securities	101	-3	1,453	117
Deferred taxes on non-reclassifiable gains/losses	-20	117	-360	25
Reclassifiable gains/losses	81	115	1,093	142
Other comprehensive income	-1,088	92	-3,546	-899
Total comprehensive income	2,300	5,363	4,356	8,586
Of which attributable to				
owners of the parent company	2,300	5,363	4,356	8,586

Statement of financial position

Assets as of September 30, 2014

All figures in €'000	Notes	Sept. 30, 2014	Dec. 31, 2013
Intangible assets		156,474	155,267
Property, plant and equipment		66,360	65,822
Investment property		7,275	7,325
Investments accounted for using the equity method		2,438	2,547
Deferred tax assets		2,724	1,974
Receivables from clients in the banking business	(11)	468,066	491,570
Receivables from banks in the banking business	(11)	517,000	490,110
Financial assets	(12)	164,639	146,082
Tax refund claims		30,719	20,622
Other receivables and assets	(13)	95,226	109,164
Cash and cash equivalents		39,257	46,383
Total		1,550,179	1,536,865

Liabilities and shareholders' equity as of September 30, 2014

All figures in €'000	Notes	Sept. 30, 2014	Dec. 31, 2013
Shareholders' equity	(14)	361,572	374,477
Provisions		82,824	85,138
Deferred tax liabilities		7,953	8,628
Liabilities due to clients in the banking business		989,538	946,484
Liabilities due to banks in the banking business		16,335	9,924
Tax liabilities		7,217	5,654
Other liabilities	(13)	84,739	106,560
Total		1,550,179	1,536,865

Condensed statement of cash flow

Condensed statement of cash flow for the period from January 1 to September 30, 2014

All figures in €'000	9 months 2014	9 months 2013
Cash flow from operating activities	39,893	67,218
Cash flow from investing activities	-21,739	-44,444
Cash flow from financing activities	-17,260	-34,521
Change in cash and cash equivalents	893	-11,748
Cash and cash equivalents at the end of the period	62,257	48,934

Condensed statement of cash flow for the period from July 1 to September 30, 2014

All figures in €'000	3rd quarter 2014	3rd quarter 2013
Cash flow from operating activities	12,416	-5,605
Cash flow from investing activities	1,367	3,599
Cash flow from financing activities	-	-
Change in cash and cash equivalents	13,783	-2,006
Cash and cash equivalents at the end of the period	62,257	48,934

The notes on the statement of cash flow appear in Note 15.

Statement of changes in equity

Statement of changes in equity for the period from January 1, 2014 to September 30, 2014

All figures in €'000	Equity attributable to MLP AG shareholders					
	Share capital	Capital reserves	Gains/losses from changes in the fair value of available-for-sale securities*	Revaluation gains/losses related to defined benefit obligations after taxes	Retained earnings	Total shareholders' equity
As of Jan. 1, 2013	107,878	142,184	382	–	137,110	387,554
Effects due to the retrospective application of IAS 19	–	–	–	–3,648	251	–3,397
As of Jan. 1, 2013 (adjusted)	107,878	142,184	382	–3,648	137,361	384,157
Dividend	–	–	–	–	–34,521	–34,521
Transactions with owners	–	–	–	–	–34,521	–34,521
Net profit	–	–	–	–	9,485	9,485
Other comprehensive income	–	–	142	–1,041	–	–899
Total comprehensive income	–	–	142	–1,041	9,485	8,586
As of Sept. 30, 2013	107,878	142,184	524	–4,689	112,325	358,221
As of Jan. 1, 2014	107,878	142,184	837	–4,750	128,329	374,477
Dividend	–	–	–	–	–17,260	–17,260
Transactions with owners	–	–	–	–	–17,260	–17,260
Net profit	–	–	–	–	7,901	7,901
Other comprehensive income	–	–	1,093	–4,638	–	–3,546
Total comprehensive income	–	–	1,093	–4,638	7,901	4,356
As of Sept. 30, 2014	107,878	142,184	1,930	–9,388	118,970	361,572

* Reclassifiable gains/losses

Notes to the interim Group financial statements

1 Information about the company

The consolidated financial statements were prepared by MLP AG, Wiesloch, Germany, the ultimate parent company of the MLP Group. MLP AG is listed in the Mannheim Commercial Register under the number HRB 332697 at the address Alte Heerstraße 40, 69168 Wiesloch, Germany.

Since it was founded in 1971, the MLP Group (MLP) has been operating as a broker and adviser for academics and other discerning clients in the fields of old-age provision including occupational pension provision, healthcare provision, non-life insurance, financing, wealth management and banking services.

2 Principles governing the preparation of the financial statements

The interim financial report has been prepared in line with the regulations set out in IAS 34 “Interim financial reporting”. It is based on the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) as well as the interpretations of the International Financial Reporting Interpretation Committee (IFRIC), as applicable within the European Union (EU). In accordance with the provisions of IAS 34, the scope of the report has been reduced compared to the consolidated financial statements at December 31, 2013.

Except for the changes presented in the notes under item (3), the condensed consolidated interim financial statements are based on the accounting and valuation methods as well as the consolidation principles that were applied to the Group financial statements for the financial year 2013. These are presented in the Group notes of the Annual Report 2013 that can be downloaded from the company’s website (www.mlp-ag.com).

The interim financial report has been drawn up in euros (€), which is the functional currency of the parent company. Unless otherwise specified, all amounts are stated in thousands of euros (€’000). Both single and cumulative figures are values with the smallest rounding difference. As a result, differences to reported total amounts may arise when the individual values shown are added up.

3 Adjustments to the accounting policies

The accounting policies applied are the same as those used in the financial statements at December 31, 2013 except for the standards and interpretations to be used for the first time in the financial year 2014.

In the financial year 2014 the following new or revised standards are to be used for the first time:

- First-time application of IFRS 10 “Consolidated Financial Statements”
- First-time application of IFRS 11 “Joint Arrangements”
- First-time application of IFRS 12 “Disclosure of Interests in Other Entities”
- Amendments to IAS 27 “Consolidated and Separate Financial Statements” and IAS 28 “Shares in Associates”
- Amendments to IAS 32 “Financial Instruments: Presentation”
- Amendments to IAS 39 “Novation of Derivatives and Continuation of Hedge Accounting”
- First-time application of IFRIC 21 “Levies”

MLP did not anticipate any significant effects on the scope or methods of consolidation from the introduction of IFRS 10 and IFRS 11.

In all other cases there were no significant effects on the representation of the Group’s net assets, financial position or results of operations.

4 Seasonal influences on the business operations

Due to the seasonal development of its business, the Group generally expects earnings to be higher in the fourth quarter than in the previous quarters.

5 Reportable business segments

There were no significant changes compared to December 31, 2013.

Information regarding reportable business segments (quarterly comparison)

	Financial services	
	3rd quarter 2014	3rd quarter 2013
All figures in €'000		
Revenue	87,290	84,596
of which total inter-segment revenue	704	1,097
Other revenue	1,637	3,256
of which total inter-segment revenue	492	474
Total revenue	88,927	87,852
Commission expenses	-38,470	-35,409
Interest expenses	-668	-867
Personnel expenses	-16,733	-16,488
Depreciation and impairments	-2,372	-1,852
Other operating expenses	-30,431	-29,036
Earnings from investments accounted for using the equity method	375	405
Segment earnings before interest and tax (EBIT)	628	4,605
Other interest and similar income	39	69
Other interest and similar expenses	-76	-34
Finance cost	-37	34
Earnings before tax (EBT)	591	4,639
Income taxes		
Net profit		

	FERI		Holding		Consolidation		Total	
	3rd quarter 2014	3rd quarter 2013	3rd quarter 2014	3rd quarter 2013	3rd quarter 2014	3rd quarter 2013	3rd quarter 2014	3rd quarter 2013
	28,577	25,757	-	-	-724	-1,168	115,143	109,185
	20	71	-	-	-724	-1,168	-	-
	1,062	1,123	2,699	3,613	-2,788	-2,699	2,610	5,292
	-	5	2,296	2,219	-2,788	-2,699	-	-
	29,639	26,880	2,699	3,613	-3,513	-3,867	117,752	114,477
	-15,150	-13,931	-	-	660	1,097	-52,959	-48,242
	-	-	-	-	1	1	-667	-867
	-6,830	-6,829	-720	-1,004	-	-	-24,283	-24,322
	-542	-494	-507	-608	-	-	-3,422	-2,954
	-2,227	-2,645	-2,131	-2,219	2,859	2,738	-31,929	-31,162
	-	-	-	-	-	-	375	405
	4,890	2,981	-659	-219	8	-31	4,866	7,337
	2	0	180	224	-3	-2	218	290
	-49	-65	-140	-142	47	63	-218	-179
	-46	-65	39	81	45	61	1	112
	4,844	2,916	-619	-137	52	30	4,867	7,449
							-1,479	-2,177
							3,388	5,272

Information regarding reportable business segments (9 months comparison)

All figures in €'000	Financial services	
	9 months 2014	9 months 2013
Revenue	256,517	256,101
of which total inter-segment revenue	2,101	3,576
Other revenue	9,292	9,658
of which total inter-segment revenue	1,507	1,384
Total revenue	265,809	265,759
Commission expenses	-107,657	-104,903
Interest expenses	-2,277	-3,763
Personnel expenses	-53,641	-53,312
Depreciation and impairments	-6,897	-5,389
Other operating expenses	-90,931	-88,244
Earnings from investments accounted for using the equity method	793	733
Segment earnings before interest and tax (EBIT)	5,199	10,881
Other interest and similar income	159	356
Other interest and similar expenses	-218	-169
Finance cost	-59	187
Earnings before tax (EBT)	5,140	11,068
Income taxes		
Net profit		

	FERI		Holding		Consolidation		Total	
	9 months 2014	9 months 2013	9 months 2014	9 months 2013	9 months 2014	9 months 2013	9 months 2014	9 months 2013
	77,638	72,885	–	–	–2,247	–3,784	331,908	325,202
	146	208	–	–	–2,247	–3,784	–	–
	2,901	3,295	9,971	8,706	–8,404	–8,057	13,761	13,601
	4	5	6,892	6,667	–8,404	–8,057	–	–
	80,539	76,180	9,971	8,706	–10,650	–11,841	345,668	338,803
	–43,913	–41,294	–	–	1,967	3,325	–149,603	–142,872
	–	–	–	–	2	2	–2,275	–3,761
	–19,484	–21,072	–4,007	–2,720	–	–	–77,132	–77,105
	–1,563	–1,474	–1,616	–1,821	–	–	–10,076	–8,684
	–7,156	–8,046	–7,493	–6,866	8,578	8,314	–97,002	–94,842
	–	–	–	–	–	–	793	733
	8,423	4,293	–3,145	–2,702	–103	–200	10,374	12,272
	4	1	371	396	–15	–67	519	686
	–149	–188	–425	–427	153	237	–639	–547
	–145	–187	–55	–31	139	169	–120	139
	8,278	4,106	–3,199	–2,733	36	–30	10,254	12,411
							–2,353	–2,926
							7,901	9,485

6 Revenue

All figures in €'000	3rd quarter 2014	3rd quarter 2013	9 months 2014	9 months 2013
Old-age provision	48,879	48,079	133,139	131,589
Wealth management	38,753	35,067	105,703	100,355
Health insurance	10,741	10,686	31,841	36,242
Non-life insurance	5,459	4,609	29,587	27,141
Loans and mortgages	3,228	3,842	9,130	9,798
Other commission and fees	2,360	1,153	5,418	2,850
Commission and fees	109,420	103,437	314,818	307,975
Interest income	5,723	5,748	17,089	17,227
Total	115,143	109,185	331,908	325,202

7 Commission expenses

In the period from January 1 to September 30, 2014 the commission expenses rose from € 142,872 thsd. to € 149,603 thsd. compared to the same period of the previous year. These mainly contain the commissions and other fee components for the freelance MLP consultants in the financial services segment. For further explanations please refer to the section “Results of operations” of the Group interim management report.

8 Personnel expenses/Number of employees

Personnel expenses increased in the period from January 1 to September 30, 2014 compared to the same period of the previous year from € 77,105 thsd. to € 77,132 thsd. For further explanations please refer to the section “Personnel” of the Group interim management report.

At September 30, 2014, the MLP Group had the following numbers of employees in the strategic fields of business:

	Sept. 30, 2014			Sept. 30, 2013		
		of which executive employees	of which mar- ginal part-time employees		of which executive employees	of which mar- ginal part-time employees
Financial services	1,288	33	82	1,312	31	105
FERI	228	8	51	237	8	59
Holding	7	2	–	9	2	–
Total	1,523	43	133	1,558	41	164

9 Other operating expenses

All figures in €'000	3rd quarter 2014	3rd quarter 2013	9 months 2014	9 months 2013
IT operations	11,651	11,133	35,063	32,930
Rental and leasing	3,276	3,256	10,149	10,116
Administration operations	2,778	2,802	8,464	8,224
Consultancy	3,004	2,164	7,952	7,029
Representation and advertising	1,361	1,602	4,635	5,060
External services – banking business	1,478	1,908	4,561	6,625
Other external services	1,157	812	3,045	2,987
Travel expenses	853	1,152	2,985	2,703
Premiums and fees	884	572	2,846	1,969
Training and further education	851	783	2,808	2,852
Entertainment	592	408	2,160	1,902
Insurance	567	534	1,856	1,789
Expenses for commercial agents	416	442	1,575	1,269
Maintenance	328	635	1,558	1,723
Depreciation and impairments of other receivables and assets	646	613	1,353	1,110
Depreciation and impairments of other receivables from clients in the banking business	269	261	771	841
Other employee-related expenses	212	227	757	590
Audit	218	313	685	874
Expenses from the disposal of assets	19	14	88	96
Sundry other operating expenses	1,370	1,531	3,692	4,153
Total	31,929	31,162	97,002	94,842

The costs of IT operations are mainly attributable to IT services and computer centre services that have been outsourced to an external service provider. The expenses for administration operations contain costs relating to building operations, office costs and communication costs. The consulting costs are made up of tax advice costs, legal advice costs as well as general and IT consulting costs. Expenses for representation and advertising include costs incurred due to media presence and client information activities. The item “External services - banking business” mainly contains securities settlement and transaction costs in connection with the MLP credit card. Expenses for commercial agents include costs for former consultants and the training allowance granted for new consultants. Sundry other operating expenses essentially comprise goodwill payments, remuneration for members of the Supervisory Board and vehicle costs.

10 Finance cost

All figures in €'000	3rd quarter 2014	3rd quarter 2013	9 months 2014	9 months 2013
Other interest and similar income	218	290	519	686
Interest expenses from financial instruments	-71	-35	-200	-117
Interest expenses from net obligations for defined benefit plans	-146	-143	-439	-430
Other interest and similar expenses	-218	-179	-639	-547
Finance cost	1	112	-120	139

The reduction in the finance cost is primarily attributable to lower revenue from the discounting of provisions and simultaneously higher expenses from the accumulation of provisions. On the other hand, there was higher revenue from bank deposits.

11 Receivables from the banking business

Receivables from banking business increased from € 981,680 thsd. at December 31, 2013 to € 985,066 thsd. For further explanations please refer to the section "Financial position" of the Group interim management report.

12 Financial assets

All figures in €'000	Sept. 30, 2014	Dec. 31, 2013
Held-to-maturity investments	59,005	74,283
Financial assets at fair value through profit and loss	5,096	5,133
Available-for-sale financial assets	26,071	-
Debentures and other fixed income securities	90,172	79,416
Available-for-sale financial assets	6,576	6,948
Financial assets at fair value through profit and loss	1,466	1,728
Shares and other variable yield securities	8,042	8,677
Fixed and time deposits (loans and receivables)	63,143	55,230
Investments in non-consolidated subsidiaries (available-for-sale financial assets)	3,282	2,759
Total	164,639	146,082

The increase in financial investments is primarily attributable to the investment of fixed-term money deposits, of debentures and of other fixed income securities.

13 Other accounts receivable and assets/other liabilities

Due to the seasonally stronger year-end business, high receivables from insurance companies as well as high liabilities towards commercial agents at December 31, 2013 had to be shown which were then balanced out in the first quarter of 2014. Through the seasonal influences a lower amount of receivables and liabilities were built up in the first nine months of 2014.

14 Shareholders' equity

Share capital

The share capital of MLP AG is made up of 107,877,738 (previous year: 107,877,738) no-par-value shares. The retained earnings include statutory reserves of € 3,117 thsd. (previous year: € 3,117 thsd.).

Dividend

In accordance with the resolution passed at the Annual General Meeting on June 5, 2014 a dividend of € 17,260 thsd. (previous year: € 34,521 thsd) was to be paid for the financial year 2013. This corresponds to € 0.16 per share (previous year: € 0.32 per share).

15 Notes on the consolidated statement of cash flow

The consolidated statement of cash flow shows how cash and cash equivalents have changed in the course of the year as a result of inflows and outflows of funds. As per IAS 7 "Statement of Cash Flows", differentiation is made between cash flows from operating activities, from investing activities and from financing activities.

Cash flow from operating activities results from cash flows that cannot be defined as investing or financing activities. It is determined on the basis of net profit. As part of the indirect determination of cash flow, the changes in balance sheet items due to operating activities are adjusted by effects from changes to the scope of consolidation and currency translations if necessary. For further details, please refer to the "Financial position" section in the management report.

Cash flow from investing activities is mainly influenced by the investment of monies in fixed-term deposits as well as by matured term investments.

Cash flow from financing activities includes cash-relevant equity changes and loans used and paid back.

Cash and cash equivalents with a term to maturity of not more than three months are recorded under cash and cash equivalents. Cash equivalents are short-term financial assets which can be converted into cash at any time and which are only subject to minor value fluctuation risks.

Cash and cash equivalents

All figures in €'000	Sept. 30, 2014	Sept. 30, 2013
Cash and cash equivalents	39,257	33,934
Loans ≤3 months	23,000	15,000
Cash and cash equivalents	62,257	48,934

Receivables of MLP Finanzdienstleistungen AG due from banks are included in cash and cash equivalents provided they are separable as own-account investing activities. Inseparable elements are allocated to the operating business of the banking business segment and therefore to cash flow from operating activities.

16 Other financial commitments, contingent assets and liabilities and other liabilities

There were no significant changes compared to December 31, 2013.

17 Additional information on financial instruments

The carrying amounts and fair values of financial assets and financial liabilities, including their (hierarchical) tiers, are grouped into financial instrument classes and categories as shown in the following tables:

	Sept. 30, 2014						
	Carrying amount	Fair value					No financial instruments according to IAS32/39
		Carrying amount corresponds to fair value	Level 1	Level 2	Level 3	Total	
All figures in €'000							
Financial assets measured at fair value	39,210		22,644	16,566		39,210	
Fair Value Option	6,562		1,466	5,096		6,562	
Financial investments (share certificates and structured bonds)	6,562	–	1,466	5,096	–	6,562	–
Available-for-sale financial assets	32,647		21,178	11,469		32,647	
Financial investments (share certificates and investment fund shares)	6,576	–	6,098	479	–	6,576	–
Financial assets (bonds)	26,071	–	15,080	10,991	–	26,071	–
Financial assets measured at amortised cost	1,217,315	462,035	11,652	776,134		1,249,821	
Loans and receivables	1,155,028	458,752		727,721		1,186,473	
Receivables from banking business – clients	468,066	117,260	–	381,809	–	499,068	–
Receivables from banking business – banks	517,000	171,531	–	345,912	–	517,443	–
Financial investments (fixed and time deposits)	63,143	63,143	–	–	–	63,143	–
Other receivables and assets	67,561	67,561	–	–	–	67,561	27,664
Cash and cash equivalents	39,257	39,257	–	–	–	39,257	–
Held-to-maturity investments	59,005		11,652	48,413		60,065	
Financial assets (bonds)	59,005	–	11,652	48,413	–	60,065	–
Available-for-sale financial assets	3,282	3,282				3,282	
Financial assets (investments)	3,282	3,282	–	–	–	3,282	–
Financial liabilities measured at amortised cost	1,062,908	1,031,089		31,638		1,062,727	
Liabilities due to banking business – clients	989,538	973,302	–	16,271	–	989,572	–
Liabilities due to banking business – banks	16,335	752	–	15,367	–	16,119	–
Other liabilities	57,036	57,036	–	–	–	57,036	27,704
Liabilities due to financial guarantees and credit commitments	34,334	34,334				34,334	

	Dec. 31, 2013						
	Carrying amount	Fair value					No financial instruments according to IAS32/39
		Carrying amount corresponds to fair value	Level 1	Level 2	Level 3	Total	
All figures in €'000							
Financial assets measured at fair value	17,091		13,809	3,282		17,091	
Fair Value Option	10,143		6,861	3,282		10,143	
Receivables from banking business – clients	3,282	–	–	3,282	–	3,282	–
Financial investments (share certificates and structured bonds)	6,861	–	6,861	–	–	6,861	–
Available-for-sale financial assets	6,948		6,948			6,948	
Financial investments (share certificates and investment fund shares)	6,948	–	6,948	–	–	6,948	–
Financial assets measured at amortised cost	1,240,270	513,243	29,981	341,634	383,836	1,268,695	
Loans and receivables	1,163,228	510,484		295,594	383,836	1,189,915	
Receivables from banking business – clients	488,288	130,764	–	–	383,836	514,600	–
Receivables from banking business – banks	490,110	194,891	–	295,594	–	490,485	–
Financial investments (fixed and time deposits)	55,230	55,230	–	–	–	55,230	–
Other receivables and assets	83,217	83,217	–	–	–	83,217	25,948
Cash and cash equivalents	46,383	46,383	–	–	–	46,383	–
Held-to-maturity investments	74,283		29,981	46,040		76,021	
Financial assets (bonds)	74,283	–	29,981	46,040	–	76,021	–
Available-for-sale financial assets	2,759	2,759				2,759	
Financial assets (investments)	2,759	2,759	–	–	–	2,759	–
Financial liabilities measured at fair value	179			179		179	
Financial instruments held for trading	179			179		179	
Other liabilities	179	–	–	179	–	179	–
Financial liabilities measured at amortised cost	1,044,282	1,019,123		24,771		1,043,894	
Liabilities due to banking business – clients	946,484	930,991	–	15,318	–	946,309	–
Liabilities due to banking business – banks	9,924	269	–	9,453	–	9,722	–
Other liabilities	87,863	87,863	–	–	–	87,863	18,517
Liabilities due to financial guarantees and credit commitments	43,776	43,776				43,776	

Cash and cash equivalents, receivables and liabilities due to banking business without agreed terms to maturity, trade receivables, receivables from companies in which the Group holds an interest and other assets all predominantly have short terms to maturity. Their carrying amounts on the balance sheet date are therefore almost identical to the fair values. The same applies to the trade accounts payable.

Change in classification

Due to a change in purpose, receivables from clients in the banking business with an amount of € 3,282 thsd. were reclassified from the category “financial assets measured at fair value” to the category “loans and receivables” in the first nine months of 2014. Due to changes in regulatory requirements, bonds with a carrying amount of € 9,550 thsd. and a fair value of € 10,692 thsd. also were reclassified from the category “held-to-maturity investments” to the category “available-for-sale financial assets”.

Determining fair value

Insofar as there is an active market, which represents the principal market for financial assets and financial liabilities, the respective market prices on the closing date are used as the basis for determining the fair value. With investment shares, the fair value corresponds to the redemption prices published by the capital investment companies. If there is no active market on the closing date, the fair value is determined using recognised valuation models. The underlying accounting and valuation principles with respect to financial instruments remain unchanged compared to the previous year and are contained in the Annual Report 2013.

The table below shows the valuation techniques that were used to determine tier 3 fair values, as well as the significant, non-observable input factors applied:

Type	Valuation technique	Significant, non-observable input factors	Relationship between significant, non-observable input factors and measurement at fair value
Receivables from banking business – clients with agreed maturity	The valuation model takes into account the present value of the anticipated future cash inflows/outflows throughout the remaining term, which are discounted using a risk-free discount rate. The discount rate is based on the current yield curve. Credit and default risks, administration costs and expected return on equity are taken into account when determining future cash flows.	Adjustment of cash flows by: <ul style="list-style-type: none"> • Credit and counterparty default risks • Administration costs • Anticipated return on equity 	The estimated fair value would increase (decrease) if: <ul style="list-style-type: none"> • the credit and default risk were to rise (fall) • the admin costs were to fall (rise) • the anticipated return on equity were to fall (rise)

Regrouping between level 1 and level 2

On the reporting reference date the bonds to be held to maturity with a carrying amount of € 12,944 thsd. and a fair value of € 12,490 thsd. were transferred from level 1 to level 2 as the quoted in-market prices for these bonds were no longer regularly observable.

18 Related party disclosures

Within the scope of the ordinary business, legal transactions under standard market conditions were made between the Group and members of the Executive Board and the Supervisory board.

On March 31, 2014 Muhyddin Suleiman, Executive Board member of MLP AG and of MLP Finanzdienstleistungen AG, with responsibility for sales, resigned from both executive bodies.

There were no significant changes compared to December 31, 2013.

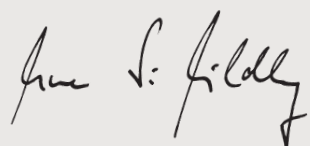
19 Events after the balance sheet date

There were no appreciable events after the balance sheet date affecting the MLP Group's financial or asset situation.

Wiesloch, November 12, 2014

MLP AG

Executive Board



Dr. Uwe Schroeder-Wildberg



Manfred Bauer



Reinhard Loose

Executive bodies at MLP AG

Executive Board

Dr. Uwe Schroeder-Wildberg
(Chairman,
appointed until December 31, 2017)

Manfred Bauer
(Product Management,
appointed until April 30, 2020)

Reinhard Loose
(Controlling, IT, Procurement,
Accounting, Risk Management,
appointed until January 31, 2019)

Muhyddin Suleiman
(Sales,
until March 31, 2014)

Supervisory Board

Dr. Peter Lütke-Bornefeld
(Chairman,
appointed until 2018)

Dr. h. c. Manfred Lautenschläger
(Vice chairman,
appointed until 2018)

Dr. Claus-Michael Dill
(appointed until 2018)

Johannes Maret
(appointed until 2018)

Alexander Beer
(Employee representative,
appointed until 2018)

Burkhard Schlingermann
(Employee representative,
appointed until 2018)

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Financial Calendar

FEBRUARY

Februar 26, 2015

Publication of the results for the financial year 2014.
Annual press conference and analyst conference in Frankfurt.

MARCH

March 26, 2015

Publication of the Annual Report for the financial year 2014.

MAY

May 12, 2015

Publication of the results for the first quarter 2015.

JUNE

June 18, 2015

Annual General Meeting (AGM) of MLP AG in Mannheim.
MLP AG holds its AGM at the Rosengarten in Mannheim.

AUGUST

August 13, 2015

Publication of the results for the first half-year and the second quarter 2015.

NOVEMBER

November 12, 2015

Publication of the results for the first nine months and third quarter 2015.

More:

www.mlp-ag.com, Investor Relations, Calendar

PROGNOSIS

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", "estimate", "assume", "intend", "plan", "should", "could", "project" and 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 obligation 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 numerically differing from expectations. The prognoses reflect the points of view at the time when they were made.

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