

MLP AG

Report for the 3rd quarter 2002

 **MLP** PRIVATE FINANCE



MLP maintains robust growth path in the 3rd quarter

- **Total revenues up 14 percent in Q3**
- **Increase in number of clients for Q3 to 495,000**
- **EBT for 2002 considerably higher than EUR 100 million**
- **Operating profit additionally burdened by general conditions**

In the third quarter MLP withstood the weak economic environment and continued external criticism and continued to grow. The MLP Group has developed soundly when looking at most important figures such as revenues, clients, business volume and consultants in the third quarter. MLP has increased both its profits and market share in the segments consultation and sales, as well as non-life and life insurance. The company continues to expand its position as leading independent financial services provider for graduates and sophisticated private clients in Europe.

Negative conditions

World-wide economic development remained pessimistic in the third quarter. Annual forecasts for this and the coming year produced by economic institutions were gradually readjusted downwards. This sometimes led to dramatic collapses in share prices between July and September. The DAX alone fell one third in value, for example. This resulted in a loss of public faith and had a negative influence upon the entire financial industry. Payments received for mutual funds in the third quarter were considerably lower than for the same period last year. Demand for the so-called "Riester pension products" remains sluggish. And the current uncertainties surrounding the latest tax discussions are also slowing the financial services industry down.

The MLP stock

The often unfounded criticism of MLP has led to uncertainty among shareholders. Coupled with the generally poor stock market conditions this led to an over-proportional loss in the MLP share price. The share price has in the meantime recovered from its lowest point. The DVFA earnings per share declined for the first nine months from 44.0 cent to 36.1. This was caused mainly by the fact that the number of shares was increased to 108.6 million in comparison with 79.2 million in 2001.

Robust organic growth in the third quarter

In contradiction to the general market trend MLP reported an increase of 14 percent for total revenues in the third quarter with EUR 246.5 million (2001: 215.6 million). Interest earnings from the banking business increased strongly by 29 percent to EUR 4.5 million (2001: EUR 3.5 million) as did the insurance premiums with 23 percent to EUR 127.6 million (2001: EUR 104.2 million). The success of MLP Finanzdienstleistungen AG is reflected in its sales revenues that have risen by 26 percent to EUR 81.6 million (2001: EUR 64.8 million). From an overall corporate perspective sales revenues rose by five percent underproportionately as a result of consolidation effects and lower revenues from the banking and asset management segment.

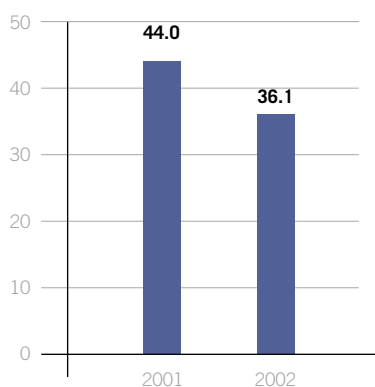
As expected, pre-tax profit was lower than for the same quarter last year, totalling EUR 7.7 million in comparison with 15.3 in the previous year.

Total revenues up 15 percent after nine months

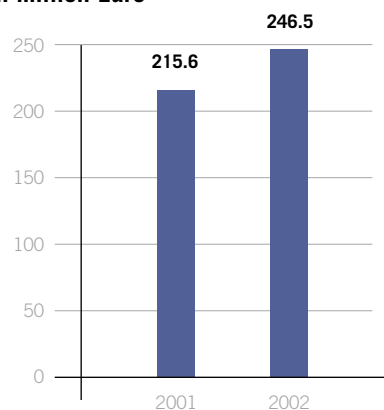
MLP increased its total revenues within the first nine months by 15 percentage points to EUR 752 million. Growth was driven largely by insurance premiums (EUR 374 million) with an increase of 27 percent and the interest earnings from banking business with an increase by 39 percent to EUR 13 million. Group pre-tax profit totalled EUR 60.8 million in comparison with EUR 69.0 million for the same period last year.

Expenditure increased as expected as a result of corporate expansion, which will be maintained despite the current situation. With these investments MLP can create the infrastructure required for further organic growth in the future. The greater part of depreciation expense in the 3rd quarter was hence caused by investments in the branch office network and the head office expansion increased by 54 percent to EUR 5.9 million (2001: EUR 3.9 million). Personnel expenditure rose largely due to foreign expansion by 29 percent to EUR 16.9 million (2001: EUR 13.1 million). Other operating expenses were adjusted by losses in mutual fund policies that do not affect the operating result and increased by 32 per cent. This also includes the extraordinary burdens caused by expenditure for consultation and marketing amounting to EUR 1.6 million.

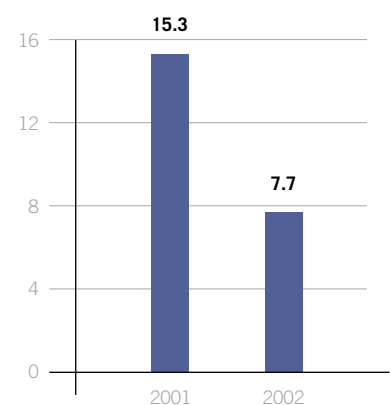
**DVFA-result per share
for 9 months in euro cent**



**Total revenue in the 3rd quarter
in million Euro**



**Pre-tax profit in the 3rd quarter
in million Euro**



New business on target

Developments in this unusually difficult 3rd quarter for MLP once again underline the strength of MLP's business model. The group still reports successful growth rates of 23 percent in the 3rd quarter for insurance premiums and 26 percent for un-consolidated broker revenues. The decision to focus on the existing clientele in the 2nd and 3rd quarter this year has proven correct. MLP concentrated upon university and college graduates for new client acquisition. With 9,000 clients the customer base climbed to 495,000.

New life- and non-life insurance business is still higher than in the same nine-month period last year, which means that MLP continues to gain market share despite the difficult situation. In comparison to last year MLP reports double-figure growth rates in the health insurance sector. The loans business equates roughly to the same level as last year. MLP only recorded a decline in money flows for mutual funds.

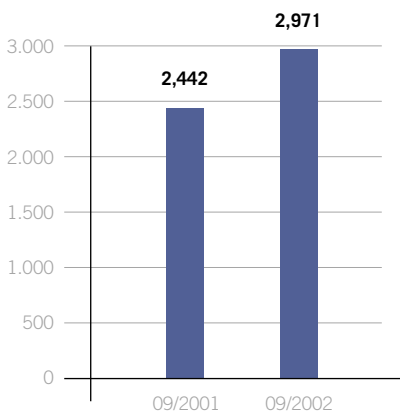
Continued high investments

These positive developments reinforce MLP that its decision to continue focussing strongly upon investments for the future is correct. Investments after the first nine months of the financial year 2002 totalled EUR 45.4 million (2001: EUR 34.0 million). These were composed of EUR 20.6 million (2001: EUR 11.5 million) for the expansion of IT infrastructure and EUR 24.8 million (2001: 22.5 million) for group infrastructure. The number of branch offices increased in comparison with last year from 310 to 390.

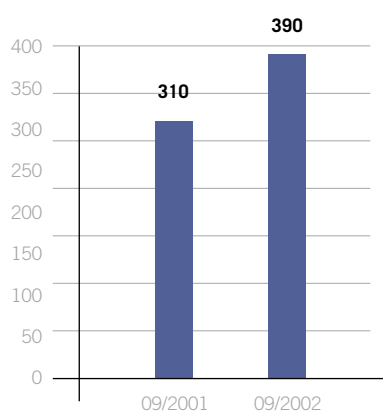
Number of consultants grows by 22 percent

The number of MLP Financial Consultants also increased considerably in the third quarter increasing to 2,971 as per 30th September (2001: 2,442). This represents an increase of 22 percent in comparison with 2001. At the end of September MLP employed 1,631 full-time staff (2001: 1,371).

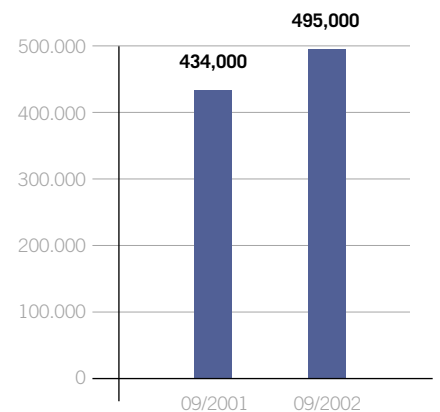
Financial consultants



Branch offices



Clients



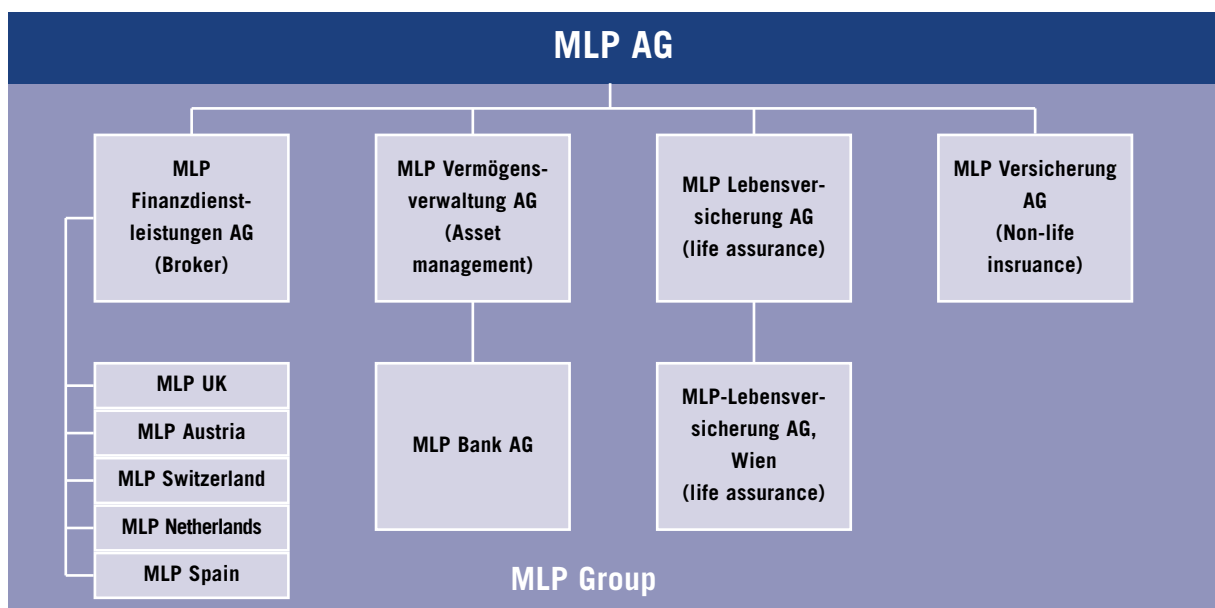
General conditions burden business at year end

EBT for 2002 will considerably exceed EUR 100 million including proceeds from the sale of the first slice of the 50 percent stake in MLP-Lebensversicherung AG, Vienna.

The continuing insecurity of capital markets, the planned changes in matters of taxation and social security contributions as well as the public discussion regarding the Riester pension have burdened the general conditions traditionally leading to strong business at the year end (in the 4th quarter). Against this background a operating profit of EUR 100 million seems quite difficult to reach. From today's point of view however, the 4th quarter will contribute a considerable part to the operating profit for the business year 2002.

Confidence for the future

MLP again expects to see clear double-figure growth rates for the coming years. The inherent necessity of increased private pension provisions are congenial for MLP's unique comprehensive Finance Management, the high level of consultant competence as well as the individually tailored financial concepts.



Balance sheet

ASSETS	31.03.2002	30.06.2002	30.09.2002
	EUR '000	EUR '000	EUR '000
Start-up costs	9,131.3	8,420.9	7,710.4
Fixed assets	1,137,864.6	1,050,704.6	1,022,904.9
<i>of which investment stock of unit-linked life assurance</i>	<i>967,353.6</i>	<i>881,614.0</i>	<i>848,247.6</i>
Current assets	589,638.1	556,832.2	534,276.0
<i>of which bank client assets</i>	<i>207,719.4</i>	<i>215,987.9</i>	<i>225,127.6</i>
Trust assets	196,973.6	212,620.6	224,050.4
Prepaid expenses	22,459.0	22,288.8	22,311.3
Deferred taxes	1,528.1	931.7	973.7
Total	<u>1,957,594.7</u>	<u>1,851,798.6</u>	<u>1,812,226.6</u>
EQUITY AND LIABILITIES	31.03.2002	30.06.2002	30.09.2002
	EUR '000	EUR '000	EUR '000
Equity	281,192.1	259,158.2	263,650.6
Liabilities	1,479,388.8	1,379,979.7	1,324,485.7
<i>of which reserves for unit-linked life assurance</i>	<i>967,353.6</i>	<i>881,614.0</i>	<i>848,247.6</i>
<i>of which bank clients</i>			
<i>deposits</i>	<i>211,893.3</i>	<i>239,550.3</i>	<i>260,237.5</i>
Trust liabilities	196,973.6	212,620.6	224,050.4
Deferred income	40.2	40.2	39.9
Total	<u>1,957,594.7</u>	<u>1,851,798.6</u>	<u>1,812,226.6</u>

Notes to the balance sheet for the 3rd quarter 2002

Accounting and valuation methods

The consolidated financial statements presented here were prepared in accordance with. §§ 290 ff. HGB (German Commercial Code) as well as the relevant regulations of the German Stock Corporation Act. The profit and loss account was compiled using the total cost method pursuant to Section 275 (2) of the German Commercial Code.

The segmental reporting is based on the standards established by the German Accounting Standards Committee (DRSC). In accordance with this standard, other operating income is not accounted for within segmental reporting. Therefore, the sum of the segment revenues is less than the total revenue in the profit and loss account by the amount of the other operating income.

Assets

The capitalized startup costs for business operations in England, as well as for the expansion of the securities trading platform, fell from EUR 8.4 million to EUR 7.7 million in the third quarter as a result of depreciation to EUR 0.7 million. New start-up costs were not capitalized.

Fixed assets declined from EUR 1,050.7 million to EUR 1,022.9 million. This change is mainly due to the decline in market prices of the investment funds, which are held for clients in the investment stock for the unit-linked insurance policy. This fell from EUR 881.6 million to EUR 848.2 million.

Current assets decreased slightly in the third quarter from EUR 556.8 million to EUR 534.3 million. The credit granted to bank clients contained within the current assets rose from EUR 216.9 million to EUR 225.1 million.

Trust assets have been reported separately since the 2001 annual accounts. These are loans for third-party accounts, which are granted to clients of MLP Bank AG in their own name for the account and risk of other banks for the financing of building projects and practice financing. Accordingly, the balance sheet reports trust liabilities of the corresponding amount. These increased in the third quarter from EUR 212.6 million to EUR 224.1 million.

Total equity and liabilities

The profit led to a rise in shareholders' equity to EUR 263.7 million.

Liabilities declined from EUR 1,380.0 million to EUR 1,324.5 million. This decline can largely be attributed to the reduction in technical reserves. Client deposits with MLP Bank AG rose, however, from EUR 239.6 million to EUR 260.2 million.

Trust liabilities developed in unison with trust assets.

Group consolidated profit and loss account

	9 MONTHS 2001 EUR '000	9 MONTHS 2002 EUR '000	3RD QUARTER 2001 EUR '000	3RD QUARTER 2002 EUR '000
1. Total revenue	654,508.1	752,355.2	215,644.8	246,502.5
<i>of which sales revenues</i>	193,735.1	210,553.7	59,470.5	62,409.5
<i>of which interest income from banking operations</i>	9,467.2	13,120.7	3,509.2	4,520.1
<i>of which insurance premiums</i>	293,095.4	373,545.5	104,151.8	127,589.9
<i>of which income from outward reinsurance business</i>	141,101.0	135,641.7	46,589.6	50,108.7
<i>of which other operating income</i>	17,109.4	19,493.7	1,923.7	1,874.4
2. Cost of materials	- 76,733.9	- 98,188.5	- 23,623.4	- 31,751.0
3. Personnel expenses (costs of purchased services)	- 43,408.4	- 53,731.1	- 13,068.6	- 16,917.7
4. Depreciation	- 11,093.1	- 17,129.4	- 3,852.3	- 5,930.1
5. Other operation expenses	- 147,053.9	- 242,124.7	- 55,269.8	- 133,578.3
6. Expenses related to insurance reserves	- 32,517.9	37,162.3	83,952.6	36,228.1
7. Reinsurance premiums	- 127,978.6	- 134,819.4	- 43,535.8	- 51,142.4
8. Financial result	- 1,173.6	- 1,408.4	- 924.1	- 1,544.9
9. Unrealised gains from investments	1,661.2	7,829.8	- 14,698.4	6,502.8
10. Unrealised losses from investments	- 147,202.5	- 189,154.4	- 129,371.9	- 40,705.8
11. Profit from ordinary operations	69,007.3	60,791.6	15,252.9	7,663.3
12. Taxes on income and profit	- 26,912.9	- 23,708.8	- 5,948.7	- 2,988.7
13. Net profit	42,094.5	37,082.8	9,304.3	4,674.6
14. Earnings per share in cent	44.0	36.1	6.0	5.0

Notes to the profit and loss account for the 3rd quarter 2002

Position 1 Total revenue

Total revenues increased in the third quarter 2002 by 14 percent to EUR 246.5 million in comparison with the same period last year (2001: EUR 215.6 million).

The highest growth was reported for interest earnings from the banking business of 29 percent to EUR 4.5 million (2001: EUR 3.5 million) and the total insurance premiums of 23 percent to EUR 127.6 million (EUR 104.2 million). These were contributed to by MLP Lebensversicherung AG with EUR 107.0 million (2001: EUR 84.6 million), MLP-Lebensversicherung AG, Wien with EUR 13.3 million (2001: EUR 13.5 million), and MLP Versicherung AG with EUR 7.3 million (2001: EUR 6.1 million).

Consolidated sales revenues rose by 5 percent to EUR 62.4 million (2001: EUR 59.5 million) due to lower revenues from the segment "Bank and asset management" only under-proportionately. Income from reinsurance increased only slightly to EUR 50.1 million (2001: EUR 46.6 million).

Position 2 Cost of materials

Cost of materials grew by 34 percent to EUR 31.8 million (2001: EUR 23.6 million). Material expenses (expenses for services received) include the commission payments to the MLP Financial Consultants as well as the interest expenditure from the banking business. Commission payments rose by 28 percent to EUR 28.6 million (2001: EUR 22.4 million). The interest expenditure from the banking business included in the material expenses increased by 134 percent to EUR 2.5 million (2001: EUR 1.1 million).

Position 3 Personnel expenditure

Personnel expenditure increased as planned by 29 percent to EUR 16.9 million (2001: EUR 13.1 million). This increase is due mainly to the foreign expansion costs in which personnel expenses rose to EUR 1.8 million (2001: EUR 0.7 million).

Position 4 Depreciation

The increase in depreciation from EUR 5.9 million (2001: EUR 3.9 million) is largely due to the new training and administration centre in Wiesloch, the heavy expansion of the profit-centre operated branch office network and previously capitalised start-up costs. There were no extraordinary depreciation items.

Position 5 Other operational expenses

Other operational expenses rose by 142 percent to EUR 133.6 million (2001: EUR 55.3 million). The other operational expenses adjusted for losses realised from capital investments of EUR 77.7 million (2001: EUR 12.8 million) for unit linked insurance policies do not affect the operating result because of position 6 “Expenses related to insurance reserves”, increased by 32 percent to EUR 55.9 million (2001: EUR 42.4 million).

Other operational expenses include in particular IT costs amounting to EUR 15.4 million (previous year: EUR 10.8 million), insurance-related expenses for insurance claims, redemption surrenders and provisions for possible premium reimbursements as well as direct credits totalling EUR 10.0 million (2001: EUR 10.7 million), office expenditure totalling EUR 5.8 million (2001: EUR 4.7 million), and communication expenses amounting to EUR 5.3 million (2001: EUR 2.4 million).

Position 6 Expenses related to insurance reserves

This position accounts for changes to total insurance related reserves. Total insurance related reserves decreased by EUR 36.2 million (2001: EUR 84.0 million). The decrease can be attributed to the negative performance of the investment stock for unit-linked insurance policies.

Position 7 Reinsurance premiums

Reinsurance premiums rose by 17 percent to EUR 51.1 million (2001: EUR 43.5 million).

Position 9 and 10 Unrealised gains/losses from capital investments

The investment stock for unit-linked life insurance policies is, as legally stipulated, included in the balance sheet at its current market value, that is, at the investment fund prices noted on the cut-off date. Unit price gains or losses for investment fund units which were already held at the start of the year are reported in the consolidated profit and loss account under position 9 “Unrealised gains from capital investments” or position 10 “Unrealised losses from capital investments”. The opposing item is entered into the consolidated profit and loss account under position “Expenses related to insurance reserves”. These bookkeeping operations, therefore, do not affect MLP’s net profit.

Position 14 DVFA-result per share

In the previous year (30.09.2001) subscribe capital was composed of 79.2 million shares. After the capital increase, as of the end of June 2002, subscribe capital is composed of 108,640,686 shares.

DVFA-result per share

	9 months/2001 EUR '000	9 MONTHS/2002 EUR '000	Q3/2001 EUR '000	Q3/2002 EUR '000
Net profit	42,094.5	37,082.8	9,304.3	4,674.6
+ Depreciation of capitalised start-up costs	856.3	2,131.3	285.4	710.4
Minorities	- 8,097.4	- 8.2	- 4,861.4	- 1.6
DVFA-result	34,853.4	39,205.9	4,728.3	5,383.4
Number of shares	79,200,000	108,640,686	79,200,000	108,640,686
DVFA-result per share in Euro cent	44.0	36.1	6.0	5.0

Segment reporting

in EUR '000

	Consultation and sales		life insurance		Non-life insurance	
	2001	2002	2001	2002	2001	2002
3rd quarter						
Third party revenues	46,616.3	52,812.5	145,393.0	171,646.8	8,019.2	8,909.9
Segment result before taxes	6,439.0	9,343.8	3,966.3	1,628.0	678.9	683.7
9 months						
Third party revenues	154,138.5	174,880.4	413,714.8	484,076.1	30,496.6	38,301.0
Segment result before taxes	39,667.0	40,767.8	12,442.0	7,879.5	2,000.3	2,576.0

Report by segments for the 3rd Quarter 2002

Consultation and sales business segment

The consultation and sales business segment is covered by MLP Finanzdienstleistungen AG. This comprises all foreign subsidiaries, branch offices and the company MLP Media GmbH.

In the third quarter sales revenues at MLP Finanzdienstleistungen AG rose by 26 percent to EUR 81.8 million (2001: EUR 65.0 million). Consolidated segment earnings rose by 13 percent to EUR 52.8 million (2001: EUR 46.6 million). The foreign share totalled 6 percent. The pre-tax segment profit was 45 percent higher compared with the same period last year with EUR 9.3 million (2001: EUR 6.4 million). The pre-tax profit for domestic business amounted to EUR 12.7 million (2001: EUR 7.2 million), surpassing the previous year's result by 76 percent. Further investments in the organic growth abroad reduced the divisional profit by EUR 3.4 million (2001: EUR 0.8 million).

Banking and asset management		Other segments		Total		Transition		Group	
2001	2002	2001	2002	2001	2002	2001	2002	2001	2002
13,692.7	11,259.0	- 0.1	0.0	213,721.1	244,628.2	0.0	0.0	213,721.1	244,628.2
2,911.1	1,271.0	129.0	- 1,602.1	14,124.3	11,324.4	1,128.6	- 3,661.1	15,252.9	7,663.3
2001	2002	2001	2002	2001	2002	2001	2002	2001	2002
39,024.9	35,604.1	23.9	0.0	637,398.7	732,861.6	0.0	0.0	637,398.7	732,861.6
6,209.2	4,150.3	- 2,302.2	- 2,092.8	58,016.3	53,280.8	10,991.0	7,510.8	69,007.3	60,791.6

The number of clients increased to 495,000 rising by 9,000 since 30th June 2002. The strategy adopted of initially focussing upon existing clients has contributed to a stronger commitment among consultants towards their client bases. New client growth among job starters was satisfactory. MLP expects to see a recovery in new client acquisition in 2003, with a return to the customary dynamic growth path.

At the end of the third quarter, some 2,971 Financial Consultants (2001: 2,442) were working for MLP. The number of branch offices increased to 390 (2001: 310). Of these, 44 were abroad (2001: 18)

Business area - Life insurance

The life insurance segment comprises MLP Lebensversicherung AG and its 50% subsidiary MLP-Lebensversicherung AG, Vienna.

In the third quarter insurance premiums at MLP Lebensversicherung AG totalled EUR 107.0 million (2001: EUR 84.6 million). This corresponds to an increase of 26 percent compared with the same period last year. The third quarter profit has been negatively influenced by the new tariff for unit-linked life insurance. The pre-tax profit hence amounted to EUR 2.0 million (2001: EUR 3.4 million).

MLP-Lebensversicherung AG, Vienna, which is consolidated for the last time at a rate of 50 percent, reports insurance premiums amounting to EUR 26.6 million (2001: EUR 26.8 million). Contrary to the same period last year, the company reported a loss of EUR 0.4 million (2001: EUR + 0.2 million).

Business area - Banking & asset management

The business area banking & asset management comprises MLP Bank AG and MLP Vermögensverwaltung AG.

In the third quarter, this business reported segment revenues of EUR 11.3 million (2001: EUR 13.7 million). The segment result reached the EUR 1.3 million mark (2001: EUR 2.9 million).

MLP Bank AG posted an interest result of EUR 2.1 million (2001: EUR 1.3 million). The commission result rose to EUR 3.0 million (2001: EUR 2.8 million). As such MLP Bank AG has reported a well balanced result, as in the same period last year.

Sales revenues at MLP Vermögensverwaltung AG declined to EUR 1.8 million (2001: EUR 2.3 million). Pre-tax profit amounted to EUR 1.3 million (2001: EUR 2.5 million).

Business area – Non-life insurance

The non-life insurance business includes MLP Versicherung AG.

Insurance premiums totalled EUR 7.3 million in the third quarter (2001: EUR 6.1 million). Sales revenues achieved a level of EUR 0.5 million (2001: EUR 1.2 million) and can be attributed to underwriting activities. The operating result at MLP Versicherung AG amounted to EUR 0.7 million, level with the same quarter last year.

Other segments

The Other segment is comprised of MLP Login GmbH.

MLP Login GmbH only operates at an internal-group level and reports a result of EUR - 1.6 million (2001: EUR 0.1 million).

Transition

The transition largely contains the earnings of MLP AG accompanied by consolidated bookings and bookings made by MLP Consult GmbH. The pre-tax and pre-transfer agreement profit for MLP Finanzdienstleistung AG to the MLP AG amounted to EUR – 3.3 million in the third quarter (2001: EUR .0.0 million).

Cash flow

	9 MONTHS 2001 EUR '000	9 MONTHS 2002 EUR '000	3RD QUARTER 2001 EUR '000	3RD QUARTER 2002 EUR '000
Change in net financial assets from current operations	5,025.3	70,509.7	- 8,470.3	18,983.6
Change in net financial assets from investing activities	- 38,167.8	- 22,974.6	- 13,304.0	- 10,800.0
Change in net financial assets from financing activities	- 25,155.4	- 34,188.9	- 2,324.1	128.9
Change in net financial assets	- 58,297.9	13,346.2	- 24,098.4	8,312.5

Notes to the cash flow statement

In the third quarter of 2002 MLP generated a cash flow from current business operations of EUR 19.0 million (2001: EUR - 8.5 million). EUR 10.8 million (2001: EUR 13.3 million) was invested mainly in the new administration building and in software. As in the previous year, these investments required no additional financial instruments. Overall the net financial assets increased by EUR 8.3 million (2001: EUR - 24.1 million).

Forward-looking statements

This document contains forward-looking statements that reflect the current views of the executive board of MLP AG with respect to future events. Words such as “believe”, “estimate”, “intend”, “may”, “expect”, “anticipate”, “predict”, “project”, “forecast”, “should”, “will”, and similar expressions as they relate to the company are intended to identify such forward-looking statements. Such statements are subjected to risks and uncertainties. The company undertakes no obligation to publicly update or revise any forward-looking statements. All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations. Any forward-looking statement speaks only as of the date on which it is made.

Financial calender

Subject	Date
Final results for 2002	23. April 2003
1st quarter results 2003	27. May 2003
Annual general meeting 2003	17. June 2003
2nd quarter results 2003	19. August 2003
3rd quarter results 2003	18. November 2003

Contact:

MLP AG
Communications
Tel. + 49 (0) 62 21 3 08-11 30
Fax + 49 (0) 62 21 3 08-11 31
unternehmenskommunikation@mlp-ag.com