

REPORT BY THE SUPERVISORY BOARD



In the financial year 2007, the Supervisory Board invested much time and effort in dealing with the development of the company and performed its duties of supervision in their entirety. It regularly advised and monitored the Executive Board in its management of the company.

Furthermore, during the course of the last financial year the Supervisory Board paid a great deal of attention to the economic development, financial situation and prospects of the company.

The Supervisory and Executive Boards met on numerous occasions to discuss business development, strategy and key events within the company. The Supervisory Board was directly involved in all decisions of fundamental importance to the company. The Executive Board provided the Supervisory Board with timely and comprehensive reports, both written and oral, on a regular basis and on all relevant issues related to corporate planning, strategic development, the business situation and the position and development of the Group as a whole, including the risk situation and risk management.

In 2007, MLP Finanzdienstleistungen Aktiengesellschaft and MLP Bank AG merged and have since been trading under the name MLP Finanzdienstleistungen AG. The new structure enables more focused management of the operational business and improved internal and bank supervisory processes.

Following the successful strategic move of acquiring 56.6 % of the shares in Feri Finance AG in October 2006, the focus in 2007 was on further strengthening of the wealth management business segment. MLP AG consequently exercised its preemptive rights to acquire the remaining 43.4 % in Feri Finance AG as planned in October 2007.

In the financial year 2007, the Supervisory Board held six regular and four extraordinary meetings, which were, with the exception of two meetings, always attended by all members, either in person or via conference call. The Supervisory Board was informed of particularly important or urgent projects outside of the regular meetings. When necessary, the resolutions were made via telephone conference or by connecting to Supervisory Board members who were unable to attend the meetings in person via telephone.

Four meetings of the Personnel Committee and two meetings of the Audit Committee were also held, all of which were attended by all members. Furthermore, the Chairman of the Supervisory Board met with the Chairman of the Executive Board on a regular basis to discuss specific issues. The Chairman of the Supervisory Board informed the other members of the Supervisory Board in detail about the content of the meetings with the Executive Board.

Supervisory Board meetings and important resolutions

Following preparations by meetings of the Audit Committee, the meeting of the Supervisory Board on March 26, 2007 focused on the audit and approval of the financial statements and the consolidated financial statements as at December 31, 2006. The auditors participated in the meeting and gave detailed reports on the course and outcome of their audit of the financial statements and the consolidated financial statements. Following in-depth discussion, the Supervisory Board approved the financial statements and the consolidated financial statements of December 31, 2006. Other significant issues that figured on the agenda of this meeting were the Supervisory Board's proposals for resolutions to the regular Annual General Meeting of MLP AG on May 31, 2007.

The regular meeting of the Supervisory Board on May 8, 2007 was used to discuss the results and business development of the first quarter of 2007. Also on the agenda was the final resolution on the approval of the merger of MLP Finanzdienstleistungen Aktiengesellschaft and MLP Bank AG, which had been prepared in the extraordinary meetings of the Supervisory Board on April 18, 2007 and April 24, 2007, which were conducted as telephone conferences. During the entire process, the Supervisory Board was kept informed of the status of the preparations for the merger and the consultations with the Federal Financial Supervisory Authority.

The extraordinary meeting of the Supervisory Board on July 10, 2007 focused on the termination of MLP's business activities in Great Britain and Spain.

The results of the second quarter and the business development in the first half of the year were on the agenda at the regular Supervisory Board meeting on August 7, 2007.

In an extraordinary meeting of the Supervisory Board on September 4, 2007 the Board Member for Sales and Marketing, Dr Wulf Böttger, was discharged with immediate effect. Mr Muhyddin Suleiman was appointed with immediate effect to the MLP AG Executive Board with responsibility for Sales and Marketing.

At a meeting on October 23, 2007, consultations focused on the future strategic direction of the MLP Group. Most importantly, the Supervisory Board approved the exercising of preemptive rights to acquire the remaining 43.4 % in Feri Finance AG.

The November meeting focused on the results of the third quarter.

At the meeting on December 11, 2007 discussion focused on the resolution on the declaration of compliance in line with § 161 of the German Stock Corporation Act (AktG), adherence to the regulations of the German Corporate

Governance Code and ensuring compliance within the MLP Group. Budget planning for 2008 was also discussed.

Supervisory Board committees

The Supervisory Board was regularly informed of the work carried out by its committees in 2007.

The Personnel Committee convened four times in the reporting period. The meetings focused on examining remuneration of the Board and pension promises, preparing to extend the Executive Board appointments of Dr Schroeder-Wildberg and Mr Frieg until 2012 and preparing for the new appointments in the Sales and Finance departments.

The Audit Committee held two regular meetings in the financial year 2007. Representatives of the auditor were also present at its meetings. In the presence of the auditors, the Chairman of the Executive Board and the Chief Financial Officer, the Audit Committee discussed the financial statements of MLP AG and the Group as well as the proposed appropriation of earnings. There were detailed consultations on relations with the auditor, proposals for electing an auditor, remuneration, audit assignment and monitoring independence. The Audit Committee received regular reports on the work of the internal audit and on legal and regulatory risks and risks to reputation.

At the meeting on December 11, 2007, the Supervisory Board passed a resolution on forming a Nomination Committee in line with the German Corporate Governance Code directives of June 14, 2007. Such a committee would consist exclusively of shareholder representatives and propose to the Supervisory Board suitable candidates for its proposals of Supervisory Board members for election at the Annual General Meeting.

Corporate Governance

The Supervisory Board regularly deals with the application of the Corporate Governance principles.

Last year, the Supervisory Board dedicated its meeting on December 11, 2007 to detailed discussions of the amendments of the German Corporate Governance Code ratified on June 14, 2007.

At the meeting on December 11, 2007, the Supervisory Board examined the efficiency of its activities based on an evaluation questionnaire made available to the Supervisory Board members in good time before the meeting. The Supervisory Board also discussed procedures in the Supervisory Board, the information

flow between the committees and the Supervisory Board, and the timeliness and sufficient content of reporting by the Executive Board to the Supervisory Board on this occasion. Measures aimed at increasing efficiency were analysed.

At the meeting on December 11, 2007, the Supervisory Board also satisfied itself that MLP AG had met the recommendations of the German Corporate Governance Code in line with its declaration of compliance pursuant to § 161 of the German Stock Corporation Act (AktG) in the last financial year and will continue to strictly comply with the recommendations of the government commission on the German Corporate Governance Code (version June 14, 2007). In December 2007 the Supervisory Board and Executive Board issued a declaration of compliance pursuant to § 161 of the German Stock Corporation Act (AktG) for the financial year 2007 and made it permanently available to the shareholders via its website.

No conflicts of interest arose in the reporting period.

A summary of Corporate Governance at MLP, including the text of the declaration of compliance of December 2007, can be found in the Corporate Governance report by the Executive and Supervisory Boards in this annual report. All relevant information is also available on our homepage at www.mlp.de.

Audit of the annual financial statements and consolidated financial statements for 2007

The MLP AG annual financial statements as at December 31, 2007 and the management report of MLP AG were prepared by the Executive Board in line with the principles of the German Commercial Code (HGB). The consolidated financial statements and Group management report were prepared pursuant to § 315a of the German Commercial Code (HGB) in accordance with IFRS as adopted by the EU. Ernst & Young AG Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Stuttgart, Germany, has audited the financial statements and the management report of MLP AG as at December 31, 2007 and the consolidated financial statements and Group management report according to the principles of the German Commercial Code (HGB) and issued an unqualified auditor's opinion. The auditor has conducted the audit in accordance with generally accepted German standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer in Deutschland e.V. (IDW).

The financial statements, the auditors' reports and the Executive Board's proposal for use of the unappropriated profit were made available to all Supervisory Board members in good time.

The Audit Committee of the Supervisory Board examined these documents very thoroughly. The Supervisory Board also checked and discussed the documentation and reports in detail. The audit reports from Ernst & Young AG Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Stuttgart, Germany, were made available to all members of the Supervisory Board and were dealt with in full at the Supervisory Board meeting on March 26, 2008 in the presence of the auditor, who reported on the most important results of his audit. At this meeting, the Executive Board explained the financial statements of MLP AG and of the Group, the risk management system and gave detailed reports on the scope, focuses and costs of the audit.

The Supervisory Board concurred with the outcome of the auditors' audit and, on the basis of the final outcome of the Audit Committee's audit and its own audit, found no grounds for raising an objection. Accordingly, at its meeting of March 26, 2008, the Supervisory Board approved the annual financial statements and the MLP AG management report, as well as the consolidated financial statements and the consolidated management report prepared by the Executive Board in accordance with IFRS. The annual financial statements are therefore adopted.

The Supervisory Board agreed with the Executive Board's proposal to pay out a dividend of € 0.50 per share for the financial year 2007.

As of the Annual General Meeting on May 16, 2008 the term of office of Gerd Schmitz-Morkramer comes to an end, who no longer wishes to stand for election to the Supervisory Board due to age. Mr Schmitz-Morkramer has been a member of the MLP AG Supervisory Board since its inception in 1984. The members of the body would like to thank him for his many years of work as a trusted member of the board.

The Supervisory Board would like to thank the Executive Board, the management of the respective Group companies and all employees and MLP consultants of the MLP Group for their commitment and achievements in the financial year 2007.

Wiesloch, March 2008
The Supervisory Board



Manfred Lautenschläger
Chairman