

REVIEW OF 2007

CORPORATE STRATEGY

MLP has full banking licence



“This merger strengthens the position of MLP as an independent and holistic financial services provider.”

MLP CHIEF EXECUTIVE OFFICER
DR UWE SCHROEDER-WILDBERG

MLP has a clear business objective! That is the perfection of holistic financial advice. MLP Finanzdienstleistungen AG merged with the MLP Bank AG in May 2007. With this step, the new MLP Finanzdienstleistungen AG is the only large, independent financial and investment adviser to possess a full banking licence while at the same time advising its clients as a broker in questions relating to finance, old-age provision and wealth management. This offers many advantages: MLP can run its business operations in a more targeted way, optimise its internal processes and increase its transparency vis-à-vis the capital market.

COMMUNICATION

Client magazine FORUM gains striking new look

The multiple award-winning MLP client magazine FORUM gets an overhaul in appearance and content for the first time in the November 2007 edition. There is now a greater emphasis on consumer topics, and at the same time the bond between reader and magazine has been significantly strengthened through new interactive elements. The editorial staff attach particular importance to portraying the close bond between MLP clients and consultants.

MLP and Interhyp create joint venture to provide mortgages services

By strengthening its position in the mortgages sector, MLP has taken the next step towards further optimising its consulting service. Together with the mortgage broker Interhyp, MLP founded MLP Hyp GmbH in July 2007. MLP will conduct its mortgage business through this new company – in which Interhyp holds 50.2 % of the shares and MLP 49.8 %. This gives MLP consultants access to a wider range of products and an effective system landscape. Clients profit from an independent selection of a variety of products, whose interest rates are significantly lower than those on offer from traditional branch banks.

MLP concludes acquisition of Feri Finance AG

Within the scope of its steady expansion in wealth management, MLP exercised its option to acquire the remaining 43.4 % of Feri Finance AG in October 2007. After MLP had already acquired 56.6 % of shares in September



ber 2006, this transaction successfully completed the positioning of the Feri Finance AG within the MLP Group. The co-operation provides MLP with long-term access to Feri's modern and innovative investment concepts.

“With the new MLP Wealth Management Concepts, we are setting clear standards in the market.”

HORST SCHNEIDER, HEAD OF MLP WEALTH MANAGEMENT



“With its new design and contents, we have further strengthened the FORUM magazine as an essential instrument for client retention.”

CHRISTIAN MAERTIN,
HEAD OF COMMUNICATIONS, MLP AG

CONSULTING

MLP expands its wealth management segment

The chief beneficiaries of the strategic acquisition of Feri Finance AG are the clients, as this move opens up a new world of highly attractive investment opportunities. Feri acts within the MLP Group as an independent adviser, which together with MLP defines strategies for new concepts. This has facilitated the development of an innovative wealth management, which is available to MLP clients in modular form or structured to the individual. The basic concept behind this forward-looking investment philosophy is the multi asset and multi manager approach. Here MLP clients invest in a variety of asset classes within the same concept including alternative investments such as private equity or hedge funds. Feri independently chooses the best managers in each market segment.

Seal of approval for MLP Corporate University



The high quality of MLP consultants is not least a result of the steady flow of further education and training opportunities provided by the corporate university in Wiesloch: In March 2007 the MLP Corporate University received the seal of approval from the European Foundation for Management Development (EFMD), "because it successfully co-ordinates knowledge and learning management with business practice," says Gordon Shenton, Chairman of the CLIP Steering Committee.

MLP brokers student loans from the KfW bank

Following a successful pilot phase, MLP has been brokering student loans from the KfW bank nationwide since the beginning of 2007. Students can finance a monthly amount of between € 100 and € 650 at a variable interest rate via the KfW bank, regardless of their financial situation.

MLP Health Report: Germans believe health care standards are falling



Low health insurance premiums are also desirable in the health system. However, in November 2007 – around half a year after the German health system reform came into effect – more than half of all citizens surveyed considered health care standards to have fallen over the last three years. At the same time scepticism regarding future developments in the health care system has grown, particularly about increases in premiums and the prospect of a two-tier health system, feared by over three quarters of respondents. These are the key findings of the second MLP Health Report, a representative survey of around 1,900 citizens conducted by MLP in co-operation with the Institut für Demoskopie Allensbach (Institute for opinion research in Allensbach).

New consulting software

To optimise the wealth management of MLP clients still further, MLP has launched a new consulting software enabling MLP consultants to give more individual and comprehensive consultation in investments than ever before. This enables us to provide our clients with in-depth advice, particularly against a background of complex legal requirements.

New online portal for car insurance policies

MLP clients can save money with the help of a new online portal for car insurance policies. Since October 2007, interested parties have been able to compare the numerous tariffs of various insurers and finalise contracts directly at www.mlp-kraftfahrzeugversicherung.de. "We have selected tariffs that combine low premiums with comprehensive benefits from the wide range of products on the market," says Gerhard Frieg, member of the Executive Board of MLP AG.

LEGAL FRAMEWORK CONDITIONS

“What has long been the case at MLP is now becoming law.”

GERHARD FRIEG, MEMBER OF THE EXECUTIVE BOARD

New legal requirements such as the EU Insurance Mediation Directive, the consequences of the MiFID and the reform of the German Insurance Contract Law mean fundamental changes in the framework conditions for the financial services sector. This is what each law involves:



The German Insurance Contract Law (VVG), which dated back over 100 years, has now been reformed.

EU Insurance Mediation Directive: Tougher requirements on disclosing information

The Insurance Mediation Directive, which has been in place since May 22, 2007, aims primarily at strengthening consumer rights. It classifies the profession of an insurance broker as a trade that may only be practised with the authorisation of the Chamber of Commerce and Industry. In addition, minimum training criteria have been laid down. Brokers must take detailed minutes of the consultations, which should include the reason for the meeting, the current needs of the client as well as precise justification for the recommendations made – nothing new for MLP! Consultants have always provided their clients with in-depth and valuable information. The individual consulting documentation contains all information on the personal financial status and exceeds the statutory requirements by a long way.

MiFID: More consumer protection

The MiFID (Markets in Financial Instruments Directive) will harmonise the financial markets of the European Single Market, improving protection of consumers and investors and strengthening competition. The credit and finance sector in Germany had to implement the MiFID by November 1, 2007. The MiFID commits financial advisors to trading honestly, fairly and professionally in the best interests of the client. It also states that the costs of the financial services and particularly the extent of commission payments must be disclosed. In addition, it imposes extensive information requirements and duties to warn with the aim of providing the best possible consultation for the client – a demand which has always been a matter of course at MLP.

The German Insurance Contract Law: Greater transparency

The German Insurance Contract Law (VVG), which dated back over 100 years, was reformed, taking effect on January 1, 2008. The reformed law demands extensive requirements on disclosing information from insurance companies vis-à-vis clients, such as sales and acquisition costs for products. Moreover, the cancellation conditions and with-profit terms for life insurance policies have been redefined. According to this, consumers can terminate a contract up to 30 days after its conclusion without any reason. For all other types of insurance a notice period of 14 days applies. If a client terminates his/her life insurance prematurely, the savings balance is valued at a higher rate than previously. MLP backs these new regulations, as they guarantee a higher market quality.

INVESTOR RELATIONS

MLP shareholders authorise dividend increase and share buyback programme

MLP enables its shareholders to participate in the company's success. Shareholders voted to increase the regular dividend payment by a third to € 0.40 (€ 0.30) per share at the ordinary Annual General Meeting on May 31, 2007. A majority of 98.81% also voted to empower the Executive Board to buy back shares totalling a maximum of 10% of share capital up to November 29, 2008.

Award for annual report

The annual report of MLP reached fourth place in the "MDAX Companies" category of Manager Magazin's "Best Annual Report" competition. This is an improvement of nine places compared with the previous year. The annual reports were judged on content, design and language.



PERSONNEL MATTERS

Uwe Schroeder-Wildberg's contract extended



The MLP Supervisory Board voted unanimously to extend the current service contract of Dr Uwe Schroeder-Wildberg as Chairman & CEO by five years, up to the end of 2012. The contract was due to finish on December 31, 2007. Schroeder-Wildberg who completed his doctorate in business administration, began his professional career in 1995 at the Treasury Division of Südzucker AG in Mannheim. In 1999 he moved to Consors in Nuremberg, where he was Chief Financial Officer from 2001. Following the acquisition of Consors by the French bank Paribas, he became Chief Financial Officer of Cortalconsors in Paris. Schroeder-Wildberg was appointed Chief Financial Officer of MLP at the beginning of 2003 and has been Chairman and Chief Executive Officer since 2004.

Gerhard Frieg reappointed to the Board for another five years



Gerhard Frieg has been unanimously reappointed to the Board of MLP AG for a further five-year term, until May 18, 2012. He is responsible for the product management and purchasing division. The fully qualified lawyer began his career as an MLP consultant in 1987 in Münster. He then worked as an MLP consultant in Aachen. Between 1990 and 1992, Frieg managed the MLP branch office in Düsseldorf. In 1993 he moved to the MLP head office as a Head of Sales. Since 1995 Gerhard Frieg has acted as an Executive Board member at different MLP subsidiaries and since 1999 he has also been a member of the Executive Board of MLP AG.

Muhyddin Suleiman appointed as Executive Board member for Sales and Marketing



In September 2007 Muhyddin Suleiman was appointed to the MLP AG Executive Board. After finishing his course in business administration he qualified as a Certified European Financial Analyst at the Deutsche Vereinigung für Finanzanalyse und Asset Management. Following a period as a financial consultant at Merrill Lynch, he joined MLP as a consultant in 1993. From 1996 until 2000 he headed one of the branch offices in Karlsruhe. Since 2000, Suleiman has been a member of the Executive Board of MLP Finanzdienstleistungen AG as well as of the former MLP Vermögensverwaltung AG. Between 2005 and 2007 he was responsible for MLP's Sales in the western region of Germany.