

Corporate governance report

By complying with the German Corporate Governance Code of June 6, 2008, MLP continues to reinforce the confidence of its shareholders, clients, employees and other stakeholders in the management of the company. Responsible management geared toward long-term added value is a high priority for us. The Executive and Supervisory Boards ensure that MLP continues to review and develop corporate governance across the Group.

Responsible and value adding management

Management and controlling structure

Intensive dialogue between the Executive and Supervisory Boards forms the basis of transparent and responsible company management. The Executive Board of MLP AG provides the Supervisory Board with regular, timely and comprehensive information on the Group's position, including information on its risk situation, risk management and compliance. The Supervisory Board is informed of particularly important or urgent projects outside of the regular meetings. Furthermore, the Chairman of the Supervisory Board meets with the Chairman of the Executive Board on a regular basis to discuss specific issues. The Chairman of the Supervisory Board informs the other members of the Supervisory Board in detail about the content of his meetings with the Executive Board. The Supervisory Board discussed the Group's corporate planning and plans for strategic growth with the Executive Board.

Cooperation between Executive Board and Supervisory Board

The Supervisory Board advises and monitors the Executive Board. Significant legal transactions by the Executive Board require its approval. Internal rules of procedure issued by the Supervisory Board govern the distribution of business, powers of approval and its co-operation with the Executive Board. Further details on the cooperation between Executive Board and Supervisory Board can be found in the "Report by the Supervisory Board".

In the absence of the Executive Board, the Supervisory Board also reviewed the efficiency of its own activities in 2008. Particular attention was paid to the efficiency of the procedures in the Supervisory Board, the information flow between the committees and the Supervisory Board plenary meeting and the timeliness and sufficient content of reporting by the Executive Board to the Supervisory Board. Further measures aimed at increasing efficiency were discussed intensively in target-oriented talks.

Efficiency of the Supervisory Board

Efficient committee work

The Supervisory Board of MLP AG has set up committees in order to improve the effectiveness of its work. The Personnel Committee discusses HR issues concerning the Executive Board members with the company. The Audit Committee is responsible for accounting and risk management issues, the independence of the auditors, awarding the audit contract to the auditors, determining the focal points of the audits and agreements on fees. The committee also discusses the annual financial statements, the consolidated financial statements and the management reports of MLP AG and the MLP Group and submits a recommendation for resolution to the Supervisory Board. The Supervisory Board has formed a Nomination Committee which is exclusively composed of shareholder representatives who propose suitable candidates to the Supervisory Board for recommendation to the Annual General Meeting.

Supervisory Board committees

Corporate governance in the Supervisory Board

In 2008, the Executive and Supervisory Boards of MLP AG again dealt intensively with the German Corporate Governance Code. The changes to the Code ratified on June 6, 2008, were the object of in-depth discussions in a Supervisory Board meeting.

No conflict of interest
in the Supervisory
Board

The Supervisory Board considers itself to consist of a suitable number of members who have no business or personal relationship with the company or members of the Executive Board which could form grounds for a conflict of interest. The Supervisory Board examined the knowledge and experience required of the Chairman of the audit committee under the German Corporate Governance Code with regard to reporting and internal control procedures. The Chairman of the MLP AG auditing committee fully complies with the requirements. The recommendations made by the Code with regard to the election of the company's Supervisory Board were complied with as regards the Supervisory Board election in 2008. More specifically, this means that the Supervisory Board elections took the form of uninominal voting and that the nomination of the Chairman of the Supervisory Board was made known to the shareholders prior to the Annual General Meeting.

Transparency

Shareholdings of members of the Executive and Supervisory Boards as at the balance sheet date

As at December 31, 2008, the shares held by the members of the company's Executive and Supervisory Boards were distributed as follows:

Supervisory Board member	Number of shares as at Dec 31, 2007	Number of shares as at Dec 31, 2008
Dr. h.c. Manfred Lautenschläger ¹	12,991,597	25,205,534
Dr. Peter Lütke-Bornefeld	30,000	30,000
Johannes Maret	–	–
Dr. Claus-Michael Dill	– ²	–
Maria Bähr	11,503	11,503
Norbert Kohler	1,094	1,094

¹ Incl. additional voting rights in line with § 22 of the German Securities Trading Act (WpHG)

² Not specified since only a member of the Supervisory Board since May 16, 2008

Executive Board member	Number of shares as at Dec 31, 2007	Number of shares as at Dec 31, 2008
Dr. Uwe Schroeder-Wildberg	–	–
Gerhard Frieg	181,463	181,463
Muhyddin Suleiman	–	–

Directors' Dealings

The expanded regulation of § 15a of the German Securities Trading Act (WpHG) on publishing and reporting transactions with shares of the issuer or financial instruments which relate thereto has been in force since October 30, 2004. This stipulates that persons who perform executive functions for share issuers are to report these transactions to the issuers and the Federal Financial Supervisory Authority (BaFin). This duty also applies to persons with a close relationship to such a person.

No transactions pursuant to § 15a of the German Securities Trading Act (WpHG) were reported to us in the financial year 2008.

Directors' Dealings

Compliance

For us the principles of good company management also comprise compliance with all applicable laws and codes of conducts for the capital market. MLP has established a group-wide Compliance Organisation. In the interest of our clients, shareholders, employees and MLP, the Compliance Organisation supports the Executive Board in its task to ensure compliance with legal provisions and intra-company directives and to establish uniform standards for all Group companies. Executive Board and Supervisory Board are regularly informed about significant facts and events.

The MLP Group has a comprehensive volume of regulations on compliance which explains the legal regulations on insider law to members of the executive bodies and to employees alike, and gives a legal framework within which they can carry out their investment business. The guideline also ensures that sensitive information is handled responsibly at MLP. To prevent any impairment of client interests – in particular with regard to the securities business – we have defined policies regarding the avoidance and monitoring of conflicts of interest and the acceptance and granting of benefits. These policies are regularly reviewed and adapted to changing requirements.

Compliance guidelines

Information

By law, the shareholders are involved in all fundamentally important decisions at MLP AG, such as decisions on amendments to the articles of association and the issue of new shares. In order to help shareholders assert their rights, MLP offers them the option of having their voting rights exercised in writing by non-discretionary proxies appointed by the company. We report on the main content of the Annual General Meeting on our website at www.mlp-ag.de, where the Chairman's speech can also be accessed online.

In order to provide comprehensive and timely information on the company's position and significant changes in a way that ensures all stakeholders are treated equally, we use the Internet. Under "Investor Relations" on our homepage www.mlp-ag.de we have published both German and English versions of annual and quarterly reports, press releases, conference calls and presentations. Our financial calendar includes important events and dates for investors. Analysts' and media conferences are held at least once a year. In accordance with legal provisions, ad hoc notices are published on our website, where we also

Information of all target groups

provide comprehensive information on corporate governance at MLP. We provide access to our Declaration of Compliance on our homepage for at least five years.

Accounting and audit

The Group's accounts are prepared in line with the International Financial Reporting Standards (IFRSs). This offers a high level of transparency and improves comparability with competitors. Ernst & Young AG Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft, Stuttgart, Germany, was appointed as auditor by the Annual General Meeting and has audited the 2008 consolidated financial statements and reviewed the condensed financial statements and the interim management report (articles 37w(5) and 37y no. 2 of the German Securities Trading Act (WpHG)) in 2008. The Supervisory Board gave its assurance that the relations existing between the auditors and MLP or its governing bodies give no cause for doubting the independence of the auditor. The Supervisory Board of MLP AG not only examines the annual financial statements and the consolidated financial statements, but also the half-yearly and quarterly reports together with the Executive Board before their respective publication.

Remuneration report

Subject to the disclosure obligations pursuant to the German Commercial Law, the following remuneration report also forms part of the management report.

Remuneration of the members of the Executive Board

Fixed and variable remuneration of Executive Board

The members of the Group's Executive Board are entitled to both a fixed (non-performance-related) and a variable (performance-linked) remuneration in accordance with the concluded contracts of employment. The basis of assessment for variable remuneration are the earnings before tax (EBT) of the MLP Group in accordance with the respective (international) accounting standards applied in the Group. The key figure is the earnings before tax (EBT) that would have resulted without deduction of profit-sharing payments. If continuing operations/operations to be continued and discontinued operations/operations to be discontinued are to be recognised in the financial year, the basis of assessment is formed by the total of the earnings before tax (EBT) of the continued operations/operations to be continued and discontinued operations/operations to be discontinued. No costs and income directly connected with the discontinuation/sale of business segments are included in the basis of assessment. The variable remuneration is calculated on the basis of a fixed percentage of the assessment basis. Should a contract of employment commence or terminate during the course of a financial year, the profit-sharing payment for this financial year is granted pro rata temporis as a matter of principle.

The members of the Executive Board are furthermore entitled to unrestricted use of a company car and payments from a whole life and disability insurance policy.

Individualised Executive Board remuneration for the financial year 2008

All figures in €'000	Fixed portion of remuneration	Variable portion of remuneration	Total
Dr. Uwe Schroeder-Wildberg	528	249	777
Gerhard Frieg	384	200	583
Muhyddin Suleiman	380	200	579
Total	1,291	648	1,939

Individualised Executive Board remuneration for the financial year 2007

All figures in €'000	Fixed portion of remuneration	Variable portion of remuneration	Total
Dr. Uwe Schroeder-Wildberg	524	568	1,092
Gerhard Frieg	312	375	687
Muhyddin Suleiman	102	125	227
Total	938	1,068	2,006

One in 2007 retired member of the Executive Board has received € 122 thsd (previous year: € 1,215 thsd) in fixed remuneration and € 165 thsd (previous year: € 441 thsd) in variable remuneration. As at December 31, 2008, pension provisions for former members of the Executive Board amounted to € 8,718 thsd (previous year: € 8,711 thsd).

In addition there are long-term remuneration components. The members of the Executive Board participate in the Incentive Programme 2002 and the Long-Term Incentive Programmes 2005 to 2008. The structure of these programmes is described below.

Long-term remuneration components

Share options programme and share-based remuneration systems

The Annual General Meeting of MLP AG on May 28, 2002, conditionally increased the share capital of the company by up to € 1,700,000 by issuing a total of up to 1,700,000 new individual stocks in the name of the owner, each with a proportional value of the share capital of € 1. The conditional capital increase grants conversion rights to the owners of convertible debentures which are issued by the company on account of the authorisation resolution passed. The shares are issued to the owners of convertible debentures by the method for determining the conversion price defined in the authorisation resolution of the Annual General Meeting on May 28, 2002.

Employee profit-sharing programme (Incentive Programme 2002)

The same Annual General Meeting authorised the Executive Board, with the Supervisory Board's consent, to issue on one or more occasions a total of up to € 1,700,000 non-interest-bearing convertible debentures with a nominal value of € 1 each up to a total nominal value of € 1,700,000 over the period up to May 28, 2007. These may be issued with a term of six

years each to members of the Executive Board and company employees, as well as to members of the Management Board, sales representatives working as independent commercial agents and employees of companies associated with the company as defined by §§ 15 ff of the German Stock Corporation Act (AktG). They entitle the owners of convertible debentures to purchase new shares from the conditional capital of MLP AG in accordance with the convertible debenture conditions. If convertible debentures were issued to members of the company's Executive Board, only the Supervisory Board was authorised to issue these.

The convertible debentures were offered in allocated amounts in the years 2002 until 2005. Within the period from 2002 until 2005 a total of € 1,651,188 or units of convertible debentures were allocated. The size of each tranche was determined by the Executive Board with the approval of the Supervisory Board. The beneficiaries and the scope of the corresponding right to purchase the convertible debentures were determined by the Executive Board. If members of the Executive Board were affected, these factors were determined by the Supervisory Board.

Since the exercise hurdle (€ 39.28) for the allocation of the first tranche of convertible debentures from 2002 was not reached by August 19, 2005, the convertible debentures of the first tranche could no longer be converted. The nominal amount was refunded to the beneficiaries.

	Tranche 2003	Tranche 2004	Tranche 2005
Exercise period			
Start	Aug 5, 2006	Aug 17, 2007	Aug 16, 2008
End	Aug 4, 2009	Aug 16, 2010	Aug 15, 2011
Nominal amount (€)	1.00	1.00	1.00
Exercise prices (€)	7.02	12.40	13.01
Subscribed convertible debenture (€ or units)	281,040	677,042	577,806
Converted by Dec 31, 2006	140,632	–	–
Convertible debentures at Dec 31, 2006 (€ or units)	109,561	649,291	569,886
of which Executive Board (€ or units)	3,624	22,300	–
Converted in 2007	29,036	1,850	–
Refunded in 2007	1,930	64,847	16,868
Convertible debentures at Dec 31, 2007 (€ or units)	78,595	582,594	553,018
of which Executive Board (€ or units)	–	32,300	–
Converted in 2008	16,445	29,087	24,933
Refunded in 2008	4,320	42,619	37,538
Convertible debentures at Dec 31, 2008 (€ or units)	57,830	510,888	490,547
of which Executive Board (€ or units)	–	32,300	–

The exercise hurdle for the second tranche emitted in the financial year 2003 was reached in the financial year 2006. During the exercise period from August 5, 2006, to August 4, 2009, the bearers of convertible debentures are entitled to exercise their right to conversion. By the end of the financial year 2008, a total of 186,113 conversion rights had been exercised and converted into shares of MLP AG.

The exercise hurdle for the tranche 2004 issued in the financial year 2004 was reached in 2007. During the exercise period from August 17, 2007, until August 16, 2010, the bearers of convertible debentures are entitled to exercise their right to conversion. By the end of the financial year 2008, a total of 30,937 conversion rights had been exercised and converted into shares of MLP AG.

The exercise hurdle for the tranche 2005 issued in the financial year 2005 was reached in 2006. During the exercise period from August 16, 2008, until August 15, 2011, the bearers of convertible debentures are entitled to exercise their right to conversion. By the end of the financial year 2008, a total of 25,018 conversion rights had been exercised and converted into shares of MLP AG.

In 2005 a Long-Term Incentive Programme (“LTI”) was launched for the first time. It is designed to include the members of the Executive Board and selected managers of the MLP Group. This is a company performance plan based on key figures, which takes into account both the earnings before tax (EBT) and the rise in share price. Performance shares (phantom shares) can be allocated here. These are allocated to the members of the Executive Board by the Supervisory Board. A payout in cash of phantom shares will only take place if the earnings before tax (EBT) of the MLP Group in the years 2005 to 2007 reach a certain amount (performance hurdle), which is established by the Supervisory Board in accordance with MLP’s strategic planning. On December 12, 2005, a further tranche was approved for the financial year 2006. In this instance, too, these phantom shares are only paid out in cash if the Group’s earnings before tax (EBT) for 2006 to 2008 reach a sum established in advance by the Supervisory Board. Two additional tranches were approved in the financial years 2007 and 2008. Unlike previous tranches, the cash payout is determined on the basis of the triple earnings before interest and tax (EBIT) achieved in the financial year preceding the year of allocation (performance hurdle). Only when this performance hurdle is reached will the beneficiaries be entitled to receive a cash payout.

An equity settlement is not planned. The fair value of the phantom shares is recalculated on each closing date on the basis of an appropriate valuation method.

Long-Term Incentive
Programme 2005

If an employee or a member of the Executive Board leaves the company, the phantom shares granted expire. Of the total of 741,973 allocated performance shares, 114,067 expired by December 31, 2008.

All figures in units	Tranche 2005 (paid out in 2008)	Tranche 2006	Tranche 2007	Tranche 2008
Performance shares at time of allocation	144,728	135,300	233,120	228,825
of which Executive Board	89,592	78,173	117,899	122,983
of which others	55,136	57,127	115,221	105,842
Performance shares as at Dec 31, 2007	99,932	90,200	233,120	–
of which Executive Board	53,411	46,603	117,899	–
of which others	46,521	43,597	115,221	–
Performance shares expired in 2008	8,615	7,517	8,039	–
Performance shares paid out	91,317	–	–	–
Performance shares as at Dec 31, 2008	–	82,683	225,081	228,825
of which Executive Board	–	46,603	117,899	122,983
of which others	–	36,080	107,182	105,842

The payments for the 2005 tranche took place in the past financial year. The performance shares of the tranche 2006 will be forfeited as the performance hurdle was not achieved. This is subject to verification by the Supervisory Board pending at the time of preparation of these financial statements. As at December 31, 2008, the tranches 2006 to 2008 have a value of € 0 thsd.

Executive Board members active at December 31, 2008, hold convertible debentures issued by the company. See the table below for further details:

All figures in €'000 or units	Convertible debentures Tranche 2004 (value as at grant date)	Convertible debentures Total units as at Dec 31, 2008	Convertible debentures Total units as at Dec 31, 2008
Dr. Uwe Schroeder-Wildberg	49	12,300	12,300
Gerhard Frieg	40	10,000	10,000
Muhyddin Suleiman	40	10,000	10,000
Total	130	32,300	32,300

Within the scope of the Long-Term Incentive Programme, members of the Executive Board received performance shares (phantom shares) in the years 2005 to 2008. The table below shows the number of units and values of phantom shares, excluding those paid out:

All figures in units	Tranche 2006	Tranche 2007	Tranche 2008
Fair value at grant date (€)	16.63	9.33	9.92
Dr. Uwe Schroeder-Wildberg	24,053	53,591	50,403
Gerhard Frieg	18,040	32,154	36,290
Muhyddin Suleiman	4,510	32,154	36,290
Total	46,603	117,899	122,983

See note [27] “Equity-share-based payments” for further details on share-based payments.

Individual occupational benefit plans have been established for members of the Group Executive Board. An old-age pension upon reaching 62 years of age, a disability pension, a widow’s pension and orphan’s benefits have been guaranteed. The amount of the agreed benefit is 60 % of the last fixed monthly salary received, or is fixed separately on the basis of amendments to the service contracts.

The contracts of employment between the company and the Chairman of the Board, Dr. Uwe Schroeder-Wildberg, and with Executive Board members Gerhard Frieg and Muhyddin Suleiman contain a clause stating that they are entitled to terminate their contracts with a notice period of one month in the event that a third party who had a share in MLP of less than 10 % at the time at which the contracts were concluded purchases a share of at least 50 % of the voting rights. This right to termination is also valid in case of a reorganization of the company in line with the German Reorganization of Companies Act, provided the company is not the incorporating legal entity. Should they exercise this right to termination, MLP is obliged to pay them the fourfold annual fixed remuneration which would have been payable, had the contract not been terminated by them as a result of the change of control and provided that the termination of contract is more than two years before its scheduled termination. The contract of employment of Dr. Schroeder-Wildberg has a term until December 31, 2012, of Mr. Frieg until May 18, 2012, and of Mr. Suleiman until September 3, 2012. In the case of a termination of contract within the two years of the scheduled termination the severance payment shall be paid pro rata temporis.

Payments in the case of termination of employment

Remuneration of the members of the Supervisory Board

Fixed remuneration for Supervisory Board

In addition to compensation for their expenses for the financial year, the members of the Supervisory Board receive a fixed annual remuneration of € 30,000 in accordance with the articles of association. The Chairman of the Supervisory Board receives double and his deputy one and a half times this amount. An additional remuneration is granted for activities in a committee. This amounts to 0.3 times the basic remuneration as a Supervisory Board member for each committee. The Chairman of the committee receives 0.4 times the basic remuneration, his deputy 0.35 times this amount. If the Chairman of the Supervisory Board also holds the chair in one or more committees, he receives only the basic remuneration (0.3 times the fixed Supervisory Board remuneration) per committee in addition to his remuneration for the Supervisory Board. The fixed portion of remuneration is paid after the end of the financial year. No member of the Supervisory Board receives any variable or share-based remuneration payments.

Individualised Supervisory Board remuneration

All figures in €'000	Fixed portion of remuneration 2008	Fixed portion of remuneration 2007
Dr. Peter Lütke-Bornefeld (Chairman ¹)	67	48
Dr. h.c. Manfred Lautenschläger (Vice Chairman ²)	86	78
Johannes Maret	57	48
Dr. Claus-Michael Dill ³	36	–
Norbert Kohler	30	30
Maria Bähr	30	30
Gerd Schmitz-Morkramer ⁴	27	63
Total	333	297

¹ Chairman since Dec 16, 2008

² Vice Chairman since Dec 16, 2008

³ Member of the Supervisory Board since May 16, 2008

⁴ Member of the Supervisory Board until May 16, 2008

In the financial year 2008 € 4 thsd (previous year: € 7 thsd) were paid as compensation for expenses.

Declaration of compliance

MLP AG complies strictly with the recommendations of the Government Commission on the German Corporate Governance Code (version of June 6, 2008) with the exception only of sections 3.8 sentence 4, 4.2.3 (4) and (5), 5.1.2 sentence 6, 5.4.1 sentence 2 and 5.4.6 sentence 4.

Compliance with the
Corporate Governance
Code

A Directors and Officers insurance policy (D&O insurance) with no excess is in place for the members of the Executive and Supervisory Boards. An excess is ill-suited to increasing the committee members' motivation and sense of responsibility.

The service contracts with the Executive Board members of MLP AG stipulate that, in the case of premature termination in the event of the dismissal of an Executive Board member, a payment is made corresponding to a maximum of four times a fixed annual salary. This is paid on a pro-rata-temporis basis should the contract be terminated within the last two years. This rule is also valid if a third party with a share in MLP of less than 10% at the time at which the contract was concluded acquires a share of at least 50% of voting rights and the member of the Executive Board exercises his right to terminate the contract. There is no entitlement to compensation in the case of termination of contract by mutual agreement. Compensation based on the total remuneration of the last financial year – as regulated by the German Corporate Governance Code – and which thus also includes a variable portion of remuneration, is in the view of the company, unsuitable as a basis of assessment relating to future contractual periods. Provisions for compensation in the case of contracts terminated by mutual agreement can only be a guideline, which the parties involved are free to deviate from at any time.

There is no age limit for the members of the Executive and Supervisory Boards of MLP AG. The appointment of members of the Executive and Supervisory Boards should be geared solely towards knowledge, skills and specialist experience. For this reason we will not implement this recommendation in 2009. This was also the case in 2008.

No age limit for
members of the
Executive and
Supervisory Boards

The members of the MLP AG Supervisory Board do not receive performance-related pay as no convincing plans in support of such remuneration structures have yet come to light. For this reason we will not implement this recommendation in 2009. This was also the case in 2008.

In December 2008, the Executive and Supervisory Boards issued a Declaration of Compliance pursuant to § 161 of the German Stock Corporation Act (AktG) and made it permanently available to shareholders via the company's website. You can view the text of the Declaration of Compliance of December 11, 2008, at www.mlp-ag.de.

Declaration of
Compliance

You can find further information on corporate governance at MLP on the Internet at www.mlp-ag.de.

Corporate responsibility report

Basic principles

Added value for all stakeholders

A goal of corporate responsibility (CR) at MLP is to create long-term added value for those people that have a relationship with our company. Responsibility is at the heart of the values in our corporate culture and goes hand in hand with individuality, independence, trust, performance and innovation.

Assumption of responsibility at MLP is anchored in five key fields of action, which are detailed below. We are committed to championing the success of our clients and investors, the welfare of our consultants and employees and successful cooperation with our partners. We also support the community. The following chapter shows how and where the MLP Group assumed responsibility in the financial year 2008.

Clients

Responsibility for clients

We define responsibility for our clients as follows: MLP advises its clients based on their specific needs and independently of product providers. We focus on individuality, trust and a long-term approach here. In the competition “Germany’s most client-oriented service provider 2008”, MLP once again achieved one of the top places in the field of financial service providers.

We have always welcomed political reforms and reform efforts whose principle goal is to improve consumer protection and we already go beyond prescribed requirements in many areas.

With the revision of the data protection directive and publication of a “Client newsletter on data protection” we further built on our high data protection standards and increased transparency for our clients in the last financial year. To ensure the strictest security requirements for online banking (MLP Financepilot) we have introduced an indexed and mobile TAN system.

Investors

Responsibility for shareholders

Responsibility to our investors means operating a system of active value management and gearing our actions toward continuous, lasting company value. Our reporting system ensures value-driven, transparent and prompt reporting. In the financial year 2008, the Executive Board and Supervisory Board once again continuously monitored and further developed the MLP corporate governance throughout the Group. Alongside obvious factors such as fulfilling all relevant specifications and requirements, for MLP the principles of good company management also include a qualified, sustainable system of risk management and a Group-wide compliance organisation (please refer to the section entitled “Company objectives and corporate management,” the “Risk and disclosure report,” as well as the “Investor relations” and “Corporate governance report” for details).

Consultants and employees

The well being of MLP consultants and employees is our most important asset. It is on their commitment and performance that the success and greatest potential of our company is built.

MLP "top employer"

For the second time, the magazine "Handelsblatt Junge Karriere" and the market research company CRI honoured MLP in the financial year 2008 as "top employer". We see this as a neutral confirmation of our HR policy, whose objective is to generate a culture of performance and trust. Individual advancement, lifelong qualification and long-term loyalty of our employees remain key success factors here. Compared to the previous year, we have increased the average number of employees in the continuing operations by 9.2 % and employed a total of 1,986 staff members as at December 31, 2008.

In 2008, MLP introduced a participation programme for consultants and employees, as well as a multi-stage programme for junior staff. The MLP Corporate University, which ranks among the best corporate academies in Europe and has received the so-called CLIP accreditation from the European Foundation for Management Development, has a central function in the Group. In the last financial year, a total of approximately 50,000 training days were held throughout the Group – another increase compared to the previous year.

In addition to this, MLP further strengthened its profile as a family- and child-friendly company. We consider occupational pension provision an important constituent of our comprehensive social contributions and ensure awareness among consultants and employees of the importance of personal health provision (please refer to the "Personnel and social report" for details on this).

Partners

Corporate responsibility at MLP is also geared towards our business partners. To ensure that our clients get the right products for their specific needs, we perform a very thorough product selection process. Here, we assess products from the portfolio of leading banks, insurance and investment companies and draw up suggestions for improvements to benefit our clients.

In addition, a high level of service quality among product partners forms a key foundation for the satisfaction of our clients. In 2008, we therefore presented the MLP Service Award to product partners for the third time. The award, which is based on a survey among MLP consultants, refers to the segments of old-age provision, health insurance and non-life insurance, and assesses fifteen criteria such as professional competence, availability and promises kept.

MLP Service Award

Society

Responsibility for our society

MLP ranks among the one hundred largest listed corporations in Germany. As part of the social market economy, we also hold responsibility for our society as a whole – and are therefore committed to supporting social projects and the future of our community. The reason for this is simple – behind the concept of corporate social responsibility (CSR) lies the question of social cohesion.

For decades, MLP has combined successful entrepreneurship with a commitment to securing common welfare. The following pages offer a summary of the social responsibility of the MLP Group for the financial year 2008. CSR at MLP is focused on five key areas: universities, sport, culture, ecology, as well as health and social issues. At this point it is also important to mention the diverse social commitments of the MLP branches in their local area, the promotion of charitable foundations by our subsidiary Feri Finance Group and the broad spectrum of work performed by the non-profit foundation of company founder Dr. h.c. Manfred Lautenschläger.

Universities

MLP supports universities

The future of Germany and Europe depends greatly on the performance of universities. MLP therefore considers its support of universities and students one of its most important commitments. Indeed, we are among the largest and most reliable corporate partners to universities.

In the financial year 2008 we further expanded our cooperation with universities and fellowships. Predominantly to reinforce the Bologna objective of improved orientation in the world of work during studies at university, MLP now supports so-called public-private partnerships with around 40 universities, faculties and further cooperations in the career services field to help students gain a successful start to their career.

On October 16, 2008, MLP held its fourth expert conference, addressing current challenges in higher education and academic policies. The theme of the MLP University Day at the Berlin-Brandenburg Academy of Sciences was the internationalisation of research and education. High-ranking representatives from the university arena and the European Commission, the German Bundestag and the Foreign Office took part in the conference.

Support for over ninety student magazines within the scope of the ProCampus press initiative, as well as the annual convention of the German Federal Association for University Communication were further projects in the university focus in 2008. We also continued our many years of support for the endowed chair for university and scientific management at the German University for Administrative Sciences in Speyer. At the “Day of Scientific Management” at the MLP Corporate University on October 29, 2008, leading

experts such as the president of the Free University of Berlin and “University Manager of the Year”, Professor Dieter Lenzen, gave lectures on topics including university management and marketing. Together with the “Stifterverband” and the Deloitte Foundation, MLP also facilitated a scientific study on the topic of “quaternary education” in the sense of further education as a business area of universities, and supported an expert conference dealing with the findings on November 19 and 20, 2008, at the MLP AG headquarters.

Our nation-wide “Join the best” initiative also had the objective of strengthening the international mobility of students in the financial year 2008. In a competition with more than 3,400 participants, following several elimination stages fifteen talents won the opportunity to take up a work placement overseas at such global players as Allianz Group, Bertelsmann, BASF, PricewaterhouseCoopers and SAP. The 15 winners also receive planning support, insurance cover and a grant from MLP.

MLP supports mobility
of students

Sport

Sport and movement encourage a healthy, active body, while also promoting social interaction. MLP is therefore committed to supporting university and leisure sports. We also support the “Rhein-Neckar sport region”.

MLP has been title sponsor of the German University Sports Championships since 2004 – in the financial year 2008 supporting basketball, beach volleyball, football and golf. And by sponsoring USC Heidelberg we continue to support the growth of basketball in Germany. The professional league riders in the MLP cycling team are committed to keeping professional cycling a sport free of doping incidents.

The popular sports highlight of the year in 2008 was once again the MLP Mannheim Marathon. This event is known throughout Germany and is unique since competitors only reach the finishing line at Mannheim Rosengarten after dusk. Around 8,000 runners took part in the event on May 24, 2008, which also attracted 130,000 visitors.

MLP Marathon
Mannheim

Culture

As prime partner of the “Heidelberger Frühling” international music festival, we are involved in the innovative financing concept of one of the most successful young German festivals, thereby supporting classic and contemporary music with internationally renowned artists. In the cultural support arena, in 2008, we also continued our patronage of the Palatinate Chamber Orchestra we initiated in 2006. The orchestra performs around 80 concerts every year.

MLP encourages environmental friendly behaviour

Ecology

Although MLP has only limited influence on the environment as a financial and investment adviser, the relevant areas within our company are geared to environmental awareness and friendliness.

Since their construction, the buildings of MLP AG in Wiesloch are supplied with heat and regenerative energy solely via the local heat network of the Wiesloch biomass heating station. The environmentally friendly heat is generated by burning natural wood harvested during countryside and forestry maintenance work in the region. Using renewable raw materials in this way allows long-term, CO₂-neutral energy generation with a carbon dioxide saving of more than 620 tonnes per year compared to conventional oil heating.

Among other areas, MLP Facility Management and Group Purchasing also built on their measures to increase energy efficiency and energy optimisation as well as environmentally friendly use of resources in the financial year 2008. Points of note here include the frequency-controlled pump technology in the heating system, the technology for central control of the heating, ventilation, sanitary and electrical installations, as well as an air conditioning system with reduced consumption thanks to free cooling and use of natural night-time cooling to reduce the room temperatures in summer.

Health & social aspects

Development of statutory health system

We are committed to sustainable further development of the German healthcare system. The 2008 MLP Health Report, in which the Allensbach Institute questioned around 2,300 citizens and doctors, once again highlighted strengths and weaknesses in medical provision in Germany. MLP also supported aspiring medics in 2008 with the “Medi-Chance” scholarship programme.

Social cohesion is also a key aim within the scope of MLP Finanzdienstleistungen AG's donations and sponsorships. Examples range from supporting the non-profit community foundation “Bürgerstiftung Wiesloch”, right up to support of the crisis line in Stuttgart, the “Stiftung Kinderland” children's foundation or the “Kinderhospiz Sterntaler” children's hospice. In addition, MLP also played an active part in the first volunteer day in the Rhein-Neckar metropolitan region held on September 20, 2008. A total of 6,700 helpers all worked to the motto “We can do it” in their support of over 300 individual projects.

On February 7, 2008, the Berlin-based foundation “Gute Tat” was awarded the annual Feri Foundation Award 2008, an award that the Feri Finance AG presented every year since 2005.