

MLP initiates extensive investments and accelerates its efficiency programme

- Group-wide package of measures to be brought forward to the current financial year
- Extensive investment package includes further strengthening of the MLP brand through a marketing campaign
- One-off exceptional costs of around EUR 30 million to be incurred in the current financial year
- Reduction of fixed costs by a total of at least EUR 30 million by the end of 2012
- Reiteration of the forecast: Operative EBIT margin to rise to 15 percent in 2012

Wiesloch, 11th April 2011 – MLP, the independent financial services and wealth management consulting company, is initiating extensive investments. At the same time, the company is accelerating its ongoing efficiency programme – measures originally planned to be implemented by the end of 2013 will be brought forward to the current financial year. The central aim focuses on the strengthening the MLP brand through a comprehensive marketing campaign, significant improvement of visibility at the branch locations, even more effective support for the MLP consultants as well as further optimisation of processes.

“We had a pleasing start to the year, particularly in wealth management and health insurance. Through the initiation of extensive investments we are now laying the foundation for future growth,” comments MLP Chief Execu-

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tive Officer, Dr. Uwe Schroeder-Wildberg. "At the same time, we are accelerating our efficiency measures in order to ensure that, despite the additional investments, MLP develops highly profitably and can fully benefit from the reduced costs from 2012."

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The concentration of the efficiency measures into the current financial year will lead to one-off exceptional costs of around EUR 30 million in 2011. From the following year onwards, the programme will contribute towards a significant increase in the previously planned efficiency measures. Overall, and on this basis, MLP expects to achieve a sustainable reduction in its annual fixed costs by the end of 2012 amounting to at least EUR 30 million.

Precipitated by extensive changes in the market

The programme addresses the needs arising from extensive changes within the market during recent years. Numerous new regulatory requirements, new legal regulations in old-age provision and healthcare coupled with a significant rise in the complexity of the product landscape have led to far-reaching changes and have considerably increased the administrative burden on consultants. At the same time, client demands have continued to alter and the financial and economic crisis of 2008 and 2009 led to hesitancy and restraint on the part of clients, particularly with respect to long-term contracts. "Our industry has changed more over the last five years than it did during the previous twenty years and this trend is set to continue. Through the investments we are making and the acceleration of our efficiency measures, we are preparing MLP even sooner to meet the challenges of the future," explains Dr. Uwe Schroeder-Wildberg.

More intensive client consulting through targeted consultant support

One of the main aims is that MLP consultants have more time available to manage and service the needs of their clients. In this respect, MLP is moving towards even greater standardisation and automation of consultants' administrative activities as well as further improving the workplace processes. The measures include a reduction in the complexity of the IT and the consulting programmes in order to, for example, simplify the product selection process for consultants. A further area of focus will be to provide consultants with even more effective support from the back office. In order to achieve this objective, MLP is amalgamating the various consultant services into one unit as well as strengthening sales-related areas.

In this context, MLP is also realigning its management structures which will lead to a reduction of 14 management positions at the company's headquarters. This will, in turn, result in capacity adjustments in individual departments amounting to a reduction of 42 employees at headquarters in Wiesloch (total number of employees 31.12.2010: 1,672). MLP will implement these adjustments in a socially acceptable manner and will seek to find appropriate and responsible solutions for all employees concerned. Moreover, MLP will make use of the regular employee fluctuation and will largely not refill vacant positions.

Extensive investments in IT and the MLP brand

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In addition to IT processes, MLP is also focussing its investment on the further strengthening of brand awareness through the implementation of a comprehensive marketing campaign. An additional priority involves the further development of new client acquisition channels at universities, such as through stronger online communication. At larger city locations MLP is, in each case, amalgamating its individual branches into one larger building. The consolidation of administrative and organisational activities will lead to reduced costs and improved processes. Additionally, MLP is further strengthening its service to clients and significantly improving its local visibility. In a pilot scheme, and as one of the first financial services companies in Germany to do so, MLP is introducing a feedback system for clients at the consultant and branch level. "Through our programme we will resolutely continue to focus on absolute client orientation," comments Uwe Schroeder-Wildberg.

Outlook: Increase in operative EBIT margin to 15 percent in 2012

MLP reiterates its forecast that the operative EBIT margin will rise to 15 percent in 2012 (2010: 9.0 percent). "Through the measures that we have decided upon, we have laid the crucial foundation to enable MLP to achieve its margin goal despite the significantly higher investments and the continually difficult prevailing conditions in old-age provision," explains MLP Chief Financial Officer, Reinhard Loose.

About MLP:

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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 more than EUR 19.8 billion and supports more than 774,500 private and over 4,000 corporate clients. The financial services and wealth management consulting company was founded in 1971 and holds a full banking licence.

The concept of the founders, which still remains the basis of the current business model, is to provide long-term consulting for academics and other discerning clients in the fields of old-age provision, financial investment, health insurance, non-life insurance, loans and mortgages and banking. Those with assets above EUR 5 million are looked after by the subsidiary Feri Family Trust. Moreover, the Group provides consulting services to institutional investors via Feri Institutional Advisors GmbH. Supported by its subsidiary TPC and the joint venture HEUBECK-FERI Pension Asset Consulting GmbH, MLP also provides companies with independent consulting and conceptual services in all issues pertaining to occupational pension schemes and remuneration as well as asset and risk management.