

## MLP posts significant rise in earnings after nine months – Revenue growth in Q3

- **9M: EBIT climbs from EUR 4,6 million to EUR 26.7 million – reflecting the continuing benefits of MLP’s early implementation of its efficiency program**
- **Q3: Slight uptrend in old-age provision, high momentum in wealth management – total revenue increase by 4 percent**
- **Assets under Management total EUR 20.9 billion (30.6.: EUR 20.2 billion)**
- **Full year: Operating EBIT margin goal of 15 percent still achievable despite difficult market conditions**
- **Further pick-up expected in old-age provision and health insurance**

**Wiesloch, 14th November 2012** – MLP, the independent financial services and wealth management consulting company, significantly increased its earnings in the first nine months of 2012 and continued to benefit from the early implementation of its efficiency program. Supported by stable revenue development, earnings before interest and taxes (EBIT) climbed from EUR 4.6 million to EUR 26.7 million; the increase in operating EBIT (EBIT before one-off exceptional costs) amounted to 43 percent. Group net profit rose sharply from EUR 2.0 million to EUR 18.6 million.

As in the second quarter, MLP was also able to maintain the very dynamic momentum in wealth management throughout the period from July to September. Despite the difficult framework conditions there was a slight pick-up in both the old-age provision and the health insurance business

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areas which should strengthen during the final quarter. Overall, revenue in the third quarter amounted to EUR 121.5 million, corresponding to an increase of 4 percent compared to the same period in the previous year and 8 percent compared to the second quarter 2012.

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“MLP continues to operate in difficult markets. The deteriorating economy and the discussions surrounding the European debt crisis are causing many investors throughout the industry to remain hesitant – particularly towards long-term contracts for old-age provision,” comments MLP Chief Executive Officer Dr. Uwe Schroeder-Wildberg. “However, in recent years we have shown that we are able to perform successfully even in challenging markets – as also highlighted by the results in the first nine months. At the same time we are reaping the benefits of our efficiency program whilst also profiting from the broadening of our business model, above all the strengthening of our wealth management business.”

## **9M: Significant growth in wealth management**

In the period from January to September total revenue amounted to EUR 355.3 million and therefore remained at the level of the previous year (9M 2011: EUR 356.5 million). Revenue from commissions and fees totalled EUR 319.6 million (EUR 322.8 million) and accounted for the largest portion of this figure. Interest income stood at EUR 20.6 million and thus remained at the previous year's level (EUR 20.9 million). Other revenue amounted to EUR 15.1 million compared to EUR 12.8 million in the first nine months of 2011.

The revenue breakdown by consulting areas shows that MLP benefited above all from the continuing dynamic momentum in wealth management. In the first nine months, revenue rose by 41 percent to EUR 83.7 million (EUR 59.2 million). Viewing the third quarter in isolation, the increase amounted to 82 percent. This growth was substantially supported by positive business development at the subsidiary Feri, which has become an important pillar for MLP. Non-life insurance also developed successfully – revenue in the first nine months amounted to EUR 26.7 million, equating to an increase of 7 percent compared to the previous year (EUR 25.0 million).

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In private health insurance, revenue in the first nine months amounted to EUR 45.5 million and thus remained significantly below the previous year (EUR 56.8 million). This fall was attributable to a change in the law from 1st January 2011 which made it easier for employees to switch to private health insurance. This led to a catch-up effect, particularly in the first quarter 2011. Third quarter revenue totalled EUR 13.7 million and thus remained below the same period in the previous year (Q3 2011: EUR 15.1 million) but above the second quarter (Q2 2012: EUR 12.7 million).

In the third quarter an upward trend was also evident in old-age provision. The premium sum for new business stood at EUR 1.0 billion and thus remained at the level of the previous year (Q3 2011: EUR 1.0 billion). Following a pick-up in business, particularly in September, this development is not yet fully reflected in the revenue. In the third quarter, revenue amounted to EUR 54.9 million and were therefore below the same quarter in the previous year (Q3 2011: EUR 62.7 million) but above the second quarter

2012 (Q2 2012: EUR 48.4 million). Revenue in old-age provision for the first nine months of 2012 totalled EUR 152.3 million (9M 2011: EUR 169.6 million).

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## **9M: EBIT rises to EUR 26.7 million**

At the end of September, Group EBIT amounted to EUR 26.7 million (9M 2011: EUR 4.6 million). As the same period in the previous year included one-off exceptional costs of EUR 14.1 million, the increase in operating EBIT was 43 percent (from EUR 18.7 million to EUR 26.7 million). Group net profit rose from EUR 2.0 million to EUR 18.6 million.

The successful earnings development reflects, above all, the benefits of MLP's early implementation of its efficiency program. After taking account of the one-off exceptional costs in the previous year, the operating fixed costs in the first nine months fell by EUR 12.4 million compared to the same period in 2011 and by EUR 22.8 million compared to the first nine months of 2010. "Our efficiency program is therefore still fully on track," comments MLP Chief Financial Officer Reinhard Loose.

The balance sheet strength of MLP is reflected in an equity ratio of 25 percent at 30th September 2012. At this reference date, the core capital ratio stood at 17.7 percent which far exceeds the 8 percent level prescribed by the supervisory body for banks such as MLP.

## **Q3: Total revenue increase by 4 percent**

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Supported by the very positive development in wealth management, total revenue in the third quarter alone rose from EUR 116.3 million to EUR 121.5 million. EBIT climbed steeply from EUR 2.9 million to EUR 11.1 million; operating EBIT increased by 71 percent compared to the previous year. Group net profit amounted to EUR 8.3 million (Q3 2011: EUR 1.7 million).

## **Assets under Management increase significantly to EUR 20.9 billion**

Assets under Management at 30th September 2012 rose substantially to EUR 20.9 billion (30th June 2012: EUR 20.2 billion). In old-age provision the premium sum after nine months stood at EUR 2.4 billion and was thus below the previous year (9M 2011: EUR 2.9 billion). The occupational pension business accounted for 11 percent of this figure. Viewing the third quarter in isolation, the volume of new business stood at EUR 1.0 billion – equal to the corresponding period of the previous year (Q3 2011: EUR 1.0 billion).

## **21,600 new clients**

In the first nine months MLP welcomed 21,600 new clients (9M 2011: 22,800). The total number of clients rose to 807,600 (30th June 2012: 804,400). The number of consultants stood at 2,099 and thus remained almost unchanged compared to the figure in the previous quarter (30th June 2012: 2,104).

## **Renewed positive rating by clients**

In September MLP was once again ranked in first position in a survey conducted on the online assessment portal “WhoFinance.de” – ahead of

Quirin Bank, Deutsche Bank and Volks- & Raiffeisenbanken. At “WhoFinance.de” clients have the opportunity to rate the quality of their financial advisors at banks, insurance companies and other financial services providers.

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### **Outlook: Further pick-up expected – EBIT margin goal achievable**

As in previous years, the coming final few weeks of this financial year will once again have a decisive influence on the full year result. “The market environment is placing extremely high demands on our consultants and there continue to be risks for our revenue development. Following the establishment of an uptrend at the end of the third quarter and in the initial weeks of the fourth quarter, we anticipate – from a current perspective – that we will see a further pick-up in old-age provision and health insurance through to the end of the year,” comments Reinhard Loose. At the same time, MLP expects the dynamic development in wealth management to continue and reiterates its guidance of achieving a reduction in its fixed costs to around EUR 249 million in the full year. This figure is EUR 30 million less than in the financial year 2010 and EUR 24 million less than 2011. “Our year-end goal to increase the operating EBIT margin to 15 percent therefore remains achievable,” comments Reinhard Loose.

Overview of the key figures

Continuing operations (in EUR million)	Q3/2012	Q3/2011	Change in %	9 months 2012	9 months 2011	Change in %
Revenue	118.0	112.3	5	340.2	343.7	-1
Revenue from commissions and fees	111.3	105.3	6	319.6	322.8	-1
Interest income	6.7	7.0	-4	20.6	20.9	-1
Other revenue	3.6	4.0	-10	15.1	12.8	18
<b>Total revenue</b>	<b>121.5</b>	<b>116.3</b>	<b>4</b>	<b>355.3</b>	<b>356.5</b>	<b>0</b>
<i>Operating EBIT (before one-off exceptional costs)</i>	11.1	6.5	71	26.7	18.7	43
Earnings before interest and tax (EBIT)	11.1	2.9	>100	26.7	4.6	>100
Earnings before tax (EBT)	11.0	3.0	>100	26.9	4.2	>100
Net profit	8.3	1.6	>100	18.6	1.4	>100
Group net profit (incl. discontinued operations)	8.3	1.7	>100	18.6	2.0	>100
Earnings per share (diluted) in EUR	0.08	0.02	>100	0.17	0.02	>100
Clients				807,600	804,400*	0
Consultants				2,099	2,104*	0

\*) 30th June 2012

About MLP:

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 20.9 billion and supports more than 805,000 private and 5,000 corporate clients or employers. 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 provision, financial investment, health insurance, non-life insurance, loans and mortgages and banking. Private individuals with assets above € 5 million and institutional clients benefit from extensive wealth management and consulting services as well as receiving economic forecasts and ratings provided by the subsidiaries of the Feri Group. 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.