

## MLP concludes 2012 with significant growth after a dynamic fourth quarter

- **Q4: Total revenue rises by 13 percent to EUR 212.8 million compared to the previous year – old-age provision climbs 9 percent above Q4 2011**
- **Full year: Total revenue increases by 4 percent to EUR 568.0 million – significantly improved revenue quality due to balanced revenue mix**
- **Operating EBIT rises by 46 percent to EUR 74.1 million – the highest figure since 2007, net profit: EUR 52.7 million (2011: EUR 11.5 million)**
- **Operating EBIT-margin grows by around 40 percent to 13.0 percent, EBIT margin in the financial services segment: 15.0 percent**
- **Executive Board proposes a dividend of 32 cents per share**
- **Outlook for 2013 to 2015: EBIT corridor of EUR 65 to 78 million expected**

**Wiesloch/Frankfurt, 28th February 2013** – Despite the continuingly difficult framework conditions, MLP concluded the financial year 2012 with the highest pre-tax earnings since 2007, the year prior to the outbreak of the financial crisis: Supported by a 4 percent increase in total revenue, earnings before interest and taxes (EBIT) rose from EUR 17.3 million in the financial year 2011 to EUR 74.1 million. After adjustment for one-off exceptional costs in the previous year, the increase amounted to 46 percent. Group net profit totalled EUR 52.7 million, compared to EUR 11.5 million in the previous year. This successful development was significantly influenced by a very dynamic fourth quarter in which total revenue rose by 13 percent compared to the previous year's figure thanks to considerable growth in

Page 1 / 8

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old-age provision (plus 9 percent) and in wealth management (plus 55 percent). With EBIT amounting to EUR 47.4 million MLP generated around 64 percent of its full-year earnings in the period from October to December.

Page 2 / 8  
28th February 2013

In view of the successful business development, the Executive Board is proposing a dividend of 32 cents per share; in the previous year MLP shareholders received dividend payments of 30 cents from the operating business and a further 30 cents due to the return of surplus liquidity not required for the operating business.

“2012 was a convincing year for MLP in which we improved all of our key figures. Here we benefitted, in particular, from our broader-based business model and the early implementation of our efficiency programme,” comments Chief Executive Officer Dr. Uwe Schroeder-Wildberg. “We continue to operate under difficult market conditions and are consequently very satisfied with what we have achieved.”

### **Full year: Total revenue rises by 4 percent**

Total revenue in the financial year 2012 rose by 4 percent to EUR 568.0 million (2011: EUR 545.5 million). The main driver behind this growth was the successful development in revenue from commissions and fees which increased by 4 percent to EUR 518.0 million (EUR 498.5 million).

Old-age provision amounted to EUR 287.3 million (EUR 292.9 million) and accounted for 55 percent of revenue from commissions and fees. This development was significantly influenced by dynamic performance in the

fourth quarter, in which old-age provision rose to EUR 135.0 million, corresponding to an increase of 9 percent compared to the same period in the previous year (Q4 2011: EUR 123.3 million). For the full year, occupational pensions accounted for 13 percent of the premium sum of EUR 4.8 billion (2011: 13 percent). The second most important revenue generator was wealth management which amounted to EUR 117.9 million for the full year, thus growing by 50 percent compared to the previous year (EUR 78.8 million) and accounting for 23 percent of revenue from commissions and fees. When viewing the fourth quarter in isolation, MLP achieved an increase here of 55 percent to EUR 34.2 million (Q4 2011: EUR 22.0 million). Assets under Management climbed to EUR 21.2 billion (30th September 2012: EUR 20.9 billion). One of the important foundations for this growth is the successful development at the subsidiary Feri, which has become an important pillar for MLP.

Page 3 / 8  
28th February 2013

Private healthcare insurance totalled EUR 63.9 million, accounting for 12 percent of revenue from commissions and fees. This figure was 20 percent below the previous year (EUR 79.9 million) but remained above the years 2009 (2009: EUR 46.5 million) and 2010 (2010: EUR 61.3 million). The decrease 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 in the previous year. In non-life insurance revenue rose by 8 percent to EUR 31.1 million (2011: EUR 28.9 million). Loans and mortgages revenue totalled EUR 13.4 million and thus remained at the previous year's level (EUR 13.5 million); additional earnings from the joint venture company MLP Hyp amounted to EUR 1.0 million (EUR 1.2

million). “Today our revenue mix is more balanced than ever before and is significantly less affected by short-term influences. Following the expansion of our wealth management operations and the development of our occupational pension business, we are now able to show a high degree of stability – even in difficult markets,” comments Uwe Schroeder-Wildberg.

Page 4 / 8  
28th February 2013

## **EBIT rises significantly to EUR 74.1 million**

Group EBIT in the financial year 2012 climbed to EUR 74.1 million (2011: EUR 17.3 million). As one-off exceptional costs of EUR 33.4 million were incurred in the previous year, the increase in operating EBIT amounted to 46 percent (from EUR 50.7 million to EUR 74.1 million). The EBIT margin rose by around 40 percent to 13.0 percent (operating EBIT margin 2011: 9.3 percent) – the highest level since 2007. When viewing the financial services segment in isolation, EBIT margin amounted to 15.0 percent. Group net profit climbed to EUR 52.7 million (EUR 11.5 million).

The successful earnings development was also attributable to the early implementation of the efficiency programme, from which MLP benefited significantly. Since 2008 the company has reduced its administration costs by EUR 60 million to EUR 251.7 million. Compared to the financial year 2010, this corresponds to a cost reduction of EUR 27.4 million.

## **Dividend proposal of 32 cents per share**

In view of this successful business development MLP intends to continue its reliable dividend policy of recent years. In this respect, the Executive Board is proposing a dividend of 32 cents per share – corresponding to a payout

ratio of 65 percent. In the previous year MLP paid a dividend of 30 cents from the operating business and a further 30 cents based on liquidity not required for the operating business. “MLP continues to adopt a consistent and attractive dividend policy – an aspect again highlighted by our dividend proposal for this year,” comments Chief Financial Officer Reinhard Loose.

Page 5 / 8  
28th February 2013

The balance sheet strength of MLP is reflected in an equity ratio of 26 percent at 31st December 2012. At this reference date, the core capital ratio stood at 17.2 percent which far exceeds the 8 percent level currently prescribed by the supervisory body for banks such as MLP.

#### **Q4: Total revenue rises by 13 percent, EBIT climbs to EUR 47.4 million**

With Q4 total revenue amounting to EUR 212.8 million, the fourth quarter was not only the most successful quarter of the year by far, but also significantly exceeded the revenue level generated in the same period of the previous year, rising by 13 percent (Q4 2011: EUR 189.0 million). EBIT climbed to EUR 47.4 million (EUR 12.7 million). MLP thus achieved around 64 percent of the full year EBIT during the period from October to December. Group net profit increased to EUR 34.1 million (EUR 9.5 million).

#### **32,600 new clients**

In the financial year 2012 MLP welcomed 32,600 new clients (2011: 34,600). The fourth quarter was the strongest period in this respect with 11,000 new clients. At 31st December 2012, the number of consultants stood at 2,081 (30th September 2012: 2,099).

## **Outlook 2013 to 2015: EBIT expected to range between EUR 65 and 78 million**

Page 6 / 8  
28th February 2013

The market conditions in 2013 remain challenging. Despite the huge requirement for significantly more personal provision, the general public remains hesitant due to the European debt crisis.

Against this background MLP anticipates that old-age provision revenue for the financial years 2013 and 2014 will be stable or slightly regressive but expects to achieve slight growth in 2015. In health insurance in 2013, MLP expects to maintain the revenue level of 2012. From a current perspective, MLP foresees moderate revenue growth in health insurance in 2014 and 2015. In wealth management the outlook is optimistic and further revenue growth is expected in the next three financial years.

MLP will continue to carefully manage its costs although the company may, if appropriate, incur additional expenditure – either in order to make important investments for the future or to ease expenditure requirements in subsequent years by incurring one-off initial costs.

Overall – and depending on the respective market development – MLP expects to achieve annual EBIT in a range between EUR 65 and 78 million in the coming three financial years (2013 to 2015). “Our Outlook highlights our aim to confirm our level of earnings we achieved in 2012,” comments Reinhard Loose. “At the same time we have the necessary scope to targetedly invest in the future and to be able to react flexibly to changes in continuingly difficult markets.”

Overview of the key figures

Continuing operations (in EUR million)	Q4/2012	Q4/2011*	Change in %		12 months 2012	12 months 2011*	Change in %
Revenue	204.4	183.0	12		544.6	526.7	3
Revenue from commissions and fees	198.4	175.6	13		518.0	498.5	4
Interest income	6.0	7.3	-18		26.6	28.2	-6
Other revenue	8.4	6.0	40		23.5	18.8	25
<b>Total revenue</b>	<b>212.8</b>	<b>189.0</b>	<b>13</b>		<b>568.0</b>	<b>545.5</b>	<b>4</b>
<i>Operating EBIT (before one-off exceptional costs)</i>	47.4	32.0	48		74.1	50.7	46
<b>Earnings before interest and tax (EBIT)</b>	<b>47.4</b>	<b>12.7</b>	<b>&gt;100</b>		<b>74.1</b>	<b>17.3</b>	<b>&gt;100</b>
<b>Earnings before tax (EBT)</b>	<b>47.7</b>	<b>13.1</b>	<b>&gt;100</b>		<b>74.6</b>	<b>17.3</b>	<b>&gt;100</b>
<b>Net profit</b>	<b>34.1</b>	<b>9.8</b>	<b>&gt;100</b>		<b>52.7</b>	<b>11.2</b>	<b>&gt;100</b>
<b>Group net profit (incl. discontinued operations)</b>	<b>34.1</b>	<b>9.5</b>	<b>&gt;100</b>		<b>52.7</b>	<b>11.5</b>	<b>&gt;100</b>
<b>Earnings per share in EUR</b>	<b>0.32</b>	<b>0.09</b>	<b>&gt;100</b>		<b>0.49</b>	<b>0.11</b>	<b>&gt;100</b>
<b>Clients</b>					<b>816,200</b>	<b>807,600**</b>	<b>1</b>
<b>Consultants</b>					<b>2,081</b>	<b>2,099**</b>	<b>-1</b>

\*) previous year's figures adjusted

\*\* ) 30th September 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 21 billion and supports more than 815,000 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.

Page 8 / 8  
28th February 2013

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.