

MLP posts revenue growth for Q3 and the first nine months

- Total revenue in the first nine months rises by 2 percent to EUR 345.7 million and in the third quarter by 3 percent to EUR 117.8 million
- Significant increase in wealth management, slight growth in old-age provision – health insurance remains difficult throughout the market
- Q3 earnings burdened by several one-off items – cost forecast for the full year reiterated
- EBIT 9M: EUR 10.4 million (EUR 12.3 million), Q3: EUR 4.9 million (EUR 7.3 million)
- New business in old-age provision in the first few weeks of the fourth quarter significantly above the previous year

Wiesloch, 13th November 2014 – Despite the continuingly difficult market environment, the MLP Group increased total revenue in the first nine months of the financial year by 2 percent to EUR 345.7 million. Based on the third quarter in isolation, revenue growth amounted to 3 percent. Here, wealth management registered considerable gains to which FERI also made a significant contribution. Nine-month revenue in old-age provision and non-life insurance also exceeded the previous year. However, revenue in the consulting field of health insurance decreased due to the market conditions. In the period from July to September, costs were burdened by one-off effects. For the full year MLP still expects the administration costs to be in line with the forecast communicated at the beginning of the year.

Page 1 / 7

Contact

Jan Berg

Tel +49 (0) 6222 • 308 • 4595
Fax +49 (0) 6222 • 308 • 1131
jan.berg@mlp.de

MLP AG
Alte Heerstraße 40
69168 Wiesloch

www.mlp-ag.com

The third quarter proved to be the strongest period so far in this financial year with earnings before interest and tax (EBIT) of EUR 4.9 million. After nine months, EBIT thus totalled EUR 10.4 million. The fourth quarter has started positively – new business in old-age provision from the beginning of October through to mid-November was significantly higher compared to the same period in the previous year.

Page 2 / 7
13th November 2014

“We are operating in a continuingly difficult environment. This is not a short-term phenomenon but rather a consequence of the after-effects of the financial crisis and the, in part, politically triggered uncertainty and hesitancy on the part of clients. We have adjusted to this situation. Over the past few years we reduced our costs and continue to keep them under control. In addition, we have significantly broadened our revenue mix, particularly through the strengthening of our wealth management business with FERI,” comments Chief Executive Officer Dr. Uwe Schroeder-Wildberg. “Our consultants intensively care for their clients and we are gaining market share – which represents a very good performance. However, after nine months we remain below our expectations due to the prevailing market conditions. At the beginning of the fourth quarter we saw some encouraging signs. As is usual in our business model, the coming weeks through to the year-end are crucial to the success of our business for the full year.”

9M: Significant growth in wealth management

In the period from January to September 2014 total revenue amounted to EUR 345.7 million (9M 2013: EUR 338.8 million). Within this figure, revenue

from commissions and fees rose from EUR 308.0 million to EUR 314.8 million. Interest income totalled EUR 17.1 million (EUR 17.2 million) and thus remained at the level of the previous year. Other revenue amounted to EUR 13.8 million (EUR 13.6 million).

Page 3 / 7
13th November 2014

The breakdown by consulting area shows slight growth in old-age provision. Here, nine-month revenue rose from EUR 131.6 million to EUR 133.1 million. Brokered new business amounted to EUR 2.20 billion and was thus 7 percent above the previous year (EUR 2.06 billion), whereas brokered new business in the industry overall fell by around 2 percent. Occupational pensions accounted for 13 percent (13 percent) of the new business at MLP. In the first nine months, revenue in wealth management rose – following its strongest quarterly revenue performance ever – from EUR 100.4 million to EUR 105.7 million. Assets under management also increased further, climbing to EUR 26.2 billion at 30th September 2014 (30th June 2014: EUR 25.3 billion). A significant portion of this development was attributable to the subsidiary FERI which has developed positively in investment management as well as in consulting services.

Revenue in non-life insurance also rose, increasing to EUR 29.6 million (EUR 27.1 million). Other commissions and fees climbed to EUR 5.4 million (EUR 2.9 million), significantly influenced by the expanded range of real estate offerings within the framework of the growth initiative. Revenue in loans and mortgages fell slightly to EUR 9.1 million (EUR 9.8 million).

The market conditions in health insurance remain difficult. Last year the number of people with full private health insurance fell throughout the industry as a whole by 66,000 – and for 2014 the rating agency Assekurata anticipates that there will be another fall of similar magnitude. At MLP, the number of clients with full private health insurance remained stable in the first nine months of 2014. However, due to the lower volume of new business, revenue fell from EUR 36.2 million to EUR 31.8 million. Viewing the third quarter in isolation, revenue amounted to EUR 10.7 million and thus remained at the level of the previous year (Q3 2013: EUR 10.7 million).

Page 4 / 7
13th November 2014

EBIT decreases due to one-off effects

In the first nine months EBIT fell to EUR 10.4 million (9M 2013: EUR 12.3 million). The reduction was attributable to several one-off effects in the third quarter. These included a portion of the temporary expenses announced in February within the framework of the ongoing growth initiative. Group net profit at 30th September 2014 amounted to EUR 7.9 million (EUR 9.5 million).

Q3: Total revenue rises by 3 percent

Viewing the third quarter in isolation, total revenue increased from EUR 114.5 million to EUR 117.8 million. Although EBIT fell in view of the described background conditions to EUR 4.9 million (Q3 2013: EUR 7.3 million), the period from July to September proved to be the strongest quarter for earnings so far in the current financial year. Group net profit amounted to EUR 3.4 million (EUR 5.3 million).

MLP welcomes 18,900 new clients in the first nine months

Page 5 / 7
13th November 2014

In the first nine months MLP welcomed 18,900 new clients (9 M 2013: 18,900). The total number of clients rose to 841,600. At 30th September 2014 the number of consultants stood at 1,944 (30th June 2014: 1,959).

Outlook

As the market figures show, the environment also remains difficult in the final quarter: With respect to old-age provision, the German Insurance Association expects the number of new business contracts to decrease by 4.6 percent for the full year. In private health insurance experts estimate that the number of people with full private health insurance will fall for the third consecutive year. In view of this backdrop, MLP communicated at the half-year stage that it expected to achieve full-year EBIT within a corridor between the lower forecast scenario (EUR 50 million) and the base scenario (EUR 65 million).

In its business model, MLP traditionally generates a large portion of its revenue and earnings in the fourth quarter – especially in the last six weeks of the year. During the first part of the current final quarter, new business has developed positively and, in old-age provision, stands significantly above the comparatively low figure from the previous year. MLP anticipates a further pick-up during the coming weeks. After inclusion of all one-off costs, MLP continues to expect that the full-year administration costs (defined as personnel expenses, other operating expenses as well as depreciation and amortisation) will come in at around the EUR 255 million level.

“We aim to significantly increase revenue and earnings compared to the previous year. After conclusion of the third quarter, our lower forecast scenario for EBIT of at least EUR 50 million has become more ambitious,” comments Chief Financial Officer Reinhard Loose. “In order to achieve this figure, we need to see very high momentum during the final few weeks of the year.”

Overview of the key figures

MLP Group (in EUR million)	Q3/2014	Q3/2013	Change in %		9 months 2014	9 months 2013	Change in %
Revenue	115.1	109.2	5		331.9	325.2	2
Revenue from commissions and fees	109.4	103.4	6		314.8	308.0	2
Interest income	5.7	5.7	0		17.1	17.2	-1
Other revenue	2.6	5.3	-51		13.8	13.6	1
Total revenue	117.8	114.5	3		345.7	338.8	2
Earnings before interest and tax (EBIT)	4.9	7.3	-33		10.4	12.3	-15
Earnings before tax (EBT)	4.9	7.4	-34		10.3	12.4	-17
Group net profit	3.4	5.3	-36		7.9	9.5	-17
Earnings per share (diluted/undiluted) in EUR	0.03	0.05	-40		0.07	0.09	-22
Clients					841,600	839,300*	0
Consultants					1,944	1,959*	-1

*) 30th June 2014

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 around € 26.2 billion and supports more than 840,000 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 7 / 7
13th November 2014

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 of over € 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, 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.