Interim Group Report for the first half-year and the second quarter 2010

MLP

MLP Group

[Table 01]

MLP key figures

All figures in € million	2nd quarter 2010	2nd quarter 2009	1st half-year 2010	1st half-year 2009	Change
Continuing operations					
Total revenue	111.6	105.9	232.8	231.4	0.6 %
Revenue	106.0	100.0	221.3	220.8	0.2 %
Other revenue	5.7	5.9	11.6	10.6	9.4 %
Earnings before interest and tax (EBIT)	4.3	2.2	8.3	5.4	53.7 %
EBIT margin (%)	3.9 %	2.1 %	3.6 %	2.3 %	–
Earnings from continuing operations	3.1	– 0.5	5.1	– 0.4	>100.0 %
Earnings per share (diluted) in €	0.03	0.00	0.05	0.00	>100.0 %
MLP Group					
Net profit (total)	3.1	– 5.1	5.3	– 6.5	>100.0 %
Earnings per share (diluted) in €	0.03	– 0.05	0.05	– 0.06	>100.0 %
Cash flow from operating activities	34.7	10.6	78.0	65.9	18.4 %
Capital expenditure	1.3	1.5	2.3	3.0	– 23.3 %
Shareholders' equity	–	–	399.1	418.5[1]	– 4.6 %
Equity ratio	–	–	27.7 %	28.4 %[1]	–
Balance sheet total	–	–	1,439.2	1,475.5[1]	– 2.5 %
Clients[2]	–	–	767,000	785,500[1]	– 2.4 %
Consultants[2]	–	–	2,359	2,383[1]	– 1.0 %
Branch offices[2]	–	–	206	238[1]	– 13.4 %
Employees	–	–	1,682	1,991	– 15.5 %
Arranged new business[2]					
Old-age provisions (premium sum in € billion)	1.0	1.0	2.0	1.9	5.3 %
Health insurance (annual premium)	10.6	9.7	23.3	20.6	13.1 %
Loans and mortgages	316.0	335.6	578.0	571.0	1.2 %
Assets under management (in € billion)	–	–	18.7	17.0[1]	10.0 %

[1] As at December 31, 2009
[2] Continuing operations

Interim Group Report for the first half-year and the second quarter 2010

THE FIRST HALF-YEAR AND THE SECOND QUARTER 2010 AT A GLANCE:

- EBIT Q2 almost doubles to € 4.3 million (€ 2.2 million)
- Total revenue Q2 rise to € 111.6 million (€ 105.9 million)
- Assets under management reach a new record high of € 18.7 billion – increasing by € 1.0 billion in the second quarter alone
- Further pick-up in business expected particularly in the fourth quarter

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Profile

MLP – THE LEADING INDEPENDENT CONSULTING COMPANY

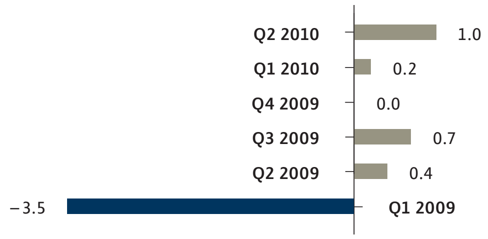
MLP is Germany's leading independent consulting company. Supported by comprehensive research, the Group provides a holistic consulting approach that covers all economic and financial questions for private and corporate clients, as well as institutional investors. The key aspect of the consulting approach is the independence of insurance companies, banks and investment firms. The MLP Group manages total assets of € 18.7 billion and supports more than 760,000 private and 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 pension provision, wealth management, health insurance, non-life insurance, loans and mortgages and banking. Those with assets above € 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 asset and risk management.

Interim Management Report for the first half-year and the second quarter 2010

[Figure 01]

German Gross Domestic Product, change in % compared to the previous quarter



Source: Federal Ministry of Finance

MACROECONOMIC ENVIRONMENT

Macroeconomic impetus for MLP's business development stems almost entirely from the development of the German economy, in which the Group generates nearly 100 % of its total revenue.

The German economy began to return to growth during the first quarter of 2010 and gained further momentum during the second quarter. Economic growth of 0.2 % during the period from January to March was followed, according to estimates by economic experts, by an expansion of 1.0 % for the period from April to June. In particular, the export-dependent industry benefited from the more dynamic global economy and the construction industry was also able to contribute to this growth in the spring quarter, having endured a hard winter.

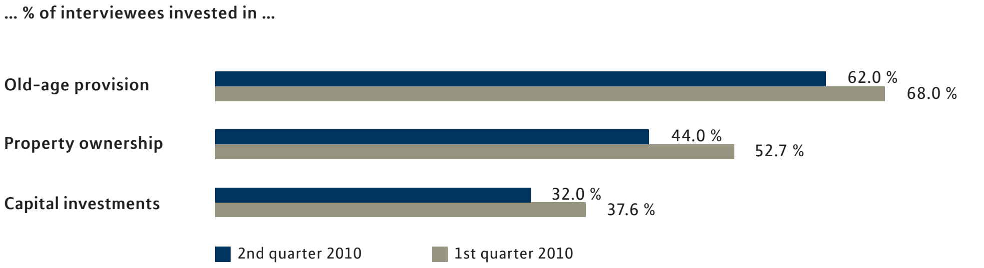
The stronger state of the economy also had a positive effect on the labour market in Germany. The unemployment rate at the end of June 2010 fell to 7.5 % (annual average 2009: 8.2 %). The number of employees in short-time working also continued to fall, decreasing to just 613,000 by the end of the period under review – a very significant improvement over 2009 when, at times, more than double this number of people were affected by short-time working measures.

According to estimates by the Federal Ministry of Finance, the favourable economic environment, the positive development within the labour market and the restrained price inflation were still unable to positively influence the level of private consumption in the first six months of 2010. Experts anticipate that the corresponding development in the second quarter of 2010 will prove to have been similarly weak.

This scepticism on the part of private households with respect to the resilience of the upswing was also reflected in MLP's business development. On the one hand, we were able to achieve single or even double-digit growth in the areas of wealth management, health insurance, non-life insurance and mortgages and loans. However, revenue in our important old-age provision area – in which clients are required to commit to long-term savings processes – remained 3.6 % below the corresponding figure achieved in the first six months of the previous year and amounted to € 118.6 million.

[Figure 02]

What effect do the financial crisis and its possible consequences have on the most important saving targets of the German population?



Source: TNS Infratest
Survey of more than 2,000 inhabitants in Germany. Minimum age 14

SITUATION WITHIN THE INDUSTRY AND THE COMPETITIVE ENVIRONMENT

Old-age provision

One of the indicators for the development of the market for old-age provision products is the business development of the German life insurance companies. According to the German Insurance Association (GDV) new business in the life insurance segment developed positively in the first half-year of 2010. However, this was mainly attributable to the conclusion of life insurance policies with a one-off premium payment. Private investors also increasingly utilised the offers available from life insurance companies in this area, although these products tend more towards capital investments than towards old-age provision products. On the other hand, new business for life insurance with recurrent premiums – the relevant area of focus for MLP – stagnated during the period under review.

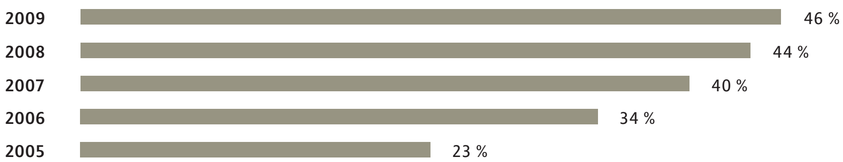
This trend was also confirmed by a study conducted by the opinion research institute TNS Infratest which revealed that the level of willingness on the part of the German population to save money for old-age provision has declined. Although around 68 % of the respondents had put money aside for old-age provision purposes in the first quarter of 2010, this figure fell to just 62 % in the second quarter.

MLP was unable to escape this negative trend in the first half-year and our total revenue in the old-age provision area fell by 3.6 %.

[Figure 03]

Increasing interest in private supplementary health insurance

Percentage of people who have considered taking out further supplementary health insurance:



Base: Federal Republic of Germany, people insured in the state healthcare system
Source: MLP Health Report 2009

Health provision

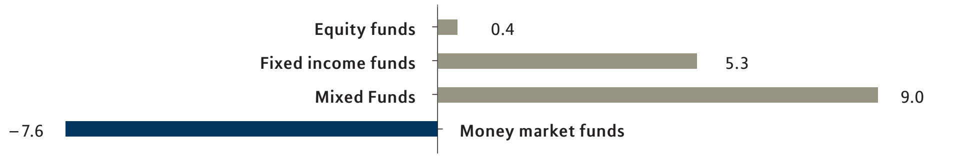
During the first half-year of 2010 the overriding topic in the market for health provision was the necessary reform of the German healthcare system. Rising costs due to the demographic development and progress in medical technology brought the existing system to the limits of its financeability. In order to solve this problem the government decided to implement a healthcare reform based on the following three core elements:

- Raising the standard premium levied by the statutory health insurance funds from 14.9 % to 15.5 %.
- Future cost increases must be borne fully by the insurees. In addition, a further premium is to be introduced which will not be linked to the income of the insuree and which can be independently determined by each statutory health insurance fund.
- If the further premium determined by the statutory health insurance exceeds the threshold of 2 % of an insuree's income, the difference will be financed from tax revenue.

During the period under review, the controversial debate surrounding the healthcare reform proved to be beneficial to MLP's business development. It heightened our clients' awareness of the fact that the costs in the state-run healthcare system will continue to rise and the catalogue of treatments and services offered will diminish. This led to greater willingness to cover healthcare risks through private full insurance or supplementary insurance policies. In the first six months of this year our revenue in this area rose by 16.7 % to € 26.6 million.

[Figure 04]

Inflows and outflows in various types of mutual investment funds in Germany in H1 2010 (in € billion)



Source: German Federal Association of Investment and Asset Management (BVI)

Wealth management

In the first half of 2010 the German investment fund industry registered significantly higher inflows compared to the corresponding period in 2009. Mutual funds took in € 10.2 billion (€ 1.3 billion), and institutional investors placed € 23.7 billion (€ 2.3 billion) of new money into special funds. Among the mutual funds, the mixed, equity and fixed income funds particularly benefited. Due to the low interest rates money market funds continued to experience a fall, recording outflows of € 7.6 billion.

At the reference date on June 30, 2010, the German investment fund companies managed a total of € 1,750.6 billion of assets – thus taking the overall fund volume to above the level attained prior to the outbreak of the economic and financial crisis (€ 1,650.1 billion at the reference date on June 30, 2008).

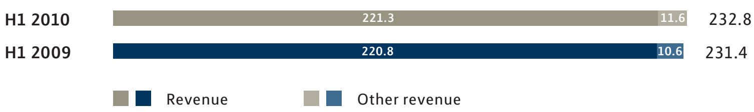
MLP too was able to benefit from this pleasing development in the market. In the first half-year we registered significant inflows, both from private as well as from institutional investors. Assets under management rose to a new record high of € 18.7 billion, representing an increase of 10 % compared to the end of 2009.

Competition

The competitive situation in the German financial services market did not change significantly during the period under review. The market for the sale of financial services remains highly fragmented. Banks and insurance companies with their respective distribution channels, as well as tied sales organisations and brokers all compete for market share. In the first half-year of 2010, legislators discussed the possible introduction of further regulatory measures designed to increase the level of consumer protection in the wake of the economic and financial crisis. As yet, no firm decisions have been reached.

Company situation

[Figure 05]
Total revenue from continuing operations (in € million)



RESULTS OF OPERATIONS

Rising total revenue

Total revenue in the first half-year of 2010 amounted to € 232.8 million and was thus slightly above the previous year (€ 231.4 million). In particular, the areas of wealth management, health insurance and non-life insurance contributed to this figure. In wealth management, revenue rose by 12.1 % to € 37.1 million. The growth in health insurance was even more dynamic, increasing by 16.7 % to € 26.6 million. Non-life insurance grew by 8.0 %, resulting in revenue of € 20.2 million. However, revenue from old-age provision products declined, falling by 3.6 % to € 118.6 million. Interest income was also regressive, declining by 28.3 % to € 12.4 million due to the prevailing low interest rates.

In the second quarter, revenue from commissions and fees increased across all the consulting areas, rising to € 99.7 million and representing an 8.5 % gain compared to the same quarter in the previous year (€ 91.9 million). The breakdown analysis shows a significant pick-up in wealth management business where revenue rose by 18.2 % to € 18.8 million (€ 15.9 million). In the private health insurance area, the growth was even more striking –revenue climbed by 50.5 % to € 13.7 million (€ 9.1 million). Demand for greater risk provision also remains high, leading to a 11.8 % rise in non-life insurance revenue to € 3.8 million (€ 3.4 million). Old-age provision amounted to € 59.7 million and thus almost equalled the previous year's level (€ 60.1 million). However, interest income fell due to the prevailing low interest rates, declining by 22.2 % to € 6.3 million (€ 8.1 million). Overall, total revenue in the second quarter rose by 5.4 % to € 111.6 million.

[Figure 06]

EBIT from continuing operations (in € million)

Development of expenses

In the first six months of the current financial year commission expenses developed slightly over-proportionally to the revenue from commissions and fees. Whereas revenue from commissions and fees grew by 2.6 %, the expenses rose by 6.6 % to € 77.5 million.

Due to the generally lower level of interest rates, interest expenses fell significantly from € 7.5 million to € 5.1 million. Overall, our interest result decreased from € 9.8 million to € 7.3 million.

In the first half-year of 2010 we were able to reduce our fixed costs (personnel expenses, depreciation and amortisation, other operating expenses) by 2.5 % to € 142.3 million. This included a decrease in personnel expenses of 6.7 % and a reduction in depreciation and amortisation of 10.9%. However, other operating expenses rose by 1.5 % to € 80.9 million.

EBIT rises by 53.7 %

MLP significantly increased its earnings before interest and tax (EBIT) in the period under review. Following € 5.4 million in the previous year, we achieved € 8.3 million this year. The financial result also improved in the first six months of the current financial year, rising from € –2.1 million to € –0.7 million. This, in turn, led to significantly higher earnings before tax (EBT) of € 7.6 million (€ 3.3 million).

[Table 02]

Earnings development of continuing operations

All figures in € million	1st half-year 2010	1st half-year 2009	Change
Total revenue	232.8	231.4	0.6 %
EBIT	8.3	5.4	53.7 %
EBIT margin	3.6 %	2.3 %	–
Finance costs	–0.7	–2.1	66.7 %
EBT	7.6	3.3	> 100.0 %
EBT margin	3.3 %	1.4 %	–
Income tax	–2.5	–3.8	–34.2 %
Net profit (continuing operations)	5.1	–0.4	> 100.0 %
Net margin	2.2 %	–0.2 %	–

Based on a tax rate of 32.9 %, income tax expenses amounted to € 2.5 million (€ 3.8 million). Following a reported loss of € 0.4 million in continuing operations for the corresponding period of the previous year, MLP was able to generate a post-tax profit of € 5.1 million for the period under review. Together with the result from the discontinued operations the Group result came in at € 5.3 million (€ –6.5 million).

This led to improved diluted earnings per share which rose from € –0.06 to € 0.05.

The development of expenses in the second quarter of 2010 progressed similarly to the overall half-year. Due primarily to the increase in total revenue by 5.4 %, we were able to improve our earnings before interest and tax (EBIT) from € 2.2 million to € 4.3 million. Together with the financial result of € –0.2 million (€ –0.6 million), earnings before tax (EBT) in the second quarter rose to € 4.1 million (€ 1.6 million). Income tax was significantly lower at € 1.0 million (€ 2.1 million).

In the discontinued operations the result improved from € –4.6 million to € 0.04 million. During the previous year we booked disposal and closure costs of € 1.3 million and recorded an operating loss of € 1.7 million. In addition we incurred tax charges for already discontinued business activities amounting to € 1.5 million due to the tax authorities' non-acceptance of loss carry-forwards for the financial years 2002 to 2006.

In the second quarter of 2010 the Group result improved significantly from € –5.1 million to € 3.1 million.

Comparison between the actual and the forecast business development

At the beginning of the financial year 2010 we provided not only a quantitative forecast for the targeted EBIT margin in 2012 (15 %) but also a qualitative forecast for revenue development in our core areas of old-age provision and health insurance as well as wealth management for the current financial year (see page 90 of the Annual Report 2009). In the areas of old-age provision and health insurance we expect to achieve stable revenue development during the current financial year despite framework conditions remaining difficult.

This forecast was confirmed in the first half-year. In both areas together we achieved revenue amounting to € 145.2 million compared to € 145.8 million in the previous year. However, in wealth management we do expect to achieve a moderate revenue increase in the financial year 2010. This development too was already evident during the period under review in which revenue from wealth management was 12.1 % higher than in the comparative period.

The development of expenses in the first half-year conformed to our expectations. Our target for the full year is to reduce fixed costs (personnel expenses, depreciation and amortisation, other operating expenses) by € 10 million. In the period under review these expenses reduced by a total of € 3.6 million (see section on “Development of expenses”, page 10).

Assets under management reach a new record high

Thanks to positive new business with private investors and, in particular, institutional clients, Assets under management reached a new all-time high of € 18.7 billion. This corresponds to an increase of € 1.0 billion compared to March 31, 2010 (€ 17.7 billion) – the highest quarterly growth in the history of MLP. Through this achievement we have laid down an important foundation for future revenue in wealth management. The premium sum of new business in old-age provision in the first half-year rose slightly to € 2.0 billion (€ 1.9 billion). Occupational pensions accounted for 12 % of this figure (Full year 2009: 10 %). In the health insurance business, annual premiums climbed to € 23.3 million (€ 20.6 million).

MLP gains 16,000 clients in the first half-year

In the first half-year MLP gained a gross total of 16,000 private clients (15,100). Thus the total number of clients stands at 767,000. The number of consultants stood at 2,359 (March 31, 2010: 2,384).

[Table 03]

Assets as at June 30, 2010

All figures in € million	June 30, 2010	Dec 31, 2009	Change
Intangible assets	152.6	156.1	–2.2 %
Property, plant and equipment	76.5	78.8	–2.9 %
Investment property	11.3	11.4	–0.9 %
Shares accounted for using the equity method	2.4	2.0	20.0 %
Deferred tax assets	2.8	3.0	–6.7 %
Receivables from clients in the banking business	331.3	313.5	5.7 %
Receivables from banks in the banking business	452.3	498.2	–9.2 %
Financial investments	239.5	192.4	24.5 %
Tax refund claims	16.7	33.1	–49.5 %
Other accounts receivable and other assets	102.2	132.1	–22.6 %
Cash and cash equivalents	51.6	55.0	–6.2 %
Total	**1,439.2**	**1,475.5**	**–2.5 %**

NET ASSETS

Total assets fall by 2.5 %

At the reporting reference date on June 30, 2010 the total assets of the MLP Group had decreased by 2.5 % to € 1,439.2 million. On the asset side of the balance sheet five items primarily contributed to this situation.

Our loans to clients (receivables from clients in the banking business) increased by 5.7 %, or by € 17.8 million to € 331.3 million. On the other hand, receivables from financial institutions in the banking business fell by € 45.9 million to € 452.3 million. This change was mainly due to the profit transfer from our subsidiary MLP Finanzdienstleistungen AG to MLP AG for the financial year 2009 which amounted to € 41.8 million.

Overall, financial investments and cash and cash equivalents increased significantly, rising by 17.7 % to € 291.1 million. This was also primarily attributable to the profit transfer from our subsidiary MLP Finanzdienstleistungen AG. Cash and cash equivalents reduced slightly, falling by 6.2 % to € 51.6 million and was due, in part, to the dividend payment for 2009. On the other hand we increased the financial investments from € 192.4 million to € 239.5 million through the redeployment of liquid funds in longer-term investments.

At the balance sheet reference date on June 30, 2010 tax refund claims amounted to just € 16.7 million (€ 33.1 million).

Other accounts receivable and other assets fell from € 132.1 million to € 102.2 million as a result of usual seasonal variations. This item mainly consists of receivables from insurance companies for whom we have brokered insurance contracts. Due to the usual strong year-end business these rise significantly at the end of the year and the fall again during the course of the following financial year.

[Table 04]

Liabilities and shareholders' equity as at June 30, 2010

All figures in € million	June 30, 2010	Dec 31, 2009	Change
Shareholders' equity	399.1	418.5	−4.6 %
Provisions	44.9	52.4	−14.3 %
Deferred tax liabilities	10.7	10.7	0 %
Liabilities due to clients in the banking business	814.4	750.3	8.5 %
Liabilities due to banks in the banking business	18.8	20.8	−9.6 %
Tax liabilities	1.0	9.0	−88.9 %
Other liabilities	150.5	211.8	−28.9 %
Liabilities in connection with non-current assets held for sale and disposal groups	–	2.0	−100.0 %
Total	**1,439.2**	**1,475.5**	**−2.5 %**

Very good equity capital position

Our equity capital position changed from € 418.5 million to € 399.1 million due primarily to the payment of the dividend for the financial year 2009 amounting to € 27.0 million, the profit of the first half-year of 2010 and a change in retained earnings due to the marked to market of securities. At the balance sheet reference date the equity ratio stood at 27.7 % (28.4 %) and the equity capital position of the Group therefore remains very good.

We were able to reduce the provisions from € 52.4 million to € 44.9 million. The decrease is mainly attributable to the payment of client servicing commissions to our consultants. The development of our deposit business is shown in the liabilities due to clients and banks in the banking business. Client deposits rose by 8.5 % to € 814.4 million. These mainly consist of deposits in the areas of accounts, credit cards and instant access savings accounts.

We reduced our tax liabilities from € 9.0 million to € 1.0 million.

Other liabilities fell from € 211.8 million to € 150.5 million in accordance with usual seasonal fluctuations. These mainly contain commission claims by our consultants which usually rise sharply at the reference date on December 31 due to the strong year-end business but which then fall again in the following quarters.

[Table 05]

Condensed statement of cash flows in continuing operations

All figures in € million	2nd quarter 2010	2nd quarter 2009	1st half-year 2010	1st half-year 2009
Cash and cash equivalents at the beginning of period	116.0	131.2	123.6	38.0
Cash flows from operating activities	33.0	10.7	81.0	65.5
Cash flows from investing activities	–27.2	21.9	–75.9	60.7
Cash flows from financing activities	–27.0	–30.2	–29.1	–30.2
Changes in cash and cash equivalents	**–21.1**	**2.4**	**–24.0**	**96.0**
Inflows/outflows due to divestments	1.7	0.4	–3.1	0
Cash and cash equivalents at the end of period	96.6	134.0	96.6	134.0

FINANCIAL POSITION

Cash flow from operating activities in continuing operations amounted to € 81.0 million (€ 65.5 million). Significant cash flows in this respect result from our deposit business with clients and from the investment of these funds. The change of cash flows in the receivables from, and liabilities due to clients in the banking business results in a positive change of € 108.5 million which is primarily due to an increase in deposit business with our clients in the current financial year. In the corresponding period of the previous year there was a decline in the deposit business. Other significant cash flows arise from the negative change of cash flows in the receivables from, and liabilities due to banks in the banking business amounting to € 95.3 million, which were primarily influenced by the fall in receivables from banks.

Cash flow from investment activity in the continuing operations changed from € 60.7 million to € –75.9 million. Here, cash was invested in term deposits and securities during the period under review. In the comparative period of the previous year matured term deposits were not reinvested.

Our cash flow from financing activity in the continuing operations contains the dividend payments as well as the outflows from the repayments of loans.

At the end of the first half-year the Group's total liquid funds stood at € 192.3 million. The liquidity situation therefore remains very good. The Group has adequate liquidity reserves available. In addition to the liquid funds, MLP also has access to free credit lines.

[Table 06]

Number of employees

	June 30, 2010	June 30, 2009
Financial services	1,417	1,713
Feri	251	267
Holding	14	11
Total	**1,682**	**1,991**

Capital measures

No capital measures were undertaken during the period under review.

Investments

In the first six months of the current financial year we invested a total of € 2.3 million, corresponding to a decrease of € 0.7 million. Around 82 % of this figure was allocated to the financial services segment – mainly for software and operating and office equipment (including hardware). A significant portion of the funds was allocated to projects designed to improve IT support for client consulting activities. All investments were financed from current cash flows.

PERSONNEL

The number of employees reduced further during the period under review. At June 30, 2010 the MLP Group had a total of 1,682 (1,991) employees. Without taking the number of marginal part-time employees into account, the figure decreased by 126 people. This was partly due to the outsourcing of our IT area in the second half of 2009. Within the framework of this measure, 55 employees in this area were offered the opportunity to become employees of our IT partner Hewlett-Packard (HP). However, even compared to March 31, 2010, the number of employees has fallen by 24.

The development of personnel expenses is shown in the section "Development of expenses", page 10.

In March of the current financial year MLP received the "TOP employer" award for the fourth consecutive time. Through this award, the Corporate Research Foundation Institute (CRF), one of the leading research companies in the area of employer certification and employer branding confirmed our outstanding corporate and employer culture with an excellent score for image, work-life balance and employee remuneration.

COMMUNICATION AND ADVERTISING ACTIVITIES

During the second quarter MLP received several awards for the quality of its consulting services. In a client assessment survey conducted in May by the online portal "WhoFinance.de", MLP once again achieved the top grade for its consulting and was ranked in second position overall.

According to a publication by the investor magazine "Börse Online", MLP achieved the best overall ranking in a survey conducted by the private university WHU – Otto Beisheim School of Management concerning client satisfaction in the private banking segment – ahead of Merck Finck and Berenberg Bank.

LEGAL CORPORATE STRUCTURE AND EXECUTIVE BODIES

During the period under review there was a change in the composition of the Executive Board. Gerhard Frieg, responsible for product management and purchasing, resigned from the Executive Board at his own request on March 31, 2010 in order to pursue new professional challenges elsewhere. The Supervisory Board appointed Manfred Bauer as his successor. He joined the Executive Board of MLP on May 1, 2010 and carries responsibility for product management and purchasing.

Within the framework of our focus on growth markets we are concentrating our private client business at our subsidiary MLP Finanzdienstleistungen AG on our core market Germany. For this reason we reached agreement with NBG B. V., Valkenswaard, Netherlands in January 2010 on the sale of our branch in the Netherlands. This market accounted for less than 1 % of our total revenue.

[Figure 07]

Total revenue and EBIT for the financial services segment (in € million)

SEGMENT REPORT

The MLP Group structures its business into the following operating segments:

- Financial services
- Feri
- Holding

A detailed description of the individual segments is contained on pages 193 ff of the Annual Report 2009.

Financial services segment

Total revenue in the financial service segment in the first half-year of 2010 amounted to € 214.3 million, corresponding to a slight increase of € 0.3 million compared to the same period of the previous year. The largely variable commission expenses increased from € 72.1 million to € 76.7 million. Due to the generally low level of interest rates, interest expenses fell significantly, decreasing by 32.0 % to € 5.1 million. The success of our cost reduction programme was evident in the personnel expenses as well as in depreciation and amortisation. Personnel expenses fell by € 3.0 million to € 39.2 million. Depreciation and amortisation decreased by € 0.8 million to € 5.5 million. However, other operating expenses amounted to € 76.9 million and were thus higher than in the first half of 2009 (€ 72.0 million). Overall, total expenses in this segment rose by € 3.2 million to € 203.4 million. Earnings before interest and tax (EBIT) for this segment amounted to € 11.2 million (€ 14.0 million). The financial result also improved significantly from € –1.6 million in the previous year to € –0.5 million, but the improvement was not enough to compensate for the higher total expenses. Earnings before tax (EBT) therefore fell by 12.9 % to € 10.8 million.

In the second quarter of 2010 we were able to stop the negative trend in total revenue compared to the first quarter of 2010. Whereas total revenue in the first quarter was still regressive to the tune of 4.3 %, it rose again in the second quarter by 5.5 % to € 102.3 million. The development of expenses in the second quarter did not significantly differ from the development in the first half-year. Total expenses rose slightly by 5.0 % to € 96.5 million. Due to the higher total revenue we were nevertheless able to improve earnings before interest and tax (EBIT) which rose from € 5.2 million to € 6.0 million. The finance cost in the second quarter of 2010 improved to € –0.1 million (€ –1.2 million). In the previous year this item included interest expenses in connection with a tax audit.

Through the increase in total revenue and the improvement of the finance cost, we were able to increase earnings before tax (EBT) in the segment by 45.0 % to € 5.8 million.

[Figure 08]
Total revenue and EBIT for the Feri segment (in € million)

Feri segment

Pleasing business development was achieved in the Feri segment during the period under review. Total revenue increased by 3.4 % to € 18.3 million, coupled with a reduction in total expenses of 8.5 % to € 18.2 million. Earnings before interest and tax (EBIT) improved from € – 2.2 million to € 0.03 million. Taking the financial result of € 0.02 million (€ – 0.06 million) into account, we achieved even earnings before tax (EBT; previous year € – 2.2 million).

In the second quarter of 2010 the positive trend from the first quarter of 2010 strengthened. Whereas total revenue in the first quarter only reached the corresponding level of the previous year, we achieved an increase of 6.7 % in the second quarter to € 9.5 million. Total expenses in the second quarter fell by 8.9 %, decreasing slightly more than in the first quarter (8.2 %). Cost reductions in both quarters were achieved primarily in the areas of personnel expenses and other operating expenses.

Earnings before interest and taxes (EBIT) in the second quarter improved significantly from € – 1.2 million to € 0.3 million. After consideration of the financial result of € – 0.02 million (€ – 0.05 million), earnings before tax (EBT) improved from € – 1.2 million to € 0.2 million.

Holding segment

Total revenue in the Holding segment in the first half-year decreased slightly from € 6.8 million to € 6.3 million. However, earnings before interest and tax (EBIT) improved significantly from € – 6.3 million to € – 2.9 million. This was mainly due to the fall in other operating expenses which decreased by 44.9 % to € 5.4 million. In the previous year this position had also included expenses for the one-off consulting services amounting to € 3.4 million concerning the holding in MLP acquired by Swiss Life in 2008. In the first half-year of 2010 we achieved a financial result of € 0.6 million (€ 2.6 million). The decrease is primarily attributable to the lower than the previous year dividend payment by our subsidiary Feri Finance AG amounting to € 0.9 million (€ 3.1 million) in the first quarter of 2010. Earnings before tax thus improved from € – 3.7 million to € – 2.3 million.

In the second quarter of 2010 we managed to reduce total expenses in the Holding segment by 7.5 % to € 4.9 million. However, this was unable to compensate for the fall in total revenue from € 3.6 million to € 2.9 million. This led to earnings before interest and tax (EBIT) in the second quarter of € – 2.0 million (€ – 1.7 million). The financial result amounted to € – 0.06 million (€ 0.6 million) and was also behind last year. Overall we achieved earnings before tax (EBT) in the second quarter of € – 2.0 million (€ – 1.1 million).

RISK REPORT

There were no significant changes in the risk situation of the Group during the period under review. Despite the continuing economic and financial crisis there were no exceptional burdens within the framework of our counterparty default risks, market price risks, liquidity risks, operational or other risks. The Group continues to have adequate liquid funds. At the reporting date of June 30, 2010, our core capital ratio of 22.2 % far exceeded the required 8 % prescribed by the supervisory body. At the present time no existence-threatening risks to the MLP Group have been identified.

A detailed presentation of the corporate risks as well as a detailed description of our risk management are contained in our risk and disclosure report on pages 67 to 83 of the Annual Report 2009.

RELATED PARTY DISCLOSURES

Related party disclosures are contained in the notes of the Annual Report 2009, page 210 ff.

OUTLOOK FOR THE CURRENT FINANCIAL YEAR/FORECAST

Future macroeconomic situation

Economic experts are cautiously optimistic about the further development of the German economy in which MLP generates almost 100 % of its revenue. Following a significant rise in economic momentum in the second quarter, the Federal Ministry of Finance now anticipates that the economic recovery will become more robust during the second half of the year. Adopting a similar stance, the German Bundesbank considers the possibility of a relapse into a new recession during the current year or next year to be very unlikely. Consequently, the growth expectations for 2010 have been revised upwards. The German government is now predicting economic growth for 2010 of over 2 % (estimate end of 2009 was 1.4 %). The outlook for 2011 remains unchanged with forecast growth in the gross domestic product (GDP) of 1.6 %.

This optimistic outlook is however based on the premise that the financial problems of some of the EU states and the associated negative effects, particularly for the banking system, do not worsen. A further limiting factor could be the phasing out of the economic stimulus programmes in the industrialised nations.

The expected positive development should also lead to a further reduction in unemployment. Although at the end of June 2010 some 3.2 million people in Germany were without work, experts now consider a fall to below the 3 million level by the end of the year to be possible.

Despite the improving economic outlook, private households have become rather more sceptical. According to a survey conducted by the opinion research institute Allensbach, only just over half of the German population were concerned about the crisis when asked in 2009. By the middle of 2010 this figure had risen to three quarters.

[Figure 09]

Expected economic growth in Germany (in %)

Source: German Federal Bank

As far as the further development of MLP is concerned, the macroeconomic perspectives in Germany reflect a mixed picture. On the one hand, the positive economic expectations point towards a pick-up in business. On the other hand, the private households have – probably due to the rapid pace of the crisis management – become rather more hesitant. This leads to the assumption that private clients will continue to exercise restraint with respect to the conclusion of longer-term old-age provision contracts and investments in longer-term wealth management concepts. Due to the mixed picture we still do not expect the economic environment to provide any notable stimulus for our business development. At best, there could be a gradual improvement in our private client business.

Future situation within the industry and competition

A description of the framework conditions for our most important markets – old-age provision, health insurance and wealth management – is contained in our Annual Report 2009 on pages 84 ff. During the first half-year of 2010 there were no significant changes to the overall situation.

From a medium to long-term perspective we continue to expect rising demand for old-age provision products – a view which is primarily based on the demographic development. Rising life expectancy and the increasing number of people in the age group over 65 necessitates further provision to secure income during old age through private and occupational pensions.

Despite the recent reforms within the German healthcare system we continue to anticipate rising demand for private full health insurance and supplementary health insurance. Although the reform has, for now, secured the financeability of the system, this was primarily only achieved by increasing the premiums (also see section on "Health provision", page 7). This situation will further strengthen the willingness on the part of insurees to switch to private health insurance.

Our objective in wealth management is to further increase the volume of assets under management from private clients and institutional investors. Overall we expect the market to grow. For example, the monetary wealth of the German population has grown, on average, by 2.8 % in the last ten years, including the losses incurred during the most recent financial crisis. In addition, we see further growth potential in our existing client base in this area. The winning of new wealth management clients in the institutional sector also offers growth prospects.

In the near future we expect to see further regulatory steps concerning the sale of financial services (see section on "Competition", page 8). Such measures will raise the market entry barriers and accelerate the consolidation within the industry. The level of competition among providers to secure the services of qualified financial consultants will also remain high.

[Table 07]

Anticipated development of revenue from 2010 – 2012

	2010	2011 / 2012
Revenue old-age provision	→	↗
Revenue wealth management	↗	↗
Revenue health provision	→	↗

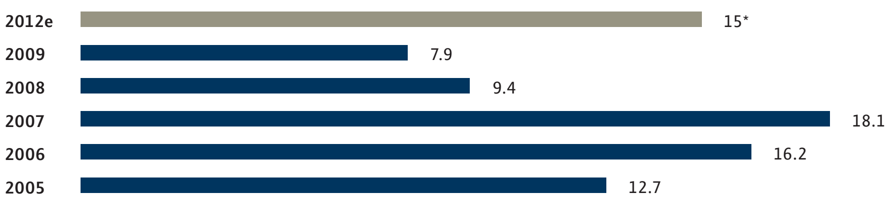
Anticipated business development

In view of the previously described macroeconomic background and the development in our most important markets, we see no reason to amend the guidance we published at the end of March 2010 in our Annual Report 2009. Overall, the framework conditions are likely to remain difficult during the next few months. Despite the brightening horizon in the first half-year of 2010, the market is still quite a long way from the level witnessed before the outbreak of the far-reaching economic and financial crisis. However, we expect to see a further significant pick-up in business, particularly in the traditionally important fourth quarter.

We do not expect the economic environment to provide any appreciable stimulus for our business development. Due to this difficult market environment we are only providing a qualitative forecast for our revenue up to 2012. In our core areas of old-age provision and health insurance we expect stable revenue development this year, despite the persistence of difficult framework conditions. In 2011 and 2012 – in an improving macroeconomic environment – we intend to return to a growth path in those areas. In wealth management however, we expect to achieve an increase in revenue in the current financial year, which will then continue during the following two years.

[Figure 10]

Development of the EBIT margin from 2005 – 2012 (all figures in %)



* Before acquisitions and one-offs

In addition to ensuring full exploitation of revenue potential, MLP will continue to exercise strict cost discipline during the current financial year. We are maintaining our cost reduction target for 2010 and intend to lower the fixed costs (personnel expenses, depreciation and amortisation, other operating costs; without one-off effects and before acquisition-related cost increases) by € 10 million.

A further objective that MLP has set itself is – when the economic and financial crisis subsides – to return to its accustomed strong level of profitability and to almost double EBIT to 15 % by the end of 2012.

Opportunities

Significant changes to the opportunities resulting from the framework conditions, corporate strategic opportunities or business opportunities did not occur during the period under review. Relevant detailed explanations are contained in the Annual Report 2009 on page 93 f.

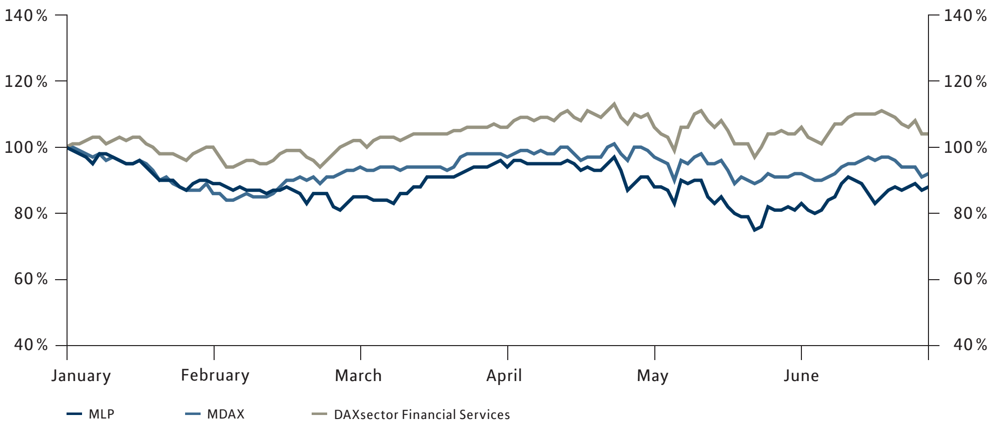
EVENTS SUBSEQUENT TO THE REPORTING DATE

There were no notable events after the balance sheet reference date that affected the MLP Group's net assets, financial position or profit situation.

Investor Relations

[Figure 11]

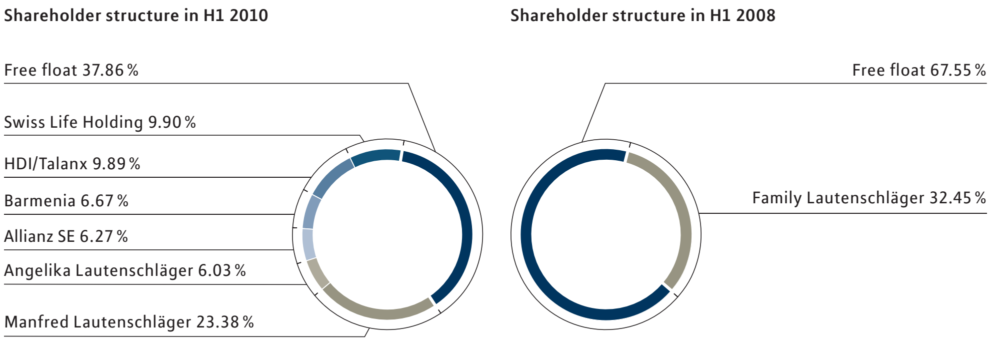
MLP share, MDAX and DAXsector Financial Services in the first half-year 2010



Source: Deutsche Börse

[Figure 12]

MLP shareholder structure



As at June 30, 2010*

As at June 30, 2008*

* Definition free float Deutsche Börse

Development in the stock market

The development in the stock markets during the period under review was unsettled. At the end of the first half-year of 2010 the American Dow Jones index stood 7.7 % lower than at the start of the year – a development that can be attributed to the continuingly sluggish economic recovery in the USA. The German Dax index registered a fall of 1.4 %. The small gains from the first quarter of 2010 were lost again in the second quarter. This development was not foreseeable, as the German economy was able to recover from the crisis of 2009 surprisingly quickly and with considerable momentum. Investors remain sceptical as to whether the upswing will continue after the phasing out of government economic stimulus programmes. The EU debt crisis also negatively influenced the German stock market. This aspect was particularly reflected in the development of the DAXsector Financial Services index which fell by 7.9 % compared to the start of the year. However, the MDAX index, on which the MLP share was listed until June 21, 2010 rose by 4.3 %.

[Table 08]
Key figures of the MLP share

All figures in €	1st half-year 2010	2009
Share price at the beginning of the quarter/year	8.27	9.80
Share price high	8.27	10.98
Share price low	6.21	5.25
Share price at the end of the quarter/year	7.31	8.06
Dividend for the previous year	0.25	0.28
Market capitalisation (end of reporting period)	788,586,264.78	869,494,568.28

The MLP share

During the first half-year of 2010 the MLP share fluctuated within a price corridor between € 8.27 and € 6.21. The high of € 8.27 was reached on the first trading day of the year. The closing price on June 30, 2010 stood at € 7.31, corresponding to a fall of 11.6 %. However, after the end of the reporting period the share rose again and climbed back to over € 8 by the end of July 2010.

Further information concerning the MLP share is available from our Investor Relations page on the MLP website at www.mlp-ag.com under the heading “MLP share”.

MLP share now listed on the SDAX

On June 21, 2010 the MLP share moved from the MDAX to the SDAX, due primarily to the change in the shareholder structure since the second half-year of 2008 and to the associated reduction in the free float (portion of freely tradeable shares of the share capital). The change in the shareholder structure occurred as result of the securing of the Group’s independence through important anchor shareholders.

Annual General Meeting approves € 0.25 dividend per share

At the Annual General Meeting on May 20, 2010, the shareholders of MLP AG almost unanimously approved the proposal by the Executive and Supervisory Boards to pay a dividend of € 0.25 per share for the financial year 2009. In executing this decision MLP thus distributed a dividend sum of € 27.0 million to its shareholders, corresponding to a distribution ratio of almost 100 % with respect to earnings from continuing operations.

A total of around 600 shareholders, representing approximately 80 % of the share capital, attended the Annual General Meeting. Further important resolutions that were passed included the approval of the Executive Board remuneration system, the buy-back of MLP shares and the appointment of Ernst & Young GmbH, as auditors for the current financial year. These resolutions too were passed with a majority of more than 99 % of the votes.

Further information concerning the MLP Annual General Meeting is available on the Internet from our Investor Relations page at www.mlp-ag.com.

Income statement and statement of comprehensive income

[Table 09]

Income statement for the period from January 1 to June 30, 2010

All figures in €'000	Notes	2nd quarter 2010	2nd quarter 2009[1]	1st half-year 2010	1st half-year 2009[1]
Revenue	(5)	105,963	100,000	221,252	220,798
Other revenue		5,652	5,895	11,555	10,595
Total revenue		**111,616**	**105,895**	**232,807**	**231,394**
Commission expenses		–37,152	–31,209	–77,475	–72,725
Interest expenses		–2,588	–2,934	–5,058	–7,525
Personnel expenses	(6)	–25,596	–28,038	–53,214	–56,985
Depreciation and amortisation		–4,056	–4,621	–8,168	–9,179
Other operating expenses	(7)	–38,200	–36,995	–80,932	–79,709
Earnings from shares accounted for using the equity method		260	128	363	156
Earnings before interest and tax (EBIT)		**4,284**	**2,227**	**8,323**	**5,427**
Other interest and similar income		1,758	2,303	3,421	4,588
Other interest and similar expenses		–1,968	–2,935	–4,131	–6,678
Finance cost	(8)	**–211**	**–632**	**–710**	**–2,090**
Earnings before tax (EBT)		**4,073**	**1,595**	**7,613**	**3,336**
Income taxes		–994	–2,131	–2,544	–3,778
Earnings from continuing operations after tax		**3,080**	**–537**	**5,069**	**–441**
Earnings from discontinued operations after tax[4]		**41**	**–4,571**	**188**	**–6,020**
Net profit		**3,121**	**–5,108**	**5,258**	**–6,461**
Of which attributable to					
owners of the parent company		3,121	–5,108	5,258	–6,461
Earnings per share in €[2]					
From continuing operations					
basic		0.03	0.00	0.05	0.00
diluted[3]		0.03	0.00	0.05	0.00
From continuing and discontinued operations					
basic		0.03	–0.05	0.05	–0.06
diluted[3]		0.03	–0.05	0.05	–0.06

[1] Previous year's value adjusted. The adjustments are disclosed under note 3

[2] Basis of calculation: Average number of shares at June 30, 2010: 107,877,738, potential shares (convertible debentures): 926,775

[3] The ordinary shares resulting from the conversion of convertible debentures are treated as shares already issued

[4] Due to a subsequent correction of a tax effect, the earnings from discontinued operations for the 1st quarter 2010 are € 434 thsd higher than reported

[Table 10]

Statement of comprehensive income for the period from January 1 to June 30, 2010

All figures in €'000	2nd quarter 2010	2nd quarter 2009[1]	1st half-year 2010	1st half-year 2009[1]
Net profit	**3,121**	**–5,108**	**5,258**	**–6,461**
Other comprehensive income				
Securities marked to market	652	–1,227	2,354	–974
Tax expense	–70	–22	–82	–42
Other comprehensive income after tax	**581**	**–1,250**	**2,272**	**–1,016**
Total comprehensive income for the year	**3,702**	**–6,358**	**7,530**	**–7,477**
Total comprehensive income attributable to				
owners of the parent company	3,702	–6,358	7,530	–7,477

[1] Previous year's value adjusted. The adjustments are disclosed under note 3

Consolidated statement of financial position

[Table 11]

Assets as at June 30, 2010

All figures in €'000	Notes	June 30, 2010	Dec 31, 2009
Intangible assets		152,556	156,138
Property, plant and equipment		76,544	78,781
Investment property		11,312	11,432
Shares accounted for using the equity method		2,376	2,013
Deferred tax assets		2,817	2,969
Receivables from clients in the banking business		331,280	313,494
Receivables from banks in the banking business	(9)	452,277	498,201
Financial investments	(10)	239,505	192,389
Tax refund claims		16,673	33,059
Other accounts receivable and other assets	(11)	102,228	132,088
Cash and cash equivalents		51,617	54,968
Total		**1,439,185**	**1,475,532**

[Table 12]

Liabilities and shareholders' equity as at June 30, 2010

All figures in €'000	Notes	June 30, 2010	Dec 31, 2009
Shareholders' equity	(12)	399,092	418,532
Provisions		44,862	52,383
Deferred tax liabilities		10,650	10,668
Liabilities due to clients in the banking business		814,352	750,282
Liabilities due to banks in the banking business		18,762	20,774
Tax liabilities		1,016	9,029
Other liabilities	(11)	150,450	211,816
Liabilities in connection with non-current assets held for sale and disposal groups		–	2,049
Total		**1,439,185**	**1,475,532**

Condensed statement of cash flows

[Table 13]

Condensed statement of cash flows for the period from January 1 to June 30, 2010

All figures in €'000	1st half-year 2010[2]	1st half-year 2009[1]
Cash flow from operating activities	77,982	65,889
Cash flow from investing activities	−75,871	60,621
Cash flow from financing activities	−29,141	−30,228
Change in cash and cash equivalents	−27,030	96,282
Cash and cash equivalents at the end of the period	96,595	134,729

Thereof discontinued operations

All figures in €'000	1st half-year 2010[2]	1st half-year 2009[1]
Cash flow from operating activities	−3,062	369
Cash flow from investing activities	–	−50
Cash flow from financing activities	–	–
Change in cash and cash equivalents	−3,062	319
Cash and cash equivalents at the end of the period	–	730

[1] Previous year's value adjusted. The adjustments are disclosed under note 3

[2] For the first quarter of 2010, income taxes – in accordance with the previous expenses accounting method – amounting to € 1,564 thsd were reclassified within the operative cash flow from continuing operations to discontinued operations

[Table 14]

Condensed statement of cash flows for the period from April 1 to June 30, 2010

All figures in €'000	2nd quarter 2010	2nd quarter 2009[1]
Cash flow from operating activities	34,683	10,581
Cash flow from investing activities	−27,160	21,849
Cash flow from financing activities	−26,969	−30,228
Change in cash and cash equivalents	−19,446	2,202
Cash and cash equivalents at the end of the period	96,595	134,729

Thereof discontinued operations

All figures in €'000	2nd quarter 2010	2nd quarter 2009[1]
Cash flow from operating activities	1,689	−157
Cash flow from investing activities	–	−11
Cash flow from financing activities	–	–
Change in cash and cash equivalents	1,689	−168
Cash and cash equivalents at the end of the period	–	730

[1] Previous year's value adjusted. The adjustments are disclosed under note 3

Statement of changes in equity

[Table 15]

	EQUITY ATTRIBUTABLE TO MLP AG SHAREHOLDERS				
All figures in €'000	Share capital	Capital reserves	Securities marked to market	Other comprehen-sive income	Total
As at Jan 1, 2009 (as reported)	**107,861**	**142,084**	**–97**	**179,278**	**429,125**
Retrospective adjustments[1]	–	–	–	–3,197	–3,197
As at Jan 1, 2009 (adjusted)	**107,861**	**142,084**	**–97**	**176,081**	**425,928**
Dividend	–	–	–	–30,201	–30,201
Exertion of conversion rights	1	5	–	–	6
Transactions with owners	**1**	**5**	**–**	**–30,201**	**–30,195**
Total comprehensive income	–	–	–1,016	–6,461	–7,477
As at June 30, 2009	**107,862**	**142,089**	**–1,113**	**139,418**	**388,256**
As at Jan 1, 2010	**107,878**	**142,184**	**–1,573**	**170,044**	**418,532**
Dividend	–	–	–	–26,969	–26,969
Transactions with owners	**–**	**–**	**–**	**–26,969**	**–26,969**
Total comprehensive income	–	–	2,272	5,258	7,530
As at June 30, 2010	**107,878**	**142,184**	**699**	**148,333**	**399,092**

[1] See note 3

Notes to the consolidated financial statements

[Table 16]

Segment reporting (quarterly comparison)

	FINANCIAL SERVICES		FERI	
All figures in €'000	2nd quarter 2010	2nd quarter 2009[1]	2nd quarter 2010	2nd quarter 2009
Revenue	98,312	92,843	7,768	7,283
of which total inter-segment revenue	46	26	71	100
Other revenue	3,941	4,120	1,705	1,643
of which total inter-segment revenue	462	629	–	–
Total revenue	**102,253**	**96,963**	**9,473**	**8,926**
Commission expenses	–36,740	–30,777	–407	– 470
Interest expenses	–2,588	–2,934	–	–
Personnel expenses	–18,653	–20,420	–5,971	–6,806
Depreciation/amortisation and impairment	–2,711	–3,190	–586	–615
Other operating expenses	–35,850	–34,610	–2,258	–2,209
Earnings from shares accounted for using the equity method	260	128	–	–
Segment earnings before interest and tax (EBIT)	**5,971**	**5,159**	**251**	**– 1,174**
Other interest and similar income	91	444	1	9
Other interest and similar expenses	–225	–1,615	–22	– 62
Finance cost	**–134**	**–1,172**	**–21**	**– 54**
Earnings before tax (EBT)	**5,837**	**3,987**	**230**	**– 1,228**
Income taxes				
Earnings from continuing operations after tax				
Earnings from discontinued operations after tax	**41**	**–5,390**	**–**	**–**
Net profit				

[1] Previous year's value adjusted. The adjustments are disclosed under note 3

	HOLDING		CONSOLIDATION/OTHER		TOTAL	
	2nd quarter 2010	2nd quarter 2009	2nd quarter 2010	2nd quarter 2009[1]	2nd quarter 2010	2nd quarter 2009[1]
	–	–	–117	–126	105,963	100,000
	–	–	–117	–126	0	0
	2,915	3,598	–2,909	–3,465	5,652	5,895
	2,447	2,836	–2,909	–3,465	0	0
	2,915	**3,598**	**–3,026**	**–3,591**	**111,616**	**105,895**
	–	–	–5	38	–37,152	–31,209
	–	–	–	1	–2,588	–2,934
	–972	–812	–	–	–25,596	–28,038
	–759	–816	–	–	–4,056	–4,621
	–3,156	–3,675	3,064	3,500	–38,200	–36,995
	–	–	–	–	260	128
	–1,972	**–1,706**	**33**	**–52**	**4,284**	**2,227**
	1,667	1,855	–2	–4	1,758	2,303
	–1,726	–1,261	5	4	–1,968	–2,935
	–59	**594**	**3**	**–1**	**–211**	**–632**
	–2,031	**–1,111**	**37**	**–53**	**4,073**	**1,595**
					–994	–2,131
					3,080	**–537**
	–	**–**	**–**	**819**	**41**	**–4,571**
					3,121	**–5,108**

[Table 17]

Segment reporting (half-year comparison)

	FINANCIAL SERVICES		FERI	
All figures in €'000	1st half-year 2010	1st half-year 2009[1]	1st half-year 2010	1st half-year 2009
Revenue	205,804	206,197	15,644	14,805
of which total inter-segment revenue	103	82	94	122
Other revenue	8,469	7,807	2,633	2,942
of which total inter-segment revenue	903	1,243	–	–
Total revenue	**214,274**	**214,004**	**18,278**	**17,747**
Commission expenses	–76,738	–72,100	–808	–710
Interest expenses	–5,059	–7,527	–	–
Personnel expenses	–39,190	–42,232	–11,741	–13,091
Depreciation/amortisation and impairment	–5,471	–6,319	–1,178	–1,229
Other operating expenses	–76,932	–72,031	–4,522	–4,900
Earnings from shares accounted for using the equity method	363	156	–	–
Segment earnings before interest and tax (EBIT)	**11,247**	**13,951**	**29**	**–2,182**
Other interest and similar income	187	677	2	18
Other interest and similar expenses	–640	–2,243	–25	–79
Finance cost	**–453**	**–1,566**	**–23**	**–61**
Earnings before tax (EBT)	**10,794**	**12,385**	**5**	**–2,243**
Income taxes				
Earnings from continuing operations after tax				
Earnings from discontinued operations after tax[2]	**188**	**–7,244**	**–**	**–**
Net profit				
	June 30, 2010	Dec 31, 2009	June 30, 2010	Dec 31, 2009
Segment assets	**1,069,048**	**1,094,592**	**100,864**	**105,626**

[1] Previous year's value adjusted. The adjustments are disclosed under note 3

[2] Due to a subsequent correction of a tax effect, the earnings from discontinued operations for the 1st quarter 2010 are € 434 thsd higher than reported

	HOLDING		CONSOLIDATION/OTHER		TOTAL	
	1st half-year 2010	1st half-year 2009	1st half-year 2010	1st half-year 2009[1]	1st half-year 2010	1st half-year 2009[1]
	–	–	−197	−204	221,252	220,798
	–	–	−197	−204	0	0
	6,251	6,810	−5,799	−6,964	11,555	10,595
	4,895	5,721	−5,799	−6,964	0	0
	6,251	**6,810**	**−5,996**	**−7,167**	**232,807**	**231,394**
	–	–	71	85	−77,475	−72,725
	–	–	1	2	−5,058	−7,525
	−2,283	−1,662	–	–	−53,214	−56,985
	−1,519	−1,632	–	–	−8,168	−9,179
	−5,398	−9,811	5,920	7,033	−80,932	−79,709
	–	–	–	–	363	156
	−2,949	**−6,295**	**−3**	**−48**	**8,323**	**5,427**
	4,244	7,317	−1,013	−3,424	3,421	4,588
	−3,632	−4,691	166	335	−4,131	−6,678
	612	**2,626**	**−847**	**−3,089**	**−710**	**−2,090**
	−2,337	**−3,669**	**−850**	**−3,137**	**7,613**	**3,336**
					−2,544	−3,778
					5,069	**−441**
	–	**–**	**–**	**1,224**	**188**	**−6,020**
					5,258	**−6,461**
	June 30, 2010	**Dec 31, 2009**	June 30, 2010	**Dec 31, 2009**	June 30, 2010	**Dec 31, 2009**
	472,245	**513,831**	**−202,973**	**−238,517**	**1,439,185**	**1,475,532**

(1) Information about the company

The consolidated financial statements were prepared by MLP AG, Wiesloch, Germany, the parent company of the MLP Group. MLP AG is listed in the Mannheim Commercial Register under the number HRB 332697 at the address Alte Heerstraße 40, 69168 Wiesloch, Germany.

Since it was founded in 1971, MLP has been operating as a broker and adviser for academics and other discerning clients in the fields of old-age provision including corporate pension business, health care, financing, wealth management and banking services.

(2) Principles governing the preparation of the financial statements

The interim financial report has been prepared in line with the regulations set out in IAS 34 “Interim financial reporting”. It is based on the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB) as well as the interpretations of the International Financial Reporting Interpretation Committee (IFRIC), as applicable within the European Union (EU). In accordance with the provisions of IAS 34, the scope of the report has been reduced compared to the consolidated financial statements at December 31, 2009. The interim accounts were subject to an independent auditor’s review.

Apart from the exception detailed in note 3, the same consolidation principles and accounting policies as for the consolidated financial statements of the financial year 2009 have been applied to this interim financial report. These are presented in the Group notes of the Annual Report 2009 that can be downloaded from the company’s website (www.mlp-ag.com).

The interim financial report has been drawn up in euros (€), the functional currency of MLP AG. Unless the notes state otherwise, all amounts are rounded to the nearest thousand euros (€’000). Both single and cumulative figures are values with the smallest rounding difference. As a result, differences to reported total amounts may arise when the individual values are added up.

(3) Adjustments to the accounting policies

The accounting policies applied are the same as those used in the financial statements at December 31, 2009 except the standards and interpretations to be used for the first time in the financial year 2010.

In the financial year 2009, MLP became aware of two cases which were recorded incorrectly in the previous years. In one case a trailer commission and in the other an expense allocated to the wrong period of time. The errors are corrected retroactively in line with IAS 8. The effects of the adjustment in 2009 on the earnings per share were less than € 0.01.

Furthermore, in the fourth quarter of 2009 MLP concluded the purchase price allocation (ppa) concerning the acquisition of ZSH. This led to a change in the depreciation. The effect of the adjustment in 2009 on the earnings per share amounted to less than € 0.01.

The table below illustrates the effects of the change with regard to the previous year's figures:

[Table 18]

All figures in €'000	1st half-year 2009 adjusted	1st half-year 2009 as reported	+/–	of which error correction	of which business acquisition (ppa)
Total revenue	**231,394**	**231,394**	**–**	**–**	**–**
Depreciation/amortisation and impairment	–9,179	–8,758	–421	–	–421
Other operating expenses	–79,709	–79,702	–7	–7	–
Earnings before interest and tax (EBIT)	**5,427**	**5,855**	**–428**	**–7**	**–421**
Finance cost	**–2,090**	**–2,090**	**–**	**–**	**–**
Earnings before tax (EBT)	**3,336**	**3,764**	**–428**	**–7**	**–421**
Income taxes	–3,778	–3,908	131	2	129
Earnings from continuing operations after tax	**–441**	**–144**	**–297**	**–5**	**–292**
Earnings from discontinued operations after tax	**–6,020**	**–6,020**	**–**	**–**	**–**
Net profit (total)	**–6,461**	**–6,164**	**–297**	**–5**	**–292**

Furthermore, in the financial year 2010 the following new or revised standards are to be used for the first time:

- Amendments to IFRS 2 "Group cash-settled share-based payment transactions"
- Improvement to IFRSs 2009

The improvements to the IFRS in April 2009 (endorsed by the EU in March 2010) are of relevance to MLP, particularly concerning the changes to IAS 7 "Cash Flow Statement". In accordance with the revised standard, cash outflows are only to be allocated to investing activities if they are associated with the capitalisation of assets.

Accordingly, in the first half-year 2010 MLP allocated € 3,062 thsd of net cash outflow associated with the sale of subsidiaries, to operating activities. In the absence of specific transitional regulations, the change to IAS 7 is to be applied retroactively. As a consequence, in the cash flow statement for the first half-year 2009, € –11 thsd have now been shown as cash flow from operating activities instead of as cash flow from investing activities.

The other changes did not have any effect on the presentation of the MLP Group's net assets, financial position or result from operations.

(4) Seasonal influences on the business operations

Particularly in the area of old-age provision, the financial crisis remains the determining negative factor affecting the level of clients' demand. Due to seasonal influences on its business operations, the Group nevertheless anticipates a higher level of net profit from continuing operations for the remainder of the financial year than was achieved in the first half-year.

(5) Revenue

[Table 19]

All figures in €'000	2nd quarter 2010	2nd quarter 2009	1st half-year 2010	1st half-year 2009
Old-age provision	59,707	60,067	118,568	122,953
Wealth management	18,803	15,904	37,127	33,069
Health insurance	13,746	9,109	26,605	22,787
Non-life insurance	3,781	3,442	20,177	18,672
Loans and mortgages	2,624	2,545	4,745	4,496
Other commission and fees	1,014	824	1,583	1,497
Commission and fees	**99,676**	**91,892**	**208,805**	**203,474**
Interest income	**6,288**	**8,108**	**12,447**	**17,324**
Total	**105,963**	**100,000**	**221,252**	**220,798**

(6) Personnel expenses/Number of employees

Personnel expenses decreased from € 56,985 thsd to € 53,214 thsd. The decrease is primarily due to the decline of the number of employees.

At June 30, 2010, the MLP Group had the following numbers of employees in the strategic fields of business.

[Table 20]

	June 30, 2010		June 30, 2009	
		of which part-time employees		of which part-time employees
Financial services	1,417	146	1,713	327
Feri	251	65	267	67
Holding	14	1	11	1
Total	**1,682**	**212**	**1,991**	**395**

(7) Other operating expenses

[Table 21]

All figures in €'000	2nd quarter 2010	2nd quarter 2009[1]	1st half-year 2010	1st half-year 2009[1]
IT operations	11,625	10,270	23,313	20,362
Rental and leasing	3,954	4,374	8,445	8,930
Consultancy	4,256	3,286	7,799	10,229
Administration operations	3,662	3,597	7,161	7,204
External services – banking business	1,847	2,289	3,642	4,170
Representation and advertising	1,693	2,631	3,509	4,810
Depreciation/impairment on other accounts receivable and other assets	1,681	1,032	3,477	1,983
Expense for commercial agents	1,154	1,340	2,671	2,345
Premiums and fees	1,032	1,427	2,656	3,038
Training and further training	697	482	2,605	2,737
Depreciation/impairment on receivables from clients in the banking business	872	349	2,171	1,271
Travel expenses	931	1,487	1,834	2,724
Insurance	1,084	898	1,815	1,507
Entertainment	558	682	1,643	1,972
Maintenance	424	444	804	865
Audit	254	255	600	515
Other personnel costs	280	272	577	645
Expenses from currency translation	9	22	36	51
Expenses from disposal of assets	19	–11	29	256
Sundry other operating expenses	2,169	1,871	6,144	4,093
Total	**38,200**	**36,995**	**80,932**	**79,709**

[1] Previous year's value adjusted. The adjustments are disclosed under note 3

The costs of IT operations contain operating expenses for applications that have passed over to an external service provider through outsourcing. The consulting costs consist of tax advice costs, legal advice costs as well as general and IT consulting costs. The consulting costs in 2009 contained one-off expenses for defence against a takeover. The expenses for administration operations contain costs relating to building operations, office costs as well as communication costs. The depreciation and impairment on other accounts receivable and other assets contain the allowance for risk on receivables from commercial agents. The expense for commercial agents includes the expense for consultants who have left the company as well as the training allowance for new consultants. Sundry other operating expenses mainly consist of external services, car costs, donations and specialist literature.

[Table 22]

(8) Finance cost

All figures in €'000	2nd quarter 2010	2nd quarter 2009	1st half-year 2010	1st half-year 2009
Other interest and similar income	**1,758**	**2,303**	**3,421**	**4,588**
Interest from financial instruments	–1,655	–2,789	–3,506	–6,385
Accrued interest on pension provisions	–313	–146	–625	–293
Other interest and similar expenses	**–1,968**	**–2,935**	**–4,131**	**–6,678**
Finance cost	**–211**	**–632**	**–710**	**–2,090**

The decrease in other interest and similar income results from lower interest of cash funds. The decrease in other interest and similar expenses is mainly attributable to dividend payments to the remaining shareholders of Feri Finance AG amounting to € 653 thsd (previous year: € 2,368 thsd) as well as to the absence of interest charges on tax liabilities that were incurred in the previous year as a result of an audit. However, depreciation on financial investments amounted to € 1,236 thsd (previous year: € 0 thsd).

(9) Receivables from banks in the banking business

The reduction in receivables from banks, which fell from € 498,201 thsd to € 452,277 thsd, is mainly attributable to the profit transfer payment by MLP Finanzdienstleistungen AG to MLP AG.

[Table 23]

(10) Financial investments

All figures in €'000	June 30, 2010	Dec 31, 2009
Available for sale		
Debt securities and holdings in investment funds	38,588	33,424
Investments	3,450	3,398
Held-to-maturity securities	72,174	45,385
Loans and receivables	125,293	110,183
Total	**239,505**	**192,389**

The increase in financial investments is mainly attributable to the purchase of new securities.

(11) Other accounts receivable and other assets/other liabilities

Due to the seasonally stronger year-end business, high receivables from insurance companies as well as high liabilities towards commercial agents at December 31, 2009 had to be shown which were then balanced out in the first quarter of 2010. A lower amount of receivables and liabilities were built up in the first half-year of 2010.

(12) Shareholders’ equity

Share capital

The share capital consists of 107,877,738 no-par-value shares (December 31, 2009: 107,877,738 no-par-value shares). In the first half-year 2010 no new no-par-value shares were issued through the exercising of rights of conversion.

Dividend

In accordance with the resolution passed at the Annual General Meeting May 20, 2010 a dividend of € 26,969 thsd was to be paid for the financial year 2009. This corresponds to € 0.25 per share. For the financial year 2008 MLP AG distributed a dividend amounting to € 0.28 per share in the second quarter 2009.

(13) Discontinued operations

The revenues and expenses from the discontinued operations are illustrated below.

[Table 24]

All figures in €'000	2nd quarter 2010	2nd quarter 2009	1st half-year 2010	1st half-year 2009
Revenue	–	1,463	–	3,311
Other revenue	–	95	–	126
Total revenue	**–**	**1,558**	**–**	**3,438**
Commission expenses	–	−684	–	−1,527
Personnel expenses	–	−1,559	–	−2,918
Depreciation and amortisation	–	–	–	−3
Other operating expenses	–	−1,135	–	−2,335
Earnings before interest and tax (EBIT)	**–**	**−1,821**	**–**	**−3,345**
Other interest and similar income	–	3	–	6
Other interest and similar expenses	–	–	–	−1
Finance cost	**–**	**3**	**–**	**5**
Earnings before tax (EBT)	**–**	**−1,817**	**–**	**−3,340**
Income taxes	–	89	–	84
Operating profit	**–**	**−1,728**	**–**	**−3,256**
Earnings from the sale of operations before tax	63	−1,318	−242	−1,321
Income taxes[1]	−22	−1,525	430	−1,443
Earnings from the sale of operations after tax	**41**	**−2,843**	**188**	**−2,764**
Earnings from discontinued operations after tax	**41**	**−4,571**	**188**	**−6,020**
Earnings per share in €				
From discontinued operations				
basic	0.00	−0.05	0.00	−0.06
diluted	0.00	−0.05	0.00	−0.06

[1] Due to a subsequent correction of a tax effect, the earnings from discontinued operations for the 1st quarter 2010 are € 434 thsd higher than reported

(14) Notes on the consolidated statement of cash flows

Cash and cash equivalents with a term to maturity of not more than three months are recorded under cash and cash equivalents. Cash equivalents are short-term financial investments which can be converted into cash at any time and which are only subject to minor value fluctuation risks.

[Table 25]

All figures in €'000	June 30, 2010	June 30, 2009
Cash and cash equivalents	51,617	47,356
Cash and cash equivalents, contained in non-current assets held for sale and disposal groups	–	730
Loans < 3 months	45,000	90,000
Liabilities to banks due on demand	–22	–3,357
Cash and cash equivalents	**96,595**	**134,729**

The receivables from banks of MLP Finanzdienstleistungen AG are not included in cash and cash equivalents, as they are to be attributed to the operating activities of the banking business segment.

The cash flow from operating activities results from cash flows that cannot be defined as investment or financing activities. This is determined on the net profit. For indirect determination of the cash flow, the changes in items due to operating activities are adjusted to take account of effects from changes to the scope of consolidation and currency translation. The changes in the respective items can therefore only be partly aligned with the corresponding values in the published consolidated statements. The cash flow from operating activities rose by € 12.1 million year on year to € 78.0 million.

In the current financial year, cash flow from investing activities is mainly influenced by the investment of cash in fixed term deposits. In the comparative period matured fixed term deposits were not invested.

The cash flow from financing activities contents the paid dividends and the repayment of loan liabilities.

(15) Notes on Group reporting by segment

There were no significant changes compared to December 31, 2009.

(16) Other financial commitments, contingent assets and liabilities and other liabilities

On the balance sheet reference date there are liabilities on account of sureties and warranties amounting to € 11,125 thsd (Dec 31, 2009: € 23,300 thsd) as well as irrevocable credit commitments of € 25,304 thsd (Dec 31, 2009: € 9,117 thsd).

Beyond this there were no significant changes compared to December 31, 2009.

(17) Related party disclosures

Compared to December 31, 2009 there were no significant changes.

(18) Events subsequent to the reporting reference date

There were no notable events after the balance sheet date which may affect the MLP Group's net assets, financial position or results of operations.

Wiesloch, August 11, 2010

MLP AG

Executive Board

Dr. Uwe Schroeder-Wildberg Manfred Bauer Ralf Schmid Muhyddin Suleiman

Review report

To MLP AG

We have reviewed the interim condensed consolidated financial statements, comprising the balance sheet, the income statement and comprehensive income, the condensed cash flow statement, the statement of changes in equity and selected explanatory notes, and the interim condensed group management report of MLP AG, Wiesloch, for the period from January 1, 2010 to June 30, 2010, which are part of the six-monthly financial report pursuant to Sec. 37w WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act]. The preparation of the interim condensed consolidated financial statements in accordance with IFRSs on interim financial reporting as adopted by the EU and of the group management report in accordance with the requirements of the WpHG ["Wertpapierhandelsgesetz": German Securities Trading Act] applicable to interim group management reports is the responsibility of the Company's management. Our responsibility is to issue a report on the interim condensed consolidated financial statements and the interim group management report based on our review.

We conducted our review of the interim condensed consolidated financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the review to obtain a certain level of assurance in our critical appraisal to preclude that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the applicable provisions of the WpHG. A review is limited primarily to making inquiries of company personnel and applying analytical procedures and thus does not provide the assurance that we would obtain from an audit of financial statements. In accordance with our engagement, we have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IFRSs on interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the WpHG applicable to interim group management reports.

Stuttgart, August 11, 2010

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Müller-Tronnier	Frey
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Assurance by the legal representatives

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the group, and the interim management report of the group includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group for the remaining months of the financial year.

Wiesloch, August 11, 2010

MLP AG

Executive Board

Dr. Uwe Schroeder-Wildberg   Manfred Bauer   Ralf Schmid   Muhyddin Suleiman

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Executive Bodies of MLP AG

Executive Board
Dr. Uwe Schroeder-Wildberg
(Chairman,
appointed until December 31, 2012)

Manfred Bauer
(Product management and purchasing,
since May 1, 2010, appointed until April 30, 2015)

Gerhard Frieg
(Product management and purchasing,
until March 31, 2010)

Ralf Schmid
(Chief Operating Officer,
appointed until December 31, 2012)

Muhyddin Suleiman
(Sales,
appointed until September 3, 2012)

Supervisory Board
Dr. Peter Lütke-Bornefeld
(Chairman)

Dr. h. c. Manfred Lautenschläger
(Vice chairman)

Dr. Claus-Michael Dill

Johannes Maret

Maria Bähr
(Employee representative)

Norbert Kohler
(Employee representative)

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Financial calendar 2010

August 12
Publication of financial results for the first half-year and the second quarter 2010

September 22
UniCredit German Conference, Munich

October 6–7
Roadshow, USA

November 11
Publication of financial results for the third quarter 2010

November 17
WestLB German Conference, Frankfurt

December 1–2
Roadshow, Europa

Financial calendar 2011

Januar 17–19
Cheuvreux German Conference, Frankfurt

June 10
Annual General Meeting, Mannheim

PROGNOSIS
This documentation includes certain prognoses and information on future developments founded on the conviction of MLP AG's Executive Board and on assumptions and information currently available to MLP AG. Words such as "expect," "anticipate," "estimate," "assume," "intend," "plan," "should," "could," "project" and other similar terms used in reference to the company describe prognoses based on certain factors subject to uncertainty.

Many factors can contribute to the actual results of the MLP Group differing significantly from the prognoses made in such statements.

MLP AG accepts no liability to the public for updating or correcting prognoses. All prognoses and predictions are subject to various risks and uncertainties, which can lead to the actual results differing from expectations. The prognosis reflect the points of view at the time when they were made.

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