REPORT FOR THE THIRD QUARTER 2005

MLP GROUP

MLP

MLP Group

Key figures in EUR million	3rd quarter 2005	3rd quarter 2004	9 months 2005	9 months 2004	Change
Continued operations					
Total revenues	127.5	121.2	348.3	365.0	–5%
Revenue from brokerage business	105.1	102.6	286.4	312.0	–8%
Revenue from banking business	13.6	12.2	38.6	36.3	6%
Other income	8.8	6.4	23.3	16.8	38%
Profit from operations (EBIT)	15.7	16.8	32.9	47.7	–31%
Profit before tax (EBT)	17.0	13.8	31.4	40.1	–22%
Net profit	9.6	7.5	16.4	22.4	–27%
Discontinued operations					
Profit before tax and disposal result (EBT)	18.4	7.2	51.2	11.3	> 100%
Net profit	11.5	5.1	33.9	8.6	> 100%
MLP Group					
Profit before tax and disposal result (EBT)	35.4	21.0	82.6	51.4	61%
Net profit	156.8	12.6	174.8	31.0	> 100%
Earnings per share	1.45	0.12	1.61	0.29	> 100%
Capital expenditure	5.0	5.1	13.1	19.2	–32%
Shareholders' equity			440.5	289.6*	52%
Clients			640,000	618,500*	3%
MLP consultants			2,583	2,546*	1%
Branch offices			297	300*	–1%
Employees			1,666	1,874*	–11%
Arranged new business					
Pension provision (premium sum in billion EUR)	2.3	2.7	4.4	5.9	–25%
Health insurance (annual premium)	15.2	15.6	37.2	41.6	–11%
Loans and mortgages	299.6	204.0	771.6	620.1	24%
Inflows into funds	290.6	147.0	623.0	459.3	36%
Funds under management (in billion EUR)			4.9	4.1*	20%

* As at 31.12.2004

Financial calendar	
Preliminary results 2005	**15.02.2006**
Full year results 2005	**29.03.2006**
Results for the 1st quarter 2006	**10.05.2006**
Annual General Meeting 2006 in Mannheim	**31.05.2006**
Results for the 2nd quarter 2006	**09.08.2006**
Results for the 3rd quarter 2006	**08.11.2006**

Dynamic profit growth at MLP

- **Group profit before tax and disposal result (EBT) climbs by 61 per cent to EUR 82.6 million after nine months**
- **Additional pre-tax contribution resulting from the sale of the insurance subsidiaries totals EUR 140.5 million**
- **Total revenues fall by 5 per cent to EUR 348.3 million without insurance subsidiaries**
- **Q3: Brokerage business exceeds last year's high level**
- **EBT forecast for the year increased to EUR 110 million**

The Heidelberg based financial services company MLP announces successful results for the first nine months of the 2005 business year. The profit before tax and disposal result (EBT) climbed by 61 per cent over last year to EUR 82.6 million (EUR 51.4 million). Group net profit increased by 62 per cent to EUR 50.2 million (EUR 31.0 million), not including the sale of both insurance subsidiaries. Including profits from the sale (EUR 124.6 million), net profit totals some EUR 174.8 million. Total revenues have, as forecast, fallen slightly by 5 per cent to EUR 348.3 million (EUR 365.0 million). Revenues from the insurance subsidiaries, MLP Lebensversicherung AG and MLP Versicherung AG, which have both been sold, are not included in the total revenue figure.

Brokerage business in Q3 exceeds high levels in last year

The months between July and September were the most successful this year to date for MLP. Excluding the sold insurance subsidiaries, total revenues clearly surpass those of last year with EUR 127.5 million (EUR 121.2 million) for the first time in 2005. The brokerage business at MLP Finanzdienstleistungen AG reported by far the largest part of total revenues. Revenues in this area climbed in Q3 to EUR 105.1 million (EUR 102.6 million). MLP has posted a clear rise of 15 per cent over Q2 2005 (EUR 91.6 million). Revenues have declined over a nine month period by 8 per cent to EUR 286.4 million (EUR 312.0 million). Pre-tax profit (EBT) in the Consulting and Sales segment has also seen a very pleasing trend. In the first nine months of 2005, MLP posted a decline of 26 per cent to EUR 33.3 million (EUR 44.7 million). However, pre-tax profit climbed by 7 per cent in Q3 to EUR 16.6 million compared with EUR 15.6 million in Q3 2004. Negative profit contribution from foreign business activities totalled EUR 4.4 million (EUR 3.5 million)

In the Life Insurance segment profit before tax (EBT) rose from EUR 16.1 million to EUR 42.4 million over the nine-month period. The same applies at MLP Versicherung AG, which contributed 22 per cent more to the Group profit before tax and disposal result over last year with EUR 5.0 million (EUR 4.1 million). Profit before tax at MLP Bank fell by 27 per cent to EUR 4.7 million (EUR 6.5 million).

Inflows into mutual funds and loan volume see a clear rise

The trend for state-supported long-term product offerings, such as Riester pension policies, basic pensions (Rürup) or occupational pension schemes (bAV) continued on in Q3. New business arranged by MLP in the area old-age provision has declined this year by 25 per cent over 2004 from EUR 5.9 billion to EUR 4.4 billion. A quarterly comparison shows a fall of 15 per cent from EUR 2.7 billion to EUR 2.3 billion. Inflows into mutual funds were very pleasing. They increased by 36 per cent to EUR 623.0 million (EUR 459.3 million) between January and September. Assets under management by the MLP Group climbed by 20 per cent to EUR 4.9 billion compared to year-end 2004. New loan business has increased to EUR 771.6 million, 24 per cent over last year (EUR 620.1 million).

However, annual premiums for private health insurance declined by 11 per cent to EUR 37.2 million (EUR 41.6 million).

The number of MLP consultants has increased since year start by 37 to a total of 2,583. Therefore, MLP probably won't reach the previously forecasted increase of 200 MLP Consultants by year end. Since the beginning of the year, MLP has increased its client base from 618,500 to 640,000. This corresponds to an additional 9,000 clients in Q3.

Sale of insurance subsidiaries successfully completed

MLP completed the sale of both subsidiaries MLP Lebensversicherung AG and MLP Versicherung AG at the end of September and will be including its shareholders generously in the profits from the successful sales. In addition to a share buyback program that is due to start in December and corresponds to some EUR 180 million, or 10 per cent of share capital, at the current share price, both the executive board and the supervisory board will suggest at the forthcoming AGM that an extra dividend of 30 cent per share be paid out to shareholders. The total volume amounts to some EUR 32 million. MLP will also be annulling existing factoring contracts with a volume of EUR 115 million, thus clearly improving its finance cost.

Disposal result from the sale totals EUR 144.4 million in Q3 and EUR 140.5 million for the first nine months of 2005, since sales expenditure in Q2 amounting to EUR 3.9 million have taken effect. Further profit contributions resulting from the sale are linked to business development until the year 2008 and must therefore be posted in stages.

Riester pension and basis pension define pension business

With the implementation of the law on retirement income, the Alterseinkünftegesetz, in January 2005 private pension provisions have become a much more complex topic in Germany. Following in-depth training courses for consultants, MLP has ensured since the beginning of the year that clients can continue to benefit from high quality consultation services. The MLP Consultants have adapted themselves to deal with the extensive changes. By the end of September, MLP had arranged over 35,000 basis pension policies, and has thus upheld its leading position for these new, state-supported provisional products. The Riester Pension will also play an important role within the old-age provision products sold by MLP over the course of the year.

MLP increases its forecast for the full year

Due to the positive development seen over recent months MLP is confident for the rest of the year. Although Q4 will be mainly affected by the last few weeks of the year, the executive board still sees sufficient scope to increase the forecast for the year as a whole from EUR 100 million to EUR 110 million pre-tax profit. This does not include the profit contribution resulting from the sale of the insurance subsidiaries.

Consolidated income statement

Consolidated income statement for the period 1 January to 30 September 2005

All figures in €'000	Note	3rd quarter 2005	3rd quarter 2004	9 months 2005	9 months 2004
Continued operations					
Revenue from brokerage business	[1]	105,147	102,603	286,398	311,966
Revenue from banking business	[2]	13,558	12,187	38,620	36,269
Other income		8,770	6,427	23,273	16,813
Total revenues		**127,475**	**121,217**	**348,291**	**365,048**
Expenses for brokerage business		−49,595	−43,745	−125,992	−139,498
Expenses for banking business	[3]	−3,864	−2,990	−10,858	−8,903
Personnel expenses		−17,497	−14,323	−53,398	−46,123
Depreciation/amortisation		−4,317	−4,417	−13,331	−13,418
Other operating expenses	[4]	−36,513	−38,987	−111,804	−109,406
Profit from operations (EBIT)		**15,689**	**16,755**	**32,908**	**47,700**
Other interest and similar income		3,067	314	5,046	1,644
Other interest and similar expenses		−1,736	−3,298	−6,586	−9,242
Finance cost		**1,331**	**−2,984**	**−1,540**	**−7,598**
Profit before tax (EBT)		**17,020**	**13,771**	**31,368**	**40,102**
Income taxes		−7,428	−6,299	−15,008	−17,702
Net profit of continued operations		**9,592**	**7,472**	**16,360**	**22,400**
Net profit of discontinued operations	[7]	**147,227**	**5,123**	**158,453**	**8,643**
Net profit of continued and discontinued operations		**156,819**	**12,595**	**174,813**	**31,043**
Thereof					
Equity holders of the parent		156,840	12,588	174,810	31,033
Minority interest		−21	7	3	10
Earnings per share in EUR		1.45	0.12	1.61	0.29
Diluted earnings per share in EUR		1.43	0.11	1.59	0.28

Consolidated balance sheet

Consolidated balance sheet as at 30 September 2005

Assets – all figures in €'000	Note	30 September 2005	31 December 2004
Intangible assets		22,581	60,268
Property, plant and equipment		114,131	117,356
Financial assets	[5]	194,202	204,624
Investments of life insurance policy holders held on account and at risk		–	1,564,065
Reinsurance receivables		–	30,482
Receivables due from banking business	[6]	467,364	371,641
Accounts receivable and other assets		111,818	137,738
Cash and cash equivalents		261,787	190,957
Deferred acquisition costs (DAC)		–	357,600
Deferred tax assets		40,429	51,462
		1,212,312	**3,086,193**

Shareholders' equity and liabilities – All figures in €'000	Note	30 September 2005	31 December 2004
Shareholders' equity		440,404	288,977
Minority interest		64	586
Total shareholders' equity		**440,468**	**289,563**
Insurance provisions		–	431,639
Insurance provisions for investments of life insurance policy holders held on account and at risk		–	1,564,065
Other provisions		181,429	192,513
Reinsurance liabilities		–	36,594
Liabilities due to banking business		459,891	355,408
Other liabilities		130,300	214,793
Deferred tax liabilities		224	1,618
		1,212,312	**3,086,193**

Consolidated statement of changes in shareholders' equity

All figures in €'000

	Share capital	Capital reserves	Available-for-sale reserves	Remaining shareholders' equity	Shareholder's equity
As at 01.01.2004	**108,641**	**8,046**	**– 217**	**137,352**	**253,822**
Currency translation				28	28
Capital increases					
Change in available-for-sale reserves			66		66
Net profit				31,033	31,033
Dividends paid to shareholders				−16,297	−16,297
Convertible debenture		1,327			1,327
As at 30.09.2004	**108,641**	**9,373**	**-151**	**152,116**	**269,979**

All figures in €'000

	Share capital	Capital reserves	Available-for-sale reserves	Remaining shareholders' equity	Shareholder's equity
As at 01.01.2005	**108,641**	**9,361**	**– 229**	**171,204**	**288,977**
Change in scope of consolidation				−1,604	−1,604
Currency translation				95	95
Capital increases					
Change in available-for-sale reserves			390		390
Net profit				174,810	174,810
Dividends paid to shareholders				−23,901	−23,901
Convertible debenture		1,637			1,637
As at 30.09.2005	**108,641**	**10,998**	**161**	**320,604**	**440,404**

Consolidated cash flow statement

Consolidated cash flow statement for the period from 1 January to 30 September 2005

All figures in €'000	9 months 2005	9 months 2004
Cash flow from operating activities	252,708	296,574
Cash flow from investing activities	−28,902	−272,770
Cash flow from financing activities	−46,639	−17,718
Change in cash and cash equivalents	−177,167	6,086
Change in cash and cash equivalents due to exchange rate movements	29	55
Change in cash and cash equivalents at end of period	411,730	131,184

Thereof discontinued operations:

All figures in €'000	9 months 2005	9 months 2004
Cash flow from operating activities	234,426	236,235
Cash flow from investing activities	−16,275	−261,924
Cash flow from financing activities	−1	−1
Change in cash and cash equivalents	−218,150	−25,690
Change in cash and cash equivalents due to exchange rate movements	–	–
Change in cash and cash equivalents at end of period	285,523	59,803

Total considerations from the sale of MLP Lebensversicherung AG and MLP Versicherung AG were settled in cash amounting to EUR 293,488 thsd. Within discontinued operations cash and cash equivalents amounted to EUR 72,879 thsd.

Segment reporting

Consulting and sales segment

All figures in €'000	3rd quarter 2005	3rd quarter 2004	9 months 2005	9 months 2004
Segment revenue				
External revenue	90,897	81,772	230,483	245,234
Inter-segment revenue	17,156	22,730	63,414	71,910
Total segment revenue	**108,053**	**104,502**	**293,897**	**317,144**
Other income	8,626	5,540	22,804	15,044
Segment expenses				
Brokerage business	−49,760	−43,745	−126,420	−139,498
Personnel expenses	−13,905	−11,176	−43,191	−36,816
Depreciation/amortisation	−2,812	−2,880	−8,645	−8,982
Other expenses	−32,036	−34,542	−100,564	−96,272
Total segment expenses	**−98,513**	**−92,343**	**−278,820**	**−281,568**
Segment results before finance cost (EBIT)	**18,166**	**17,699**	**37,881**	**50,620**
Finance cost	−1,517	−2,131	−4,581	−5,876
Segment results after finance cost (EBT)	**16,649**	**15,568**	**33,300**	**44,744**

During the first nine months of the current fiscal year income from the Consulting and Sales segment fell by seven per cent from EUR 317.1 million to EUR 293.9 million. This drop can be attributed mainly to the weaker first half-year. In Q3 revenues climbed again slightly by three per cent from EUR 104.5 million to EUR 108.1 million. Old-age provision business in particular continued to rise in the third quarter. Expenditure from the brokerage business dropped during the first nine months by nine per cent to EUR 126.4 million (EUR 139.5 million). The decline can also be attributed to restructuring costs from 2004 amounting to some EUR 5.4 million. Personnel expenditure rose by 17 per cent to EUR 43.2 million due to expansion in the occupational pension area. Depreciation was as budgeted and totalled some EUR 8.6 million (EUR 9.0 million). Other expenditure increased slightly from EUR 96.3 million in the same period last year to EUR 100.6 million this year. This increase can be attributed largely to increased expenditure for advertising and training activities. For example, in Q1 a total of EUR 3.0 million was spent on training measures related to the new pension provision environment in Germany. Profit from operations (EBIT) dropped from EUR 50.6 million by 25 per cent to EUR 37.9 million. The EBIT margin therefore totalled 12.9 per cent (16.0 per cent). Foreign business operations posted a pre-tax loss of EUR 4.4 million (EUR 3.5 million). In comparison to a loss of EUR 1.8 million in the third quarter of 2004 the loss this year amounted to only EUR 1.0 million.

The client base continued to grow at a pleasing rate, increasing from 618,500 at the beginning of the year by 21,500 to 640,000. This corresponds to an additional 9,000 clients in Q3. The number of consultants reached the 2,583 mark after nine months, which represents an increase of 37 consultants over year start 2005.

New business in the old-age provision area dropped in the first nine months of this year in comparison to last year by 25 per cent from EUR 5.9 billion measured by premium sum to EUR 4.4 billion. Compared with Q2, business in Q3 picked up again and reached the EUR 2.3 billion mark (Q2 2005: EUR 1.5 billion). The health insurance sector posted a slight fall in comparison with last year. Arranged annual premiums came to EUR 37.2 million (EUR 41.6 million). Compared with the preceding quarter, the annual premiums of EUR 12.1 million climbed to EUR 15.2 million. The loans business showed pleasing developments, continuing in the same vein as the preceding quarters. The volume arranged rose over last year by 24 per cent to EUR 771.6 million. Inflows into mutual funds totalled EUR 623.0. This corresponds to an increase of 36 per cent over the same period last year (EUR 459.3 million). This positive trend continued in Q3 with inflows totalling some EUR 290.6 million. Assets under management rose from EUR 4.1 billion at year-start to EUR 4.9 billion by the end of September 2005.

Life insurance segment

All figures in €'000	3rd quarter 2005	3rd quarter 2004	9 months 2005	9 months 2004
Segment revenue				
External revenue	41,171	42,095	136,977	123,304
Inter-segment revenue				
Total segment revenue	**41,171**	**42,095**	**136,977**	**123,304**
Other income	131	241	443	739
Change in deferred acquisition costs	3,908	18,522	37,949	55,009
Segment expenses				
Insurance business	–30,305	–46,045	–117,098	–140,004
Personnel expenses	–1,325	–1,903	–6,226	–6,717
Deprieciation/amortisation	–	–1,540	–610	–4,626
Other expenses	–2,249	–4,031	–9,192	–11,793
Total segment expenses	**–33,879**	**–53,519**	**–133,126**	**–163,140**
Segment result before finance cost (EBIT)	**11,331**	**7,339**	**42,243**	**15,912**
Finance cost	97	58	200	179
Segment result after finance cost (EBT)	**11,428**	**7,397**	**42,443**	**16,091**

For the fiscal year 2005, business development was included in the segment Life Insurance until the deconsolidation date (5th September 2005) regarding the sale of the subsidiary MLP Lebensversicherung AG. A comparison with figures from the previous year is not possible, as this would be of limited relevance considering the respective reporting periods.

Total revenues in the Life Insurance segment amounted to EUR 137.0 million up until the deconsolidation date. This can be attributed to the high level of new business in year 2004. Changes in deferred acquisition costs were EUR 37.9 million and expenditure from insurance business totalled some EUR 117.1 million. Personnel expenditure progressed as forecast and amounted to EUR 6.2 million. Depreciation on long-term assets was suspended in line with IFRS 5.25. This resulted in depreciation of some EUR 0.6 million. The item "Other Expenditure" totalled EUR 9.2 million. As such, pre-tax profits for the segment reached EUR 42.4 million.

Non-life insurance segment

All figures in €'000	3rd quarter 2005	3rd quarter 2004	9 months 2005	9 months 2004
Segment revenue				
External revenue	8,102	10,333	33,184	29,458
Inter-segment revenue				
Total segment revenue	**8,102**	**10,333**	**33,184**	**29,458**
Other income	18	112	241	337
Change in deferred acquisition costs	−653	−722	1,453	808
Segment expenses				
Insurance business	−3,167	−5,086	−21,736	−17,397
Personnel expenses	−887	−1,253	−4,073	−4,124
Deprieciation/amortisation	–	−244	−85	−710
Other expenses	−1,044	−1,427	−4,064	−4,312
Total segment expenses	**−5,098**	**−8,010**	**−29,958**	**−26,543**
Segment result before finance cost (EBIT)	**2,369**	**1,713**	**4,920**	**4,060**
Finance cost	–	1	33	7
Segment result after finance cost (EBT)	**2,369**	**1,714**	**4,953**	**4,067**

For the fiscal year 2005, business development was included in the segment Non-life Insurance until the deconsolidation date (16th August 2005) regarding the sale of the subsidiary MLP Lebensversicherung AG. A comparison with figures from the previous year is not possible, as this would be of limited relevance considering the respective reporting periods.

In the Non-life Insurance segment revenues until the deconsolidation date amounted to EUR 33.2 million. The item "Changes to deferred acquisition costs" totalled some EUR 1.5 million.

Expenditure from insurance business progressed in line with revenues and totalled EUR 21.7 million. Personnel expenditure was posted at EUR 4.1 million. "Other expenditure" reached EUR 4.1 million and segment result before finance cost (EBIT) thus amounted to some EUR 4.9 million.

Bank segment

All figures in €'000	3rd quarter 2005	3rd quarter 2004	9 months 2005	9 months 2004
Segment revenue				
External revenue	13,474	11,562	38,222	34,470
Inter-segment revenue	374	1,012	951	2,745
Total segment revenue	**13,848**	**12,574**	**39,173**	**37,215**
Other income	1	209	86	628
Segment expenses				
Banking business	–6,909	–4,945	–18,333	–14,474
Personnel expenses	–1,551	–1,450	–4,675	–4,662
Deprieciation/amortisation	–98	–66	–281	–201
Other expenses	–3,694	–3,685	–11,208	–11,776
Total segment expenses	**–12,252**	**–10,146**	**–34,497**	**–31,113**
Segment result before finance cost (EBIT)	**1,597**	**2,637**	**4,762**	**6,730**
Finance cost	–4	–84	–21	–249
Segment result after finance cost (EBT)	**1,593**	**2,553**	**4,741**	**6,481**

In the Bank segment revenues rose by five per cent from EUR 37.2 million to EUR 39.2 million. Personnel expenditure remained unchanged over the previous year, totalling EUR 4.7 million. Other expenditure dropped slightly from EUR 11.8 million to EUR 11.2 million. The interest result improved slightly from EUR 6.9 million to EUR 7.5 million, while the commission result dropped from EUR 18.5 million to EUR 16.6 million. Overall, the profit before finance cost (EBIT) for this segment totalled EUR 4.8 million over EUR 6.7 million one year previously. Pre-tax profit amounted to EUR 4.7 million (EUR 6.5 million).

Internal services und administration segment

All figures in €'000	3rd quarter 2005	3rd quarter 2004	9 months 2005	9 months 2004
Segment revenue				
External revenue				
Inter-segment revenue				
Total segment revenue				
Other income	5,219	5,420	15,544	15,206
Segment expenses				
Personnel expenses	–2,040	–1,697	–5,532	–4,644
Deprieciation/amortisation	–1,407	–1,472	–4,405	–4,235
Other expenses	–5,984	–5,834	–15,362	–15,923
Total segment expenses	**–9,431**	**–9,003**	**–25,299**	**–24,802**
Segment result before finance cost (EBIT)	**–4,212**	**–3,583**	**–9,755**	**–9,596**
Finance cost	2,989	–768	5,420	–941
Segment result after finance cost (EBIT)	**–1,223**	**–4,351**	**–4,335**	**–10,537**
Disposal result	144,388	–	140,488	–
Segment result after disposal result (EBT)	**143,165**	**–4,351**	**136,153**	**–10,537**

This segment covers all in-house services and activities within the MLP Group. Profit before finance cost (EBIT) for this segment has fallen – mainly due to slight increases in personnel expenditure from EUR -9.6 million to EUR -9.8 million. The finance cost rose over the same period last year from EUR -0.9 million to EUR 5.4 million. The reason for this increase lies with the accured interest on the total considerations received for the sale of MLP Lebensversicherung AG und der MLP Versicherung AG, as well as the retirement of the construction loan. The positive finance cost improved profits before tax and disposal result (EBT) from EUR -10.5 million to EUR -4.3 million. The pre-tax disposal result from the sales of MLP Lebensversicherung AG and MLP Versicherung AG are posted under the position disposal result.

Notes

I. General notes

The MLP AG interim report was compiled in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB). London. taking into account the interpretation of the International Financial Reporting Interpretations Committee (IFRIC). IAS 34 (interim reporting) was also applied. The interim report presented here was not subject to an audit examination.

Figures are presented in EUR thousands (‘000) unless otherwise stated.

II. Accounting and valuation methods

Fundamentally the same consolidation principles and accounting and valuation methods were applied for the interim report and the comparison with figures from the previous year as were applied for the 2004 group annual report. A detailed description of the accounting and valuation methods is published in the notes to the 2004 annual report. This can be downloaded from the company’s website at www.mlp.de.

The following section explains the changes to accounting and valuation methods as well as disclosure.

Until now. IAS 1 has allowed the right to choose between presenting the financial statements according to maturity or by order of liquidity. This right to choose has been removed as part of the IASB Improvement Project. However. certain companies such as financial institutions (IAS 1.54) or companies with different business areas (IAS 1.55) are still entitled to structure the financial statements by order of liquidity. if a more reliable and more relevant presentation is achieved as a result. The structure of financial statements has thus been maintained in the MLP Group.

IFRS 2 was applied for the first time as per 1 January 2005. IFRS 2 contains rules for treating equity-based transactions. which must be compiled as from 1 January as expenditure.

In 2004 the IASB issued the new standard IFRS 5 “Non-current assets held for sale and discontinued operations”. We have adopted the IASB recommendation to implement this standard ahead of time and have already applied IFRS 5 in the Group consolidated financial statements for 2004. Hereby. the criteria determined in IFRS 5. which must be met in order to classify business areas as discontinued operations in the financial statements. were not yet fulfilled. These criteria were met in the first quarter of 2005. The companies held for sale. MLP Lebensversicherung AG and MLP Versicherung AG. were therefore. in contrast to the 2004 group year-end report. to be reported as discontinued operations.

The profit from discontinued operations in the income statement as well as non-current assets and liabilities on the balance sheet held for sale will be posted separately. The comparative periods were adjusted accordingly in the income statement and are thus no longer comparable with the financial statements presented in previous years. The balance sheet figures from previous years do not have to be adjusted according to IFRS 5.

In order to provide financial statement addressees with a better assessment of the financial effects of discontinued operations (IFRS 5.30), we have not consolidated continued and discontinued operations in contrast to the previous year.

The scheduled depreciation of long-term assets for discontinued operations was compiled according to IFRS 5.25.

The following explanations in the notes refer to continued operations, with the exception of the explanations made explicitly under the item "Discontinued operations".

III. Consolidated Group

The consolidated Group report includes the MLP AG financial statements and those of the companies it controls listed below (subsidiaries) according to IAS 27, in which it holds the majority of voting rights or for which it has the factual control. In the 2005 financial year MLP AG has extended its consolidated Group by one further foreign subsidiary, "MLP Vermögensberatung AG. Vienna, Austria". In the third quarter 2005 MLP Lebensversicherung AG and MLP Versicherung AG were deconsolidated.

In comparison with the same period in 2004, the consolidated Group has been extended by the companies acquired in 2004. BERAG Beratungsgesellschaft für betriebliche Altersversorgung und Vergütung mbH, Bremen, as well as BERAG Versicherungs-Makler GmbH, Bremen. However, there is no noteworthy impact on the balance sheet and income statement.

IV. Notes on the income statement

Revenues by business area can be found in the segment report.

[1] 1. Revenue from brokerage business

All figures in €'000	3rd quarter 2005	3rd quarter 2004	9 months 2005	9 months 2004
Old-age provision*	84,046	83,017	213,888	238,434
Health insurance	10,149	10,813	33,306	38,384
Non-life insurance	2,290	2,461	16,091	14,769
Mutual funds	3,601	3,516	10,938	10,984
Loans	3,310	1,514	7,126	5,490
Other income	1,751	1,282	5,049	3,905
Total	**105,147**	**102,603**	**286,398**	**311,966**

* Before consolidation with discontinued operations

[2] 2. Revenue from banking business

All figures in €'000	3rd quarter 2005	3rd quarter 2004	9 months 2005	9 months 2004
Commission income	8,767	8,312	24,839	24,618
Interest and similar income	4,791	3,875	13,781	11,651
Total	**13,558**	**12,187**	**38,620**	**36,269**

Commission income from banking business is mainly composed of income from current accounts, credit cards and loans as well as fees from asset management and savings plans.

[3] 3. Expenses for banking business

All figures in €'000

	3rd quarter 2005	3rd quarter 2004	9 months 2005	9 months 2004
Interest and similar expenses	2,149	1,596	6,101	4,758
Provision for risks	1,161	822	3,082	2,622
Expenses for financial assets	3	–	13	–
Hedging result	40	–	200	–
Commissions paid	511	572	1,462	1,523
Total	**3,864**	**2,990**	**10,858**	**8,903**

[4] 4. Other operating expenses

All figures in €'000

	3rd quarter 2005	3rd quarter 2004	9 months 2005	9 months 2004
IT costs	8,632	9,136	27,269	28,216
Rent and rent incidentals	5,445	5,765	16,708	16,979
Training and seminars	2,340	2,185	8,491	5,535
Audit and consultancy costs	2,662	3,279	6,847	8,665
Communication requirements	3,108	3,121	9,172	10,116
Advertising activities	1,594	1,448	6,675	4,776
Expenses for retired sales representatives	1,798	1,551	4,328	3,694
Representation, entertainment expenses	918	957	3,754	2,940
Office supplies	847	879	2,290	2,443
Bad debt allowances	37	12	411	2,730
Other taxes	131	661	259	1,197
Currency translation expenses	–	−6	9	4
Other remaining expenses	9,001	9,999	25,591	22,111
Total	**36,513**	**38,987**	**111,804**	**109,406**

Other remaining expenses in the reporting period include mainly expenses for renting notebooks, expenses for insurance policies, other personnel expenses, travel expenses. contributions and fees as well as expenses relating to money transactions.

V. Notes on the balance sheet

The decrease of the balance sheet sum is due to the deconsolidation of assets and liabilities of the companies sold in the third quarter 2005.

[5] 1. Financial assets

All figures in €'000	30.09.2005	31.12.2004
Available-for-sale securities	40,275	157,030
Held-to-maturity securities	2,560	2,599
Investments	1,373	1,383
Loans	–6	12
Other capital assets	150,000	43,600
Total	**194,202**	**204,624**

[6] 2. Receivables due from banking business

All figures in €'000	30.09.2005	31.12.2004
Accounts receivable due to bank clients	274,137	229,138
Accounts receivable due from financial institutions	193,227	142,503
Total	**467,364**	**371,641**

Accounts receivable due from bank clients mainly include accounts receivable from loans. current accounts and credit cards.

VI. Discontinued operations

As part of the continued focus on the core business, the MLP Group sold its subsidiaries MLP Lebensversicherung AG and MLP Versicherung AG. Following final approval by the authorities, the companies were deconsolidated in Q3 (16th August 2005 MLP Versicherung AG and on 5th September 2005 MLP Lebensversicherung AG).
In accordance with IFRS 5 the results from these discontinued operations were posted separately as from Q1 2005. The income statement has been adjusted by the respective amounts from the discontinued operations; the resulting net amount has been posted in a separate line in the income statement. There were no losses from depreciation. The assets and liabilities were deconsolidated in the third quarter and adusted accordingly.

The companies each represent one segment in the Segment Report.

The result of MLP Lebensversicherung AG and MLP Versicherung AG for the period of 1 January 2005 until deconsolidation is presented below.

[7] Income statement of discontinued operations

All figures in €'000	3rd quarter 2005	3rd quarter 2004	9 months 2005	9 months 2004
Revenue from insurance business	49,975	49,712	166,553	144,980
Other income	150	311	684	922
Total revenues	**50,125**	**50,023**	**167,237**	**145,902**
Change in deferred acquisition costs	5,129	18,114	43,967	55,122
Expenses for insurance business	–31,453	–50,607	–135,986	–157,761
Other expenses	–5,503	–10,374	–24,245	–32,149
Profit from operations (EBIT)	**18,298**	**7,156**	**50,973**	**11,114**
Finance cost	95	59	233	186
Profit before tax (EBT)	**18,393**	**7,215**	**51,206**	**11,300**
Income taxes	–6,852	–2,092	–17,330	–2,657
Net profit from discontinued operations	**11,541**	**5,123**	**33,876**	**8,643**
Disposal result	144,388	–	140,488	–
Income taxes	–8,702	–	–15,911	–
Post-tax disposal result	**135,686**	**–**	**124,577**	**–**
Total net profit from discontinued operations	**147,227**	**5,123**	**158,453**	**8,643**
Earnings per share in EUR	1.36	0.05	1.46	0.08
Diluted earnings per share in EUR	1.34	0.05	1.44	0.08

VII. Notes on the cash flow statement

The cash flow statement illustrates the change in cash resources of the MLP Group over the financial year as a result of the cash flows from operating activities. investing and financing activities. The cash flows of investing activities mainly comprise changes in fixed assets. The financing activity shows the cash-related equity capital changes and loans used. All other cash flows of revenue-related principal activities are allocated to operating activities.

VIII. Notes on Group reporting by segment

Segmentation of the MLP Group annual accounts data is based on the internal organisational structure of the MLP Group according to business sectors (primary segment).

The business segments are made up of the individual companies in the MLP Group. The reportable segments constitute strategic Group business segments which differ as regards their services and products, as well as the regulatory framework.

Derivation of the reportable strategic business is based on the criteria of the relationship between potential opportunities and risks in the market in which the MLP Group transacts business.

The strategic business sectors are the following:
- Consulting and sales
- Life insurance
- Non-life insurance
- Banking
- Internal services and administration

The object of the **consulting and sales** segment consists of client consulting services, particularly with regard to insurance, investments, occupational pension schemes and financing of all kinds, as well as of the broking of contracts concerning these financial services. This strategic line of business expanded by one company in the first quarter of 2005 due to the foundation of MLP Vermögensberatung AG.

The segment is made up of MLP Finanzdiebstleistungen AG, Heidelberg. MLP Private Finance plc, London, Great Britain. MLP Private Finance Corredura de Seguros S.A., Madrid, Spain. MLP Private Finance AG, Zurich, Switzerland. BERAG Beratungsgesellschaft für betriebliche Altersversorgung und Vergütung mbH, Bremen. BERAG Versicherungs-Makler GmbH, Bremen. MLP BAV GmbH, Heidelberg and MLP Vermögensberatung AG, Vienna, Austria.

The portfolio of products and services of the **life insurance** segment comprises various types of life insurance policies, tax-privileged insurance policies pursuant to the German law on pension income, capitalisation transactions as well as the administration of pension schemes. The life insurance segment is made up exclusively of MLP Lebensversicherung AG.

The business activity of the **non-life insurance** segment extends to the conception and running of property and accident insurance. The segment is formed by MLP Versicherung AG.

The **banking** segment includes the administration of financial portfolios, the trustee credit business, the loan and credit card business, consulting regarding investment decisions in respect of investment funds, as well as the conception and organisational implementation of new financial products for the MLP Group. The segment is formed exclusively by MLP Bank AG.

The **internal services and administration** segment is formed by MLP AG and Login GmbH. All internal services and activities of the MLP Group are thus combined in a separate segment.

IX. Miscellaneous information

The number of employees of the Group as at 30 September 2005 amounted to 1,666 (31.12.2004: 1,874). Thereof 383 (31.12.2004: 373) were minor part-time employees.

MLP AG executive bodies

Executive Board:

Dr. Uwe Schroeder-Wildberg (Chairman and CEO)
Eugen Bucher
Gerhard Frieg
Nils Frowein

Supervisory Board:

Manfred Lautenschläger (Chairman)
Dr Peter Lütke-Bornefeld
Johannes Maret
Gerd Schmitz-Morkramer (Deputy Chairman)
Maria Bähr (Employees' Representative)
Norbert Kohler (Employees' Representative)

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