Interim Group Report for the first nine months and the third quarter 2012

MLP

MLP Group

MLP key figures

All figures in € million	3rd quarter 2012	3rd quarter 2011	9 months 2012	9 months 2011	Change
Continuing operations					
Total revenue	121.5	116.3	355.3	356.5	–0.3%
Revenue	118.0	112.3	340.2	343.7	–1.0%
Other revenue	3.6	4.0	15.1	12.8	18.0%
Operating EBIT (before one-off exceptional costs)	11.1	6.5	26.7	18.7	42.8%
Earnings before interest and tax (EBIT)	11.1	2.9	26.7	4.6	>100%
EBIT margin (%)	9.1 %	2.5 %	7.5 %	1.3 %	>100%
Earnings from continuing operations	8.3	1.6	18.6	1.4	>100%
Earnings per share (diluted) in €	0.08	0.02	0.17	0.01	>100%
MLP Group					
Net profit (total)	8.3	1.7	18.6	2.0	>100%
Earnings per share (diluted) in €	0.08	0.02	0.17	0.02	>100%
Cash flow from operating activities	–4.1	0.6	27.1	56.8	–52.3%
Capital expenditure	3.5	2.3	11.0	4.1	>100%
Shareholders' equity	–	–	353.2	399.3 [1]	–11.5%
Equity ratio	–	–	25.0 %	26.8 % [1]	–6.8%
Balance sheet total	–	–	1,412.4	1,487.8 [1]	–5.1%
Clients[2]	–	–	807,600	794,500 [1]	1.6%
Consultants[2]	–	–	2,099	2,132 [1]	–1.5%
Branch offices[2]	–	–	174	178 [1]	–2.2%
Employees	–	–	1,517	1,563	–2.9%
Arranged new business[2]					
Old-age provisions (premium sum in € billion)	1.0	1.0	2.4	2.9	–17.2%
Loans and mortgages	358.0	329.0	986.0	1,030.0	–4.3%
Assets under management in € billion[3]	–	–	20.9	20.2 [1]	3.5%

[1] As of December 31, 2011.
[2] Continuing operations.
[3] Calculated according to the method of the German Association of Investment and Asset Management (BVI).

[Table 01]

Interim Group Report for the first nine months and the third quarter 2012

The first nine months and the third quarter 2012 at a glance:

- EBIT in the first nine months rises from € 4.6 million to € 26.7 million – reflecting the continuing benefits of MLP's early implementation of the efficiency program
- Q3: Slight uptrend in old-age provision, high momentum in wealth management – total revenue increase by 4 %
- Full year: Operating EBIT margin goal of 15 % still achievable despite difficult market conditions
- Further pick-up expected in old-age provision and health insurance

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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 from insurance companies, banks and investment firms. The MLP Group manages total assets of more than € 20.9 billion and supports more than 805,000 private and 5,000 corporate clients or employers. The financial services and wealth management consulting company was founded in 1971 and holds a full banking licence.

The concept of the founders, which still remains the basis of the current business model, is to provide long-term consulting for academics and other discerning clients in the fields of provision, financial investment, health insurance, non-life insurance, loans and mortgages and banking. Private individuals with assets above € 5 million and institutional clients benefit from extensive wealth management and consulting services as well as receiving economic forecasts and ratings provided by the subsidiaries of the Feri Group. Supported by its subsidiary TPC and the joint venture HEUBECK-FERI Pension Asset Consulting GmbH, MLP also provides companies with independent consulting and conceptual services in all issues pertaining to occupational pension schemes and remuneration as well as asset and risk management.

Group Interim Management Report for the first nine months and the third quarter 2012

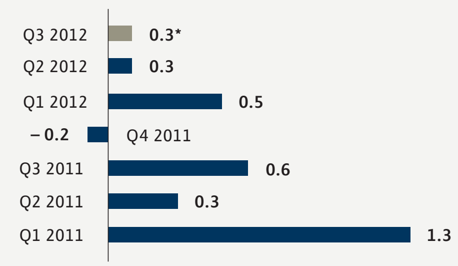
The values disclosed in the following management report have been rounded to one decimal place. Consequently, differences to reported total amounts may arise when adding up the individual values.

MACROECONOMIC ENVIRONMENT

In the first nine months of 2012 the German economy continued to develop robustly, albeit with decreased momentum. According to calculations by the Federal Statistics Office, the gross domestic product (GDP) rose by 0.3 % in the second quarter of 2012, compared to a growth rate of 0.5 % in the first three months of this year – and there are signs that the rate of growth in the third quarter will be unchanged. The DIW (German Institute for Economic Research) estimates that economic output in Q3 increased by 0.3 % compared to the previous quarter. However, the experts expect that the fourth-quarter growth rate will fall to 0.2 %. Economic development continued to be hampered by the European sovereign debt crisis as well as the weaker global economy. Nevertheless, domestic demand remained stable thanks to income increases across broad sections of the population. According to the DIW economists, domestic consumption has increasingly become one of the supporting pillars of the economy. In the third quarter the German labour market also remained resilient. Figures issued by the Federal Employment Agency show that the unemployment rate in September fell slightly to 6.5 %, compared to 6.6 % in the previous year. However, after adjustment for seasonal fluctuations, the underlying figure remained at 6.8 % and the Federal Employment Agency noted that in September the usual autumn pick-up was less pronounced than in the previous year.

The MLP Group generated almost all of its total revenue in Germany. In the first nine months of the financial year 2012, the economic situation had no positive effect on business development in Germany. In view of the high degree of uncertainty within the macroeconomic environment, and particularly due to the European debt crisis, consumers in Germany remain generally hesitant with respect to making commitments to long-term future investments.

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



* Estimate
Source: Federal Statistic Office, DIW Berlin, GOP adjusted for price

[Figure 01]

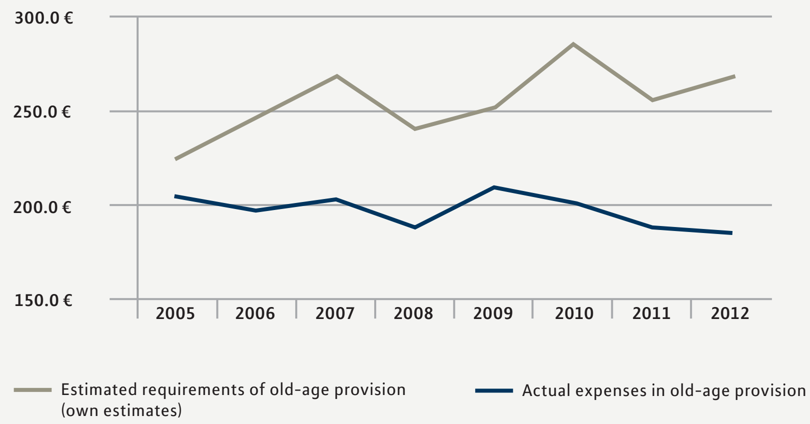
SITUATION WITHIN THE INDUSTRY AND THE COMPETITIVE ENVIRONMENT

Old-age provision

During the period under review the European debt crisis and the associated debate concerning the security and stability of the euro currency continued to weigh heavily on consumers' minds. These concerns, coupled with hesitancy on the part of many citizens with respect to long-term investments, significantly impacted the market for old-age provision products in Germany. According to a survey conducted by the Allensbach Institute, 46 % of respondents expressed increasing concerns about their old-age provision as a result of the high level of debt held by many Eurozone countries and the euro crisis in general. The appeal of material assets such as real estate continues to grow compared to classical old-age provision products. In this respect, two thirds of those surveyed regard home ownership as an ideal form of old-age provision. Overall, the average actual monthly expenditure on old-age provision fell further, whereas the estimated necessary monthly costs of securing an adequate level of old-age provision rose further (see chart). The environment for old-age provision thus remains challenging.

Against this background the premium sum at MLP during the period from January to September 2012 decreased from € 2.9 billion to € 2.4 billion. However, this development stabilised during the third quarter with a premium sum amounting to € 1.0 billion – equal to the corresponding figure of the same period in the previous year.

Gap between target and actual expenses for old-age provision



Base: Working people in Germany aged 16 and above, total or working people who expect income from private old-age provision
Source: Postbank survey old-age provision in Germany 2012/2013

[Figure 02]

The occupational pensions business makes a significant contribution towards the overall old-age provision revenue at MLP and accounted for 11% of the premium sum in the first nine months of the financial year 2012 (9M 2011: 10 %). In cooperation with our subsidiary TPC (TPC THE PENSION CONSULTANCY GmbH) we were thus able to further develop our successful business base.

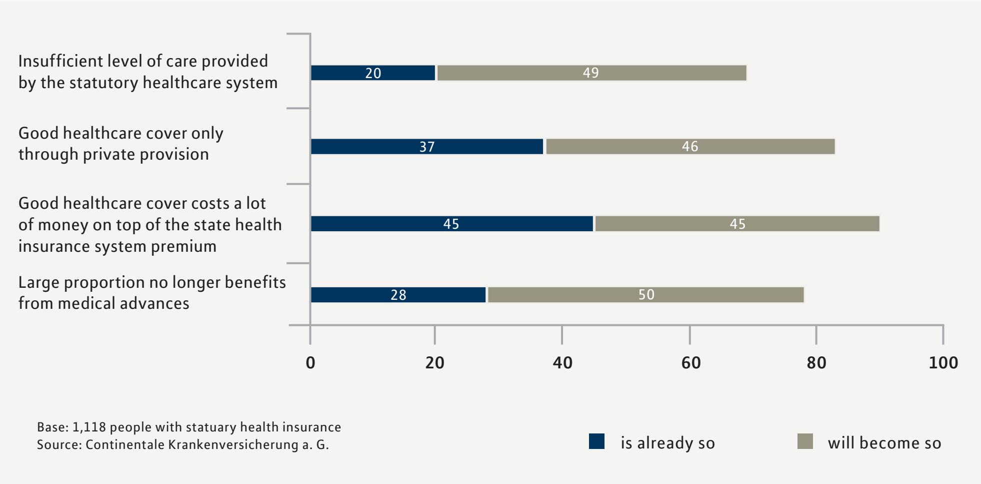
Health provision

Against the backdrop of two-tier healthcare in Germany, the general public remains sceptical of the future scope of benefits that will be provided by the state healthcare system. A current study conducted by the health insurer "Continentale Krankenversicherung" revealed that there is deep-seated concern about the future scope of treatments and services offered by the statutory health scheme (see chart). Consequently, many people seek to cover their requirements through full private or supplementary healthcare insurance. Of particular note is the expectation on the part of the respondents that private health insurance will be best to meet their requirements for a good standard of healthcare over the longer term and enable them to benefit from medical advances. Additionally, private health insurance is perceived as offering a better cost/benefit ratio and greater transparency than the state healthcare system.

Despite these generally favourable framework conditions the market for private health insurance remained restrained in the first nine months of the financial year 2012. This development was attributable to a change in legislation which was introduced on January 1, 2012, enabling employees with state healthcare insurance to switch more easily to private healthcare. This led to a catch-up effect, particularly at the start of 2011.

Accordingly, MLP recorded a decrease in this consulting area in the first nine months. Revenue amounted to € 45.5 million and was thus below the first nine months of 2011 (€ 56.8 million) but above the corresponding periods in 2010 and 2009.

How will the healthcare system develop in the future?



[Figure 03]

Wealth management

In the third quarter 2012 the German investment fund industry once again experienced net inflows. In the period from January to September 2012 retail funds registered net inflows amounting to € 12.0 billion and the months from July until September alone accounted for € 5.7 billion of new monies. In view of the difficult market environment, the largest inflows were recorded in low-risk, fixed income funds which at the reference date had grown by € 20.1 billion, whereas equity-based funds experienced net outflows amounting to € 6.5 billion at the reference date.

In view of the European debt crisis and concerns about the stability of the euro, the trend towards US dollar-denominated fixed income funds continued. Investment monies held by institutional investors continued to find their way into specialist funds and by the end of September, managers of specialist funds had taken in more than € 43 billion of new money. At the reference date on September 30, 2012 total fund assets managed by German investment fund companies had risen to € 1,971 billion, representing an increase of 10.6 % compared to the start of the year.

At MLP, managed assets stood at € 20.9 billion as of September 30, 2012 and were thus also significantly higher than the level of December 31, 2011 (€ 20.2 billion).

Inflows and outflows in various types of mutual investment funds in Germany January – September 2012 (in € billion)

Source: German Federal Association of Investment and Asset Management

[Figure 04]

Competition

The competitive situation has not fundamentally changed in the first nine months of the financial year 2012 and the industry still has a heterogeneous structure. There are numerous consultants and intermediaries – from banks and insurance companies through to independent financial brokers. They employ different business models, which among other aspects, are differentiated by the breadth of their product portfolio and the consulting approach they adopt as well as by the quality of the consulting provided. Clients therefore experience vastly different levels of quality within the industry. In private client consulting, MLP primarily competes against the banks.

Market regulation is of particular relevance to the future competitive situation. In this respect, the German government made two important decisions last year which were designed to further improve the level of investor protection, the impact of which will begin to be felt during the coming months. Firstly, this concerns the Investor Protection Act ("Anlegerschutz- und Funktionsverbesserungsgesetz") which includes new training standards, a register for all investment advisors as well as so-called product information sheets. These regulations apply to securities service providers such as MLP. Secondly, the revision of the financial investment brokerage and asset investment legislation ("Gesetz zur Novellierung des Finanzanlagenvermittler- und Vermögensanlagerechts") which applies to the hitherto largely unregulated section of the market not covered by the banking supervisory authority. Among other aspects, this legislation also specifies new training requirements for the brokerage of open and closed funds by intermediaries and largely imposes information, consulting and documentation obligations on this market sector which already apply for banks.

During the coming years additional legislation will further tighten the requirements for all market participants which will lead to an acceleration of market consolidation (see page 91 et seq. of the Annual Report 2011).

Company situation

RESULTS OF OPERATIONS

Significant increase in wealth management

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

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

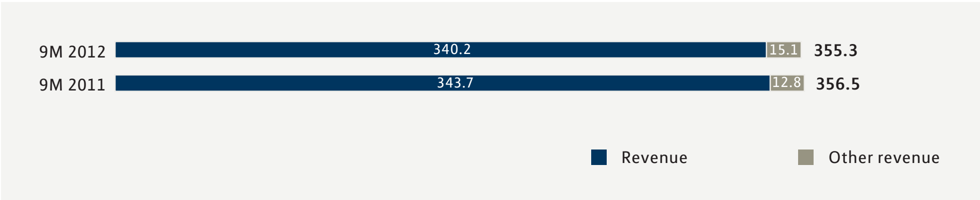
In private health insurance, revenue in the first nine months amounted to € 45.5 million and thus remained significantly below the previous year (€ 56.8 million). This fall was attributable to a change in the law from January 1, 2011 which made it easier for employees to switch to private health insurance.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

In the third quarter an upward trend was also evident in old-age provision. The premium sum for new business stood at € 1.0 billion and was thus at the level of the previous year (€ 1.0 billion). Following a pick-up in business, particularly in September, this development has yet to be fully reflected in the revenue. In the third quarter, revenue amounted to € 54.9 million and was therefore below the same quarter in the previous year (€ 62.7 million) but above the second quarter 2012 (Q2 2012: € 48.4 million). Revenue in old-age provision for the first nine months of 2012 totalled € 152.3 million (9M 2011: € 169.6 million).

Viewing the third quarter 2012 in isolation, MLP increased total revenue by 4.5% to € 121.5 million (€ 116.3 million). Here, revenue from commissions and fees developed positively and amounted to € 111.3 million (€ 105.3 million), considerably supported by the pleasing development in wealth management. Interest income decreased slightly to € 6.7 million (€ 7.0 million). Other revenue also fell slightly to € 3.6 million (€ 4.0 million).

Overall, the revenue development highlights just how important it was to significantly broaden the business model in recent years. Consequently, MLP was able to compensate for the continuingly difficult market environment in old-age provision and the decrease in health insurance through significant increases particularly in wealth management.

Total revenue in continuing operations (in € million)



[Figure 05]

Development of expenses

In the first nine months of the financial year 2012 commission expenses increased from € 135.5 million to € 139.0 million. This rise was due to higher commission expenses in the Feri segment which, as previously communicated, resulted from business growth at the Luxembourg-based subsidiary that specialises in the administration of funds. Expenses in this business field include costs for items such as custodian banks and fund sales. Interest expenses amounted to € 5.8 million and thus remained slightly below the corresponding figure in the previous year (€ 6.3 million).

Personnel expenses in the first nine months of 2012 fell from € 85.4 million to € 72.8 million. The decrease was attributable, on the one hand, to the fact that MLP was able to reduce personnel expenses as planned within the framework of the efficiency program. In addition, in the same period of the previous year personnel expenses were inflated by one-off exceptional costs for severance payments. Other operating expenses decreased from € 114.2 million to € 102.1 million.

Overall, MLP continued its successful efficiency management program: in the first nine months of the financial year 2012 the fixed cost base (defined as the sum of personnel costs, depreciation and amortization as well as other operating expenses) after adjustment for exceptional costs in the previous year amounting to € 14.1 million, decreased by € 12.4 million compared to the same period in 2011 and by € 22.8 million compared to the first nine months of 2010.

Significant rise in EBIT

EBIT (Earnings before interest and tax) in the first nine months rose from € 4.6 million to € 26.7 million. As the same period in the previous year included one-off exceptional costs of € 14.1 million, the increase in operating EBIT (EBIT before one-off exceptional costs) amounted to 43 %. The financial result improved from € –0.5 million to € 0.2 million. This rise is primarily attributable to the absence of dividends paid to the former shareholders of Feri AG in the first half-year following MLP’s scheduled acquisition of the remaining shares in April 2011. Group net profit rose from € 2.0 million to € 18.6 million.

In the third quarter EBIT rose significantly compared to the same period in the previous year, climbing from € 2.9 million to € 11.1 million. One-off exceptional costs in the same period of the previous year totalled € 3.6 million, leading to a 71 % rise in operating EBIT from € 6.5 million to € 11.1 million. The financial result decreased from € 0.2 million to € –0.1 million. This fall was mainly due to higher interest income in the same period of the previous year.

The Group result amounted to € 8.3 million (€ 1.7 million) based on the previously communicated reduced tax rate of 25 %.

Earnings development of continuing operations

in € million	9 months 2012	9 months 2011	Change
Total revenue	355.3	356.5	–0.3 %
EBIT	26.7	4.6	>100 %
EBIT margin	7.5 %	1.3 %	>100 %
Finance costs	0.2	– 0.5	–
EBT	26.9	4.2	>100 %
EBT margin	7.6 %	1.2 %	>100 %
Income tax	– 8.3	– 2.8	>100 %
Net profit (continuing operations)	18.6	1.4	>100 %
Net margin	5.2 %	0.4 %	>100 %

[Table 02]

EBIT from continuing operations (in € million)

[Figure 06]

Comparison between the actual and the forecasted business development

At the start of the financial year 2012 we provided a forecast for the development of our fixed costs which, for the full year, are targeted to decrease to € 249 million – corresponding to a reduction of € 30 million compared to the financial year 2010 and € 24 million compared to 2011. In addition, we reiterated our forecast to achieve an operating margin (before one-off costs and acquisitions) with respect to EBIT (Earnings before interest and tax) of 15 % in 2012. In addition to these quantitative year-end targets we also provided a qualitative estimate of revenue development (see page 85 et seq. of the Annual Report 2011). Accordingly, in 2012 we expected to achieve moderate growth in old-age provision and in health insurance. In wealth management, we expected to achieve stronger growth – not least, due to excellent potential at our subsidiary Feri.

In the first nine months our expectations with respect to the wealth management business were fulfilled and exceeded – with revenue rising by 41.4 % to € 83.7 million. However, in health insurance and old-age provision, revenue remained below the same period in the previous year. Despite the difficult prevailing market conditions, a slight pick-up was noticeable in both areas in the third quarter and should strengthen towards the year end. At the same time, we expect the dynamic development in wealth management to continue. However, the further revenue development remains somewhat uncertain due to the continuingly difficult market conditions.

The development of expenses was also as planned. In the first nine months of 2012 we have achieved a significant portion of our targeted cost savings (see section on "Development of expenses", page 10) and all the necessary measures have been initiated to achieve the year-end efficiency goal.

Assets under Management increase significantly to € 20.9 billion

At September 30, 2012 Assets under Management had risen considerably to € 20.9 billion (June 30, 2012: € 20.2 billion). In old-age provision the premium sum after nine months stood at € 2.4 billion and was thus below the previous year (€ 2.9 billion). Occupational pension business accounted for 11% of this figure. Viewing the third quarter in isolation, the volume of new business stood at € 1.0 billion – equal to the corresponding period of the previous year (€ 1.0 billion).

21,600 new clients

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

NET ASSETS

Decrease in total assets

At the balance sheet reference date on September 30, 2012, the total assets of the MLP Group amounted to € 1,412.4 million, corresponding to a decrease of 5.1 % compared to the total net assets at December 31, 2011 which then amounted to € 1,487.8 million.

The main influencing factor on this change on the asset side of the balance sheet was the reduction in financial investments from € 232.0 million at December 31, 2011 to € 153.2 million at September 30, 2012. This development is due not only to the dividend distribution by MLP AG in the second quarter, but also to the restructuring of capital within the Group, comprising a capital increase at MLP Finanzdienstleistungen AG by MLP AG amounting to € 30 million in the third quarter. On the liabilities side, the fall was primarily attributable to the reduction in equity capital, which in turn was significantly influenced by the dividend payment to the shareholders of MLP AG (€ 64.7 million).

On the assets side of the balance sheet, other accounts receivable and other assets decreased from € 143.6 million to € 108.3 million in accordance with usual seasonal fluctuations. 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 then fall again during the course of the following financial year.

Receivables from banks and clients in the banking business increased from € 847.7 million at December 31, 2011 to € 878.6 million at September 30, 2012 due to investment of higher client deposits. On the liabilities side, this is mainly reflected in liabilities towards clients from the banking business.

Assets as of September 30, 2012

in € million	Sept. 30, 2012	Dec. 31, 2011	Change
Intangible assets	140.3	140.3	0.0 %
Property, plant and equipment	72.9	71.6	1.8 %
Investment property	7.4	7.5	– 1.3 %
Shares accounted for using the equity method	2.3	2.9	– 20.7 %
Deferred tax assets	3.0	4.7	– 36.2 %
Receivables from clients in the banking business	418.5	360.1	16.2 %
Receivables from banks in the banking business	460.1	487.6	– 5.6 %
Financial investments	153.2	232.0	– 34.0 %
Tax refund claims	13.5	6.1	>100.0 %
Other accounts receivable and other assets	108.3	143.6	– 24.6 %
Cash and cash equivalents	32.8	31.4	4.5 %
Total	**1,412.4**	**1,487.8**	– 5.1 %

[Table 03]

High equity ratio

Equity capital decreased from € 399.3 million at December 31, 2011 to € 353.2 million due to the dividend payment for the financial year 2011 in the second quarter amounting to € 64.7 million. This represents a slight improvement of € 8.5 million compared to June 30, 2012. The equity capital position of MLP thus remains very good with an equity ratio of 25.0 %.

Other changes on the assets side of the balance sheet were primarily recorded in the item "Other liabilities" which decreased from € 147.6 million to € 86.8 million. This was partly due to lower commission claims by our consultants. Due to our usually strong year-end business, the commission claims by the consultants rise sharply at the balance sheet reference date on December 31, but then fall again in the following quarters. The development of our deposit business is shown in the liabilities towards clients and banks. The liabilities towards clients from the bank business increased compared to December 31, 2011 by € 35.0 million to € 862.4 million.

Liabilities and shareholders' equity as of September 30, 2012

in € million	Sept. 30, 2012	Dec. 31, 2011	Change
Shareholders' equity	353.2	399.3	– 11.5 %
Provisions	85.0	87.8	– 3.2 %
Deferred tax liabilities	9.4	9.4	0.0 %
Liabilities due to clients in the banking business	862.4	827.4	4.2 %
Liabilities due to banks in the banking business	11.0	14.5	– 24.1 %
Tax liabilities	4.7	1.6	>100.0 %
Other liabilities	86.8	147.6	– 41.2 %
Total	**1,412.4**	**1,487.8**	**– 5.1 %**

[Table 04]

FINANCIAL POSITION

Cash flow from operating activities in the continuing operations decreased to € 27.1 million compared to € 56.8 million in the same period of the previous year. Here, the main payments result from the deposit business with our clients and from the investment of these monies.

Cash flow from investment activities in the continuing operations changed from € –38.7 million to € 37.6 million. In the period under review, matured term deposits amounting to a net value of € 45.0 million were not reinvested, whereas in the comparative period, term deposits amounting to a net value of € 35.0 million were reinvested.

The change in cash flow from financing activities in the continuing operations is primarily due to the purchase of the remaining Feri shares in the same period of the previous year as well as, on the other hand, to higher dividend payments during the period under review.

Overall, at September 30, 2012 the Group's liquid funds stood at around € 127 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.

Condensed statement of cash flows in continuing operations

in € million	3rd quarter 2012	3rd quarter 2011	9 months 2012	9 months 2011*
Cash and cash equivalents at the beginning of the period	**67.1**	**56.3**	**51.4**	**125.5**
Cash flow from operating activities	–4.0	–0.1	27.1	56.0
Cash flow from investing activities	–10.2	3.6	37.6	–38.7
Cash flow from financing activities	–	–	–64.7	–83.0
Changes in cash and cash equivalents	**–14.3**	**3.5**	**0**	**–65.8**
Inflows/outflows due to divestments	–	0.7	–	0.8
Change in cash and cash equivalents from changes in the scope of consolidation	–	–	1.4	–
Cash and cash equivalents at the end of the period	**52.8**	**60.5**	**52.8**	**60.5**

* Adjustment of previous year's figures. See page 28.

[Table 05]

Capital measures

No capital measures were undertaken during the period under review.

Investments

In the first nine months of 2012 MLP invested € 11.0 million which – as already communicated at the beginning of the year – exceeded the corresponding investment figure for the same period in the previous year (€ 4.1 million). Most of this amount was allocated to investments in the financial services segment – mainly for software and IT infrastructure. All investments were financed from current cash flows.

General statement concerning the business development

In the first nine months of 2012 total revenue remained stable whereas earnings before interest and tax (EBIT) rose significantly. In this respect, MLP benefited from a lower cost base, and a large portion of the fixed cost reductions (defined as the total of personnel expenses, depreciation and amortizations, other operating expenses) that MLP is striving to achieve for the full year were already achieved in the first three quarters. After conclusion of the first nine months, MLP still has a very good equity capital base and liquidity. Overall, we are satisfied with the business development and regard the economic position of the Group as positive – both at the end of the period under review as well as at the time of the preparation of the interim report.

PERSONNEL

The number of employees reduced during the period under review and was in line with the announced framework. At the reference date on September 30, 2012 the Group had a total of 1,517 employees, 46 less than at the end of the same quarter in the previous year and 11 less than at June 30, 2012.

The reduction compared to September 30, 2011 primarily results from the implementation of the personnel measures that were communicated in the second quarter of 2011. The effects of these measures were particularly noticeable from the third quarter 2011 through to the first quarter of 2012. The slight change compared to June 30, 2012 is due to a lower number of employees in the branches.

Number of employees

	Sept. 30, 2012	Sept. 30, 2011
Financial Services	1,258	1,304
Feri	251	249
Holding	8	10
Total	**1,517**	**1,563**

[Table 06]

MARKETING AND COMMUNICATION ACTIVITIES

Throughout the first nine months MLP continued to execute its image campaign which was rolled out in 2011. The carefully positioned advertisements and spots portray MLP as a reliable partner and a specialist provider of holistic financial planning solutions for academics. The conveyed message "Those who make their career their life's work, should expect the same passion from their financial advisor", highlights the lasting value of high quality financial consulting.

The October issue of the MLP client magazine Forum focuses on the upcoming introduction of unisex rates. Other topics include a section on why the scope of services and treatment offered to policy holders are such important criteria when considering long-term care and health insurance cover, and how MLP enables clients to sustainably invest in the future. The eMagazin can be accessed at www.forum-mlp.de (German only).

Support for students also played an important role for MLP during the period under review: At the end of September, the 15 recipients of the "Medical Excellence" grant initiative were selected. The "Medical Excellence" initiative is the most comprehensive grant program for medical students in Germany and provides successful candidates with € 500 per semester for a period of three years. The support program was instigated by the Manfred Lautenschläger Foundation and is managed by MLP. In addition, at the end of June the selection process for the recipients of the "MINT Excellence" grants was completed. The application phase for the internal internship program "Join the Best" has been running since the end of May.

MLP further expanded its sponsorship involvement in basketball and for the new season has taken on the commitment of title sponsor of the Heidelberg Pro-A-team that now plays under the name "MLP Academics Heidelberg". In addition to basketball, MLP's other main sponsorship measures focus on the promotion of culture.

LEGAL CORPORATE STRUCTURE AND EXECUTIVE BODIES

During the period under review on March 20, 2012 the Supervisory Board of MLP AG unanimously extended the existing service contract of the Chief Executive Officer Dr. Uwe Schroeder-Wildberg by five years to December 31, 2017.

On January 2, 2012 the renaming of Feri AG was implemented. Previous to that date, the company had operated under the name Feri Finance AG für Finanzplanung und Research. Feri AG heads a corporate group of companies for investment consulting and management, economic research and ratings and is a wholly-owned subsidiary of MLP AG.

Following a decision taken on March 22, 2012 and with effect from January 1, 2012, the previously for minority reasons non-consolidated Luxembourg-based subsidiaries Family Private Fund Management Company Sàrl, Ferrum Fund Management Company Sàrl, Ferrum Pension Management Sàrl and Private Trust Management Company Sàrl were retrospectively amalgamated with the since 2011 fully consolidated Feri Trust (Luxemburg) S.A. (up to March 22, 2012: Institutional Trust Management Company Sàrl).

Following a decision taken on May 10, 2012 the previously, for minority reasons non-consolidated German subsidiary MLP Media GmbH was retrospectively amalgamated with the fully-consolidated MLP Finanzdienstleistungen AG with effect from January 1, 2012.

There were no further changes within the corporate structure and the executive bodies of the MLP Group. A detailed description of the corporate structure and the executive bodies is contained on pages 33 et seq. of our Annual Report 2011.

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 56 et seq. of the Annual Report 2011.

Financial Services segment

In the first nine months of 2012 total revenue in the financial service segment decreased compared to the same period in the previous year, falling from € 325.5 million to € 297.4 million. The reduction was mainly due to lower revenue in the old-age provision and health insurance consulting areas (see “results of operations”).

Despite lower total revenue, earnings grew significantly – a development which was primarily attributable to the cost reductions arising from the on-going efficiency program as well as to one-off exceptional costs in the same period of the previous year. Against this backdrop, personnel expenses and other operating expenses fell considerably. EBIT (Earnings before interest and tax) in the first nine months thus amounted to € 25.6 million compared to € 12.4 million in the same period of the previous year. The financial result improved from € –0.6 million to € –0.2 million. This led to improved Earnings before tax (EBT) which climbed from € 11.8 million to € 25.4 million.

Compared to the same period of the previous year, third quarter total revenue decreased from € 106.3 million to € 97.1 million. EBIT rose from € 6.0 million to € 8.7 million. EBT increased from € 5.9 million to € 8.6 million.

Total revenue and EBIT for the Financial Services segment (in € million)

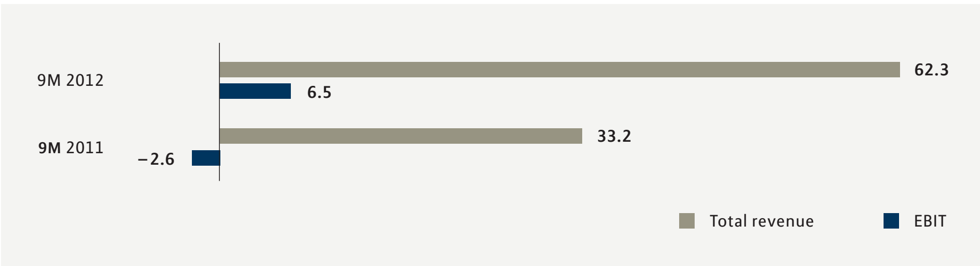
[Figure 07]

Feri segment

In the first nine months of 2012 the total revenue of Feri AG rose by 87.7 % to € 62.3 million (€ 33.2 million), mainly due to the greater business volume at the Luxembourg subsidiary, higher performance-related remuneration for investment concepts as well as successful new business. At the same time, commission expenses increased as a result of higher revenue in Luxembourg. On the other hand, lower personnel expenses had a positive effect.

The third quarter comparison is even more distinct. Compared to the same period in the previous year, Feri AG increased total revenue by 112.2 % to € 26.1 million (€ 12.3 million). EBIT rose from € –2.0 million to € 4.2 million. EBT improved from € –2.0 million to € 4.1 million.

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



[Figure 08]

Holding segment

In the Holding segment total revenue fell in the first nine months of 2012 from € 8.3 million to € 7.5 million. The reduction in personnel expenses compensated for the slight rise in other operating expenses, thus leading to EBIT of € 5.2 million which remained at the level of the same period in the previous year. The financial result in the same period decreased from € 2.4 million to € 0.4 million. This fall was due to the dividend distribution of our subsidiary Feri AG as well as to partial forwarding of the dividend to the remaining former shareholders of Feri AG in the financial year 2011. Following the acquisition of the remaining Feri shares, no further dividend payments will be made to the former shareholders from 2012. Earnings before tax decreased correspondingly from € –2.8 million to € –4.8 million

In the third quarter, total revenues amounted to € 2.5 million and thus remained almost constant (€ 2.6 million). EBIT decreased slightly from € –1.1 million to € –1.7 million.

RISK REPORT

There were no significant changes in the risk situation of the MLP Group during the period under review. There were no exceptional burdens within the framework of our counterparty default risks, market price risks, liquidity risks, and operational or other risks in the first nine months of the financial year 2012. The MLP Group has adequate liquid funds. At the reporting date on September 30, 2012, our core capital ratio stood at 17.7 % and continued to far exceed the 8 % level prescribed by the supervisory body. At the present time, no existence threatening risks to the MLP Group have been identified.

A detailed presentation of our corporate risks as well as a detailed description of our risk management are contained in our risk and disclosure report on pages 65 to 85 of the Annual Report 2011.

RELATED PARTY DISCLOSURES

Related party disclosures are contained in the notes of the Annual Report 2011, page 200 et seq.

OUTLOOK FOR THE CURRENT FINANCIAL YEAR/FORECAST

Future macroeconomic development

In its current autumn projection, the Federal Government is predicting real gross domestic product (GDP) growth of 0.8 % in 2012. According to the forecast, the German economy is expected to grow by 1.0 % in 2013. However, the release of the autumn report by the leading economic research institutes made it necessary to significantly downsize expectations for economic growth. In their spring report, the experts were still predicting economic growth of 0.9 % in 2012 and 2.0% in 2013. In their forecast, they anticipate that, in particular, there will be an increase in domestic demand that will establish itself as one of the main pillars of growth. Economists' expectations of rising imports and higher gross fixed capital formation support this forecast and are expected to mitigate the negative effects of lower exports. However, with a view to the Eurozone, the experts remain pessimistic. For 2012 they calculate that economic output will fall by 0.5 % followed by slight growth of 0.1% in the coming year. With respect to German salaries and wages, the Federal Government expects increases in this year and next year to be above the rate of inflation. Based on wage rises of 2.8 % in 2012 and 2.6 % in 2013 as well as price increases of 2.0 % this year and 1.9 % in the coming year, the economists forecast a rise in real wages of 0.8 % and 0.7 % respectively.

MLP anticipates that its private target client group can benefit from the economic framework data and that these clients will maintain their relatively favourable overall financial position. At the same time, particularly the high earning target client group individuals are aware of the need to invest in private provision to close the gap between their working-life salaries and their expected state pension. However, the evident hesitancy to commit to longer-term investments is likely to persist – not least due to the discussion and debate surrounding the European debt crisis.

Expected growth in GDP in Germany (Change compared to previous year in %)

[Figure 09]

Future situation within the industry and competition

A detailed description of the framework conditions for our most important markets – old-age provision, health insurance and wealth management – is contained in our Annual report 2011 on pages 85 et seq. During the first nine months of the financial year 2012 there were no significant changes to the overall situation.

Private old-age provision is an important topic for German society. An increasing number of citizens are concerned about their ability to maintain a decent standard of living in their old-age. In addition, and in response to the demographic development, several reforms have been introduced that have led to significant reductions in the statutory pension scheme – which, in turn, considerably increase the requirement for private provision measures.

At the same time, state subsidies for private and occupational old-age provision have been significantly expanded. In order to address these complex topics, high quality consulting will be necessary, from which MLP should be able to markedly benefit during the coming years. However, in the short term, the market for old-age provision remains characterised by hesitancy on the part of many consumers with respect to longer-term investments – not least due to the continuing discussion surrounding the debt crisis in Europe.

In the health provision business area the trend towards private health and long-term care insurance remains unbroken. The rising costs within the healthcare system make further reforms in the medium to long term unavoidable. We therefore anticipate that more and more people will wish to switch from the state healthcare system to private health insurance – at least in the form of private supplementary health cover. Accordingly, for 2012 we expect to assist a large number of clients to choose a suitable full health insurance or supplementary insurance policy to cover their needs. The capping of acquisition commissions and the extension of the cancellation liability period of intermediaries in private health insurance also exert an influence on the health provision consulting area. These measures will further alter the market landscape and make business significantly more difficult for some sections of the industry. However, for MLP as a client-oriented provider with very low cancellation rates and comprehensive existing client care operations, the effects of such measures are, from a current perspective, manageable. Compared to the current situation, we expect that trailing commissions will play a greater role.

We also see further growth potential in the wealth management area – both in the MLP private client market as well as at Feri. According to the World Wealth Report published by Merrill Lynch Global Wealth Management and Capgemini in October 2011, Germany is home to over 924,000 millionaires, 7.2 % more than the previous year. Furthermore, the financial industry expects large account and portfolio reallocations to take place in the coming years – due to generation changes as well as to the fact that Swiss banks have lost some of their appeal to large German investors.

Changes to the consulting legislation will also play an important role in the market development. Following the numerous steps taken by the legislator during recent years in order to improve the level of professionalism in the market, new measures were passed in 2011 such as the Investor Protection Act and the revision of financial investment brokerage and asset investment legislation. Furthermore, implementation of the European guidelines Markets in Financial Instruments II (MIFID II) and Insurance Mediation Directive (IMD II) is planned during the coming years. Proposals for both of these new regulations have already been tabled by the European Commission but must first be discussed and passed by the European Committees. Only then can they be incorporated into national law. From a current perspective, these regulations are expected to come into effect in 2016.

Overall, the trend towards quality and transparency will continue to strengthen. In general, MLP as a quality provider will benefit from these developments whilst the consolidation in the market accelerates. In the first nine months of 2012 MLP once again highlighted its client orientation by further increasing the degree of transparency in wealth management. Accordingly, since February MLP has been passing on all retrocessions – trailing commissions from capital investment companies – to its clients. Overall, MLP offers one of the most attractive cost/benefit ratios on the market.

MLP also emphasised its quality advantage over the market with respect to training: In January the Financial Planning Standards Board Deutschland e. V. accredited MLP as a provider of training for the qualification of Certified Financial Planner (CFP). The CFP is the highest internationally-recognised training standard for financial consultants. In gaining this status, MLP Corporate University has now become one of just three accredited training institutes in Germany – the other two being the European Business School in Oestrich-Winkel and the Frankfurt School of Finance & Management.

The high level of MLP client satisfaction was recently demonstrated by consistently positive ratings from clients. In September, MLP once again achieved first place in a survey conducted by the online assessment portal "WhoFinance.de" concerning the quality of financial consulting in Germany. MLP was placed ahead of Quirin Bank, Deutsche Bank and the Volks- & Raiffeisenbanken. On the "WhoFinance.de" portal, clients can rate the quality of their financial consultants at banks, insurance companies and other financial services providers. They have the opportunity to comment on, and assess the performance of their advisors, taking aspects such as consulting competence and service quality into account.

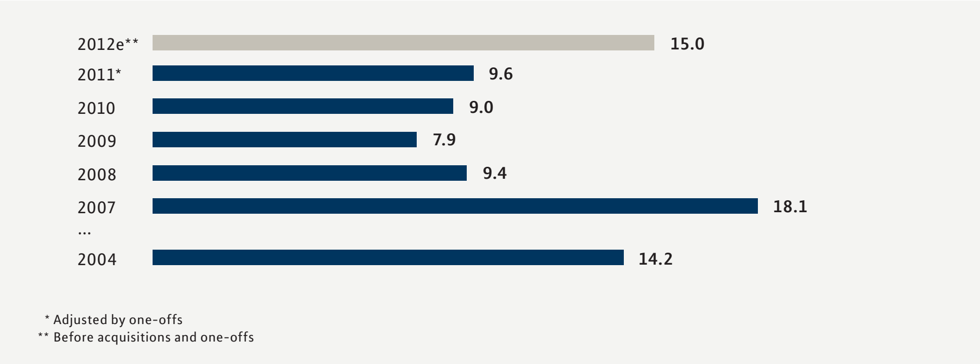
Anticipated business development

For 2012 MLP continues to expect to achieve a sustainable reduction in annual fixed costs (defined as the sum of personnel expenses, depreciation and amortisation as well as other operating expenses) to around € 249 million – which is some € 30 million less than in the financial year 2010. In the first nine months of 2012 alone, MLP decreased the operating fixed costs by € 12.4 million compared to the same period in 2011 and by € 22.8 million compared to the first nine months of 2010. The efficiency program is thus fully on track.

We expect the revenue weighting to differ from our expectations at the beginning of the year. In accordance with previous trends in the year we anticipate that wealth management will generate even stronger growth than previously anticipated. In old-age provision, it is still within the realms of possibility for MLP to maintain or slightly exceed the level of revenue achieved in the previous year. However, this will require very high momentum in the fourth quarter. In health insurance too we expect to see a pick-up in business in the final three months of the year – but we will be unable to fully recover the existing shortfall from the first nine months of 2012 compared to the same period of the previous year.

Despite the challenging framework conditions, our goal to achieve an operating EBIT margin (before one-off costs and acquisitions) of 15 % in the financial year 2012 is still achievable.

Development of the operating EBIT margin 2004–2012 (in %)



[Figure 10]

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 2011 on page 96 et seq.

EVENTS SUBSEQUENT TO THE REPORTING DATE

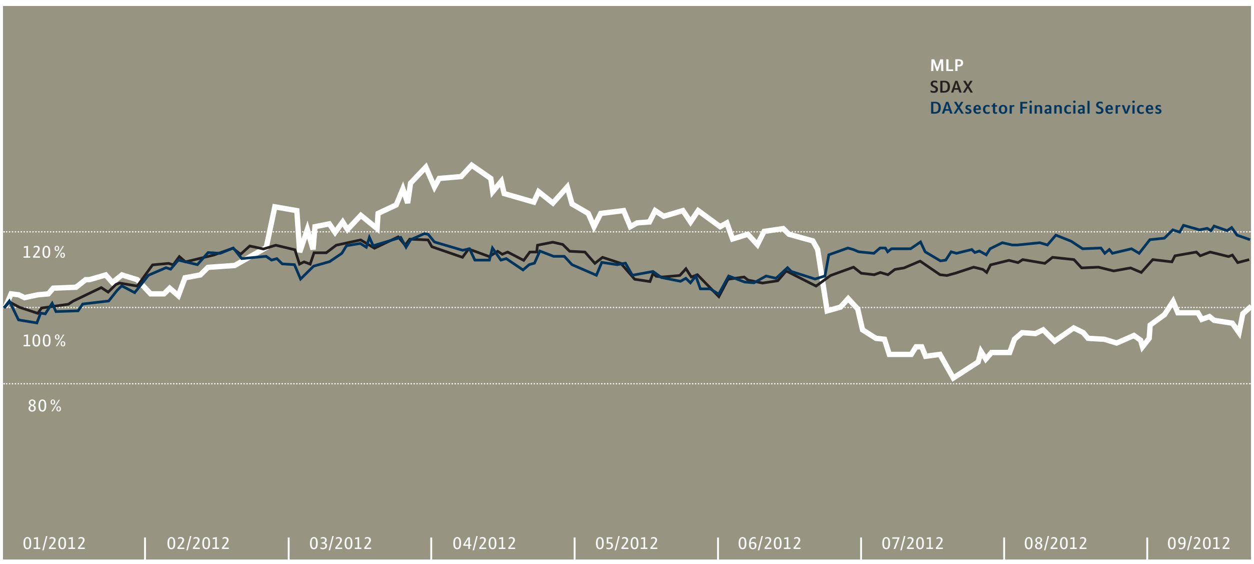
There were no notable events subsequent to the reporting date which may affect the MLP Group's net assets, financial position or results of operations.

Investor Relations

Development on the stock markets

The developments of global stock markets in the first nine months of the financial year 2012 was characterised by high volatility. Core issues during this period included the development of the global economy as well as the European sovereign debt crisis, coupled with the concerns surrounding the stability of the euro. During this time frame both of these factors led to rises and falls on the stock markets, in some cases accompanied by high momentum. The intensity of these movements was a particular reflection of the nervousness and uncertainty of the market participants. At the beginning of the year, initially favourable economic data and corporate figures from the United States of America as well as positive economic signs from Germany paved the way for significant price gains. By the middle of March the German benchmark index DAX had advanced by more than 1,000 points and reached 7,194 points, representing an increase of 17.5 % compared to the start of the year. However, by the end of the first quarter the global economic environment was deteriorating and attention was once again focussed more closely on the European debt crisis. The effect on the financial markets was substantial. By the end of June the German DAX had completely surrendered its previous gains and fell to a year low of 5,914.43 on June 5, 2012 – a pullback of 17.8 % within three months. As a result of large-scale bond market intervention by the European Central Bank (ECB) and by the Bank of England (BoE) as well as assurances by the ECB President Mario Draghi, that the ECB would utilise all available means to preserve European monetary union, the German stock market once again rallied significantly. However, during this second recovery phase the German small cap shares were no longer able to mirror the momentum of the benchmark index. Whilst the DAX soared more than 25 % above its previous low and reached 7,440.49 points on September 21, the SDAX index climbed by just 10.5 % in the same period – peaking at 5,068.51 points and thus remained significantly below its year high of 5,252.22 points on March 28. This highlights the tendency of investors in the third quarter to increasingly concentrate their investments in companies with a high market capitalization and high liquidity.

MLP share, SDAX and DAXsector Financial Services in the first nine months 2012



Source: German Stock Exchange

[Figure 11]

The MLP share

The MLP share was unable to escape the volatility of the stock markets. During the first half-year the MLP share essentially shadowed the movements of the overall market but did not participate in the recovery phase of the indexes at the beginning of the third quarter. Persistent selling pressure following the dividend payment (total of € 0.60 per share) led to a fall in the MLP share price, culminating in a year low of € 4.17 on July 26. This was immediately followed by a high-momentum recovery phase during which the share price rose by around 17 % within the space of just a few trading days, reaching € 4.85 at the start of August. Following a further rise through to the end of the third quarter, the share closed at € 5.06 on September 28 which corresponded to its price at the end of June.

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".

Key figures of the MLP share

	9 months 2012	9 months 2011
Share price at the beginning of the year	€ 5.05	€ 7.64
Share price high	€ 6.86	€ 7.85
Share price low	€ 4.19	€ 4.71
Share price at the end of the quarter	€ 5.06	€ 4.79
Dividend for the previous year	€ 0.60	€ 0.30
Market capitalisation (End of reporting period)	€ 545,753,476.54	€ 516,734,365.02

[Table 07]

Award-winning Annual Report 2011

This year, for the 18th time, the publication "Manager Magazin" presented the "Best Annual Report" award. Commissioned by Manager Magazin, a team of 40 assessors led by Prof. Jörg Baetge from the University of Münster scrutinised 160 Annual Reports and Interim Reports issued in 2011 by the major stock-market listed companies in Germany. The results, based on over 500 empirical assessment criteria, were evaluated by a total of 60 examiners in a multi-stage process. MLP AG was awarded second place in the SDAX category for its Annual Report 2011. The experts paid particular attention to the conciseness of the reports as well as to their credibility and reporting efficiency.

Condensed interim group financial statement

INCOME STATEMENT

Income statement for the period from January 1 to September 30, 2012

All figures in €'000	Notes	3rd quarter 2012	3rd quarter 2011	9 months 2012	9 months 2011
Revenue	(6)	117,958	112,318	340,151	343,694
Other revenue		3,590	4,015	15,098	12,788
Total revenue		**121,548**	**116,334**	**355,250**	**356,482**
Commission expenses	(7)	−50,162	−43,791	−138,970	−135,546
Interest expenses		−1,648	−2,105	−5,844	−6,269
Personnel expenses	(8)	−23,627	−24,783	−72,835	−85,407
Depreciation and amortisation		−2,977	−3,520	−9,525	−11,337
Other operating expenses	(9)	−32,301	−39,606	−102,065	−114,175
Earnings from shares accounted for using the equity method		301	359	688	869
Earnings before interest and tax (EBIT)		**11,134**	**2,888**	**26,699**	**4,617**
Other interest and similar income		264	513	1,287	2,561
Other interest and similar expenses		−378	−357	−1,123	−3,015
Finance cost	**(10)**	**−115**	**156**	**164**	**−454**
Earnings before tax (EBT)		**11,019**	**3,044**	**26,863**	**4,163**
Income taxes		−2,685	−1,419	−8,293	−2,760
Earnings from continuing operations after tax		**8,335**	**1,625**	**18,571**	**1,403**
Earnings from discontinued operations after tax		**–**	**112**	**–**	**630**
Net profit		**8,335**	**1,737**	**18,571**	**2,032**
Of which attributable to					
owners of the parent company		8,335	1,737	18,571	2,032
Earnings per share in €*					
From continuing operations					
basic		0.08	0.02	0.17	0.01
diluted		0.08	0.02	0.17	0.01
From continuing and discontinued operations					
basic		0.08	0.02	0.17	0.02
diluted		0.08	0.02	0.17	0.02

* Basis of calculation: Average number of shares at September 30, 2012: 107,877,738.

[Table 08]

STATEMENT OF COMPREHENSIVE INCOME

Statement of comprehensive income for the period from January 1 to September 30, 2012

All figures in €'000	3rd quarter 2012	3rd quarter 2011	9 months 2012	9 months 2011
Net profit	**8,335**	**1,737**	**18,571**	**2,032**
Other comprehensive income				
Gains / losses from changes in the fair value of available-for-sale securities	104	–534	–51	–1,079
Deferred taxes recognized on components of other comprehensive income	–1	62	45	104
Other comprehensive income after tax	**103**	**–472**	**–6**	**–975**
Total comprehensive income for the year	**8,438**	**1,265**	**18,565**	**1,057**
Total comprehensive income attributable to				
owners of the parent company	8,438	1,265	18,565	1,057

[Table 09]

STATEMENT OF FINANCIAL POSITION

Assets as of September 30, 2012

All figures in €'000	Notes	Sept. 30, 2012	Dec. 31, 2011
Intangible assets		140,278	140,331
Property, plant and equipment		72,902	71,569
Investment property		7,422	7,481
Shares accounted for using the equity method		2,333	2,863
Deferred tax assets		3,008	4,688
Receivables from clients in the banking business	(11)	418,451	360,148
Receivables from banks in the banking business	(11)	460,136	487,557
Financial assets	(12)	153,235	232,024
Tax refund claims		13,518	6,140
Other accounts receivable and other assets	(13)	108,348	143,640
Cash and cash equivalents		32,814	31,350
Total		**1,412,445**	**1,487,792**

[Table 10]

Liabilities and shareholders' equity as of September 30, 2012

All figures in €'000	Notes	Sept. 30, 2012	Dec. 31, 2011
Shareholders' equity	(14)	353,180	399,341
Provisions		85,032	87,849
Deferred tax liabilities		9,408	9,428
Liabilities due to clients in the banking business		862,380	827,413
Liabilities due to banks in the banking business		11,038	14,540
Tax liabilities		4,651	1,585
Other liabilities	(13)	86,756	147,635
Total		**1,412,445**	**1,487,792**

[Table 11]

CONDENSED STATEMENT OF CASH FLOW

Condensed statement of cash flow for the period from January 1 to September 30, 2012

All figures in €'000	9 months 2012	9 months 2011 *
Cash flow from operating activities	27,146	56,798
Cash flow from investing activities	37,643	– 38,748
Cash flow from financing activities	– 64,727	– 82,988
Change in cash and cash equivalents	**63**	**– 64,938**
Cash and cash equivalents at the end of the period	**52,810**	**60,527**
Thereof discontinued operations		
Cash flow from operating activities	–	826
Cash flow from investing activities	–	–
Cash flow from financing activities	–	–
Change in cash and cash equivalents	**–**	**826**
Cash and cash equivalents at the end of the period	**–**	**–**

* The settlement payment for the acquisition of the remaining shares in Feri AG amounting to € 50,620 thsd was reclassified from cash flow from investment activities to cash flow from financing activities.

[Table 12]

Condensed statement of cash flow for the period from July 1 to September 30, 2012

All figures in €'000	3rd quarter 2012	3rd quarter 2011
Cash flow from operating activities	– 4,042	595
Cash flow from investing activities	– 10,243	3,601
Cash flow from financing activities	–	–
Change in cash and cash equivalents	**– 14,284**	**4,196**
Cash and cash equivalents at the end of the period	**52,810**	**60,527**
Thereof discontinued operations		
Cash flow from operating activities	–	650
Cash flow from investing activities	–	–
Cash flow from financing activities	–	–
Change in cash and cash equivalents	**–**	**650**
Cash and cash equivalents at the end of the period	**–**	**–**

[Table 13]

STATEMENT OF CHANGES IN EQUITY

	Equity attributable to MLP AG shareholders				
All figures in €'000	**Share capital**	**Capital reserves**	**Gains/losses from changes in the fair value of available-for-sale securities**	**Other equity**	**Total shareholders' equity**
As of Jan. 1, 2011 *	**107,878**	**142,184**	**1,193**	**168,731**	**419,984**
Dividend	–	–	–	–32,363	–32,363
Changes to the scope of consolidation	–	–	–	37	37
Transactions with owners	–	–	–	–32,326	–32,326
Total comprehensive income	–	–	–975	2,032	1,057
As of September 30, 2011	**107,878**	**142,184**	**218**	**138,437**	**388,715**
As of Jan. 1, 2012	**107,878**	**142,184**	**424**	**148,857**	**399,341**
Dividend	–	–	–	–64,727	–64,727
Transactions with owners	**–**	**–**	**–**	**–64,727**	**–64,727**
Total comprehensive income	–	–	–6	18,571	18,565
As of September 30, 2012	**107,878**	**142,184**	**417**	**102,701**	**353,180**

* Previous year's values adjustments are disclosed in the annual report 2011 on page 134.

[Table 14]

NOTES TO THE INTERIM GROUP FINANCIAL STATEMENT

Segment reporting (quarterly comparison)

	Financial Services	
All figures in €'000	**3rd quarter 2012**	**3rd quarter 2011**
Revenue	94,295	104,368
of which total inter-segment revenue	1,276	2,045
Other revenue	2,831	1,930
of which total inter-segment revenue	476	421
Total revenue	**97,126**	**106,298**
Commission expenses	–38,463	–43,086
Interest expenses	–1,649	–2,105
Personnel expenses	–16,291	–17,607
Depreciation/amortization	–1,854	–2,294
Impairment	–	9
Other operating expenses	–30,472	–35,592
Earnings from shares accounted for using the equity method	301	359
Segment earnings before interest and tax (EBIT)	**8,699**	**5,982**
Other interest and similar income	110	54
Other interest and similar expenses	–164	–144
Finance cost	**–55**	**–91**
Earnings before tax (EBT)	**8,644**	**5,892**
Income taxes		
Earnings from continuing operations after tax		
Earnings from discontinued operations after tax	**–**	**112**
Net profit (total)		

Feri		Holding		Consolidation		Total	
3rd quarter 2012	3rd quarter 2011	3rd quarter 2012	3rd quarter 2011	3rd quarter 2012	3rd quarter 2011	3rd quarter 2012	3rd quarter 2011
25,136	10,114	–	–	−1,473	−2,164	117,958	112,318
197	119	–	–	−1,473	−2,164	–	–
921	2,172	2,471	2,642	−2,633	−2,728	3,590	4,015
–	–	2,156	2,307	−2,633	−2,728	–	–
26,057	**12,286**	**2,471**	**2,642**	**−4,106**	**−4,893**	**121,548**	**116,334**
−12,856	−2,798	–	–	1,157	2,092	−50,162	−43,791
–	–	–	–	1	1	−1,648	−2,105
−6,272	−6,290	−1,065	−886	–	–	−23,627	−24,783
−489	−558	−634	−677	–	–	−2,977	−3,529
–	–	–	–	–	–	–	9
−2,221	−4,676	−2,470	−2,151	2,862	2,813	−32,301	−39,606
–	–	–	–	–	–	301	359
4,220	**−2,036**	**−1,698**	**−1,071**	**−87**	**13**	**11,134**	**2,888**
2	11	154	452	−2	−4	264	513
−89	−17	−212	−213	87	17	−378	−357
−87	**−6**	**−58**	**240**	**85**	**13**	**−115**	**156**
4,133	**−2,042**	**−1,756**	**−832**	**−2**	**26**	**11,019**	**3,044**
						−2,685	−1,419
						8,335	**1,625**
						–	**112**
						8,335	**1,737**

[Table 15]

NOTES

Segment reporting (nine-month comparison)

	Financial Services	
All figures in €'000	9 months 2012	9 months 2011
Revenue	286,672	317,344
of which total inter-segment revenue	3,780	2,144
Other revenue	10,772	8,188
of which total inter-segment revenue	1,337	1,264
Total revenue	**297,444**	**325,532**
Commission expenses	–114,536	–132,503
Interest expenses	–5,846	–6,271
Personnel expenses	–51,153	–61,422
Depreciation/amortization	–6,142	–7,005
Impairment	–	–619
Other operating expenses	–94,817	–106,223
Earnings from shares accounted for using the equity method	688	869
Segment earnings before interest and tax (EBIT)	**25,638**	**12,358**
Other interest and similar income	307	160
Other interest and similar expenses	–534	–723
Finance cost	**–227**	**–563**
Earnings before tax (EBT)	**25,412**	**11,795**
Income taxes		
Earnings from continuing operations after tax		
Earnings from discontinued operations after tax	**–**	**630**
Net profit (total)		

Feri		Holding		Consolidation		Total	
9 months 2012	9 months 2011	9 months 2012	9 months 2011	9 months 2012	9 months 2011	9 months 2012	9 months 2011
57,683	28,714	–	–	–4,203	–2,365	340,151	343,694
423	221	–	–	–4,203	–2,365	–	–
4,609	4,456	7,537	8,330	–7,819	–8,186	15,098	12,788
–	–	6,482	6,922	–7,819	–8,186	**–8,186**	–
62,291	**33,170**	**7,537**	**8,330**	**–12,022**	**–10,551**	**355,250**	**356,482**
–28,000	–5,185	–	–	3,567	2,142	–138,970	–135,546
–	–	–	–	2	2	–5,844	–6,269
–18,527	–19,403	–3,155	–4,582	–	–	–72,835	–85,407
–1,482	–1,628	–1,901	–2,085	–	–	–9,525	–10,718
–	–	–	–	–	–	–	–619
–7,799	–9,522	–7,711	–6,829	8,262	8,400	–102,065	–114,175
–	–	–	–	–	–	688	869
6,483	**–2,568**	**–5,231**	**–5,166**	**–192**	**–7**	**26,699**	**4,617**
11	28	1,059	4,860	–90	–2,487	1,287	2,561
–243	–29	–643	–2,498	297	235	–1,123	–3,015
–231	**–1**	**416**	**2,361**	**206**	**–2,251**	**164**	**–454**
6,252	**–2,569**	**–4,815**	**–2,805**	**15**	**–2,258**	**26,863**	**4,163**
						–8,293	–2,760
						18,571	**1,403**
						–	**630**
						18,571	**2,032**

[Table 16]

1 Information about the company

The consolidated financial statements were prepared by MLP AG, Wiesloch, Germany, the ultimate 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 occupational pension provision, health care, non-life insurance, 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, 2012.

The same consolidation principles and accounting policies as for the consolidated financial statements of the financial year 2011 have been applied to this interim financial report. These are presented in the Group notes of the annual report 2011 that can be downloaded from the company’s website (www.mlp-ag.com).

The interim financial report has been drawn up in euros (€), which is the functional currency of the parent company. Unless otherwise specified, all amounts are stated in thousands of 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 shown 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, 2011 except the standards and interpretations to be used for the first time in the financial year 2012.

In the financial year 2012 the following new or revised standards are to be used for the first time:

- Amendment to IFRS 7 “Financial Instruments: Disclosures”.

MLP does not expect any effects on the net assets, financial position or profit situation from the amendment to IFRS 7 (adopted by the EU in November 2011), but there may be more detailed information requirements.

4 Scope of consolidation

Following a resolution passed on March 22, 2012 and with effect from January 1, 2012, the previously, for minority reasons, non-consolidated Luxembourg-based subsidiaries Family Private Fund Management Company Sàrl, Ferrum Fund Management Company Sàrl, Ferrum Pension Management Sàrl and Private Trust Management Company Sàrl were retrospectively merged with the since 2011 fully consolidated Feri Trust (Luxembourg) S.A. (up to March 22, 2012: Institutional Trust Management Company Sàrl).
A resolution passed on May 10, 2012 and with effect from January 1, 2012, the previously, for minority reasons, non-consolidated subsidiary MLP Media GmbH, Wiesloch was retrospectively merged with the fully consolidated MLP Finanzdienstleistungen AG.

5 Seasonal influences on the business operations

Due to the seasonal development of its business, the Group generally expects earnings from continuing operations to be higher in the second half-year than in the first half-year.

6 Revenue

All figures in €'000	3rd quarter 2012	3rd quarter 2011	9 months 2012	9 months 2011
Old-age provision	54,916	62,735	152,277	169,617
Wealth management	34,485	19,026	83,653	59,231
Health insurance	13,716	15,086	45,491	56,837
Non-life insurance	4,127	4,180	26,735	24,975
Loans and mortgages	3,283	3,153	8,787	9,320
Other commission and fees	780	1,101	2,637	2,858
Commission and fees	**111,307**	**105,280**	**319,579**	**322,838**
Interest income	**6,651**	**7,039**	**20,572**	**20,856**
Total	**117,958**	**112,318**	**340,151**	**343,694**

[Table 17]

7 Commission expenses

Commission expenses decreased in the period from January 1 to September 30, 2012 compared to the same period of the previous year from € 135,546 thsd to € 138,970 thsd. They mainly contain commissions and other remuneration components for the self-employed MLP consultants. For further explanations please refer to the section "Results Of Operations" of the Group Interim Management Report.

8 Personnel expenses/Number of employees

Personnel expenses decreased in the period from January 1 to September 30, 2012 compared to the same period of the previous year from € 85,407 thsd. to € 72,835 thsd. For further explanations please refer to the section "Personnel" of the Group Interim Management Report.

At September 30, 2012, the MLP Group had the following numbers of employees in the strategic fields of business:

All figures in €'000	Sept. 30, 2012	of which part-time employees	Sept. 30, 2011	of which part-time employees
Financial Services	1,258	108	1,304	113
Feri	251	65	249	59
Holding	8	–	10	–
Total	**1,517**	**173**	**1,563**	**172**

[Table 18]

9 Other operating expenses

All figures in €'000	3rd quarter 2012	3rd quarter 2011	9 months 2012	9 months 2011
IT operations	10,570	12,321	32,347	36,527
Rental and leasing	3,608	3,714	11,092	11,757
Administration operations	3,247	3,373	9,538	9,921
Consultancy	2,425	3,254	8,876	9,071
Representation and advertising	1,653	2,400	6,929	6,631
External services – banking business	1,819	1,945	5,238	5,225
Premiums and fees	813	894	3,671	3,200
Training and further education	713	518	2,546	3,161
Travel expenses	439	578	2,143	3,130
Write-downs and impairments of other receivables and other assets	911	1,219	1,428	3,016
Expenses for commercial agents	1,196	730	2,684	2,511
Insurance	620	629	2,068	2,219
Entertainment	414	394	1,974	2,193
Write-downs and impairments of other receivables from clients in the banking business	814	934	2,037	1,996
Maintenance	440	456	1,229	1,321
Other personnel costs	297	238	956	898
Audit	219	202	633	641
Expenses from the disposal of assets	123	369	200	440
Sundry other operating expenses	1,979	5,437	6,477	10,317
Total	**32,301**	**39,606**	**102,065**	**114,175**

[Table 19]

The costs of IT operations are mainly attributable to IT services and computer center services that have been outsourced to an external service provider. The consulting costs are made up of tax advice costs, legal advice costs as well as general and IT consulting costs. The expenses for administration operations contain costs relating to building operations, office costs and communication costs. Expenses for representation and advertising include costs incurred due to media presence and client information activities. The item "External services – banking business" mainly contains securities settlement and transaction costs in connection with the MLP credit card. Depreciation and impairment on other receivables and other assets comprise allowances for receivables from commercial agents. Expenses for commercial agents include costs for former consultants and the training allowance granted for new consultants. Sundry other operating expenses essentially comprise external services, expenses for the participation program, car costs and Supervisory Board remuneration.

10 Finance cost

All figures in €'000	3rd quarter 2012	3rd quarter 2011	9 months 2012	9 months 2011
Other interest and similar income	**264**	**513**	**1,287**	**2,561**
Interest and similar expenses from financial instruments	–46	–37	–125	–2,054
Accrued interest on pension provisions	–333	–321	–998	–962
Other interest and similar expenses	**–378**	**–357**	**–1,123**	**–3,015**
Finance cost	**–115**	**156**	**164**	**–454**

[Table 20]

The improved financial result is primarily attributable to the absence of dividend payments to former shareholders of Feri AG, which, in the previous year, led to interest expenses amounting to € 1,740 thsd. On the other hand, there was no recurrence of expenses and revenue from interest swaps which positively influenced the financial result in the previous year.

11 Receivables from banking business

The receivables from banking business increased from € 847,705 thsd per December 31, 2011 to € 878,587 thsd per September 30, 2012. For further explanations please refer to the section "Financial Position" of the Group Interim Management Report.

12 Financial assets

All figures in €'000	Sept. 30, 2012	Dec. 31, 2011
Bonds and other fixed-income securities		
Held-to-maturity investments	96,593	108,768
Securities rated at fair value through profit and loss	5,035	4,606
	101,628	**131,374**
Shares and other variable yield securities		
Available-for-sale financial assets	6,837	8,522
Securities rated at fair value through profit and loss	1,766	2,089
	8,602	**10,611**
Fixed-term deposits (loans and receivables)	40,253	105,265
Investments in subsidiaries and associates (available-for-sale financial assets)	2,753	2,774
Total	**153,235**	**232,024**

[Table 21]

The decrease in financial investments is primarily attributable to the outflow of fixed-term deposits.

13 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, 2011 had to be shown which were then balanced out in the first quarter of 2012. A lower amount of receivables and liabilities were built up in the first nine months of 2012.

14 Shareholders' equity

Share capital

As of September 30, 2012 the share capital of MLP AG is made up of 107,877,738 (December 31, 2011: 107,877,738) no-par-value shares.

Dividend

In accordance with the resolution passed at the Annual General Meeting June 26, 2012 a dividend of € 64,727 thsd (previous year: € 32,363 thsd) was to be paid for the financial year 2011 This corresponds to € 0.60 per share (previous year: € 0.30).

15 Notes on the condensed statement of cash flow

The consolidated cash flow statement shows how cash and cash equivalents have changed in the course of the year as a result of inflows and outflows of funds. As per IAS 7 “Statement of Cash Flows”, differentiation is made between cash flows from operating activities, from investing activities and from financing activities.

The **Cash flow from operating activities** results from cash flows that cannot be defined as investing or financing activities. This is determined on the basis of the consolidated net profit for the year from continuing operations, current earnings and profit from the sale of discontinued operations. As part of the indirect determination of cash flow, the changes in balance sheet items due to operating activities are adjusted by effects from changes to the scope of consolidation and currency translations. The changes in the respective balance sheet items can therefore only be partially aligned with the corresponding values in the published consolidated balance sheets. For further explanations please refer to the section “Financial Position” of the Management Report.

The **Cash flow from investing activities** is mainly influenced by the investment of monies in fixed-term deposits as well as by matured term investments.

The **Cash flow from financing activity** represents cash-related equity changes, loans used and paid back, as well as payments for the acquisition of additional shares in subsidiaries.

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.

Cash and cash equivalents

All figures in €‘000	Sept. 30, 2012	Sept. 30, 2011
Cash	31,417	40,528
Loans ≤ 3 months	20,000	20,000
Liabilities to banks due on demand	–5	–1
Change in cash and cash equivalents from changes to the scope of consolidation	1,397	–
Cash and cash equivalents	**52,810**	**60,527**

[Table 22]

MLP Finanzdienstleistungen AG receivables from banks are included in cash and cash equivalents provided they are separable as own-account investing activities. Inseparable elements are allocated to the operating business of the business segment “bank” and thus to the cash flow from operating activities.

16 Notes on Group reporting by segment

There were no significant changes compared to December 31, 2011.

17 Discontinued operations/disposal groups

Net income from discontinued operations breaks down as follows:

Net income from discontinued operations

All figures in €'000	3rd quarter 2012	3rd quarter 2011	9 months 2012	9 months 2011
Operating profit				
Earnings from the sale/disclosure of operations before tax	–	158	–	890
Income taxes	–	–46	–	–260
Earnings from the sale of operations after tax	**–**	**112**	**–**	**630**
Earnings from discontinued operations after tax	**–**	**112**	**–**	**630**
Earnings per share in €				
from discontinued operations				
basic and diluted	**–**	**0.01**	**–**	**0.01**

[Table 23]

18 Other financial commitments, contingent assets and liabilities and other liabilities

There were no significant changes compared to December 31, 2011.

19 Related party disclosures

Within the scope of the ordinary business, legal transactions under standard market conditions were made between the Group and members of the Executive Board and the Supervisory board. Beyond this there were no significant changes compared to December 31, 2011.

20 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, November 13, 2012

MLP AG

Executive Board

Dr. Uwe Schroeder-Wildberg Manfred Bauer Reinhard Loose Muhyddin Suleiman

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Executive bodies at MLP AG

Executive Board

Dr. Uwe Schroeder-Wildberg
(Chairman,
appointed until December 31, 2017)

Manfred Bauer
(Product Management,
appointed until April 30, 2015)

Reinhard Loose
(Controlling, IT and Procurement,
Accounting, Risk Management,
appointed until January 31, 2014)

Muhyddin Suleiman
(Sales,
appointed until September 3, 2017)

Supervisory Board

Dr. Peter Lütke-Bornefeld
(Chairman,
appointed until 2013)

Dr. h. c. Manfred Lautenschläger
(Vice chairman,
appointed until 2013)

Dr. Claus-Michael Dill
(appointed until 2013)

Johannes Maret
(appointed until 2013)

Maria Bähr
(Employee representative,
appointed until 2013)

Norbert Kohler
(Employee representative,
appointed until 2013)

Contact

Investor Relations

Telephone +49 (0) 6222 • 308 • 8320
Fax +49 (0) 6222 • 308 • 1131
E-Mail investorrelations@mlp.de

Media Relations

Telephone +49 (0) 6222 • 308 • 8310
Fax +49 (0) 6222 • 308 • 1131
E-Mail publicrelations@mlp.de

Financial Calendar 2012

NOVEMBER

November 14, 2012
Publication of the results for the first nine months and the third quarter 2012

November 19, 2012
Roadshow in London

Financial Calendar 2013

FEBRUARY

February 28, 2013
Annual press conference and analysts conference

MARCH

March 27, 2013
Publication of the Annual Report 2013

MAY

May 15, 2013
Publication of the financial results for Q1

JUNE

June 06, 2013
Annual General Meeting of the MLP AG in Mannheim

AUGUST

August 14, 2013
Publication of the financial results for the first half of the year and the second quarter

NOVEMBER

November 14, 2013
Publication of the financial results for the first nine month and the third quarter

All updated Investor Relations dates can be found in our financial calendar at:
http://www.mlp-ag.com/investor-relations/calendar

MLP AG
Alte Heerstraße 40
69168 Wiesloch, Germany
Tel +49 (0) 6222 • 308 • 8320
Fax +49 (0) 6222 • 308 • 1131
www.mlp-ag.com