Income statement and statement of comprehensive income

[Table 45]

Income statement for the period from January 1 to December 31, 2009

All figures in €'000	Notes	2009	2008*
Revenue	(9)	503,775	552,267
Other revenue	(10)	28,368	42,933
Total revenue		**532,143**	**595,200**
Commission expenses	(11)	–182,619	–204,656
Interest expenses	(12)	–12,256	–23,514
Personnel expenses	(13)	–111,387	–108,869
Depreciation and amortisation	(14)	–18,120	–20,971
Other operating expenses	(15)	–165,947	–181,769
Earnings from shares accounted for using the equity method	(16)	368	740
Earnings before interest and tax (EBIT)		**42,182**	**56,161**
Other interest and similar income		7,820	5,436
Other interest and similar expenses		–10,346	–14,979
Finance cost	(17)	**–2,526**	**–9,543**
Earnings before tax (EBT)		**39,656**	**46,618**
Income taxes	(34)	–12,486	–15,941
Earnings from continuing operations after tax		**27,170**	**30,677**
Earnings from discontinued operations after tax		**–2,985**	**–6,084**
Net profit		**24,185**	**24,593**
Of which attributable to			
owners of the parent company		24,185	24,593
Earnings per share in €	(39)		
From continuing operations			
basic		0.25	0.30
diluted		0.25	0.30
From continuing and discontinued operations			
basic		0.22	0.24
diluted		0.22	0.24

* Previous year's values adjusted. The adjustments are disclosed in note 3

[Table 46]

Statement of comprehensive income for the period from January 1 to December 31, 2009

All figures in €'000	2009	2008*
Net profit	**24,185**	**24,593**
Other comprehensive income		
Securities marked to market	–1,398	–70
Tax expense	–78	125
Other comprehensive income after tax	**–1,476**	**55**
Total comprehensive income	**22,708**	**24,648**
Total comprehensive income attributable to		
owners of the parent company	22,708	24,648

* Previous year's values adjusted. The adjustments are disclosed in note 3

Consolidated statement of financial position

[Table 47]

Assets as at December 31, 2009

All figures in €'000	Notes	Dec 31, 2009	Dec 31, 2008*	Jan 1, 2008*
Intangible assets	(18)	156,138	162,422	184,739
Property, plant and equipment	(19)	78,781	80,409	83,910
Investment property	(20)	11,432	11,700	14,635
Shares accounted for using the equity method	(21)	2,013	2,319	1,579
Deferred tax assets	(34)	2,969	2,648	2,812
Receivables from clients in the banking business	(22)	313,494	275,433	260,297
Receivables from banks in the banking business	(22)	498,201	605,580	603,951
Financial investments	(23)	192,389	179,941	52,400
Tax refund claims	(34)	33,059	26,870	9,653
Other accounts receivable and other assets	(24)	132,088	145,359	160,275
Cash and cash equivalents	(25)	54,968	38,088	37,251
Non-current assets held for sale and disposal groups	(26)	–	3,281	12,154
Total		**1,475,532**	**1,534,048**	**1,423,656**

* Previous year's values adjusted. The adjustments are disclosed in note 3

[Table 48]

Liabilities and shareholders' equity as at December 31, 2009

All figures in €'000	Notes	Dec 31, 2009	Dec 31, 2008*	Jan 1, 2008*
Shareholders' equity	(27)	418,532	425,928	336,655
Minority interests		–	–	63
Provisions	(28)	52,383	52,896	43,777
Deferred tax liabilities	(34)	10,668	9,597	9,897
Liabilities due to clients in the banking business	(29)	750,282	778,835	724,816
Liabilities due to banks in the banking business	(29)	20,774	25,024	27,465
Tax liabilities	(34)	9,029	-	74
Other liabilities	(30)	211,816	239,187	280,908
Liabilities in connection with non-current assets held for sale and disposal groups	(36)	2,049	2,581	–
Total		**1,475,532**	**1,534,048**	**1,423,656**

* Previous year's values adjusted. The adjustments are disclosed in note 3

Consolidated statement of cash flows

[Table 49]

Statement of cash flows for the period from January 1 to December 31, 2009

All figures in €'000	2009	2008*
Net profit (total)	**24,185**	**24,593**
Write-downs/impairments/reversal of impairments on intangible assets and property, plant and equipment	18,229	21,170
Depreciation and impairments on financial investments	949	2,194
Allowances for bad debts	5,971	5,901
Increase/decrease of provisions	121	9,305
Adjustments from income taxes, interest and other non-cash transactions	15,978	56,514
Gain/loss from the disposal of intangible assets and property, plant and equipment	771	726
Gain/loss from the disposal of financial investments	–1,374	636
Increase/decrease of receivables from/liabilities due to banks from the banking business	103,130	–4,070
Increase/decrease of receivables from/liabilities due to bank clients	–72,292	34,591
Increase/decrease of other assets	7,763	–1,871
Increase/decrease of other liabilities and shareholders' equity	-28,670	–45,430
Gains from the disposal of subsidiaries	3,361	–
Income taxes paid	–19,705	–35,274
Interest and dividends received	37,628	45,921
Interest paid	–18,711	–33,909
Cash flow from operating activities	**77,334**	**80,997**
of which from discontinued operations	**982**	**462**
Proceeds from disposal of intangible assets and property, plant and equipment	505	327
Payments for intangible assets and property, plant and equipment	–4,085	–11,432
Proceeds from disposal of financial investments	169,574	42,273
Payments for purchases of financial investments	-112,381	–161,812
Payments for the acquisition of shares in associates	–	–173
Proceeds from the disposal of subsidiaries	1	–
Payments for the disposal of subsidiaries	–4,882	–7,742
Payments for the acquisition of subsidiaries	–10,561	–5,572
Cash flow from investing activities	**38,169**	**–144,131**
of which from discontinued operations	**–4,924**	**–8,243**

All figures in €'000	2009	2008*
Proceeds from transfer to equity	117	125,077
Payments to company owners and minority shareholders	–30,201	–48,996
Payments for the acquisition of treasury stock	–	–11,455
Payments for the repayment of bonds and redemption of loans	–242	–155
Cash flow from financing activities	**–30,326**	**64,471**
of which from discontinued operations	**–**	**–**
Change in cash and cash equivalents	85,177	1,337
Cash and cash equivalents at beginning of period	38,447	37,110
Cash and cash equivalents at end of period	**123,624**	**38,447**
Composition of cash and cash equivalents		
Cash and cash equivalents	54,968	38,470
Loans < 3 months	70,000	–
Liabilities to banks due on demand	–1,343	–23
Cash and cash equivalents at end of period	**123,624**	**38,447**

* Previous year's values adjusted. The adjustments are disclosed in note 3

The notes on the consolidated statement of cash flows appear in note 31.

Statement of changes in equity

[Table 50]

	Equity attributable to MLP AG shareholders		
All figures in €'000	Share capital	Capital reserves	Securities marked to market
As at Jan 1, 2008 (as reported)	108,812	16,056	–151
Retrospective adjustments*	–	–	–
As at Jan 1, 2008 (adjusted)	108,812	16,056	–151
Dividend	–	–	–
Exertion of conversion rights	70	1,243	–
Acquisition of treasury stock	–	–	–
Reduction of capital - §237 of the German Stock Corporation Act (AktG)	–10,821	10,821	–
Acquisition of remaining shares of BERAG	–	–	–
Increase of capital – §202 of the German Stock Corporation Act (AktG)	9,799	113,964	–
Transactions with owners	–951	126,028	0
Total comprehensive income	–	–	54
As at Dec 31, 2008	107,861	142,084	–97
As at Jan 1, 2009	107,861	142,084	–97
Dividend	–	–	–
Exertion of conversion rights	17	100	–
Changes to the scope of consolidation	–	–	–
Transactions with owners	17	100	0
Total comprehensive income	–	–	–1,476
As at Dec 31, 2009	107,878	142,184	–1,573

* Previous year's values adjusted. The adjustments are disclosed in note 3

Other comprehensive income	Treasury stock	Total	Non-controlling interest	Total shareholders' equity
370,749	**–155,805**	**339,660**	**63**	**339,723**
–3,005	–	–3,005	–	–3,005
367,744	**–155,805**	**336,655**	**63**	**336,719**
–48,996	–	–48,996	–	–48,996
–	–	1,314	–	1,314
–	–11,455	–11,455	–	–11,455
–167,260	167,260	0	–	0
–	–	0	–63	–63
–	–	123,763	–	123,763
–216,256	**155,805**	**64,626**	**–63**	**64,563**
24,593	–	24,647	–	24,647
176,081	**0**	**425,928**	**0**	**425,928**
176,081	**-**	**425,928**	**–**	**425,928**
–30,201	–	–30,201	–	–30,201
–	–	117	–	117
–20	–	–20	–	–20
–30,221	**-**	**–30,105**	**–**	**–30,105**
24,185	–	22,708	–	22,708
170,044	**-**	**418,532**	**–**	**418,532**

Notes to the consolidated financial statements

[Table 51]

Segment reporting

	FINANCIAL SERVICES	
All figures in €'000	2009	2008*
Revenue	472,371	517,376
of which total inter-segment revenue	159	202
Other revenue	19,136	23,689
of which total inter-segment revenue	2,458	2,516
Total revenue	**491,507**	**541,065**
Commission expenses	–181,375	–203,064
Interest expenses	–12,259	–23,954
Personnel expenses	–81,734	–80,217
Depreciation /amortisation and impairment	–12,500	–13,090
Other operating expenses	–154,716	–166,172
Earnings from shares accounted for using the equity method	368	740
Segment earnings before interest and tax (EBIT)	**49,291**	**55,308**
Other interest and similar income	945	477
Other interest and similar expenses	–3,209	–1,902
Finance cost	**–2,264**	**–1,425**
Earnings before tax (EBT)	**47,028**	**53,883**
Income taxes		
Earnings from continuing operations after tax		
Earnings from discontinued operations after tax	**–6,094**	**–5,991**
Net profit (total)		
Segment assets	**1,094,592**	**1,157,426**
of which shares accounted for using the equity method	2,013	2,319
of which tax receivables/deferred tax assets	2,974	2,855
of which non-current assets held for sale and disposal groups	–	3,281
Segment liabilities	**993,722**	**1,052,974**
of which tax liabilities/deferred tax liabilities	1,382	2
of which liabilities in connection with non-current assets held for sale and disposal groups	2,049	2,581
Investments in intangible assets and property, plant and equipment	**3,013**	**8,730**
Major non-cash expenses:		
Impairment charges/reversal of impairment charges for receivables and financial investments	–7,462	–7,876
Increase/decrease of provisions/accrued liabilities	–26,911	–21,678
Interest charge/income	–302	–189

* Previous year's values adjusted. The adjustments are disclosed in note 3

FERI		HOLDING		CONSOLIDATION / OTHER		TOTAL	
2009	2008	2009	2008	2009	2008*	2009	2008*
31,935	35,244	–	–	–530	–353	503,775	552,267
372	151	–	–	–530	–353	0	0
6,874	11,178	16,899	22,551	–14,543	–14,484	28,368	42,933
–	616	12,084	11,353	–14,543	–14,484	0	0
38,809	**46,422**	**16,899**	**22,551**	**–15,073**	**–14,838**	**532,143**	**595,200**
–1,522	–1,720	–	–	278	128	–182,619	–204,656
–	–	–	–	3	440	–12,256	–23,514
–25,125	–24,424	–4,528	–4,228	–	–	–111,387	–108,869
–2,364	–1,922	–3,256	–5,958	–	–	–18,120	–20,971
–9,704	–12,692	–16,333	–17,603	14,805	14,699	–165,947	–181,769
–	–	–	–	–	–	368	740
94	**5,662**	**–7,218**	**–5,239**	**14**	**429**	**42,182**	**56,161**
57	309	10,249	15,843	–3,431	–11,193	7,820	5,436
–265	–214	–7,213	–13,409	341	547	–10,346	–14,979
–209	**94**	**3,037**	**2,434**	**–3,090**	**–10,646**	**–2,526**	**–9,543**
–115	**5,757**	**–4,181**	**–2,805**	**–3,076**	**–10,217**	**39,656**	**46,618**
						–12,486	–15,941
						27,170	**30,677**
–	–	–	–	**3,109**	**–93**	**–2,985**	**–6,084**
						24,185	**24,593**
105,626	**110,920**	**513,831**	**517,416**	**–238,517**	**–251,714**	**1,475,532**	**1,534,048**
–	–	–	–	–	–	2,013	2,319
832	1,451	32,223	25,193	–	18	36,028	29,517
–	–	–	–	–	–	-	3,281
18,779	**19,161**	**86,975**	**86,649**	**–42,475**	**–50,664**	**1,057,001**	**1,108,120**
9,636	9,409	8,678	171	–	15	19,696	9,597
–	–	–	–	–	–	2,049	2,581
776	**2,459**	**213**	**1,003**	**–**	**–**	**4,002**	**12,192**
–145	–177	–	–	–	–	–7,607	–8,053
–1,946	–3,557	–3,170	–1,251	–	–	–32,027	–26,485
–	–	–3,258	–3,334	–	–	–3,561	–3,522

GENERAL INFORMATION

(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 corporate pension provision, health care, financing, wealth management and banking services.

(2) Principles governing the preparation of the financial statements

The consolidated financial statements of MLP AG have been prepared in accordance with International Financial Reporting Standards (IFRSs) promulgated by the International Accounting Standard Board (IASB), taking into account the interpretations of the International Financial Reporting Interpretations Committee (IFRIC), as they apply in the European Union (EU). In addition, the commercial law regulations to be observed pursuant to § 315a (1) of the German Commercial Code (HGB) were also taken into account. The financial year corresponds to the calendar year.

The consolidated financial statements have been prepared on the basis of the historical cost convention with the exception that certain financial instruments are measured at fair value. MLP presents the consolidated statement of financial position based on liquidity. This form of presentation offers information that is more relevant than if it were based on the time-to-maturity factor.

The consolidated income statement is prepared in accordance with the nature of expense method. The net income of discontinued operations is disclosed separately. Adjusted previous year's figures are not directly comparable with figures disclosed in the financial statements of previous years. For further details, please refer to notes 3 and 36.

The consolidated financial statements are 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 individual 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 previous year, with the following exceptions:

In the course of focusing on the core market of Germany, the management decided to sell MLP Finanzdienstleistungen AG, Vienna, Austria in the fourth quarter of the financial year 2008. The sale was completed in the fourth quarter of 2009, with the company being deconsolidated. A decision was also taken in the first quarter of 2009 to withdraw from the market in the Netherlands. For this reason the revenues and expenses of MLP Finanzdienstleistungen AG in the Netherlands were reclassified to the earnings from discontinued operations. The prior-year figures were adjusted accordingly. The reporting changes have no effect on net profit or earnings per share.

Since 2009, MLP no longer considers expenses for the use of PC hardware, notebooks, copiers and software maintenance as operating leases but as expenses for the usage of IT services. The assessment changes have no effect on net profit or earnings per share.

In the financial year 2009, MLP became aware of two cases which were recorded incorrectly in the previous years. In one case a trailer commission and in the other an expense allocated to the wrong period of time. The errors are corrected retroactively in line with IAS 8. The effects of the adjustment in 2008 on the earnings per share was less than € 0.01.

The revised amounts of items of the statement of financial position concerned are illustrated in the table below:

[Table 52]

All figures in €'000	As at Jan 1, 2008	As at Dec 31, 2008
Increase in deferred tax assets	1,242	1,322
Decrease in other accounts receivable and other assets	1,800	1,692
Decrease in shareholders' equity	3,005	3,197
Increase in other liabilities	2,447	2,827

The table below illustrates the effects of the error correction and the change in presentation with regard to the previous year's figures:

[Table 53]

All figures in €'000	2008 adjusted	2008 as reported	+/–	of which IFRS 5	of which error correction
Revenue	552,267	554,807	–2,540	–2,540	–
Other revenue	42,933	42,940	–8	–8	–
Total revenue	**595,200**	**597,748**	**–2,548**	**–2,548**	**–**
Personnel expenses	–108,869	–110,626	1,757	1,757	–
Depreciation / amortisation and impairment	–20,971	–20,988	17	17	–
Other operating expenses	–181,769	–182,084	316	588	–272
Earnings before interest and tax (EBIT)	**56,161**	**56,619**	**–459**	**–187**	**–272**
Finance cost	**–9,543**	**–9,543**	**–**	**–**	**–**
Earnings before tax (EBT)	**46,618**	**47,076**	**–459**	**–187**	**–272**
Income taxes	–15,941	–16,020	**80**	**–**	**80**
Earnings from continuing operations after tax	**30,677**	**31,056**	**–379**	**–187**	**–192**
Earnings from discontinued operations after tax	**–6,084**	**–6,271**	**187**	**187**	**–**
Net profit (total)	**24,593**	**24,785**	**–192**	**–**	**–192**

The revised version of IAS 1 "Presentation of financial statements" is to be applied for the first time in the financial year 2009. IAS 1 (revised) extends the income statement to include a transition of profit/loss (net profit) to total comprehensive income including the presentation of components of other comprehensive income (statement of comprehensive income). This also changes the presentation of the statement of changes in equity. In the statement of changes in equity, transactions with owners are shown separately. Profit/loss and other earnings are apportioned to the individual equity capital components. The prior-year figures were adjusted accordingly. The reporting changes have no effect on net profit, total comprehensive income or earnings per share.

Furthermore, in the financial year 2009 the following new or amended standards were to be applied for the first time:

- Revision of IAS 23 "Borrowing costs". The main amendment concerns the elimination of the option of recognising immediately as an expense borrowing costs that are directly attributable to a qualifying asset. In accordance with the new standard, borrowing costs must be capitalised as part of the acquisition or manufacturing costs of the asset.
- Revision of IAS 32 and IAS 1 "Puttable financial instruments". According to the existing version of IAS 32, financial instruments must be classified as financial liabilities if the issuer can be required to pay cash or another financial asset in return for redeeming or repurchasing a financial instrument. As a result of the changes, puttable financial instruments and liabilities which only have to be paid back upon the issuer's liquidation are now classified as equity if specified criteria are met. The classification of these instruments as equity triggers additional disclosure obligations in the notes.
- Revision of IAS 39 "Reclassification of financial assets". On October 27, 2008, the IASB published an updated version of the amendments of IAS 39 dated October 13, 2008, which were adopted by the EU in September 2009. This version clarifies the fact that any reclassification that takes place on or after November 1, 2008, will become effective at the time of the reclassification. Reclassifications taking place before November 1, 2008, can become effective on July 1, 2008, or at a later date. Retroactive reclassifications at a date before July 1, 2008, are not permitted.
- Amendment to IFRS 1 and IAS 27 "Cost of an investment in a subsidiary, jointly controlled entity or associate". The amendment makes it easier to measure the acquisition costs of shares in subsidiaries, jointly-controlled entities and associates in the separate individual financial statements on first-time adoption of the IFRSs.
- Amendment to IFRS 2 "Vesting conditions and cancellations". The amendments clarify the term "vesting conditions" and provide clearer regulation of the accounting treatment of the cancellation of a plan induced by other party than the company.
- Amendments to IFRS 7 "Improving disclosures about financial instruments". Essential changes: Measurements at fair value are to be disclosed in line with the three-level fair value hierarchy. In addition, minimum disclosure requirements concerning liquidity risks have been extended.
- Amendment to IAS 39 and IFRIC 9 "Embedded derivatives". The amendments clarify the accounting treatment of embedded derivatives for companies which have made use of the reclassification changes published by the IASB in October 2008.
- IFRIC 13 "Customer loyalty programmes" addresses the accounting by entities that grant their customers award credits when purchasing other goods or services. In particular the question of how these companies have to recognise their obligations to clients redeeming their credits in the balance sheet was clarified.

- IFRIC 16 "Hedges of a net investment in a foreign operation". IFRIC 16 clarifies: (a) foreign exchange differences arising from net investments that arise from differing functional currencies within a Group can be hedged and (b) hedging instruments can be held by any entity within the Group with the exception of the entity in relation to which the currency risk arising from the net investment is hedged.
- Improvements of IFRS 2008. In May 2008, the Board published, for the first time, a collection of amendments designed to change various IFRSs with the primary objective of removing inconsistencies and clarifying wordings. Each standard has its own transitional provisions.

The amendment to IFRS 7 requires further disclosures in particular regarding financial instruments measured at fair value. Because they are not relevant to MLP, the other new or amended IFRS mentioned above do not have any influence on the consolidated financial statements.

The application of the following new or amended standards and new interpretations was not yet binding for the financial year beginning on January 1, 2009, and they were not early adopted:

- Revision of IFRS 3 and IAS 27 "Business combinations, Phase II". The changes in the standards largely relate to the method used to account for business combinations, the recognition of goodwill and transactions with minority interests. As a departure from the legal position hitherto, IFRS 3 and IAS 27, inter alia, provide for the following rules: (a) Incidental acquisition costs that are incurred when the business combination is created are to be recognised as expenditure. (b) In the amount of the fair value of contingent considerations the level of which depends on events that occur after acquisition (e. g. payments based on earn-out clauses), an asset, a liability or an equity instrument is to be recognised at the time of acquisition. (c) There is the option of capitalising the goodwill relating to the minority interests using the full goodwill method. (d) Disposals of shares that do not involve a loss of control will be recognised as straightforward transactions between the shareholders, i.e. recognised directly in other comprehensive income. The same applies to acquisitions of other shares in subsidiaries after control has been achieved. The revised standards are to be applied to financial years beginning on or after July 1, 2009.
- Revision of IAS 24 "Related party disclosures". The revision provides a simplification of disclosure requirements of state-controlled entities. In addition the definition of "related party" has been revised. IAS 24 is to be applied, if accepted in its current form by the EU, to financial years beginning on or after January 1, 2011.
- Amendment to IAS 32 "Classification of rights issues". The amendments state that certain rights issues as well as options and warrants in foreign currency with the issuer to whose equity instruments these rights relate, are no longer to be reported as liabilities but as shareholders' equity. IAS 32 is to be applied to financial years beginning on or after February 1, 2010.
- Amendment to IAS 39 "Eligible hedged items". The amended standard specifies which risks and which portions of a hedged item can be designated under hedge accounting. The revised standard is to be applied to financial years beginning on or after July 1, 2009.

- Amendment to IFRS 1 “Additional exemptions for first-time adopters”. The amendments apply to the retroactive application of IFRS and are aimed at avoiding unnecessary costs during the transition to IFRS. The amendments of IFRS 1 are to be applied retroactively, if accepted in its current form by the EU, to financial years beginning on or after January 1, 2010.
- Amendment to IFRS 2 “Group cash-settled share-based payment transactions”. The amendments clarify the accounting for group cash-settled share-based payment transactions. An entity that receives goods or services in a share-based payment arrangement must account for those goods or services no matter which entity in the group settles the transaction, and no matter whether the transaction is settled in shares or cash. The amendments of IFRS 2 are to be applied retroactively, if accepted in its current form by the EU, to financial years beginning on or after January 1, 2010.
- IFRS 9 “Financial instruments”. IFRS 9 pursues a new, less complex approach for the classification of assets. IFRS 9 is to be applied, if accepted in its current form by the EU, to financial years beginning on or after January 1, 2013.
- Amendment to IFRIC 14 “Prepayment of a Minimum Funding Requirement”. The amendment applies in the limited circumstances of when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permits such an entity to treat the benefit of such an early payment as an asset. If accepted in its current form by the EU, the amendment has an effective date for mandatory adoption of January 1, 2011, with early adoption permitted for 2009 year-end financial statements. The amendments must be applied retroactively to the earliest comparative period presented.
- IFRIC 17 “Distributions of non-cash assets to owners”. According to IFRIC 17, the dividends should be entered on the liabilities side if the dividend has been authorised and is no longer at the discretion of the entity distributing it. Non-cash dividends should be measured at the fair value of the assets being paid out. If there is any difference between the fair value and the carrying amount of the assets, the latter will be recognised in profit or loss. IFRIC 17 has to be applied prospectively to financial years beginning on or after July 1, 2009.
- IFRIC 18 “Transfers of assets from customers”. IFRIC 18 is particularly relevant for entities in the utility sector and deals with agreements in which an entity receives from a customer an item of property, plant, and equipment or cash for acquiring or constructing such item of property, plant, and equipment in order to connect the customer to a network or provide the customer with ongoing access to a supply of goods or services. IFRIC 18 has to be applied to financial years beginning on or after July 1, 2009.
- IFRIC 19 “Extinguishing financial liabilities with equity instruments”. If a debtor issues equity instruments to a creditor to extinguish all or part of a financial liability, those equity instruments are ’consideration paid’. Accordingly, the debtor should derecognise the financial liability fully or partly. IFRIC 19 is to be applied, if accepted in its current form by the EU, to financial years beginning on or after July 1, 2010. Early adoption is permitted. The interpretation must be applied retroactively to the earliest comparative period presented.

- Improvements of IFRS 2009. In April 2009, the Board published a collection of amendments designed to change various IFRSs with the primary objective of removing inconsistencies and clarifying wordings. Each standard has its own transitional provisions. The amendments are to be applied, if accepted in their current form by the EU, at the earliest to financial years beginning on or after January 1, 2009.

The conditions mentioned in the new IFRIC have not occurred at MLP to date. MLP expects that the new IFRS 9 will lead to changes with regard to the classification of financial assets. The revised version of IFRS 3 will affect the accounting for business combinations. Depending on the nature and volume of future transactions, the changes will have an effect on the Group's net assets, financial position and results of operations. In all other cases, MLP is not expecting any effects on the representation of the Group's net assets, financial position or results of operations. MLP will apply the new and/or revised IFRS standards at the latest when their application becomes binding following their acceptance by the EU.

(4) Scope of consolidation and shares in associates

The scope of consolidation consists of seven fully consolidated German subsidiaries (previous year: six German and one foreign subsidiary) and one associate as was the case in the previous year.

Subsidiaries

The consolidated financial statements include MLP AG as parent company and the companies (**subsidiaries**) controlled by it. Subsidiaries are companies in which MLP AG holds the majority of the voting rights or exerts any other means of control over the financial and operating policy so as to obtain benefits from its activities. The subsidiaries consolidated as at December 31, 2009 are listed in the table below:

[Table 54]

	Shareholding in %	First consolidated
MLP Finanzdienstleistungen AG, Wiesloch	100.00	Dec 31, 1997
TPC THE PENSION CONSULTANCY GmbH, Hamburg	100.00	Oct 8, 2004
ZSH GmbH Finanzdienstleistungen, Heidelberg	100.00	Feb 4, 2009
Feri Finance AG für Finanzplanung und Research, Bad Homburg v.d. Höhe	56.59	Oct 20, 2006
Feri Family Trust GmbH, Bad Homburg v.d. Höhe	56.59	Oct 20, 2006
Feri Institutional Advisors GmbH, Bad Homburg v.d.Höhe	56.59	Oct 20, 2006
Feri EuroRating Services AG, Bad Homburg v.d. Höhe	56.59	Oct 20, 2006

The complete listing of MLP's shareholding is recorded in the electronic German Register of Companies and can be accessed via www.ebundesanzeiger.de.

The effects of the business combinations in the financial year 2009 are explained in note 6.

Shares in associates

Associates are companies where MLP AG has significant influence on financial and operating policy, but which are neither subsidiaries nor joint ventures.

MLP Hyp GmbH, Schwetzingen is an associate in which MLP Finanzdienstleistungen AG holds a stake of 49.8 % in total. The financial year of MLP Hyp GmbH corresponds to the calendar year.

(5) Principles of consolidating subsidiaries and associates

Full consolidation

The consolidated financial statements include the financial statements of MLP AG and its subsidiaries as at December 31 of each financial year. The financial statements of the parent company and of the subsidiaries are prepared in accordance with uniform accounting policies.

Subsidiaries are fully consolidated from the date of acquisition, i.e. from the date on which MLP AG gains control. They are deconsolidated as soon as the parent company loses control.

Assets, liabilities and contingent liabilities resulting from company acquisitions are valued at fair value at the date of acquisition. If the cost of an acquisition exceeds the pro rata net fair value of the object to be acquired, goodwill corresponding to the difference is recognised. A negative difference is recognised as income in the period of the acquisition. The interest of other shareholders is measured in proportion to the net fair value of the assets of the subsidiary. The results of the subsidiaries achieved during the financial year are included in the consolidated income statement from the effective date of their acquisition.

The consolidated financial statements contain no effects of intercompany transactions. Receivables and liabilities between the consolidated companies are offset and intra-group gains and losses are eliminated. Intra-group income is offset against the corresponding expenses. Deferred taxes are recognised by MLP to accommodate any unrecognised differences between the IFRS carrying amounts and the tax values resulting from the consolidation.

Equity method

The shares in associates accounted for using the equity method are recorded at the date of addition based on their historical costs. The goodwill corresponds to the positive difference between the historical costs of the interest and the pro rata net fair value of the associate's assets. When applying the equity method, the goodwill is not amortised, but is reviewed for any indication of an impairment of the shares.

The acquisition costs are annually updated by taking into account the equity changes of the associates corresponding to MLP's equity share. Unrealised gains and losses from transactions with associates are eliminated based on the percentage of shares held. The changes of the pro rata shareholders' equity are shown in the company's income statement under "Earnings from companies accounted for using the equity method".

If shares in associates are to be classified as available for sale, the shares are no longer valued using the equity method, but rather at the lesser of either the last carrying amount or the fair value minus costs of sale. In the statement of financial position these shares are to be disclosed under "Non-current assets held for sale and disposal groups".

Currency translation

Since all subsidiaries operate as financially, economically and organisationally independent entities, their respective local currency is their functional currency. The assets and liabilities of foreign subsidiaries are translated at the closing rate on the closing date and expenses and income are translated based on monthly average rates. Translation differences are recognised in other comprehensive income with no effect on the operating result until the disposal of the subsidiary.

Monetary items (liquid funds, receivables, liabilities) measured in foreign currency are translated using the closing rate, while **non-monetary items** are translated at their historical costs. The differences resulting from the translation of monetary items are recorded by MLP AG in the income statement under other operating expenses and other revenue. In the financial year 2009, income of € 67 thsd (previous year: € 273 thsd) and expenses of € 89 thsd (previous year: € 294 thsd) resulted from currency translation.

No subsidiaries of the MLP Group operate in hyper-inflationary economies.

(6) Business combinations

To consolidate our market position among medics, MLP purchased all company shares in ZSH Vermittlung von Versicherungen und Vermögensanlagen Verwaltungs GmbH (ZSH Verwaltungs-GmbH), Heidelberg, and all limited partners' shares in ZSH Vermittlung von Versicherungen und Vermögensanlagen GmbH & Co KG (ZSH GmbH & Co KG), Heidelberg on February 4, 2009. At the time of acquisition, ZSH GmbH & Co KG held a 100 % stake ZSH GmbH Finanzdienstleistungen (ZSH GmbH).

In the fourth quarter of 2009 ZSH GmbH & Co KG was converted to a limited company (GmbH) under the name ZSH Holding GmbH (ZSH Holding). ZSH Verwaltungs GmbH and ZSH GmbH merged with ZSH Holding in the fourth quarter of 2009. ZSH Holding was renamed ZSH GmbH Finanzdienstleistungen ("ZSH").

The primary object of ZSH is the administration and brokerage of all types of insurance policies and investments, real estate and loans as well as the provision of other services economically related to the aforementioned objects.

The purchase price for the acquisition was € 10,765 thsd and was paid from cash holdings. The allocation of the purchase price from this acquisition was concluded in the fourth quarter of 2009:

[Table 55]

Acquired net assets of ZSH

All figures in €'000	Carrying amount before purchase	Adjustment	Fair value
Intangible assets	475	9,408	9,883
Property, plant and equipment	4,809	–716	4,093
Financial investments	123	–	123
Other accounts receivable and other assets	3,391	–740	2,651
Cash and cash equivalents	1,738	-	1,738
Provisions	–1,499	191	–1,308
Liabilities	–9,895	672	**–9,223**
Deferred tax liabilities	**–**	**–41**	**–41**
Net assets	**–859**	**8,774**	**7,915**
Pro rata net assets		100 %	**7,915**
Goodwill			**4,272**
Purchase price			**10,765**
Incidental acquisition expenses			**1,422**
Acquisition costs			**12,187**
Cash outflow to date due to the acquisition			**10,886**

Due to the disclosure of hidden reserves in supplementary tax accounts, the recognition of deferred tax liabilities on the adjustment of carrying amounts before purchase was not required.

ZSH contributed € -3,327 thsd to the net profit. If the business combination had taken place at the beginning of the year, the net profit for the financial year 2009 would have been € 23,937 thsd and sales revenue from continuing operations € 505,254 thsd.

Feri EuroRating Services AG acquired business operations from Property Funds Research Ltd. ('PFR'), Reading, UK, on october 1, 2008 as an asset deal. The purchase price for the acquisition was € 1,233 thsd. The allocation of the purchase price which was performed provisionally on December 31, 2008 was then finalised in the last financial year. No difference resulted from the provisional and final values attributed to assets acquired and liabilities assumed. In the previous year, MLP also acquired a 100 % stake in TPC-Group GmbH, Hamburg.

(7) Significant discretionary decisions, estimates and changes in estimates

On occasions, the preparation of the financial statements included in IFRS consolidated financial statements requires estimates, which influence the level of the disclosed assets and debts, the disclosures of contingent liabilities and receivables, the income and expenses of the reporting period and the other disclosures in the consolidated financial statements. The actual values may deviate from the estimates.

The accounting policies applied are described in note 8. Significant discretionary decisions and estimates affect the following events:

MLP considers a lease agreement governing the commercial leasing of its building in Heidelberg, Forum 7, to be an **operating lease**, as the significant risks and rewards incident to ownership of the property were not transferred to the lessee. As at December 31, 2009, the carrying amount of the property stood at € 11,432 thsd (previous year: € 11,700 thsd).

MLP classifies € 45,385 thsd (previous year: € 22,828 thsd) of **financial instruments** as "**held to maturity**". These financial instruments are fixed income securities that are quoted on the stock exchange. So far MLP has not sold or reclassified any financial instruments classified as "held to maturity" before maturity.

For the evaluation of **pension obligations**, MLP uses actuarial calculations to estimate future events for the calculation of the expenses, obligations and entitlements in connection with these plans. These calculations are based on assumptions regarding the discount rate and the growth rates of salaries and pensions. The interest rate used to discount post-employment benefit obligations is derived from the interest rates of corporate bonds with an AA rating. As at December 31, 2009, the present value of provisions for pensions and other post-employment benefits payable under defined benefit plans was € 15,508 thsd (previous year: € 19,285 thsd). Further details of pension provisions are given in note 33.

Allowances for losses in the banking business are estimated on the basis of historical loss rates. Specific allowances for bad debts are recognised if receivables are likely to be uncollectable. In addition, MLP forms allowances for bad debts on a portfolio basis for remaining accounts receivable based on the dunning level. Allowances for losses on individual account amount to € 4,685 thsd as at December 31, 2009 (previous year: € 3,751 thsd). The impairment loss on portfolio basis as at December 31, 2009 was € 9,287 thsd (previous year: € 9,390 thsd). Alongside the receivables deducted from the allowances for losses on the assets side of € 13,971 thsd (previous year: € 13,140 thsd), the allowances for losses on loans and advances include provisions for credit risks of € 1,864 thsd (previous year: € 1,614 thsd).

The allowances for **other accounts receivable and other assets** essentially relate to receivables from branch office managers and consultants. Value adjustments on receivables from active consultants are recognised through the estimation of remaining terms and fluctuation rates, while value adjustments on receivables from former consultants are recognised on the basis of the factors of amount and age structure. In cases where MLP institutes enforcement or where insolvency proceedings are imminent or have already started, impairment losses are recognised on the basis of empirical values. The same applies to receivables which are disputed and where legal action is pending. MLP determines any impairment of receivables from active office managers in individual offices on the basis of an experience-based reference balance. Impairment of receivables from office managers no longer active for the company are established individually. Allowances for losses on individual account amount to € 7,746 thsd as at December 31, 2009 (previous year: € 7,805 thsd). The impairment loss on portfolio basis as at December 31, 2009 was € 6,983 thsd (previous year: € 5,035 thsd).

Business combinations require estimates of the fair value of the assets acquired, assumed debts and contingent liabilities purchased. Property, plant and equipment are usually measured by independent experts, while marketable securities are shown at their stock market price. If intangible assets are to be valued, MLP either consults an independent external expert or calculates the fair value based on a suitable valuation method, generally discounted cash flows, depending on the type of asset and the complexity involved in calculating the value. Depending on the type of asset and the availability of information, various valuation techniques are applied (market-price-oriented, capital-value-oriented and cost-oriented methods). For instance, when valuing trademarks and licences, the relief-from-royalty method may be appropriate, whereby the value of intangible assets is assessed on the basis of royalties saved for trademarks and licences held by the company itself. Please refer to note 6 regarding the companies acquired in the previous year and the assets and liabilities identified in the purchase price allocation including contingent liabilities and their fair values.

Within the scope of several business combinations variable purchase prices have been agreed. The variable purchase prices, the maximum cash outflows and the maturities of liabilities in connection with the acquisition of ZSH GmbH Finanzdienstleistungen (ZSH), Property Fund Research Ltd., Reading, UK (PFR), TPC-Group GmbH (TPC) and Feri Finance AG are disclosed in the table below.

[Table 56]

All figures in €'000	Carrying amount	Anticipated cash outflow	Maximum cash outflow	Date/period of payment
ZSH	1,092	1,160	1,160	2010
PFR	792	792	792	2009 – 2012
TPC	0	0	29,000	2013
Feri Finance AG	0	0	130,323	Apr 15 2011

As at December 31, 2009, MLP adjusted the estimate of the variable purchase price component of TPC to € 0 thsd. The difference of € 6,304 thsd reduced the goodwill. The accumulated accrued interest effect on the change in estimate of € 416 thsd is recognised in other revenues.

As at December 31, 2009, MLP adjusted the estimate of the variable purchase price component from the acquisition of Feri Finance AG to 0. The difference of € 5,000 thsd reduced the goodwill. The accumulated accrued interest effect on the change in estimate of € 526 thsd is recognised in other revenues. As at December 31, 2009, the overall accrued liability from the fixed and variable purchase price component amounted to € 52,782 thsd (previous year: € 57,062 thsd). The remaining stake of 43.414 % in Feri Finance AG will be transferred to MLP AG at the earliest by April 15, 2011. The overall liability will become due with the actual transfer of shares.

Since the principal opportunities and risks associated with the shares that have not yet been transferred with legal effect rest with MLP, no minority shares were recognised for Feri Finance. Profit distributions to the owners of Feri shares not yet transferred with legal effect will be recognised as interest charge. In the financial year 2009, an interest expense of € 2,368 thsd arising from such distributions had to be taken into account (previous year: € 7,830 thsd).

MLP tests **goodwill** from business combinations for impairment at least once a year. For the purpose of the impairment test, goodwill is allocated to cash-generating units at the acquisition date. The impairment test compares the carrying amount of the cash-generating units with the recoverable amount. The recoverable amount is the higher amount of the net selling price and the value in use of the cash-generating unit. For the allocation of goodwill, MLP identified the operating segments financial services, old-age provision and ZSH (included in the financial services reporting segment), Feri Family Trust, Feri Institutional Advisors and Feri EuroRating Services (included in the Feri reporting segment) as relevant cash-generating units. Cash-generating units were allocated the following goodwill values arising from business combinations.

[Table 57]

All figures in €'000	Dec 31, 2009	Dec 31, 2008
Financial services	22,042	27,042
Old-age provision	9,955	16,259
Feri Family Trust	23,702	23,702
Feri Institutional Advisors	24,030	24,030
Feri EuroRating Services	7,762	7,762
ZSH	4,272	–
	91,763	**98,795**

MLP establishes the recoverable amount as value in use and thus as present value of future cash flow of the respective cash-generating unit. The future cash flows are based on MLP planning. The calculation of the present value of anticipated future cash flows is based on assumptions on the development of funds under management, future sales volumes and expenses. The cash flow estimates are based on detailed planning periods extending through to 2014. For the period after that, the planning is based on an average growth rate of 1.0 % (previous year: 1.0 %). The cash flow figures for the detailed planning phase were discounted with weighted capital cost rates of 11.7 % to 13.3 % (previous year: 11.3% to 12.1 %) before tax. Taking account of the growth rates, the discount rates for the period after the detailed planning phase range between 10.8 % and 12.7 % (previous year: 10.3 % and 11.1 %) before taxes.

As at December 31, 2009 a total goodwill of € 91,763 thsd (previous year: € 98,795 thsd) had been capitalised. As in the previous year, the impairment test has confirmed the carrying amounts for goodwill.

Within the scope of its impairment testing MLP carried out sensitivity analyses. For this purpose the discount rates were alternatively increased by one percentage point or the planned EBTs reduced by 5.0 %. This variation of valuation parameters would have also not resulted in an impairment loss for recorded goodwill.

Indefinite-lived intangible assets are also to be tested for possible impairment on a yearly basis. This concerns the "Feri" brand, which was acquired in 2006 within the scope of the business combination with the Feri Group. In view of the high level of brand awareness, at present no definite end of its useful life can be specified. The carrying amount of the "Feri" brand is € 15,829 thsd (previous year: € 15,829 thsd). The brand is fully attributed to the group of cash-generating units of the "Feri" reporting segment. A fair value minus costs of disposal has been established for the "Feri" brand on the basis of the relief-from-royalty method. Since this value exceeds the carrying amount of the "Feri" brand, no impairment loss had to be recorded, as was the case in the previous year.

Definite-lived intangible assets need to be estimated with regard to the depreciation method. Useful life periods are defined on the basis of empirical values. A change in underlying economic conditions might require the choice of a different method. This can have a significant effect on the amount of depreciation. At MLP this mainly concerns client relations and software.

For the liability arising due to the premature loss of brokered insurance policies whereby commission that has been earned must be refunded in part, MLP sets up provisions for **cancellation risks**. MLP estimates the cancellation rate by product group, tariff and the period of the underlying policy that has already run on the basis of empirical values. The period in which MLP is obliged to refund portions of the commissions due to the premature loss of a policy is determined either by the statutory provisions of the German Insurance Act or the distribution agreements that have been concluded with the product providers. MLP will use the longer of these periods. As at December 31, 2009, the carrying amount of the provision amounts to € 15,921 thsd (previous year: € 15,713 thsd).

On account of the crisis in the economy and the financial markets, in the view of MLP, indicators of an impairment loss are also present for such assets which cannot be tested annually for a possible impairment loss in the same way as goodwill or the "Feri" brand. Therefore, MLP also tested the property, plant and equipment, and other intangible assets for a possible impairment loss. In estimating the future cash flows, as in determining the valuation parameters, MLP has taken the effects of the crisis in the economy and the financial markets into account. The carrying amounts of tested assets were confirmed by the impairment test. The sensitivity analyses carried out by MLP showed that even in the case of a variation of these parameters within certain fluctuation margins no impairment loss would need to be recognised. For this purpose the discount rates were alternatively increased by one percentage point or the planned EBTs reduced by 5.0 %.

In the financial year 2008, MLP set up a share-based remuneration system for office managers, consultants and employees. The recognition of the anticipated expenditure arising from this system demands that assumptions be made about turnover and exercise rates. As at December 31, 2009, the carrying amount of the provision amounts to € 1,448 thsd (previous year: € 621 thsd).

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Based on reasonable estimates, MLP establishes provisions for taxes for potential effects of field tax audits.

(8) Accounting policies

Income

Revenue is generally recognised if it is probable that MLP will gain a definable economic benefit from it.

MLP generates sales revenue from **commission**. This commission is in turn generated in the areas of old-age provision, wealth management, health insurance, non-life insurance, financing and other consulting services. In addition, **revenue from the interest rate business** is generated from transactions with MLP clients. Sales revenue from the interest rate business also includes interest income from the investment of funds of MLP Finanzdienstleistungen AG. Interest income from investment of funds from other Group companies is a constituent of the finance cost.

In the field of **old-age provision**, only commission income from the brokering of life insurance policies is included. In the areas of **non-life and health insurance**, commission income comes solely from the brokering of corresponding insurance products.

Commission income from the brokerage of insurance policies (**acquisition commission**) is recognised independently of the inflow of funds if the Group is entitled to receive payment. The entitlement to payment automatically arises when the first premium of the policy holder has been collected by the insurance company, but at the earliest upon conclusion of the insurance contract. MLP is entitled to time-limited **trail commission** for the brokerage of certain contracts (especially pertaining to life insurance). They are realised according to the same principles as acquisition commission. MLP receives partially recurrent **trailer fees** for brokered old-age provision and health insurance contracts. The company is usually entitled to these as long as premiums are payable for underlying contracts. MLP sets up provisions for cancellation risks based on empirical values with regard to its obligation to repay commission received if brokered insurance policies are cancelled.

Revenue from **wealth management** includes issuing premiums, custody and account maintenance charges, fund management fees, as well as brokerage and trailer commission from wealth management mandates. Further wealth management revenue comes from research and rating services. Revenue is generated after service provision.

Commission income from the brokering of loans (credit brokering commission) is attributed to the sales revenue from **financing**. MLP realises brokerage commission for loan brokerage after concluding the respective loan agreement.

Other consulting income is generated at the level to which consulting services are performed. They are paid in particular for consulting services to companies on setting up occupational pension provision schemes as well as consulting services in connection with medical practice financing and business start-ups.

Revenue from the interest rate business is earned by MLP for the duration of the capital investment in line with the effective interest method. Commission that is part of the effective interest return of a receivable are treated as sales revenue from the interest rate business and recorded in those periods in which they are actually earned. They include **commitment interest** for giving loan commitments or taking over an existing liability. The company realises fees for other current handling and processing services (for example prematurity compensation) after providing these services.

Interest income is earned for the duration of the capital investment in line with the effective interest method, **dividends** are recognised the moment an entitlement to payment arises.

Rental income from investment property is realised by the Group on a straight-line basis over the duration of the tenancy agreement.

Intangible assets

Intangible assets generated internally are only capitalised at their cost of conversion if the conditions required pursuant to IAS 38 are fulfilled. The cost of conversion includes all costs directly attributable to the development process and appropriate portions of development-related overheads. If the capitalisation conditions for internally generated intangible assets are not met, MLP recognises the development costs as expenses in the period in which they were incurred. On initial recognition, individually acquired intangible assets are recorded at their acquisition costs. The costs of acquisition of intangible assets due to business combinations correspond to their fair values at the date of their acquisition.

Definite-lived intangible assets are usually written down on a straight-line basis over their economic life. Amortisation begins once the intangible asset becomes ready for use and ends as soon as the asset is derecognised or if the asset is no longer classified as "available for sale". The residual value, useful life and amortisation method for a definite-lived intangible asset are reviewed at the end of each financial year. If the expected useful life or the expected pattern of an asset's usage has changed, MLP caters to this by adjusting the amortisation period or selecting a different amortisation method. MLP treats these changes as changes in estimates. Definite-lived intangible assets are tested for impairment whenever there are indications that these assets may be impaired.

Definite-lived intangible assets are amortised on a straight-line basis over the following useful life periods:

[Table 58]

Intangible assets

	Useful life
Acquired software	3–7 years
Software generated internally	3–5 years
Acquired trademark rights	10–15 years
Client relations/orders on hand	5–25 years

Indefinite-lived intangible assets are not amortised. They are subjected to an impairment test individually or at the level of the cash-generating unit at least once a year. They are also reviewed once a year to establish whether their classification as an indefinite-lived asset is still justified. If this is not the case, the asset is accounted for according to the principles for definite-lived assets from then on.

Goodwill

Goodwill is valued at the excess of the business combination's acquisition cost over the acquired net assets on the date of addition. Subsequent to initial recognition, MLP measures goodwill at cost less cumulative impairment losses.

Property, plant and equipment

Items of property, plant and equipment are measured at cost and, if applicable, less depreciation and impairment losses. MLP does not apply the revaluation method.

Depreciation is charged on a straight-line basis. Depreciation of the property, plant and equipment or components with a finite useful life begins once the assets have been brought to working condition. Probable physical wear and tear, technical obsolescence and legal/contractual limitations are taken into account in determining expected useful lives.

Items of property, plant and equipment are depreciated on a straight-line basis over the following useful lives:

[Table 59]

Property, plant and equipment

	Useful life / residual value
Administration buildings	33 years to residual value (30 % of original cost)
Land improvements	15 – 25 years
Leasehold improvements	Term of the respective lease
Furniture and fittings	10 – 25 years
IT hardware, IT cabling	3 – 13 years
Office equipment, office machines	3 – 13 years
Cars	6 years
Works of art	13 – 15 years

The residual carrying amounts of assets, useful lives and depreciation methods are reviewed at the end of each financial year and adjusted according to the regulation regarding estimated adjustments where necessary.

Investment property

Investment property pursuant to IAS 40 consists of all property that is held to earn rental income and/or for capital appreciation, rather than for use in the supply of services or for administrative purposes or sale in the company's ordinary course of business. MLP applies the acquisition cost model when valuing real estate of this kind. Investment property is written off in accordance with the principles detailed for property, plant and equipment.

Investment property is derecognised if it is sold or no longer used on a permanent basis or if no future economic benefit is expected when selling it. Gains or losses from the retirement or disposal of an investment property are recognised at the time of their retirement or sale.

Impairment of property, plant and equipment, investment property and intangible assets (without goodwill)

At the end of each reporting period, MLP AG assesses whether there are any indications that a long-term asset may be impaired. If this is the case, the Group estimates its recoverable amount. If the recoverable amount for the individual asset cannot be determined, the estimate is made for the smallest cash-generating unit to which the asset belongs.

An asset's recoverable amount is the higher of the fair value of an asset less selling costs and the value in use. If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and is written down to its recoverable amount. For the purposes of determining value in use, estimated future cash flows are discounted to their present value on the basis of a pre-tax discount rate reflecting current market assessments of the time value of money and the risks specific to the asset. Impairment losses are shown in the income statement under "Depreciation / amortisation and impairment".

At the end of each reporting period, the Group assesses whether there are any indications that an impairment loss recognised in prior reporting periods no longer exists or may have decreased. If there is any such indication, it measures the recoverable amount. An impairment loss recognised previously is reversed if, since the last impairment loss was recognised and due to a change in the estimates, the recoverable amount is higher than the asset's carrying amount. The reversal may not exceed what the amortised cost would have been if an impairment had not been recognised in the previous years. Such a reversal must be recognised directly in the net income for the period. Once impairment losses have been reversed, an adjustment may need to be made in future reporting periods so as to systematically distribute the asset's adjusted carrying amount less any residual value over its remaining useful life.

Impairment of goodwill

Goodwill is tested for impairment losses at least once a year and also at any time when there is indication of potential impairment losses on assets.

For the purposes of impairment tests, the goodwill must be allocated from the date of acquisition onwards to those of the Group's cash-generating units or groups of cash-generating units that are to benefit from the synergies from the combination. This applies irrespective of whether other assets or liabilities of the acquired company have been allocated to these units or groups of units. Each unit or group of units to which goodwill has been allocated

- represents the lowest level within the Group at which goodwill is monitored for internal management purposes, and
- is no larger than an operating segment in the sense of IFRS 8.

Impairment is measured by calculating the recoverable amount of the cash-generating unit to which the goodwill relates. If the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised.

If the Group sells part of a cash-generating unit to which goodwill is allocated, the goodwill is regularly divided in proportion to the values of the sold and retained portion of the unit. The proportional goodwill allocated to the part that has been sold is included in the calculation of the profit from sale of discontinued operations.

Leases

MLP operates as both a lessee and lessor to third parties. MLP determines whether a contractual agreement constitutes or contains a lease on the basis of the economic substance of the agreement concluded. This requires an assessment of whether performance of the agreement is dependent upon the use of a particular asset or particular assets and whether the agreement confers the right to use the asset.

Leases where all risks and rewards incident to ownership of the leased asset remain substantially with the Group are classified as operating leases.

MLP has not signed any agreements that essentially transfer all risks and rewards associated with the ownership of the leased asset to the lessee (finance leases). The notes below are therefore limited to operating leases.

Group as lessor: Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and expensed over the term of the lease, just as rental income is recognised over the term of the lease.

Group as lessee: Rental payments under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. The same principle applies to benefits received and receivable that serve as an incentive to enter into an operating lease.

Financial instruments – General information

A financial instrument is a contract that simultaneously gives rise to a financial asset at one entity and a financial liability or equity instrument at the other entity. In the case of regular-way purchases and sales, financial instruments are recognised or derecognised in the statement of financial position on the trade date. Regular-way purchases or sales are purchases or sales of financial assets requiring delivery of the assets within a period dictated by market regulations or conventions. Financial instruments are either categorised as financial instruments measured at fair value, as loans and receivables, or as available-for-sale financial instruments. The Group defines the classification of its financial instruments with initial recognition. They are initially recognised at their fair value plus transaction costs. Transaction costs incurred when purchasing financial instruments of the category "at fair value through profit or loss" are recognised directly as charges to the income statement.

The subsequent measurement of financial instruments depends on their classification as follows:

Financial instruments of the category "**at fair value through profit and loss**" comprise the subcategories "Held for trading" and "Designated at fair value". Financial instruments of this category are measured at fair value. The change in fair value is directly recognised in the net income for the period.

Financial instruments of the category "**held-to-maturity**" are non-derivative financial assets with fixed or determinable payments traded on an active market. Classifying the instruments as such assumes capability and intention to hold the securities to maturity. They are values at amortised cost using the effective interest method. Impairment losses are charged to income if the recoverable amount falls below the carrying amount.

Financial instruments classified as "**loans and receivables**" are also measured at amortised cost using the effective interest method.

"**Available-for-sale**" financial instruments are non-derivative financial assets and are carried at their fair value. Changes in fair value between reporting dates are recognised in the item "Securities marked to market" under "other equity" which has no effect on the operating result. Impairment losses and gains from currency translation under monetary items are excluded from this. These flow directly into profit or loss. The reserve is reversed to income either when the assets are sold or if the assets are impaired. MLP values equity instruments of which the fair value cannot be reliably determined and derivatives to such instruments at their cost of acquisition.

Financial instruments – Receivables from banking business

Receivables from banking business from banks and receivables from clients for loans are recognised at amortised cost using the effective interest method. Charges and premiums/discounts are recognised as part of the actual interest return of the financial instrument over the term of the relevant loan.

In order to avoid any inconsistency in recognition, MLP measures receivables from clients due to loans with a nominal value of € 4,920 thsd (previous year: € 4,978 thsd) at their fair value. These are offset against interest rate swaps. Gains and losses from changes to the fair value are recognised in both cases directly in the net income for the period.

Financial instruments – Financial investments

The **financial investments** of the Group include debt securities, shares in investment funds, shareholdings and loans.

Investments are capitalised as available-for-sale financial assets at their acquisition costs less any impairment losses. The investments represent equity instruments of non-consolidated companies. They are not traded on an active market. It is not possible to calculate their fair value reliably any other way.

Loans belong to the category “loans and receivables”. These include fixed term deposits with a term of up to five years.

The **securities** not contained in loans are classified as “held-to-maturity” if they are financial assets with fixed or determinable payments which the company intends and is able to hold to maturity. All other financial assets, loans and investment funds are classified as “available for sale”.

Financial instruments – Other accounts receivable and other assets

Other receivables and other assets are measured at amortised cost less impairment losses. The impairment loss is recognised in the income statement.

Financial instruments – Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits at the Deutsche Bundesbank and due on demand bank deposits insofar as these are not to be allocated to the banking business of MLP Finanzdienstleistungen AG. They are measured at face value.

Financial instruments – Impairment

MLP tests the carrying amounts of the financial assets that are not measured at fair value through profit and loss individually at each closing date to determine whether there is objective, material evidence of **impairment of the financial assets**. For receivables from banking business and for other receivables and other assets, impairment losses on portfolio basis are formed for receivables for which no specific allowances are recognised. The allowances are determined based on the dunning level, the age of the receivables and on the basis of the past experience. Any impairment losses at the level of the difference between the carrying amount and lower recoverable amount are recognised in profit or loss on the corresponding impairment account. If a receivable is uncollectable (i.e. default is certain), it is written off.

If changes to the fair value of available-for-sale financial assets led to formation of a negative reserve in the shareholders' equity, these must now be reclassified from equity in the amount of the impairment determined to the income statement. If, in a subsequent period, the fair value of debt instruments increases and this increase can be related objectively to events occurring after the impairment was recognised, the impairment loss is reversed to income in the appropriate amount. Impairment losses on equity instruments that are classified as available for sale may not be reversed. MLP records any further increase of the fair value under shareholders' equity with no effect on the operating result.

Both the recoverable amount of securities held to maturity and the recoverable amount of the loans and receivables valued at amortised cost, which are required for impairment testing, correspond to the present value of the expected future cash flow. To determine impairment losses for the unquoted equity instruments measured at cost, the expected future cash flows are discounted using the current interest rate that corresponds to the investment's special risk position.

Financial instruments – Liabilities due to banking business

The liabilities due to banking business are carried as financial liabilities for their initial recognition at fair value, if applicable including deduction of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Financial instruments – Other liabilities

Trade accounts payable and other liabilities are recognised at amortised cost.

Financial instruments – Derivative financial instruments

The derivative financial instruments of the MLP Group primarily cover interest rate swaps. They are initially recognised at fair value excluding transaction costs and subsequently remeasured at fair value. Derivatives with positive market values are recognised in item of the statement of financial position "other accounts receivable and other assets" and derivatives with negative market values in the item "other liabilities". The MLP Group does not make use of hedge accounting pursuant to IAS 39. Changes in the market value of derivatives are directly recognised in the income statement and are contained in the finance cost and the income/expenses from the banking business.

Non-current assets held for sale and disposal groups

Individual, formerly non-current assets and disposal groups, whose sale is to be expected within twelve months after classification as "available for sale" are recorded either at the adjusted carrying amount at the time of reclassification or their fair value minus the costs of disposal.

Provisions

The **pension obligations** due to defined benefit plans are determined pursuant to IAS 19 according to the projected unit credit method. Obligations are measured on the basis of an independent actuarial study. The interest component of pension expenses is reported under other interest and similar expenses. For the recognition of gains or losses resulting from the difference between the projected pension obligation and the actual defined benefit obligation MLP makes use of the option of only recognising gains and losses if they breach the 10 % limit of the defined benefit obligation (corridor method).

Payments for defined contribution plans represent the costs for periods in which the associated work is performed. Payments for statutory pension plans are treated in the same way as defined contribution plans.

Other provisions are recognised when the Group has a present obligation (legal or constructive) resulting from a past event, settlement is expected to result in an outflow of resources and the obligation's amount can be estimated reliably. If the Group is practically certain to receive a reimbursement from an identifiable third party (e.g. in case of an existing insurance policy), MLP recognises the reimbursement as a separate asset. The expenditure required to set up the provision is recognised in the income statement after deduction of the reimbursement. If provisions contain an interest component they are recognized at their present value. MLP recognises the increase in provisions due to the passage of time as an interest charge.

Share-based payments

The MLP Group grants certain employees, independent commercial agents and managers share-based payments that can be settled partly by issuance of equity instruments and partly in cash.

The expense incurred as a result of **equity-settled payments** is recognised at the grant-date fair value of the equity instruments granted. The fair value is determined using the Black-Scholes formula and is recognised on a straight-line basis as personnel expenses or other operating expenses over the period during which the exercise conditions are to be met. This time period ends as soon as the eligible employee is irrevocably entitled to receive the awards. In return capital reserves are increased by a corresponding amount.

The proportion of the fair value of **share-based payments settled in cash** attributable to services provided up to the valuation date is recognised as personnel expenses or as cost of purchased services from the commission business and at the same time as a provision. The fair value determined based on the Monte-Carlo simulation or another suitable valuation model is recalculated at the end of each reporting period and on the payment date. Any change to the fair value is to be recognised in profit or loss. At the payment date, the fair value of the liability corresponds to the amount which is to be paid to the eligible employee.

Taxes

Actual **tax refund claims** and **tax liabilities** for both the current period and earlier periods are measured at the amount expected to be refunded by or paid to the tax authorities. The amount is determined on the basis of the tax rates and tax legislation that apply at the end of the reporting period.

Deferred taxes are recognised in accordance with the balance sheet liability method for all taxable temporary differences existing at the end of the reporting period between the values of the IFRS consolidated statement of financial position and the taxable values of the individual companies.

Deferred taxes are measured at the tax rates that apply when an asset is realised or a liability settled. They are recognised in the income statement, except where the unrecognised difference has a direct effect on equity.

Deferred tax liabilities are recognised for all taxable temporary differences. This does not apply to temporary differences arising from the initial recognition of goodwill or from the recognition of other assets or liabilities for the first time that do not result from a business combination and which neither affect the taxable income nor net income at the date of recognition. In addition to tax advantages from deductible unrecognised differences, deferred tax assets also comprise tax load reducing claims resulting from an expected future use existing losses. No consideration is made for deductible unrecognised differences in the case of assets or liabilities which do not result from a business combination and which neither affect the taxable income nor net income at the date of recognition.

Deferred tax assets are recognised if it is probable that there will be offsetable taxable income available at the time of reversing the deductible temporary differences or that loss carryforwards can be used within a limited timeframe. Deferred tax assets are reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that there will be sufficient taxable profit against which the deferred tax assets can be used. Deferred tax assets that have not been recognised are reviewed at the end of each reporting period and recognised to the extent that it has become probable that future taxable profit will make realisation possible.

Deferred tax assets and deferred tax liabilities are offset against one another if there is an enforceable right to offset tax refund claims against tax liabilities and if the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

MLP records the **amount of value-added tax** to be reimbursed by or remitted to the fiscal authority under the items “other accounts receivable and other assets” or “other liabilities”.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

[Table 60]

(9) Revenue

All figures in €'000	2009	2008*
Old-age provision	311,144	344,809
Wealth management	71,559	82,205
Health insurance	46,487	45,883
Non-life insurance	26,488	23,068
Loans and mortgages	12,609	11,563
Other commission and fees	4,122	3,973
Commission and fees	**472,408**	**511,500**
Interest income	**31,367**	**40,767**
Total	**503,775**	**552,267**

* Previous year's values adjusted. The adjustments are disclosed in note 3

[Table 61]

(10) Other revenue

All figures in €'000	2009	2008*
Cost transfers to commercial agents	7,800	8,245
Income from reinsuring pension obligations	3,888	3,773
Income from investments	1,941	5,025
Reversal of impairment losses/income from written-off receivables	1,854	3,109
Income from the reversal of deferred obligations	1,846	3,232
Remuneration of management	1,797	2,038
Rent	1,252	1,436
Income from the adjustment of variable purchase price liabilities	942	2,953
Income from the reversal of provisions	890	1,554
Own work capitalised	479	1,045
Income from securities of the participation programme	239	–
Subsequent income from sale	–	4,000
Income from the partner forum	–	1,437
Sundry other income	5,441	5,087
Total	**28,368**	**42,933**

* Previous year's values adjusted. The adjustments are disclosed in note 3

The sub-item "cost transfers to commercial agents" covers among other things income from the renting out of laptops and the cost transfers of other material costs.

The "income from reinsuring pension obligations" is offset by the premium payments for these insurance policies at a similar level recorded under "other operating income".

The "income from investments" is mainly attributable to foreign subsidiaries.

The item "reversal of impairment losses/income from written-off receivables" relates to the items "receivables from clients in the banking business" and "other accounts receivable and other assets," which is offset by allowances for bad debts disclosed under "other operating expenses".

The item "Remuneration for management" contains pre-allocated profits due to management tasks for private equity companies.

(11) Commission expenses

The comission expenses mainly consists of the commission payments and other remuneration components for the self-employed MLP consultants. This item fell by € 22,037 thsd to € 182,619 thsd during the financial year (previous year: € 204,656 thsd).

[Table 62]

(12) Interest expenses

All figures in €'000	2009	2008
Interest and similar expenses		
Financial instruments measured at amortised cost	11,992	21,004
Available-for-sale financial instruments	70	2,277
Change fair value option		
Financial instruments at fair value through profit and loss	194	232
Total	**12,256**	**23,514**

[Table 63]

(13) Personnel expenses

All figures in €'000	2009	2008*
Salaries and wages	94,406	93,149
Social security contributions	12,798	12,128
Expenses for old-age provisions and benefits	4,184	3,592
Total	**111,387**	**108,869**

* Previous year's values adjusted. The adjustments are disclosed in note 3

Personnel expenses essentially include salaries and wages, remuneration and other payments to employees. The social security contributions include the statutory contributions to be borne by the company in the form of social security insurance premiums. Expenses for old-age provisions and benefits mostly include employer's shares of supplementary occupational provision.

The rise in personnel expenses is mainly due to the acquisition of ZSH and one-off restructuring expenses of € 2,070 thsd.

[Table 64]

(14) Depreciation/ amortisation and impairment

All figures in €'000	2009	2008*
Depreciation/amortisation		
Intangible assets	11,331	11,238
Property, plant and equipment	6,507	6,702
Investment property	268	424
	18,106	**18,365**
Impairment		
Property, plant and equipment	14	96
Investment property	-	2,511
	14	**2,607**
Total	**18,120**	**20,971**

* Previous year's values adjusted. The adjustments are disclosed in note 3

The development of the non-current assets is disclosed in note 18 (intangible assets), note 19 (property, plant and equipment) and note 20 (investment property).

[Table 65]
(15) Other operating expenses

All figures in €'000	2009	2008*
IT costs	50,940	47,368
Cost of premises	23,941	22,335
Audit and consultancy costs	11,048	15,170
Training and seminars	8,216	11,340
Advertising expenses	8,066	11,609
Banking-related expenses	8,027	8,607
Communication requirements	7,867	8,580
Allowances for doubtful accounts	7,578	6,932
Insurance	6,289	6,337
Rental and leasing	5,477	4,999
Representation/entertainment expenses	4,610	6,470
Expenses for consultants/branch office managers	4,104	5,758
Travel expenses	2,186	2,452
Premiums and fees	2,095	1,324
Office supplies	2,031	2,913
Vehicle costs	1,560	1,389
Other personnel costs	1,176	2,050
Expenses for corporate communications	875	1,398
Disposal of intangible assets/property, plant and equipment	460	530
Expenses from currency translation	89	294
Share-based payment (convertible debentures)	-	513
Sundry other operating expenses	9,311	13,401
Total	**165,947**	**181,769**

* Previous year's values adjusted. The adjustments are disclosed in note 3

The increase in IT costs is mainly attributable to higher costs for the computer centre and consulting expenses in connection with the extended range of services and the expansion and optimisation of applications. Audit and consultancy costs comprise one-off expenses of € 3.0 million accrued in connection with Swiss Life's acquisition of an equity stake.

The bank-related expenses mainly contain securities settlement costs and transaction costs in connection with the MLP credit card. Communication requirements include telecommunication and data transfer expenses as well as costs for postage and freight. Expenses for insurance contain for one premium payments for reinsurance of pension commitments to board members and also other premium payments for professional liability and group accident insurance schemes. In addition to expenses for consultants and office managers no longer active for the company, consultant costs also include recruitment costs for hiring new consultants. Premium and fees contain association membership fees and premiums for deposit guarantee schemes in the banking business. "Expenses for corporate communications" essentially contains costs in connection with the MLP client magazine.

Sundry other operating expenses are mainly made up of third party work/service, repair and maintenance, gestures of goodwill, and other taxes.

[Table 66]

(16) Earnings from shares accounted for using the equity method

All figures in €'000	2009	2008
Revenue of MLP Hyp GmbH, Schwetzingen	4,835	6,452
Earnings of MLP Hyp GmbH, Schwetzingen	739	1,485
Earnings from shares accounted for using the equity method (pro rata 49.8 %)	**368**	**740**

[Table 67]

(17) Finance cost

All figures in €'000	2009	2008
Other interest and similar income	**7,820**	**5,436**
Interest from financial instruments	–9,709	–13,853
Accrued interest on pension provisions	–527	–396
Losses on the disposal of financial investments	–110	–730
Other interest and similar expenses	**–10,346**	**–14,979**
Finance cost	**–2,526**	**–9,543**

The increase in other interest and similar income is attributable to income from the sale of securities and the interest on tax credits resulting from the tax audit for the years 2002 to 2006. The decline in other interest and similar expenses is mainly down to dividend payouts to other shareholders of Feri Finance AG amounting to € 2,368 thsd (previous year: € 7,830 thsd) and falling interest charges for the purchase price liability for Feri Finance AG.

NOTES TO THE STATEMENT OF FINANCIAL POSITION

[Table 68]

(18) Intangible assets

All figures in €'000	Goodwill	Software (generated internally)	Software (purchased)	Advance payments and developments in progress	Other intangible assets	Total
Acquisition costs						
As at Jan 1, 2008	**117,273**	**15,417**	**56,463**	**14,657**	**37,586**	**241,396**
Changes to the scope of consolidation	15,574	–	75	–	1,429	17,078
Adjustment of purchase price allocation	−35,000	–	–	–	–	−35,000
Additions	950	536	1,189	4,998	438	8,111
Disposals	–	–	−1	−398	−417	−816
Transfers	–	–	18,444	−18,444	–	0
Discontinued operation	–	–	−419	−293	–	−712
As at Dec 31, 2008	**98,798**	**15,953**	**75,751**	**520**	**39,037**	**230,059**
Changes to the scope of consolidation	4,272	–	2,227	–	8,402	14,901
Adjustment of purchase price allocation	−11,304	–	–	–	–	−11,304
Additions	–	463	448	1,478	5	2,395
Disposals	–	–	–	−199	−40	−239
Transfers	–	–	1,720	−1,720	–	0
Discontinued operation	–	–	−3	–	–	−3
As at Dec 31, 2009	**91,766**	**16,417**	**80,143**	**80**	**47,404**	**235,810**
Amortisation and impairment						
As at Jan 1, 2008	**3**	**14,123**	**39,611**	**–**	**2,921**	**56,657**
Amortisation	–	902	9,363	–	1,053	11,318
Disposals	–	–	–	–	−207	−207
Discontinued operation	–	–	−131	–	–	−131
As at Dec 31, 2008	**3**	**15,024**	**48,843**	**–**	**3,767**	**67,637**
Changes to the scope of consolidation	–	–	665	–	81	746
Amortisation	–	787	8,198	–	2,346	11,331
Impairment	–	–	0	–	–	0
Reversal of impairment	–	–	−41	–	–	−41
Discontinued operation	–	–	−3	–	–	−3
As at Dec 31, 2009	**3**	**15,811**	**57,664**	**–**	**6,194**	**79,671**
Carrying amount Jan 1, 2008	117,271	1,294	16,852	14,657	34,665	184,739
Carrying amount Dec 31, 2008	**98,795**	**929**	**26,907**	**520**	**35,270**	**162,422**
Carrying amount Dec 31, 2009	**91,763**	**605**	**22,480**	**80**	**41,210**	**156,138**

Intangible assets created in-house concern development costs for internally developed software. All development costs incurred in the financial year 2009 met the criteria for inclusion on the asset side in line with IAS 38.57 (2009: € 479 thsd; 2008: € 1,045 thsd). They are recorded under "software (purchased)", "software (generated internally)" and "advance payments and developments in progress".

The item "acquired software" also includes expenses for internal development services which were incurred for preparing software developed by third parties for its intended use. The other intangible assets include client relations, orders on hand, licences and similar rights.

"Changes to the scope of consolidation" comprise the acquisition of all shares in ZSH in 2009 (see note 6). The previous-year figure includes the acquisition of a further stake of 48.92 % in BERAG Beratungsgesellschaft für betriebliche Altersversorgung und Vergütung mbH and BERAG Versicherungsmakler GmbH as well as the acquisition of shares in TPC Group GmbH. As in the previous year, there was no need for an impairment of capitalised goodwill in the financial year 2009 (see note 7).

The item "adjustment of purchase price allocation" shows changes due to the adjustment of variable purchase price components (see note 7).

Of the amortisation and impairment of intangible assets, € 11,331 thsd (previous year: € 11,238 thsd) is attributable to continuing operations and € 1 thsd (previous year: € 80 thsd) to discontinued operations. Amortisation and impairment of intangible assets relating to continuing operations is shown in note 14.

There are no restraints and pledges with regard to intangible assets. Contractual obligations for the purchase of intangible assets amount to € 533 thsd as at December 31, 2009.

[Table 69]

(19) Property, plant and equipment

All figures in €'000	Land, leasehold rights and buildings	Other fixtures, fittings and office equipment	Payments on account and assets under construction	Total
Acquisition costs				
As at Jan 1, 2008	**80,283**	**66,274**	**1,000**	**147,558**
Changes to the scope of consolidation	–	204	–	204
Additions	422	2,151	1,509	4,082
Disposals	–271	–3,868	–121	–4,260
Transfers	1,864	68	–1,932	0
Discontinued operation	–547	–1,388	–	–1,935
As at Dec 31, 2008	**81,752**	**63,442**	**456**	**145,650**
Changes to the scope of consolidation	4,121	2,340	–	6,461
Additions	249	1,196	162	1,607
Disposals	–415	–2,181	–231	–2,828
Transfers	357	27	–384	0
Reclassification of IFRS 5 items	–87	–117	–	–204
As at Dec 31, 2009	**85,976**	**64,707**	**4**	**150,686**
Depreciation and impairment				
As at Jan 1, 2008	**19,911**	**43,737**	**–**	**63,648**
Depreciation	2,213	4,609	–	6,821
Impairment	–	96	–	96
Disposals	–178	–3,635	–	–3,813
Discontinued operation	–400	–1,111	–	–1,511
As at Dec 31, 2008	**21,545**	**43,696**	**–**	**65,241**
Changes to the scope of consolidation	603	1,766	–	2,369
Depreciation	2,282	4,228	–	6,510
Impairment	83	78	–	160
Disposals	–302	–1,869	–	–2,171
Reclassification of IFRS 5 items	–87	–117	–	–204
As at Dec 31, 2009	**24,123**	**47,782**	**–**	**71,905**
Carrying amount Jan 1, 2008	60,373	22,537	1,000	83,910
Carrying amount Dec 31, 2008	**60,206**	**19,746**	**456**	**80,409**
Carrying amount Dec 31, 2009	**61,853**	**16,925**	**4**	**78,781**

Of the depreciation of property, plant and equipment, € 6,507 thsd (previous year: € 6,702 thsd) is attributable to continuing operations and € 3 thsd (previous year: € 119 thsd) to discontinued operations.

Of the impairments, € 14 thsd (previous year: € 96 thsd) is attributable to continuing operations and € 147 thsd (previous year: € 0 thsd) to discontinued operations.

Depreciation and impairment relating to continuing operations is shown in note 14.

There are no restraints or pledges with regard to property, plant and equipment. Contractual obligations for the purchase of property, plant and equipment amount to € 10 thsd as at December 31, 2009.

[Table 70]

(20) Investment property

All figures in €'000	Investment property
Acquisition costs	
As at Jan 1, 2008	**25,033**
As at Dec 31, 2008	**25,033**
As at Dec 31, 2009	**25,033**
Depreciation and impairment	
As at Jan 1, 2008	**10,397**
Depreciation	424
Impairment	2,511
As at Dec 31, 2008	**13,333**
Depreciation	268
As at Dec 31, 2009	**13,601**
Carrying amount Jan 1, 2008	14,635
Carrying amount Dec 31, 2008	**11,700**
Carrying amount Dec 31, 2009	**11,432**

The investment property held by the Group concerns an office and administration building which is rented out under an operating lease. As at December 31, 2009, the value in use stood at € 11,468 thsd (previous year: € 11,700 thsd). This evaluation was carried out in line with the gross rental method for buildings and with the sales comparison approach for land. The evaluation was not carried out by an independent surveyor.

In order to calculate the land value, the standard land value is used as a basis, taking into account the derived floor space index in accordance with the advice of the local expert advisory committee. There was a marginal change compared to the previous year.

The gross rental value is determined on an estimate of the sustainable gross rental income. Taking into account the specific location of the real estate and the estimated development of the rental tariffs of comparable objects at the same location, the sustainable annual gross proceeds have been reduced compared to the previous year. The anticipated property return is 5.5 % (previous year 5.5 %).

Rent income from the letting of investment property held by the Group amounts to € 1,252 thsd in 2009 (previous year: € 1,436 thsd). In 2008 this included a subsequent claim for incidental costs from previous years. The expenses in connection with the investment property totalled € 417 thsd in the financial year 2009 (previous year: € 403 thsd).

As a lessor, MLP is obliged to maintain the exterior of the building and the technical equipment and facilities.

(21) Shares accounted for using the equity method

The shares accounted for using the equity method relate only to the 49.8 % share in MLP Hyp GmbH and have developed as follows:

[Table 71]

All figures in €'000	2009	2008
Share as at Jan 1	2,319	1,579
Dividend payouts	–674	–
Pro rata profit after tax	368	740
Share as at Dec 31	**2,013**	**2,319**

The following table contains summarised financial information on MLP Hyp GmbH:

[Table 72]

All figures in €'000	Dec 31, 2009	Dec 31, 2008
Assets of MLP Hyp GmbH	4,405	5,332
Outstanding debts of MLP Hyp GmbH	665	977
Shareholders' equity of MLP Hyp GmbH	3,739	4,354
Equity attributable to MLP (49.8 %)	1,862	2,168

(22) Receivables from banking business

In the table below the items of the statement of financial positon “Receivables from clients in the banking business” and “Receivables from banks in the banking business” have been summarised.

[Table 73]

	DEC 31, 2009			DEC 31, 2008		
All figures in €’000	Current	Non-current	Total	Current	Non-current	Total
Receivables from banks	485,701	12,500	498,201	600,580	5,000	605,580
Receivables from clients	139,026	188,439	327,465	156,207	132,366	288,573
Total, gross	**624,727**	**200,939**	**825,665**	**756,787**	**137,366**	**894,153**
Impairment	–10,745	–3,226	–13,971	–9,955	–3,185	–13,140
Total, net	**613,982**	**197,712**	**811,694**	**746,832**	**134,181**	**881,013**

The receivables from clients mainly concern receivables from loans, current accounts and credit cards.

[Table 74]

				Financial assets at Dec 31, 2009 neither impaired nor overdue within the following time span		
All figures in €’000	Gross value at Dec 31, 2009	Of which financial assets at Dec 31, 2009	Financial assets at Dec 31, 2009 neither impaired nor overdue	< 90 days	90–180 days	> 180 days
Receivables from clients	327,465	327,465	316,518	3,554	397	2,121
Total	**327,465**	**327,465**	**316,518**	**3,554**	**397**	**2,121**

[Table 75]

				Financial assets at Dec 31, 2008 neither impaired nor overdue within the following time span		
All figures in €’000	Gross value at Dec 31, 2008	Of which financial assets at Dec 31, 2008	Financial assets at Dec 31, 2008 neither impaired nor overdue	< 90 days	90–180 days	> 180 days
Receivables from clients	288,573	288,573	272,341	9,110	303	943
Total	**288,573**	**288,573**	**272,341**	**9,110**	**303**	**943**

Receivables from clients due to originated loans are generally secured by land charges, liens on life insurance policies or securities. Receivables from current accounts and credit cards are generally not collateralised. With regard to receivables from the banking business which are neither impaired nor overdue, there was no indication at the end of the reporting period that debtors will not meet their payment obligations. Receivables from banking business for which new terms were agreed and which would otherwise have been overdue or impaired amounted to € 250 thsd at the end of the reporting period (previous year: € 2,181 thsd). Due to defaults of debtors of € 1,717 thsd during the financial year (previous year: € 1,030 thsd) financial and non-financial assets were assigned to MLP by way of collateral for originated loans and receivables. The carrying amount of these assets was € 1,717 thsd at the closing date (previous year: € 1,030 thsd). The assets mainly concern receivables from claimed life insurance policies.

Overdue accounts receivable for which no specific allowance has been made are secured with customary bank collateral. Receivables for which a specific allowance has been made are secured by customary bank collateral of € 1,951 thsd (previous year: € 851 thsd).

Allowances for losses on individual accounts of € 4,685 thsd (previous year: € 3,751 thsd) and impairment losses on portfolio basis of € 9,287 thsd (previous year: € 9,390 thsd) were recognised for counterparty default risks. Alongside the receivables deducted from the allowances for losses on the assets side of € 13,971 thsd (previous year: € 13,140 thsd), the allowances for losses on loans and advances include provisions for credit risks of € 1,864 thsd (previous year: € 1,614 thsd). Thus the total allowance for losses is € 15,835 thsd (previous year: € 14,754 thsd).

[Table 76]

	ALLOWANCES FOR LOSSES ON INDIVIDUAL ACCOUNT		IMPAIRMENT LOSS ON PORTFOLIO BASIS		PROVISIONS		TOTAL	
All figures in €'000	2009	2008	2009	2008	2009	2008	2009	2008
As at Jan 1	**3,751**	**2,860**	**9,390**	**9,439**	**1,614**	**1,524**	**14,754**	**13,823**
Allocation	1,143	1,347	478	168	746	231	2,367	1,746
Reversal/utilised	–209	–456	–581	–217	–495	–141	–1,286	–814
As at Dec 31	**4,685**	**3,751**	**9,287**	**9,390**	**1,864**	**1,614**	**15,835**	**14,754**
Of which allowances for bad debts measured at amortised cost	**4,685**	**3,751**	**9,287**	**9,390**	**1,864**	**1,614**	**15,835**	**14,754**

Taking into account total direct amortisation of € 1,123 thsd (previous year: € 1,058 thsd) allocations to impairment losses recognised in the income statement of € 2,367 thsd (previous year: € 1,746 thsd) and reversals of € 1,265 thsd (previous year: € 248 thsd) resulted in a net cost of allowances for losses of € 2,001 thsd (previous year: € 737 thsd).

Receivables for which specific allowances have been made total € 6,996 thsd (previous year: € 5,876 thsd). For € 6,190 thsd of these (previous year: € 908 thsd) the impairment was less than 50 % of the gross receivable, the remaining volume was written down by more than 50 %. The allowance for bad debts comes to € 4,685 thsd (previous year: € 3,751 thsd). This corresponds to a percentage of 67 % (previous year: 64 %).

Receivables from other banks mainly concern time deposits. The accounts receivable with up to one year remaining to maturity amount to € 485,701 thsd (previous year: € 600,580 thsd), while those with more than one year remaining to maturity amount to € 12,500 thsd (previous year: € 5,000 thsd). The receivables are not collateralised. At the end of the reporting period there are no receivables from banks which are overdue or impaired.

More information on receivables from banking business can be found in note 40. The changes to the previous year's figures are explained in note 3.

[Table 77]

(23) Financial investments

All figures in €'000	Dec 31, 2009	Dec 31, 2008
Available for sale		
Debt securities and holdings in investment funds	33,424	47,885
Investments	3,398	4,227
Held-to-maturity securities	45,385	22,828
Loans and receivables	110,183	105,002
Total	**192,389**	**179,941**

[Table 78]

Available-for-sale debt securities and holdings in investment funds

	(Amortised) acquisition costs		Accumulated unrealised gains		Accumulated unrealised losses		Market values	
All figures in €'000	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008
Debt securities								
up to 1 year	–	–	–	–	–	–	–	–
more than 1 year to 5 years	16,582	16,217		4	–1,975	–483	14,659	15,738
more than 5 years	–	–	–	–	–	–	–	–
Holdings in Investment funds	18,408	31,628	709	761	–353	–241	18,764	32,147
Total	**34,991**	**47,845**	**709**	**765**	**–2,327**	**–724**	**33,424**	**47,885**

Unrealised losses of € 1,398 thsd (previous year: € 693 thsd) and no unrealised gains (previous year: € 623) were recognised directly in the other comprehensive income "securities marked to market" in the period under review. The realisation of gains from the market valuation of securities contributes € 1,086 thsd (previous year: € -2,793 thsd) to the net income for the period.

Based on objective evidence, investments were impaired by € 999 thsd.

When determining realised gains and losses on securities and investment funds it is assumed that the financial investments which were purchased first will also be sold first.

[Table 79]

Held-to-maturity securities

	AMORTISED COST		MARKET VALUES	
All figures in €'000	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008
Securities				
up to 1 year	–	–	–	–
more than 1 year and up to 5 years	45,385	22,828	46,066	23,032
more than 5 years	–	–	–	–
Total	**45,385**	**22,828**	**46,066**	**23,032**

The fair value of individual securities may drop temporarily below their carrying amount. However, insofar as there are no credit risks, these securities are not written down.

Loans and receivables

Loans amount to a total of € 110,183 thsd (previous year: € 105,002 thsd), of which € 70,183 thsd have a time to maturity of up to one year and € 40,000 thsd of up to five years.

Assets pledged as collateral:

A security amounting to € 1,110 thsd with a face value of € 1,000 thsd was pledged to Deutsche Wertpapier Service Bank AG as collateral for liabilities arising from security transactions.

A security amounting to € 4,999 thsd with a face value of € 5,000 thsd was pledged to DZ Bank AG as collateral for liabilities arising from security transactions.

All collateral transferred can only be utilised by the respective secured party in the event that MLP Finanzdienstleistungen AG is not able to meet its payment obligations on a timely basis.

For further disclosures regarding financial investments, please refer to note 40.

[Table 80]

(24) Other accounts receivable and other assets

All figures in €'000	DEC 31, 2009 Current	DEC 31, 2009 Non-current	DEC 31, 2009 Total	DEC 31, 2008 Current	DEC 31, 2008 Non-current	DEC 31, 2008 Total
Trade accounts receivable	63,000	–	63,000	80,051	–	80,051
Receivables from commercial agents	13,051	23,264	36,315	12,353	20,847	33,200
Advance payments	20,041	–	20,041	23,443	–	23,443
Interest derivatives	–	1,358	1,358	–	–	–
Purchase price receivables for MLP Finanzdienstleistungen AG, Austria	–	7,404	7,404	–	–	–
Other assets	18,049	649	18,698	17,328	4,175	21,503
Total, gross	**114,141**	**32,676**	**146,817**	**133,175**	**25,022**	**158,197**
Impairment	–3,778	–10,951	–14,729	–3,603	–9,236	–12,839
Total, net	**110,363**	**21,725**	**132,088**	**129,573**	**15,786**	**145,359**

The main items included in trade receivables are commission receivables from insurance companies. They are generally non-interest-bearing and have an average term of payment of 30 days.

Receivables from sales representatives concern MLP consultants and branch office managers.

The item "advance payments" comprises trail commissions paid to self-employed commercial agents in advance on commissions for unit-linked life insurance policies.

The purchase price receivable from the sale of the shares in MLP Finanzdienstleistungen AG, Vienna, Austria is due from AFSH GmbH, a subsidiary of Aragon AG. Alongside the purchase price receivable, there is a purchase price liability of €1,339 thsd due to the same company. Further information on the purchase price can be found in note 38.

The other assets mainly comprise receivables from the tax office and accrued receivables.

The allowances for bad debts and other assets are as follows:

[Table 81]

All figures in €'000	2009	2008
Impairments as at Jan 1	**12,839**	**11,452**
Discontinued operations	–	–384
Utilisation	–1,836	–1,321
Allocation	4,089	4,136
Reversals	–364	–1,043
Impairment losses as at Dec 31	**14,729**	**12,839**

Other accounts receivable and other assets are usually not collateralised. With regard to receivables and other assets which are neither impaired nor overdue, there are no indications at the end of the reporting period that debtors will not meet their payment obligations. At the end of the reporting period there were no receivables and other assets for which new terms were agreed and which would otherwise have been overdue or impaired.

[Table 82]

All figures in €'000	Gross value at Dec 31, 2009	Of which financial assets at Dec 31, 2009	Financial assets at Dec 31, 2009 neither impaired nor overdue	Financial assets at Dec 31, 2009 neither impaired nor overdue within the following time span		
				< 90 days	90–180 days	> 180 days
Trade accounts receivable	63,000	63,000	60,204	1,575	89	920
Receivables from commercial agents	36,315	36,315	28,214	228	92	304
Advance payments	20,041	20,041	20,041	–	–	–
Interest derivatives	1,358	1,358	1,358	–	–	–
Purchase price receivables for MLP Finanzdienstleistungen AG, Austria	7,404	7,404	7,404	–	–	–
Other assets	18,698	5,334	4,432	3	–	127
Total	**146,817**	**133,453**	**121,654**	**1,805**	**181**	**1,350**

[Table 83]

All figures in €'000	Gross value at Dec 31, 2008	Of which financial assets at Dec 31, 2008	Financial assets at Dec 31, 2008 neither impaired nor overdue	Financial assets at Dec 31, 2008 neither impaired nor overdue within the following time span		
				< 90 days	90–180 days	> 180 days
Trade accounts receivable	80,051	80,051	72,224	6,910	476	294
Receivables from commercial agents	33,200	33,200	23,758	57	81	286
Advance payments	23,443	23,443	23,443	–	–	–
Other assets	21,503	11,170	10,155	91	10	164
Total	**158,197**	**147,864**	**129,580**	**7,057**	**567**	**744**

In cases where MLP institutes enforcement or where insolvency proceedings are imminent or have already started, receivables are written down based on empirical values. The same applies to receivables which are disputed and where legal action is pending. As at December 31, 2009, receivables for which specific allowances have been made amount to a total of € 8,462 thsd (previous year: € 9,915 thsd). For € 349 thsd of these (previous year: € 2,215 thsd) the allowance for bad debts was less than 50 % of the gross receivable, the remaining volume was written down by more than 50 %. The impairment loss comes to a total of € 7,746 thsd (previous year: € 7,805 thsd). This corresponds to an average impairment rate of 92 % (previous year: 79 %).

Additional information on the other receivables and assets is given in note 40.

The adjustments made to the previous year figures are explained in note 3.

[Table 84]

(25) Cash and cash equivalents

All figures in €'000	Dec 31, 2009	Dec 31, 2008
Bank deposits	34,651	21,576
Deposits at the Deutsche Bundesbank	20,173	16,404
Cash on hand	144	108
Total	**54,968**	**38,088**

Changes in cash and cash equivalents during the financial year are shown in the cash flow statement.

(26) Non-current assets held for sale and disposal groups

As at December 31, 2009 there are no non-current assets held for sale and disposal groups (previous year: € 3,281 thsd). The previous year's balance sheet item included shares in funds held for sale and assets of the discontinued operation MLP Finanzdienstleistungen AG, Vienna, Austria. The shares in funds were reclassified under the item of the statement of financial position "Financial investments". Due to the financial crisis it was not possible to sell the shares in funds within a period of twelve months as originally anticipated and stipulated by IFRS 5.

Table 85]

(27) Shareholders' equity

All figures in €'000	Dec 31, 2009	Dec 31, 2008*
Share capital	107,878	107,861
Capital reserves	142,184	142,084
Securities marked to market	–1,573	–97
Other equity	170,044	176,081
Total	**418,532**	**425,928**

* Previous year's values adjusted. The adjustments are disclosed under note 3

[Table 86]

Changes in the fully paid-in shares outstanding

Units	2009	2008
As at Jan 1	107,861,141	99,163,680
Treasury shares redeemed	–	–1,172,156
Conversion of convertible debentures	16,597	70,465
Capital increase	–	9,799,152
As at Dec 31	**107,877,738**	**107,861,141**

Share capital

The share capital of MLP AG is made up of 107,877,738 (December 31, 2008: 107,861,141) no-par-value shares. 16,597 new no-par-value shares were issued in the financial year 2009 up to December 31, 2009 through the exercise of conversion rights. 258,665 new no-par-value shares had previously been issued by exchanging convertible debentures. For further details on share-based payments, please refer to note 32.

Conditional capital

The Annual General Meeting of MLP AG on May 28, 2002 conditionally increased the share capital of the company by up to € 1,700,000 by issuing a total of up to 1,700,000 new ordinary bearer shares, each with a proportional value of the share capital of € 1 per share. The **conditional capital increase** grants conversion rights to the owners of convertible debentures which are issued by the company on account of the authorisation resolution passed. The shares are issued to the owners of convertible debentures by the method for determining the conversion price defined in the authorisation resolution of the Annual General Meeting on May 28, 2002.

Authorised capital

A resolution passed by the Annual General Meeting on May 31, 2006 authorised the Executive Board, with the Supervisory Board's approval, to increase the company's share capital on one or more occasions by up to € 21,000,000 in exchange for cash or non-cash contributions until May 30, 2011. The authorised capital amounted to € 11,200,848 on December 31, 2009.

Capital reserves

Due to the conversion rights exercised in 2009, the capital reserves increased by € 100 thsd from € 142,084 thsd to € 142,184 thsd. The allocation in the financial year 2009 is the difference between the exercise price for the second or third tranche conversion rights and the face value of the issued shares.

Securities marked to market

This item shows unrealised gains and losses on securities available for sale having accounted for deferred taxes.

Other equity

Other equity comprises retained earnings of the MLP Group and accumulated currency translation differences.

Proposed appropriation of profit

The Executive Board and Supervisory Board of MLP AG propose a dividend of € 26,969 thsd for the financial year 2009 to the Annual General Meeting. This corresponds to € 0.25 per share (previous year: € 0.28 per share).

(28) Provisions

The pension provisions amount to € 16,190 thsd as at December 31, 2009 (previous year: € 20,963 thsd) and are explained in more detail in note 33. The other provisions comprise the following components:

[Table 87]

	DEC 31, 2009			DEC 31, 2008		
All figures in €'000	Current	Non-current	Total	Current	Non-current	Total
Cancellation risks	8,246	7,675	15,921	8,052	7,661	15,713
Bonus schemes	10,360	–	10,360	7,643	–	7,643
Share-based payment	–	1,983	1,983	–	621	621
Lending business	742	1,122	1,864	741	873	1,614
Rent	988	784	1,772	231	689	920
Litigation risks/costs	1,577	–	1,577	1,902	–	1,902
Phased retirement	198	495	693	139	542	681
Anniversaries	201	297	498	191	386	577
Economic loss	118	–	118	197	–	197
Other	1,005	403	1,409	1,599	465	2,065
Total	**23,435**	**12,759**	**36,194**	**20,696**	**11,237**	**31,933**

Other provisions have changed as follows:

[Table 88]

All figures in €'000	Jan 1, 2009	Changes to the scope of con-solidation	Utilisation	Released	Allocation	Discontinued operations	Dec 31, 2009
Cancellation risks	15,713	45	–1,343	-	2,976	–1,471	15,921
Bonus schemes	7,643	-	–7,615	–18	10,350	-	10,360
Share-based payment	621	-	-	–9	1,371	-	1,983
Lending business	1,614	-	–86	–409	746	-	1,864
Rent	920	-	–150	–318	1,592	–272	1,772
Litigation risks/costs	1,902	74	–1,055	–158	814	-	1,577
Phased retirement	681	-	–161	–247	420	-	693
Anniversaries	577	-	-	–79	-	-	498
Economic loss	197	-	–104	–3	28	-	118
Other	2,065	45	–952	–75	326	-	1,409
Total	**31,933**	**164**	**–11,467**	**–1,316**	**18,625**	**–1,743**	**36,194**

The provisions for cancellation risks allow for the risk of having to refund earned commissions due to a premature loss of brokered insurance policies.

The provisions for bonus schemes and share-based payments are recognised for incentive agreements and for profit-sharing schemes for Executive Board members, employees and self-employed commercial agents.

(29) Liabilities due to banking business

In the table below the items of the statement of financial position "Liabilities due to clients in the banking business" and "Liabilities due to banks in the banking business" have been summarised.

[Table 89]

	DEC 31, 2009			DEC 31, 2008		
All figures in €'000	Current	Non-current	Total	Current	Non-current	Total
Liabilities due to clients	750,027	256	750,282	778,400	435	778,835
Liabilities due to banks	51	20,723	20,774	1,059	23,965	25,024
Total	**750,078**	**20,979**	**771,057**	**779,459**	**24,400**	**803,859**

The change in liabilities in the banking business of € 803,859 thsd to € 771,057 thsd is essentially attributable to the fall in client deposits.

At December 31, 2009, liabilities due to clients from savings deposits with an agreed notice period of three months amounted to € 11,196 thsd (previous year: € 9,632 thsd).

The liabilities due to clients or due to other banks does not comprise any large individual items.

More information on liabilities in the banking business can be found in note 40.

[Table 90]

(30) Other liabilities

All figures in €'000	DEC 31, 2009 Current	DEC 31, 2009 Non-current	DEC 31, 2009 Total	DEC 31, 2008 Current	DEC 31, 2008 Non-current	DEC 31, 2008 Total
Purchase price liability Feri Finance AG	–	52,782	52,782	–	57,062	57,062
Purchase price liability TPC THE PENSION CONSULTANCY GmbH	–	–	–	–	6,493	6,493
Purchase price liability Property Funds Research Ltd.	144	648	792	118	775	892
Purchase price liability ZSH GmbH Finanzdienstleistungen	724	381	1,105	–	–	–
Liabilities due to commercial agents	53,199	2,040	55,239	58,590	1,857	60,447
Advance payments received	32,689	–	32,689	43,427	11	43,438
Trade accounts payable	27,589	–	27,589	19,776	17	19,793
Interest derivatives	–	3,713	3,713	–	3,522	3,522
Liabilities due to other taxes	5,633	–	5,633	7,921	–	7,921
Convertible debentures	893	–	893	933	–	933
Liabilities due to banks	1,923	2,172	4,095	23	–	23
Liabilities from social security contributions	33	–	33	63	–	63
Other liabilities	23,011	4,240	27,251	31,764	6,837	38,601
Total	**145,838**	**65,978**	**211,816**	**162,615**	**76,573**	**239,187**

* Previous year's values adjusted. The adjustments are disclosed in note 3

Further information on the purchase price liability arising from the purchase of shares in Feri Finance AG, TPC THE PENSION CONSULTANCY GmbH, Property Funds Research Ltd. and ZSH GmbH Finanzdienstleistungen can be found in note 7.

Liabilities due to commercial agents represent unsettled commissions. Usually they are non-interest-bearing and due on the 15th of the month following the settlement with the insurance company.

The item "advance payments received" concerns paid-in-advance trail commissions from unit-linked life insurance policies.

Liabilities due to banks are mainly attributable to loans payable of ZSH, which was purchased in the financial year. Furthermore, MLP has agreed upon, non-utilised lines of credit amounting to € 105,307 thsd.

The sub-item "other liabilities" covers commissions withheld from MLP consultants due to cancellations amounting to € 7,682 thsd (previous year: € 9,384 thsd). Commissions withheld are charged with interest. Their term is mainly indefinite.

Details on the liabilities from convertible debentures can be found in note 32, while further details on the other liabilities are provided in note 40.

NOTES TO THE STATEMENT OF CASH FLOWS

(31) Notes on the consolidated statement of cash flows

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 the cash flow, the changes in items of the statement of financial position due to operating activities are adjusted for effects from changes to the scope of consolidation and currency translation. The changes in the respective items of the statement of financial position can therefore only be partially aligned with the corresponding values in the published consolidated statements of financial position. Cash flow from operating activities has decreased by € 3,663 year on year to a level of € 77,334 thsd.

In addition to changes in non-current assets, **cash flow from investing activities** comprises the acquisition of the ZSH (previous year: TPC-GmbH). These cash flows also include payments in connection with the discontinuation of business at MLP Finanzdienstleistungen AG, Vienna, Austria, the MLP Finanzdienstleistungen AG branch in the Netherlands, MLP Private Finance Correduria de Seguros S. A., Madrid, Spain, MLP Private Finance AG, Zurich, Switzerland, the former MLP Lebensversicherung AG, Heidelberg and the former MLP Versicherung AG, Heidelberg.

The **financing activity** shows the cash-related equity changes and loans used and paid back.

The statement of cash flows also includes cash inflows and outflows of discontinued operations. These are shown separately as an "of which" item.

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

[Table 91]

All figures in €'000	Dec 31, 2009	Dec 31, 2008
Cash and cash equivalents	54,968	38,088
Cash and cash equivalents contained in non current assets held for sale and disposal groups	–	399
Restraints	–	–17
Loans < 3 months	70,000	–
Liabilities to banks due on demand	–1,343	–23
Cash and cash equivalents	**123,624**	**38,447**

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

OTHER DISCLOSURES

(32) Share-based payments

The resolution passed by the Annual General Meeting of May 28, 2002 authorised the Executive Board of MLP AG to issue non-interest-bearing **convertible debentures** in one or more tranches up to a total amount of the conditional capital of € 1,700,000 thsd in the period up to May 28, 2007, subject to the approval of the Supervisory Board.

Within the scope of the MLP Incentive Programme, the company issued non-interest-bearing convertible debentures made out to the bearer between 2002 and 2005. They incorporate the right to purchase MLP AG shares and were issued to members of the Executive Board, members of the management and the staff of MLP, as well as for MLP consultants acting as self-employed commercial agents and employees of affiliated companies pursuant to §§15 et seq. of the German Stock Corporation Act (AktG).

The convertible debentures rank pari passu with the partial debentures made out to the bearer with a face value of € 1 each and have a maximum maturity of six years (of which three years is a qualifying period and three years an exercise period). The conversion right may only be exercised if the closing price of the MLP AG shares in the XETRA trade (or a comparable successor system replacing the XETRA system at the Frankfurt/Main Stock Exchange) exceeds 130 % of the basis price at least once during the qualifying period (exercise hurdle). The basic price corresponds to the arithmetic mean of the closing price of the MLP AG shares in the Xetra trade over the last five trading days preceding the MLP AG Executive Board's resolution concerning exercising the authority to issue convertible debentures to qualifying persons. When the right is exercised, each partial debenture with a face value of € 1 is exchanged for a new no-par-value share of MLP AG.

The exercise hurdle for the second tranche issued in the financial year 2003 was reached in the financial year 2006. During the exercise period from August 5, 2006 to August 4, 2009, the bearers of the convertible debentures were entitled to exercise their right to conversion.

The exercise hurdle for the third tranche issued in the financial year 2004 was reached in 2007. During the exercise period from August 17, 2007 until August 16, 2010, the bearers of convertible debentures are entitled to exercise their right to conversion.

The exercise hurdle for the fourth tranche issued in the financial year 2005 was reached in 2006. During the exercise period from August 16, 2008 until August 15, 2011, the bearers of convertible debentures are entitled to exercise their right to conversion.

In the financial year 2009, a total of 16,597 conversion rights (previous year: 70,465 conversion rights) were exercised and converted to MLP AG shares. Overall, conditional capital decreased to € 1,441,335 (previous year: € 1,457,932).

The right to cancel convertible debentures lies exclusively with the bearers and may only be exercised if the issuer is insolvent or in receivership.

MLP estimates the fair value of the conversion rights at the grant date using the Black-Scholes formula and taking into account the conditions upon which the conversion rights are granted. The payments received are recognised over the expected vesting period. The liability from the issue of the convertible debentures is recorded by MLP at the time of its addition based on its fair value. Subsequent measurement is made applying the effective interest rate method.

At December 31, 2009, the carrying amount of the liability from the issued convertible debentures amounted to € 893 thsd (previous year: € 933 thsd).

The following table shows details of the "Incentive Programme":

[Table 92]

		Tranche 2003	Tranche 2004	Tranche 2005
Exercise period				
Start		Aug 5, 2006	Aug 17, 2007	Aug 16, 2008
End		Aug 4, 2009	Aug 16, 2010	Aug 15, 2011
Nominal amount	in €	1.00	1.00	1.00
Exercise prices	in €	7.02	12.40	13.01
Subscribed convertible debenture	in € or units	281,040	677,042	577,806
of which converted by Dec 31, 2008	in € or units	186,113	30,937	25,018
of which repaid in total by Dec 31, 2008	in € or units	37,097	135,217	62,241
Convertible debentures not converted by Dec 31, 2008	in € or units	57,830	510,888	490,547
of which Executive Board	in € or units	–	32,300	–
Converted in 2009	in € or units	16,573	24	–
Repaid in 2009	in € or units	41,257	20,281	23,993
Convertible debentures not converted by Dec 31, 2009	in € or units	-	490,583	466,554
of which Executive Board	in € or units	–	32,300	–
Weighted average share price 2006	in €	14.30	–	–
Weighted average share price 2007	in €	15.11	11.61	–
Weighted average share price 2008	in €	11.96	13.08	13.35
Weighted average share price 2009	in €	8.84	8.70	–
Parameters for the fair value:				
Dividend yield	in %	1.68	2.34	2.37
Expected volatility	in %	64.52	47.75	31.49
Risk-free interest rate	in %	3.68	3.56	2.86
Anticipated remaining term of option	in years	**0.00**	**0.63**	**1.63**

The anticipated volatility is based on the assumption that future trends can be inferred from historical volatility. The actual volatility may deviate from the assumptions made.

In 2005 a Long-Term Incentive Programme ("LTI") was launched for the first time. It is designed to include the members of the Executive Board and selected managers of the MLP Group. This is a company performance plan based on key figures, which takes into account both the earnings before tax (EBT) and changes to the share price. Performance shares (phantom shares) can be allocated here. These are allocated to the members of the Executive Board by the Supervisory Board. The payout for the 2005 tranche was made in 2008, the 2006 tranche has expired. For the tranches approved in the financial years from 2007 to 2009, the cash payout is determined on the basis of the triple earnings before interest and tax (EBIT) achieved in the financial year preceding the year of allocation (performance hurdle). Only when this performance hurdle is reached will the beneficiaries be entitled to receive a cash payout.

The LTI programme does not provide for settlement by issuance of equity instruments.

The anticipated costs resulting from the LTI programme are valued using the Monte-Carlo simulation based on the fair value of the phantom shares. MLP updates the valuation of the fair value at the end of every reporting period and on the basis of the settlement value. The company records the anticipated total cost of the programme pro rata temporis over the time period up to the first possible exercise date of the phantom shares.

Details of the LTI can be found in the following table:

[Table 93]

		Tranche 2007	Tranche 2008	Tranche 2009
Performance shares at time of allocation	units	233,120	228,825	296,440
of which Executive Board	units	117,899	122,983	177,866
of which others	units	115,221	105,842	118,574
Performance shares as at Dec 31, 2008	units	225,081	228,825	–
of which Executive Board	units	117,899	122,983	–
of which others	units	107,182	105,842	–
Performance shares expired in 2009	units	–	–	–
Performance shares paid out in 2009	units	–	–	–
Performance shares as at Dec 31, 2009	units	225,081	228,825	296,440
of which Executive Board	units	117,899	122,983	177,866
of which others	units	107,182	105,842	118,574
Parameters for fair value as at Dec 31, 2009:				
Dividend yield	in %	–	2.47	2.69
Expected volatility	in %	–	58.94	50.80
Risk-free interest rate	in %	–	1.24	1.79
Anticipated remaining term of option	in years	–	1	2
Parameters for the fair value as at Dec 31, 2008:				
Dividend yield	in %	5.04	4.98	–
Expected volatility	in %	44.91	38.97	–
Risk-free interest rate	in %	2.67	2.68	–
Anticipated remaining term of option	in years	**1**	**2**	**–**

The costs included in the 2009 income statement arising from the Long Term Incentive Programme are € 535 thsd (previous year: € 0 thsd). A reserve of € 535 thsd (previous year: € 0 thsd) has been set up for the Long Term Incentive Programme up to December 31, 2008.

In the financial year 2008, MLP launched a participation programme for office managers, consultants and employees in order to keep them loyal to the company in the long-term. The programme grants a certain number of phantom shares (stock appreciation rights – SARs) for office managers and consultants based on their sales performance in the core fields of old-age provision, health insurance and investment, as well as for employees based on their position and gross annual income. The SARs of the 2008 tranche were allocated in 2009. The assessment period for determining the number of SARs allocated was the calendar year 2008. The SARs of the 2009 tranche will be allocated in 2010 on the basis of the calendar year 2009. The total term of each tranche is 12 years and is broken down into 3 phases of 4 years each. The first year of phase 1 represents the assessment period, from which the number of phantom shares to be allocated is calculated. At the start of the second year, the phantom shares are then allocated. Payment of the phantom shares is made no earlier than at the end of the first phase, i.e. 3 years after allocation of the SARs. At the end of the first phase, employees can also choose not to receive payment for the SARs and instead continue to participate in phase 2 (turbo I phase). Only in this case will they receive additional bonus SARs. And anyone who is eligible but chooses not to receive payment at the end of phase 2, but rather continue to phase 3 (turbo II phase), will be granted further bonus SARs. All SARs are then paid no later than at the end of phase 3. In the event of termination of employment, all entitlements granted up to this time expire, assuming they have not vested beforehand. The SARs originally granted vest at the end of the first phase, the bonus SARs of turbo I phase at the end of phase 2 and those of turbo 2 at the end of phase 3. Participation in the programme ends with termination of employment or disbursement of SARs.

The level of payment is based on the value of one MLP share at the time payment is requested. A share price guarantee is in place for both previous tranches, although this expires if the eligible participant decides to continue participation in the programme beyond phase 1. If an eligible participant decides to receive the payout to which he or she is entitled from the tranche once phase 1 has expired, the value he or she receives is based on either the share price guarantee or the current MLP share price (whichever is the higher value) multiplied by the number of phantom shares held from phase 1. At all other payout times, eligible participants receive the current share price multiplied by the number of vested phantom shares held.

If the contractual relationship with an eligible participant ends at a time before December 31 of the 12th year, he or she is only entitled to receive payment for vested phantom shares earned up to this time. Phantom shares allocated from vesting periods not yet completed are then forfeited.

In terms of eligibility, the 3 phases each represent completed vesting periods. Accordingly, the expenses due to the SARs originally granted are distributed over phase 1 (years 1 to 4), the expenses due to the bonus SARs of turbo I phase over years 5 to 8 and the expenses due to the bonus SARs of turbo 2 phase over years 9 to 12 (no front-loaded recognition of expenses).

[Table 94]

		Tranche 2008	Tranche 2009
Inventory on Jan 1, 2009	units	–	–
Virtual SARs allocated in 2009	units	306,753	–
SARs expired in 2009	units	−9,458	–
Paid out in 2009	units	−3,235	–
Inventory on Dec 31, 2009	units	294,060	–
Guaranteed share price	in €	8.51	7.40
Expenses recognised in 2008	in €	620,742	–
Income recognised in 2008	in €	–	–
		620,742	–
Expenses recognised in 2009	in €	531,035	305,310
Income recognised in 2009	in €	−9,001	–
		522,034	305,310
Provision as at Dec 31, 2008	in €	620,742	–
Provision as at Dec 31, 2009	in €	1,142,776	305,310
Start of certificates	units	925,000	–
Certificates as at 31 Dec	units	882,180	–

MLP has hedged the fair value risk attached to the measurement of the liability of the first tranche for the SARs and also the cash flow risk from the SARs allocated.

To hedge the cash flow risk, 925,000 certificates were initially acquired, with the right to return them to the issuer at any time within the term of a tranche (or later) at the MLP share price valid at that time, minus a discount. As such, the certificates have an unlimited term. MLP has therefore classified these certificates as equity instruments, which are measured at fair value recognised directly in other comprehensive income. The fair value of the certificates is based directly on the price of the MLP share.

The expenses and the provison from the participation programme are recognised pro rata temporis over the individual phases (vesting periods). The provision is measured at fair value through profit and loss. The provision accrued at the end of the respective reporting period depends on the price of the MLP share, the number of SARs issued and the length of the remaining vesting period. To hedge the fair value risk associated with the measurement of the liability, MLP can sell the equity-based certificates listed above to the issuer and in return acquire limited term certificates. These represent debt instruments designated by MLP to be “measured at fair value through profit and loss” (fair value option).

By selling the equity-based certificates, measurement gains so far recognised directly in other comprehensive income are realised and expenses from the increase in provision for the participation programme are compensated. The same applies to a decrease in expenses due to a drop in the price of the MLP share.

In addition, the number of loan-based certificates held corresponds to the number of phantom shares already earned at any given time. In each case, loan-based certificates are acquired and equity-based certificates sold in the volume of SARs are earned. Since changes in the fair value of these debt instruments are recognised in the income statement due to the fair value option, the expenses and income from the measurement of these debt instruments and the provision for the SARs correlate.

(33) Pension schemes

At MLP, executive members have been granted direct pension benefits subject to individual contracts in the form of defined benefit plans which guarantee the beneficiaries the following pension payments:

- Old-age pension upon reaching 60, 62 or 65 years of age
- Disability pension
- Widow's and widower's pension of 60 % of the pension of the original recipient and
- Orphan's benefit of 10 % of the pension of the original recipient

The pension payments are funded by means of provisions. In the financial year 2009, the total expenses for defined pension plans amounted to € 2,346 thsd (previous year: € 2,341 thsd). The current service costs are included in the income statement under "personnel expenses". The corresponding interest components are recorded under "other interest and similar expenses".

The expenses for old-age provisions and benefits from defined benefit schemes are as follows:

[Table 95]

All figures in €'000	2009	2008
Current service cost	1,288	1,385
Accrued interest on pension entitlements	1,147	977
Actuarial gains/losses	−89	−21
Total	**2,346**	**2,341**

Pension provisions are measured in line with IAS 19. The method of valuation on which the report is based is the projected unit credit method (running single premiums method) using the mortality charts 2005G compiled by Dr. Klaus Heubeck. Actuarial gains or losses are accounted for using the corridor approach. Actuarial gains or losses are only recorded if they exceed 10 % of the maximum defined benefit obligation. The exceeding amount is spread over the residual service time of active employees and is recognised in the income statement under "Personnel expenses".

The defined benefit obligation for retirement income, funded by means of provisions, comes to € 23,169 thsd (previous year: € 19,285 thsd). Reinsurance cover, which fulfils the conditions of pension scheme assets, has been concluded to cover a portion of the benefit obligations.

The reconciliation of pension obligations to pension provisions is shown in the table below: Pension provisions include provisions recognised in the statement of financial position of € 2,531 thsd (previous year: € 3,494 thsd) for Executive Board members active at the end of the reporting period.

[Table 96]

All figures in €'000	2009	2008
Defined benefit obligation		
Benefit obligations as at Jan 1	19,285	17,895
Current service cost	1,288	1,385
Interest	1,147	977
Actuarial gains and losses	720	−699
Benefits paid	−416	−272
Change in scope of consolidation	1,144	–
Defined benefit obligation as at Dec 31	**23,169**	**19,285**
Fair value of the plan assets as at Dec 31	−7,661	–
Net obligation as at Dec 31	**15,508**	**19,285**
Unrecognised actuarial gains and losses	682	1,678
Pension provisions recognised in the statement of financial position as at Dec 31	**16,190**	**20,963**

Plan assets saw the following developments:

[Table 97]

All figures in €'000	2009
Fair value of the pension scheme assets as at Dec 1	**0**
Employer's contributions	8,124
Benefits paid	−276
Actuarial gains and losses	−187
Fair value of the pension scheme assets as at Dec 31	**7,661**

Actuarial calculations incorporate the following assumptions:

[Table 98]

	2009	2008
Assumed interest rate	5.50 %	5.70 %
Anticipated annual salary development	2.60 %	2.60 %
Anticipated annual pension adjustment	1.50 % / 2.00 %	2.00 %
Anticipated income from the plan assets	2.25 %	–
Assumed retirement age	60, 62 or 65	60 or 62

Experience adjustments of defined benefit obligations are as follows:

[Table 99]

All figures in €'000	2009	2008	2007	2006	2005
Expected defined benefit obligation	22,449	19,985	23,366	21,393	14,987
Experience adjustments	–54	24	–2,461	–142	1,030
Change in the assumption on which calculations were based	774	–724	–3,010	–667	2,744
Defined benefit obligation	**23,169**	**19,285**	**17,895**	**20,584**	**18,761**

In 2010 we anticipate payments with regard to net pension provisions of € 4,601 thsd (of which € 372 thsd is attributable to anticipated pension payments of the company and € 4,229 thsd to expected premiums to employer's pension liability insurance.

In addition there are defined contribution plans. With these types of plans the company pays premiums to state or private pension insurance institutions in line with legal or contractual regulations or on a voluntary basis. The regular premiums are recognised as personnel expenses or operating expenses in the respective year. In the financial year 2009 they totalled € 8,407 thsd (previous year: € 7,655 thsd).

[Table 100]

(34) Income taxes

All figures in €'000	2009	2008*
Income tax attributable to continuing operations	12,486	15,941
of which current taxes on income	11,856	16,844
of which deferred taxes	630	−904
Income tax attributable to discontinued operations	3,062	187
Total	**15,547**	**16,127**

* Previous year's values adjusted. The adjustments are disclosed in note 3

Current taxes on income from continuing operations include income of €642 thsd which is attributable to previous periods.

Income taxes from Group companies outside Germany were attributed to discontinued operations.

The current and deferred tax is calculated using the relevant country-specific income tax rate. The combined income tax rate for domestic companies is made up of corporation tax at 15 % (previous year: 15 %), the solidarity surcharge at 5.5 % (previous year: 5.5 %) and an average municipal trade tax rate of 13.4 % or 12.3 % (previous year: 13.4 % or 12.3 %).

The effective income tax rate applicable to the earnings before tax is 31.5 % for continuing operations (previous year: 34.2 %). The following reconciliation account shows the relationship between the earnings before tax and the taxes on income in the financial year. The anticipated tax expense is based on the German combined income tax rate of 29.25 % (previous year: 29.25 %).

[Table 101]

All figures in €'000	2009	2008*
Earnings before tax from continuing operations	39,656	46,618
Earnings before tax from discontinued operations	76	–5,897
	39,732	**40,720**
Group income tax rate	29.25 %	29.25 %
Calculated income tax expenditure in the financial year	**11,621**	**11,911**
Tax-exempt earnings and permanent differences	1,291	2,393
Non-deductible expenses	2,045	871
Divergent trade taxation charge	273	305
Effects of other taxation rates applicable abroad	127	182
Income tax not relating to the period	–638	–531
Change in the tax effect due to unrecognised differences and tax losses for which no deferred tax assets were recognised	865	1,031
Other	–37	–35
Income taxes	**15,547**	**16,127**

*Previous year's values adjusted. The adjustments are disclosed in note 3

The item "Income tax not relating to the period" includes effects of the tax field audit for the period between 2002 and 2006, which was completed in 2009.

The tax-exempt earnings and permanent differences include investment income of the Feri Group, the tax-free dividends in MLP Hyp GmbH and the tax effect of dividends paid to minority shareholders.

[Table 102]

Deferred taxes

	DEFERRED TAX ASSETS		DEFERRED TAX LIABILITIES	
All figures in €'000	Dec 31, 2009	Dec 31, 2008*	Dec 31, 2009	Dec 31, 2008*
Intangible assets	2,022	81	12,315	10,176
Property, plant and equipment	252	–	2,073	1,845
Financial investments	91	–	103	22
Investment property	–	–	747	543
Other assets	6,591	2,954	235	1,229
Tax loss carryforwards	14	2	–	–
Provisions	475	2,780	712	–
Liabilities	1,554	1,114	2,513	64
Gross value	**10,999**	**6,931**	**18,698**	**13,879**
Netting of deferred tax assets and liabilities	–8,030	–4,283	–8,030	–4,283
Total	**2,969**	**2,648**	**10,668**	**9,597**

*Previous year's values adjusted. The adjustments are disclosed in note 3

The foreign Group company in Austria was deconsolidated as at December 31, 2009. The branch in the Netherlands recorded tax loss carryforwards of € 6,707 thsd (previous year: € 3,659 thsd). Deferred tax assets for tax loss carryforwards were not recognised in the statement of financial position. The option to utilise losses is essentially limited to a maximum of nine years here.

As at December 31, 2009, deferred income tax claims of € 78 thsd (previous year: € 0 thsd) and no deferred income tax liabilities (previous year: € 125 thsd) were recognised directly in other comprehensive income.

Tax refund claims

Tax refund claims include € 22,040 thsd (previous year: € 18,447 thsd) of corporation tax and € 11,018 thsd (previous year: € 8,422 thsd) of trade tax. The major portion of € 32,223 thsd (previous year: € 25,193 thsd) is attributable to MLP AG.

Tax liabilities

Tax liabilities are made up of € 3,272 thsd (previous year: € 0 thsd) of corporation tax and € 5,757 thsd (previous year: € 0 thsd) of trade tax. The major portion of € 7,818 thsd (previous year: € 0 thsd) is attributable to MLP AG.

The tax liabilities are due to taxes on the income of the individual companies based on the corresponding national tax regime. Contingent tax liabilities are shown under deferred tax liabilities.

(35) Notes on Group reporting by segment

The division of MLP into operating segments follows the structure in place for internal reporting. The MLP Group is subdivided into the following reportable operating segments:

- Financial services
- Feri
- Holding

In line with IFRS 8.12, MLP has merged the operating segments “financial services”, “old-age provision” and “ZSH” to form a single, reportable “financial services” operating segment.

To form the reportable business segment “Feri”, MLP merged the operating segments “Feri Family Trust”, “Feri Institutional Advisors” and “Feri EuroRating Services”.

The **Financial services** business segment consists of consulting services for academics and other discerning clients, particularly with regard to insurance, investments, occupational pension provision schemes and loans of all kinds, as well as the brokering of contracts concerning these financial services. This segment also includes finance portfolio management, the trustee credit business and the loan and credit card business. The financial services segment incorporates the divisions focused on the brokerage business of MLP Finanzdienstleistungen AG, Wiesloch, TPC THE PENSION CONSULTANCY GmbH, Hamburg, ZSH GmbH Finanzdienstleistungen, Heidelberg and the associate MLP Hyp GmbH, Schwetzingen.

MLP Private Finance plc., London, UK, MLP Private Finance Correduria de Seguros S.A., Madrid, Spain, MLP Private Finance AG, Zurich, Switzerland, MLP Finanzdienstleistungen AG, Vienna, Austria and the dependent business establishment of MLP Finanzdienstleistungen AG in the Netherlands together form the discontinued operations of the financial services operating segment. You can find further details on discontinued operations in note 36.

The business operations of the Feri segment cover wealth and investment consulting. This segment is made up of Feri Finance AG for financial planning and research, Bad Homburg v.d. Höhe, Feri Family Trust GmbH, Bad Homburg v.d. Höhe, Feri Institutional Advisors GmbH, Bad Homburg v.d. Höhe and Feri EuroRating Services AG, Bad Homburg v.d. Höhe.

The **Holding** business segment consists of MLP AG, Wiesloch. The main internal services and activities are combined in this segment. Intrasegment supplies and services are settled in principle at normal market prices. In the case of intra-group allocations, an appropriate general overhead surcharge is levied on the direct costs actually incurred.

The management makes decisions on the allocation of resources and determines segment performance on the basis of the income statement for that segment. MLP employs the accounting policies applied in the consolidated financial statements to determine financial information on the segments.

All segments perform their economic activities predominantly in Germany.

Revenue of € 97,804 thsd is generated in the financial services operating segment with one client. In the previous year, revenue of € 191,670 thsd was generated in the financial services and holding operating segments with two clients.

(36) Discontinued operations/disposal groups

In the course of focusing on the core market of Germany, the management decided to sell MLP Finanzdienstleistungen AG, Vienna, Austria in the fourth quarter of the financial year 2008. The sale was completed in the fourth quarter of 2009, with the company being deconsolidated. A decision was also taken in the first quarter of 2009 to withdraw from the market in the Netherlands. The subsidiary and the branch in the Netherlands were part of the financial services operating segment.

The expenses and income from this and earlier discontinued operations are illustrated below.

The disposal group breaks down as follows:

[Table 103]

All figures in €'000	2009	2008
Intangible assets	–	581
Property, plant and equipment	–	424
Other accounts receivable and other assets	–	1,116
Cash and cash equivalents	–	399
Deferred taxes	–	31
Total assets	**–**	**2,552**
Provisions	–1,743	–324
Liabilities	-306	–2,257
Total debts	**–2,049**	**–2,581**

The previous year's figures show the assets and debts from MLP Finanzdienstleistungen AG, Vienna, Austria – the subsidiary held for sale in the previous year. The current figures show the liabilities held for sale of the branch in the Netherlands.

The deconsolidated net assets of the company sold, MLP Finanzdienstleistungen AG, Vienna, Austria, amounted to € 2,704 thsd on the deconsolidation date.

[Table 104]

Income statement of discontinued operations

All figures in €'000	2009	2008
Revenue	6,305	10,289
Other revenue	513	475
Total revenue	**6,817**	**10,764**
Commission expenses	–2,636	–4,200
Personnel expenses	–4,518	–7,210
Depreciation and amortisation	–3	–199
Other operating expenses	–2,930	–3,432
Earnings before interest and tax (EBIT)	**–3,270**	**–4,277**
Other interest and similar income	10	17
Other interest and similar expenses	–5	–4
Finance cost	**5**	**13**
Earnings before tax (EBT)	**–3,265**	**–4,264**
Income taxes	–42	–3
Operating profit	**–3,307**	**–4,267**
Earnings from the sale/closure of operations before tax	3,341	–1,634
Income taxes	–3,020	–183
Earnings from the sale of operations after tax	**321**	**–1,817**
Earnings from discontinued operations after tax	**–2,985**	**–6,084**

The operating results in 2008 and 2009 contain only the expenses and income of the foreign subsidiary in Austria and the branch in the Netherlands.

Earnings before tax from the sale of operations as at December 31, 2009 include an amount of € -1,541 thsd (therein pursuant to IFRS 5.20, a write-down of € -147 thsd on the non-current assets at the branch in the Netherlands) in connection with the sale of the subsidiary in Austria and the branch in the Netherlands, as well as subsequent expenses and income of € 4,883 thsd from the earlier discontinuation of operations.

Income taxes

Observations were made within the scope of the tax audit for the years 2002 to 2006, based on which € 1,455 thsd were recognised as liabilities. These liabilities are in connection with the discontinuation of foreign operations.

Earnings per share

The earnings per share of the discontinued operations is disclosed in note 39.

(37) Leasing

The Group has concluded lease contracts for various motor vehicles, administration buildings and office machines. The average term of the contracts is three to five years for motor vehicles, seven years for buildings and four years for office machines. Some of the lease contracts also include extension options.

The following future minimum lease payments (face values) due to irredeemable leases were in place at the end of the reporting period:

[Table 105]

	Due 2010	Due 2010 – 2014	Due from 2015	
Rent on buildings	14,947	36,641	14,629	66,217
Other rental/leasing liabilities	2,240	1,964	0	4,204
Total	**17,187**	**38,605**	**14,629**	**70,421**

(38) Contingent assets and liabilities and other liabilities

As it is composed of companies from different operating segments, MLP is exposed to a variety of legal risks. These include, in particular, risks in the fields of warranty, taxes and litigation. The outcome of currently pending or future legal actions cannot be forecast with any degree of certainty and it follows that expenditure could be incurred as a result of unexpected decisions, which has not been fully covered by allowances for losses or insurance and which is liable to have a material impact on the business and its results. In MLP's opinion, decisions producing a major negative effect on the net assets, financial position and results of operations at the Group's expense are not anticipated with regard to the currently pending legal actions.

At the end of the reporting period there are liabilities on account of sureties and warranties of € 23,300 thsd (previous year: € 15,183 thsd) and irrevocable credit commitments of € 9,117 thsd (previous year: € 9,545 thsd).

Employer's pension liability insurance has been arranged for benefit obligations for the independent commercial agents. Final liability for the benefit obligation lies with MLP in accordance with § 1 (1) sentence 3 of the German Company Pension Law (BetrAVG). MLP does not currently anticipate any financial consequences as a result of this.

MLP Finanzdienstleistungen AG has committed itself to providing MLP Private Finance AG, Zurich with liquid funds, whenever necessary, until the time of completion of the liquidation proceedings. For reasons of practicability, no information is provided on financial effects and maturity dates.

MLP Finanzdienstleistungen AG is a member in the depositor's guarantee fund of the Association of German Banks (BdB e.V.), Berlin. Due to the allocation obligation pursuant to § 12 of the company's articles of association, obligations to make additional payments may arise. There is a declaration of indemnification in accordance with § 5 (10) of the statute of the depositor's guarantee fund of the Association of German Banks e.V. (BdB) in favour of MLP Finanzdienstleistungen AG. For reasons of practicability, no information is provided on financial effects and maturity dates.

For details on the variable purchase price component, maturity dates and the expected cash outflows from the acquisitions of Property Fund Research Ltd., Reading, UK, TPC-Group GmbH and Feri Finance AG, please refer to note 7.

Observations were made within the scope of the tax audit for the years 2002 to 2006, which could potentially lead to additional income tax payments. For issues totalling € 8.5 million, MLP considers it highly unlikely that any payments will have to be made, if necessary, after taking any legal action.

Purchase price adjustments and contingent assets/liabilities from the sale of MLP Finanzdienstleistungen AG, Vienna, Austria

The purchase contract concluded between MLP and the purchaser of MLP Finanzdienstleistungen AG, Vienna, Austria, includes a purchase price adjustment clause, which depends on the expenses for restructuring MLP Finanzdienstleistungen AG, Vienna, Austria, by no later than April 30, 2011. In the best case scenario, MLP will receive an additional € 3.00 million from the purchaser. In the worst case scenario, MLP will have to reimburse the purchaser for any restructuring expenses that exceed € 3.00 million.

In addition to this, an agreement was reached with the purchaser that MLP will be entitled to 50 % of the net trail commission income generated by MLP Finanzdienstleistungen AG, Vienna, Austria for the years from 2010 up to and including 2014.

Contingent liabilities of € 1.8 million result from the sale of MLP Finanzdienstleistungen AG, Vienna, Austria. Potential tax refund entitlements for the time periods prior to the sale could lead to a contingent claim against AFSH GmbH the amount of which cannot be determined.

Purchase price adjustments from the sale of MLP Versicherung AG

The purchase contract signed between MLP AG and Gothaer Allgemeine Versicherung AG, Cologne on the sale of MLP Versicherung AG contains a purchase price adjustment clause which, in the worst case, allows for a maximum reduction in the sale price of € 7.25 million in 2010. Given the current situation, we do not expect any repayment.

(39) Earnings per share

The calculation for the basic and diluted earnings per share for the total earnings for continuing and discontinued operations is based on the following data:

[Table 106]

All figures in €'000	2009	2008
Basis of the basic earnings per share (net profit)	24,185	24,593
Effect of the potential share dilution: Interest on convertible debentures (after tax)	44	45
Basis of the diluted earnings per share	**24,229**	**24,637**
All figures in units		
Weighted average number of shares for the basic earnings per share	107,869,037	102,100,933
Effect of the potential share dilution: Convertible debentures	957,137	1,059,265
Weighted average number of shares for the diluted earnings per share	**108,826,174**	**103,160,198**

The basic earnings per share for continuing and discontinued operations is €0.22 (previous year: €0.24), while the diluted earnings per share comes to €0.22 (previous year: €0.24).

The calculation for the basic and diluted earnings per share for the total earnings for continuing operations is based on the following data:

[Table 107]

All figures in €'000	2009	2008
Basis of the basic earnings per share (net profit)	27,170	30,677
Effect of the potential share dilution: Interest on convertible debentures (after tax)	41	33
Basis of the diluted earnings per share	**27,211**	**30,710**
All figures in units		
Weighted average number of shares for the basic earnings per share	107,869,037	102,100,933
Effect of the potential share dilution: Convertible debentures	957,137	1,059,265
Weighted average number of shares for the diluted earnings per share	**108,826,174**	**103,160,198**

The basic earnings per share for continuing operations is €0.25 (previous year: €0.30), while the diluted earnings per share comes to €0.25 (previous year: €0.30).

The calculation for the basic and diluted earnings per share for the net earnings from discontinued operations is based on the following data:

[Table 108]

All figures in €'000	2009	2008
Basis of the basic earnings per share (net profit)		
Effect of the potential share dilution:	–2,985	–6,084
Interest on convertible debentures (after tax)	3	12
Basis of the diluted earnings per share	**–2,982**	**–6,072**
All figures in units		
Weighted average number of shares for the basic earnings per share	107,869,037	102,100,933
Effect of the potential share dilution:		
Convertible debentures	957,137	1,059,265
Weighted average number of shares for the diluted earnings per share	**108,826,174**	**103,160,198**

The basic earnings per share for the earnings from discontinued operations is €–0.03 (previous year: €–0.06), while the diluted earnings per share comes to €–0.03 (previous year: €–0.06).

(40) Additional information on financial instruments

Based on the relevant items in the statement of financial position, the following tables show the carrying amounts of the financial instruments held at the end of the reporting period in the categories laid down by IAS 39. MLP's categorisation according to IAS 39 corresponds to the classification pursuant to IFRS 7. The carrying amounts of financial assets and liabilities measured at fair value correspond to the market values.

[Table 109]

All figures in €'000	IAS 39 category	Carrying amount	Amortised cost	Fair value (with no effect on the operating result)	Fair value (recognised in the income statement)	Fair value	No financial instruments according to IAS32/39
	DEC 31, 2009						
Receivables from banking business – banks	L + R	498,201	498,201	–	–	499,786	–
Receivables from banking business – clients	L + R	308,093	308,093	–	–	333,024	–
Receivables from banking business – clients	FVPL	5,401	–	–	5,401	5,401	–
Financial investments - debt securities and investment fund shares	AfS	32,343	–	30,963	1,380	32,343	–
Financial investments - debt securities and investment fund shares	FVPL	1,080	–	–	1,080	1,080	–
Financial investments – investments	AfS	3,398	3,398	–	–	–	–
Financial investments - securities	HtM	45,385	45,385	–	–	46,066	–
Financial investments – loans and receivables	L + R	110,183	110,183	–	–	110,183	–
Trade accounts receivable	L + R	62,731	62,731	–	–	62,731	–
Receivables from commercial agents	L + R	22,598	22,598	–	–	22,598	–
Advance payments	L + R	20,041	20,041	–	–	20,041	–
Purchase price receivables	L + R	7,404	7,404	–	–	7,404	–
Interest derivatives	HfT	1,358	–	–	1,358	1,358	–
Other assets	L + R	4,592	4,592	–	–	4,592	13,364
Cash and cash equivalents	L + R	54,968	54,968	–	–	54,968	–
Liabilities due to banking business – clients	AC	750,282	750,282	–	–	757,065	–
of which savings deposits		11,196	11,196	–	–	11,209	–
of which other		739,086	739,086	–	–	745,856	–
Liabilities due to banking business – banks	AC	20,774	20,774	–	–	21,232	–
Purchase price liability Feri Finance AG	AC	52,782	52,782	–	–	52,782	–
Purchase price liability Property Funds Research Ltd.	AC	792	792	–	–	792	–
Purchase price liability ZSH	AC	1,105	1,105	–	–	1,105	–

All figures in €'000	IAS 39 category	Carrying amount	Amortised cost	Fair value (with no effect on the operating result)	Fair value (recognised in the income statement)	Fair value	No financial instruments according to IAS32/39
		DEC 31, 2009					
Liabilities due to commercial agents	AC	54,361	54,361	–	–	54,361	878
Advance payments received	AC	32,689	32,689	–	–	32,689	–
Trade accounts payable	AC	27,589	27,589	–	–	27,589	–
Interest derivatives	HfT	3,713	–	–	3,713	3,713	–
Share-based payments (convertible debentures)	AC	893	893	–	–	893	–
Liabilities due to banks	AC	4,095	4,095	–	–	4,095	–
Other liabilities	AC	12,589	12,589	–	–	12,589	14,662
Liabilities in connection with disposal groups held for sale	AC	–	–	–	–	–	2,049
Aggregated in line with IAS 39 categories							
Loans and receivables	L + R	**1,088,810**	**1,088,810**	–	–	**1,115,327**	–
Financial liabilities, measured at amortised cost	AC	**957,952**	**957,952**	–	–	**965,192**	–
Designated at fair value through profit and loss	FVPL	**6,481**	–	–	**6,481**	**6,481**	–
Held to maturity	HtM	**45,385**	**45,385**	–	–	**46,066**	–
Held for trading	HfT	**2,355**	–	–	**2,355**	**2,355**	–
Available for sale	AfS	**35,742**	**3,398**	**30,963**	**1,380**	**32,343**	–

[Table 110]

All figures in €'000	IAS 39 category	Carrying amount	Amortised cost	Fair value (with no effect on the operating result)	Fair value (recognised in the income statement)	Fair value	No financial instruments according to IAS32/39
	DEC 31, 2008						
Receivables from banking business – banks	L + R	605,580	605,580	–	–	605,580	–
Receivables from banking business – clients	L + R	270,027	270,027	–	–	276,097	–
Receivables from banking business – clients	FVPL	5,405	–	–	5,405	5,405	–
Financial investments – debt securities and investment fund shares	AfS	47,885	–	45,579	2,306	47,885	–
Financial investments – investments	AfS	4,227	4,227	–	–	–	–
Financial investments - securities	HtM	22,828	22,828	–	–	23,032	–
Financial investments – loans and receivables	L + R	105,002	105,002	–	–	105,002	–
Trade accounts receivable	L + R	79,803	79,803	–	–	79,803	–
Receivables from commercial agents	L + R	21,360	21,360	–	–	21,360	–
Advance payments	L + R	23,443	23,443	–	–	23,443	–
Other assets	L + R	10,420	10,420	–	–	10,420	10,333
Cash and cash equivalents	L + R	38,088	38,088	–	–	38,088	–
Non-current assets held for sale	AfS	729	–	–	729	729	–
Financial instruments in connection with disposal groups held for sale	L + R	1,464	1,464	–	–	1,464	1,088
Liabilities due to banking business – clients	AC	778,835	778,835	–	–	778,835	–
of which savings deposits		9,632	9,632	–	–	9,632	–
of which other		769,203	769,203	–	–	769,203	–
Liabilities due to banking business – banks	AC	25,024	25,024	–	–	25,024	–
Purchase price liability Feri Finance AG	AC	57,062	57,062	–	–	57,062	–
Purchase price liability TPC THE PENSION CONSULTANCY GmbH	AC	6,493	6,493	–	–	6,493	–
Purchase price liability Property Funds Research Ltd.	AC	892	892	–	–	892	–

All figures in €'000	IAS 39 category	Carrying amount	Amortised cost	Fair value (with no effect on the operating result)	Fair value (recognised in the income statement)	Fair value	No financial instruments according to IAS32/39
	DEC 31, 2008						
Liabilities due to commercial agents	AC	59,762	59,762	–	–	59,762	685
Advance payments received	AC	43,438	43,438	–	–	43,438	–
Trade accounts payable	AC	19,793	19,793	–	–	19,793	–
Interest derivatives	HfT	3,522	–	–	3,522	3,522	–
Share-based payments (convertible debentures)	AC	933	933	–	–	933	–
Liabilities due to banks	AC	23	23	–	–	23	–
Other liabilities	AC	9,292	9,292	–	–	9,292	29,310
Liabilities in connection with disposal groups held for sale	AC	1,363	1,363	–	–	1,363	1,218
Aggregated in line with IAS 39 categories							
Loans and receivables	L + R	**1,155,187**	**1,155,187**	–	–	**1,161,257**	–
Financial liabilities, measured at amortised cost	AC	**1,002,910**	**1,002,910**	–	–	**1,002,910**	–
Designated at fair value through profit and loss	FVPL	**5,405**	–	–	**5,405**	**5,405**	–
Held to maturity	HtM	**22,828**	**22,828**	–	–	**23,032**	–
Held for trading	HfT	**3,522**	–	–	**3,522**	**3,522**	–
Available for sale	AfS	**52,841**	**4,227**	**45,579**	**3,035**	**48,614**	–

The fair value for the client receivables from banking business designated as at “fair value through profit and loss” is calculated as the present value of the payments using the current yield curve. For the financial assets classified as “available for sale”, MLP applies the share price in an active market, if available. The carrying amount and fair value are identical in these cases.

Due to the difficulty of reliably determining the fair value, the investments are valued at their cost of acquisition. There is no indication of fair values being lower than carrying amounts.

Cash and cash equivalents, trade receivables, receivables from companies in which the Group holds an interest and other assets have mainly short remaining terms. Their carrying amounts at the end of the reporting period are therefore almost identical to the fair values. The same applies to the trade accounts payable.

The fair values of other non-current receivables, held-to-maturity financial investments due after one year and of liabilities due to banks correspond to the present values of the payments related to the assets, taking into account the current interest rate parameters that reflect market and partner-based changes to terms, conditions and expectations. The fair values of other financial liabilities are calculated as the present values of the payments related to debts, based on the applicable yield curve.

The market value of interest derivatives (interest rate swaps) is determined by discounting the anticipated future cash flows over the remaining term of the derivative on the basis of current market interest rates and the yield curve. Compensation effects from the hedged item are not taken into account when determining the market value of derivative financial instruments.

IAS 39 provides the following hierarchy for determining fair values:

- Level 1: Listed (and assumed unchanged) market prices in an active market for identical assets and debts;
- Level 2: Use of information other than the quoted market used in level 1, but which can be observed either directly (e.g. prices) or indirectly (i.e. derived from prices) for the asset or the debt;
- Level 3: Use of information based on non-observable market data.

The following table shows the allocation of the financial assets and liabilities measured at fair value by MLP to the three levels of the fair value hierarchy as at December 31, 2009.

[Table 111]

All figures in €'000	Level 1	Level 2	Level 3
Assets – measured at fair value			
Receivables from clients in the banking business	–	5,405	–
Financial assets – debt securities and shares in investment funds	33,424	-	–
Interest derivatives	–	1,358	–
Financial liabilities – measured at fair value			
Interest derivatives	–	3,713	–

No reclassifications of the measurement between level 1 and 2 were made during/took place in the financial year 2009.

The next table shows the net gains or losses from financial instruments in line with the categories of IAS 39.

[Table 112]

All figures in €'000	2009	2008
Net gains or losses from financial instruments of the category		
Loans and receivables (L+R)	27,468	37,914
Available for sale (AfS)	2,718	4,123
Fair value through profit and loss (FVPL)	317	242
Held to maturity (HtM)	1,393	870
Liabilities at amortised cost (AC)	-15,523	–33,251
Held for trading (HfT)	-353	–330

Net gains or losses include: interest income and expenses, dividend income, impairment losses, reversals of impairment losses, sales proceeds, subsequent income from written-off financial assets, income and expenses due to the measurement at fair value.

For financial instruments not measured at fair value through profit and loss, interest income of € 37,497 thsd and interest charges of € 15,523 thsd were accrued in the last financial year (previous year: € 44,294 thsd interest income, € 33,145 thsd interest charge).

For impairment losses we refer to the note for the items “receivables from the banking business” and “other accounts receivable and other assets”. No impairment losses (previous year: € 2,194 thsd) were recorded for the financial instruments “held to maturity” and “available for sale”. With regard to commission income and expenses not included in the calculation for determining the effective interest rate, we refer to the notes on income and expenses due to the banking business.

For the “loans and receivables” designated as at fair value through profit and loss, the maximum credit risk corresponds to the carrying amount of these financial instruments. The change in the fair value is solely due to the changes in market conditions. As in the previous year, there are no changes in the fair value due to the credit standing.

Derivative business

In order to fix the interest flows for the financing of individual construction phases of the Wiesloch building project completed in 2004, MLP took out two payer interest rate swaps in 1999. After the premature redemption of the loans, the open interest position resulting from the purchase of two reverse swaps with identical amounts and terms was closed. In addition, three interest rate swaps were concluded by MLP Finanzdienstleistungen AG with a total value of € 5,000 thsd. The interest rate swaps do not serve speculative purposes, but are rather taken out to hedge interest risks (interest-dependent risk of changes to the fair value of originated fixed interest-bearing loans). They are not included in a hedge accounting relationship.

[Table 113]

All figures in €’000	Face value Dec 31, 2009	Fair value 31, 2009	Face value Dec 31, 2008	Fair value Dec 31, 2008	End of term
Interest rate swap 1	30,000	–2,063	30,000	–1,967	Jan 17, 2011
Interest rate swap 2	20,000	–1,402	20,000	–1,359	Jan 17, 2011
Interest rate swap 3	20,000	539	20,000	–48	Jan 17, 2011
Interest rate swap 4	30,000	819	30,000	–68	Jan 15, 2011
Interest rate swap 5	1,000	-67	1,000	–36	July 1, 2014
Interest rate swap 6	1,500	-86	1,500	–38	July 1, 2014
Interest rate swap 7	2,500	-95	2,500	–6	April 1, 2015
Total	**105,000**	**-2,355**	**105,000**	**–3,522**	

The face value of derivative financial instruments stated in the table correspond to the purchasing/selling values or contract values of hedged items which are economically connected with the swaps. They are shown gross (even if offsetting transactions exist).

As at December 31, 2009, the accumulated fair value of the interest derivatives was € -2,355 thsd (previous year: € -3,522 thsd). The valuation is based on the market values at the end of the reporting period. The instruments with an accumulated negative market value totalling € 3,713 thsd (previous year: € 3,522 thsd) are reported under other liabilities. The instruments with an accumulated positive market value totalling € 1,358 thsd (previous year: € 0 thsd) are reported under other receivables and other assets. The changes in fair value of derivatives of € – 353 thsd (previous year: € -330 thsd) were recorded in the finance cost or under earnings from the interest rate business.

The adjustments made are explained in note 3.

(41) Financial risk management

MLP is faced with a number of financial risks. MLP's Group-wide early risk detection and monitoring system is used for the qualified and prompt identification of all major risks, which it then quantifies, aggregates and assesses to form the basis for proactive Group-wide risk management and controlling. This system ensures appropriate identification, assessment, controlling, monitoring and communication of the major risks.

The **financial risks** relevant to MLP include in particular the counterparty default risk, the interest risk and the liquidity risk. There is no substantial foreign exchange risk, country risk and no other market price risks. There is no concentration of risk.

The **counterparty default risks** predominantly result from typical client credit business. The counterparty default risk is reflected by the carrying amounts at the end of the reporting period. Receivables from the banking business are secured with customary banking collateral.

Loans to clients are granted on the basis of standardised principles under application of typical market credit assessment standards based on a scoring approach. Accounts that are regarded as carrying risk are adjusted accordingly.

In addition to the above-described risks, there is an issuer's risk from the bonds, debentures and other financial instruments acquired by MLP. We reduce the risk of default among issuers, whose securities we have acquired within the scope of capital investment management – also in light of current market trends – through the specified creditworthiness requirements of our capital investment directive.

When financial instruments are subject to a variable interest rate, MLP is exposed to a **cash flow interest rate risk**. For fixed interest-bearing financial instruments, the interest risk relates to the fair value of the financial instruments (fair value interest rate risk).

The total portfolio of available-for-sale fixed income securities amounts to € 7,392 thsd (previous year: € 15,503 thsd). If the market interest rate level had been higher (lower) by 50 basis points on December 31, 2009, the market value of the total stock of these fixed interest-bearing financial instruments would have been reduced by € 2 thsd (previous year: by € 3 thsd) or increased by € 3 thsd (previous year: by € 3 thsd). As these fixed income securities are classified as "available for sale", changes to the fair value are thus included in shareholders' equity, meaning that any change to the market interest rate level would have had no effect on the net profit. For this reason the notional change in the market interest rate level would have reduced shareholders' equity by € 2 thsd or increased it by € 3 thsd (previous year: reduced or increased by € 3 thsd).

MLP faces a further **interest risk**, the maturity transformation risk, from the incongruities between the terms of interest of granted loans and those of the refinancing of these loans. These maturity transformation risks, which result from the incongruency in the terms of interest of granted loans and those of the refinancing of these loans, are continuously monitored and evaluated in compliance with supervisory requirements (stress scenarios).

In order to reduce the **cash flow interest rate risk**, we use derivative financial instruments (interest rate swaps). If the market interest rate level had been 50 basis points higher (lower) on December 31, 2009, the fair value of the fixed interest-bearing loans and fixed interest-bearing refinancings, which have been designated as at "fair value through profit and loss", would have been increased by € 4 thsd or reduced by € 3 thsd. The net profit would thus have increased by € 4 thsd or fallen by € 3 thsd.

The changes in market value of loans in the category "Fair value through profit and loss" are purely due to changes in interest rates. MLP bases the selection process of these loans on a very good credit rating of the debtor. There have been no changes in the fair value due to credit standing.

Liquidity risk is the danger that there are inadequate financial resources to meet payment obligations. Ensuring solvency at all times is the core function of our liquidity control system. This is secured through daily scheduling. Alongside possible cash flow scenarios, updated new business planning, investment planning and other capital transactions are all regularly taken into account. The controlling of financial instruments of the cash reserve in our inventory is based on the present value of our cash and cash equivalents and their potential development in various interest scenarios.

The fundamental principles of liquidity control and planning are defined in the internal capital investment directives. Appropriate short and medium-term credit lines have been agreed with a number of financial institutions to safeguard against a possible short-term liquidity shortfall.

The tables below show the maturity structure of financial liabilities with contractually fixed terms to maturity:

[Table 114]

Total cash flow (principal and interest) in €'000 as at Dec 31, 2009	Due on demand	Up to 1 year	1 to 5 years	More than 5 years	Total
Liabilities due to banking business – clients	766,557	57	296	–	742,416
Liabilities due to banking business – banks	59	2,749	7,502	14,275	24,585
Purchase price liability FERI	–	–	54,704	–	54,704
Purchase price liability PFR	–	144	648	–	792
Purchase price liability ZSH	–	744	417	–	1,160
Liabilities due to commercial agents	48,836	3,625	1,900	–	54,361
Trade accounts payable	–	27,589	–	–	27,589
Liabilities due to savings deposits	–	11,231	–	–	11,231
Liabilities due to banks	1,343	591	566	2,172	4,673
Interest derivatives	–	–	3,713	–	3,713
Advanced payments received	–	32,689	–	–	32,689
Convertible debentures	–	893	–	–	893
Other liabilities	–	4,775	132	–	4,907
Total	**792,302**	**85,087**	**69,878**	**16,447**	**963,714**

[Table 115]

Total cash flow (principal and interest) in €'000 as at Dec 31, 2008	Due on demand	Up to 1 year	1 to 5 years	More than 5 years	Total
Liabilities due to banking business – clients	754,916	20,949	6,368	260	782,493
Liabilities due to banking business – banks	1,059	2,284	10,684	16,024	30,051
Purchase price liability FERI	–	–	75,029	–	75,029
Purchase price liability TPC	–	–	7,400	–	7,400
Purchase price liability PFR	–	124	969	–	1,093
Liabilities due to commercial agents	55,472	2,729	1,561	–	59,762
Trade accounts payable	–	19,776	17	–	19,793
Liabilities due to savings deposits	–	9,703	–	–	9,703
Liabilities due to banks	23	–	–	–	23
Interest derivatives	–	–	3,522	–	3,522
Advanced payments received	470	42,958	11	–	43,438
Convertible debentures	–	933	–	–	933
Other liabilities	–	9,292	–	–	9,292
Total	**811,939**	**108,747**	**105,561**	**16,284**	**1,042,531**

Other market risks for financial instruments result from changes such as stock exchange prices for equity instruments. As at December 31, 2009, MLP has shareholdings of € 3,398 thsd (previous year: € 4,227 thsd) and available-for-sale securities of € 33,424 thsd (previous year: € 47,885 thsd). Available-for-sale securities include variable interest-bearing securities of € 7,361 thsd (previous year: € 15,503 thsd). The remaining available-for-sale securities of € 26,063 thsd (previous year: € 32,382 thsd) are not fixed interest-bearing. The investments are shares in non-consolidated subsidiaries, whose equity instruments have no market price and whose fair value cannot be reliably determined. The shares are thus valued at their cost of acquisition.

A detailed representation of business risks and a description of the risk management can be found in the risk report of this annual report, which forms a part of the management report.

(42) Declaration of Compliance with the German Corporate Governance Code pursuant to § 161 of the Stock Corporation Act (AktG)

The Executive and Supervisory Boards issued a Declaration of Compliance with the German Corporate Governance Code pursuant to § 161 of the German Stock Corporation Act (AktG) and made it permanently available to the shareholders via the management report and its website, www.mlp-ag.com and in the Corporate Governance report in this Annual Report.

More information at www.mlp-ag.com

(43) Related parties

[Table 116]

Executive Board

Dr. Uwe Schroeder-Wildberg, Heidelberg Chairman, responsible for planning and strategy, human resources, communication, legal affairs, audit, marketing, controlling, risk management, accounting, taxes, treasury and general administration	
Gerhard Frieg, Heidelberg Responsible for product management and purchasing	
Muhyddin Suleiman, Rauenberg Responsible for sales	
Ralf Schmid, Gaiberg Responsible for operations (Information Technology (IT), IT Business Services, Group Quality Management, Group Business Organisation) (since March 1, 2009)	

[Table 117]

Supervisory Board

Dr. Peter Lütke-Bornefeld, Everswinkel, Chairman of the Board of Kölnische Rückversicherungs-Gesellschaft AG (until March 31, 2009) Chairman	
Dr. h. c. Manfred Lautenschläger, Gaiberg Vice Chairman	
Dr. Claus-Michael Dill, Berlin	
Johannes Maret, Burgbrohl	
Maria Bähr, Sandhausen Employees' representative, Departmental head at MLP Finanzdienstleistungen AG	
Norbert Kohler, Hockenheim Employees' representative, Team leader at MLP Finanzdienstleistungen AG	

	Mandates in other statutory Supervisory Boards of companies based in Germany	Memberships in comparable domestic and foreign control bodies of commercial enterprises
	Feri Finance AG, Bad Homburg v. d. H. (Chairman) Reutax AG, Heidelberg (until November 3, 2009)	MLP Finanzdienstleistungen AG, Vienna (Chairman of the Supervisory Board) (until December 31, 2009)
	Feri Finance AG, Bad Homburg v. d. H.	MLP Hyp GmbH, Schwetzingen
	Feri Finance AG, Bad Homburg v. d. H.	–
	–	–

	Mandates in other statutory Supervisory Boards of companies based in Germany	Memberships in comparable domestic and foreign control bodies of commercial enterprises
	VPV Lebensversicherungs- AG, Stuttgart Kölnische Rückversicherungs- Gesellschaft AG, Cologne (since April 1, 2009) MLP Finanzdienstleistungen AG, Wiesloch (Chairman since March 11, 2009)	Group companies: GeneralCologne Re Capital GmbH, Cologne Others: Faraday Holdings Limited, London, UK
	MLP Finanzdienstleistungen AG, Wiesloch (Chairman until March 10, 2009)	University Hospital Heidelberg, Heidelberg (Supervisory Board)
	Kölnische Rückversicherungs-Gesellschaft AG, Cologne (Chairman) TÜV Rheinland Holding AG, Cologne (Chairman) Damp Holding AG, Damp (since February 12, 2009)	TÜV Rheinland Berlin Brandenburg Pfalz e.V., Cologne (Governing Board) Golding Capital Partners, Munich (Advisory Board) WestLB, Dusseldorf (Economic Advisory Board) HUK Coburg AG, Coburg (Group Advisory Board) Gothaer Versicherungen AG, Cologne (Social Policy Advisory Board)
	–	Gebrüder Rhodius KG, Burgbrohl (Chairman of the Advisory Board) The Triton Fund, Jersey, UK (Investment Committee Member) Xchanging plc., London, UK (Non-Executive Director) Basler Fashion Holding GmbH, Goldbach (Chairman of the Advisory Board) BEX Beteiligungs GmbH, Bad Oeynhausen (Chairman of the Advisory Board)
	–	–
	–	–

Related persons

Within the scope of the ordinary business, legal transactions were made between the Group and members of the Executive Board and the Supervisory board. The legal transactions concern the conclusion of insurance policies or business regarding payment transactions and private wealth management. The legal transactions were completed under standard market or employee conditions.

As at December 31, 2009, members of the executive bodies had current account debits, surety credits and other loans totalling € 169 thsd (previous year: € 190 thsd), whereby collateral of € 121 thsd has been provided. The surety credits make up 0.5 % to 1.0 % of this (previous year: 1.0 %) and the current account debits 7.0 % to 7.7 % (previous year: 7.0 % to 7.5 %) and the other loans are charged with 4.5 % interest.

The total remuneration for members of the Executive Board active on the reporting date is € 2,280 thsd (previous year: € 1,939 thsd) of which € 1,606 thsd (previous year: € 1,291 thsd) is attributable to the fixed portion of remuneration and € 674 thsd (previous year: € 648 thsd) is attributable to the variable portion of remuneration. As in the previous year, former members of the Executive Board received no compensation. As at December 31, 2009, pension provisions for former members of the Executive Board amounted to € 8,923 thsd (previous year: € 8,718 thsd).

In addition there are long-term remuneration components. The members of the Executive Board participate in the Incentive Programme 2002 and the Long-Term Incentive Programmes 2005 to 2009.

Executive Board members active at December 31, 2009 hold convertible debentures issued by the company. See the following table for the number and values of convertible debentures:

[Table 118]

All figures in €'000 or units	Convertible debentures tranche 2004 (value at grant date)	Convertible debentures Total units as at Dec 31, 2009	Convertible debentures Total units as at Dec 31, 2008
Dr. Uwe Schroeder-Wildberg	49	12,300	12,300
Gerhard Frieg	40	10,000	10,000
Muhyddin Suleiman	40	10,000	10,000
Total	**130**	**32,300**	**32,300**

Within the scope of the **Long-Term Incentive Programme**, members of the Executive Board received performance shares (phantom shares) in the years 2005 to 2009. Refer to the following table for the number and values of the phantom shares, insofar as these have not been paid out or have expired:

[Table 119]

	Tranche 2007	Tranche 2008	Tranche 2009
Fair value at grant date	€ 9.33	€ 9.92	€ 7.59
All figures in units			
Dr. Uwe Schroeder-Wildberg	53,591	50,403	65,876
Gerhard Frieg	32,154	36,290	39,526
Ralf Schmid (Member of the Executive Board since March 1, 2009)	–	–	32,938
Muhyddin Suleiman	32,154	36,290	39,526
Total	**117,899**	**122,983**	**177,866**

The costs included in the income statement arising from the Long Term Incentive Programme for Executive Board members during the financial year 2009 are € 328 thsd (previous year: € 0 thsd).

The members of the Supervisory Board received non-performance-related remuneration of € 333 thsd for their activities in 2009 (previous year: € 333 thsd). In addition, € 21 thsd (previous year: € 4 thsd) was paid as compensation for expenses.

For the detailed structure of the remuneration system and the remuneration of the Executive Board and Supervisory Board, please refer to the remuneration report in the “Corporate governance” chapter. The remuneration report is part of the management report.

Related companies

Not fully consolidated subsidiaries are considered to the related companies. Within the scope of its ordinary business, MLP AG and its consolidated subsidiaries have business relations to a large number of companies. This also includes subsidiaries which are non-consolidated for reasons of materiality. All business dealings are concluded at conditions and terms customary in the industry and as a matter of principle do not differ from delivery and service relationships with other companies.

All related companies included in the consolidated financial statements are stated in the list of shareholdings (note 4).

In the financial year 2009, transactions were carried out with significant related companies which led to the following items in the consolidated financial statements:

[Table 120]

All figures in €'000	Receivables	Liabilities	Income	Expenses
Academic Networks GmbH, Wiesloch	40	705	–	–
MLP Consult GmbH, Wiesloch	1,858	2	13	1
MLP Media GmbH, Wiesloch	1	33	259	8
Feri Trust AG (Switzerland), St. Gallen, Switzerland	272	–	12	–
Private Trust Management Company S.à.r.l., Luxembourg	359	–	3,612	–
Family Private Fund Management Company S.à.r.l., Luxembourg	335	–	3,529	–
Feri Corp., New York, USA	53	7	–	229
Heubeck-Feri Pension Asset Consulting GmbH, Bad Homburg	609	65	637	199
Ferrum Fund Management Company S.à.r.l., Luxembourg	432	–	2,525	–
FPE Private Equity Beteiligungs-Treuhand GmbH, Munich	–	–	162	–
Institutional Trust Management Company S.à.r.l., Luxembourg	91	–	1,853	–
Ferrum Pension Management S.à.r.l., Luxembourg	–	–	321	–
Total	**4,051**	**812**	**12,922**	**438**

(44) Number of employees

The average number of staff employed decreased from 2,060 in 2008 to 1,900 in 2009.

[Table 121]

	2009		2008	
		of which marginal part-time employees		of which marginal part-time employees
Financial services	1,624	276	1,792	474
Feri	265	66	257	60
Holding	11	1	11	1
Total	**1,900**	**343**	**2,060**	**535**

The average number of employees in continuing operations fell by 86, from 1,986 to 1,900. An average of 116 people (previous year: 120) were trained in the financial year.

The number of employees in the financial services segment includes 60 employees of the ZSH Group, which was acquired during the financial year.

(45) Auditor's fees

The fees in connection with services of the auditing firm Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart (auditor), in the financial year 2009 (including expenses, excluding statutory value added tax) amount to:

[Table 122]

All figures in €'000	2009	2008
Audit	674	842
Other certification and assessment services	104	108
Tax advisory services	63	179
Other services	185	148
Total	**1,026**	**1,276**

The item "Audit" contains the fees paid for the audit of the consolidated financial statements and for the audit of the other legally stipulated financial statements of MLP AG and its subsidiaries.

(46) Disclosures on capital

A primary objective of investment control is to ensure that the legal solvency regulations for banking and financial services businesses, which prescribe a minimum amount of shareholders' equity backing, are fulfilled. With regard to the compliance with statutory solvency regulations as per § 2a (6) of the German Banking Act (KWG), MLP evaluates its minimum shareholders' equity backing on a consolidated basis. Pursuant to § 10a (3) no. 1 of the German Banking Act (KWG), the relevant Financial Holding Group comprises MLP AG, Wiesloch, MLP Finanzdienstleistungen AG, Wiesloch, Feri Finance AG, Bad Homburg v.d. Höhe, Feri Institutional Advisors GmbH, Bad Homburg v.d. Höhe, Feri Family Trust GmbH, Bad Homburg v.d. Höhe and ZSH GmbH Finanzdienstleistungen, Heidelberg. As a deposit-taking bank, MLP Finanzdienstleistungen AG, Wiesloch is a holding institution according to § 10a (3) no. 4 of the German Banking Act (KWG).

The following means and measures for controlling and adjusting the capital structure are available to MLP: (i) transferring to the statutory reserve, (ii) issuing new shares, (iii) buying back and redeeming treasury stock.

As a financial holding group, MLP is obliged to back its weighted risk assets and operational risks with at least 8 % equity (equity ratio) according to § 2 (6) of the Solvency Ordinance (SolvV – ordinance governing the capital adequacy of institutions, groups of institutions and financial holding groups) of December 14, 2006. MLP applies the credit risk standard approach for determining the risk-weighted exposure values (risk assets) in accordance with § 24 et seq. of the Solvency Ordinance (SolvV). The amount eligible for inclusion in the operational risk is determined using the basic indicator approach (§§ 269 (2) and § 270 et seq. of the Solvency Ordinance (SolvV)).

The backing of risk assets with core capital (tier 1 capital) generally requires a minimum ratio of 4 %. As in the previous year, these requirements have not changed during the financial year 2009. The same also applies for MLP's internal processes, objectives and measures for investment control.

The core capital is made up of the following equity items of the relevant groups of institutions in line with § 10 of the German Banking Act (KWG): share capital, capital reserves, statutory reserve, reserve for treasury stock. The following reduce core capital: intangible assets, treasury stock, investment carrying amounts in companies belonging to the relevant groups of institutions, goodwill.

As in the previous year, MLP has fulfilled all legal requirements relating to the minimum shareholders' equity backing during the financial year 2009. The relationship between the weighted risk assets and core capital is illustrated below.

[Table 123]

All figures in €'000	2009	2008
Core capital	**340,258**	**359,238**
Tier 2 capital	2,000	250
Tier 3 capital	–	–
Equity	**342,258**	**359,488**
Weighted risk assets	**869,819**	**810,542**
Operational risk	**58,335**	**57,030**
Equity ratio min. 8 % **(Equity × 100 / (12.5 × operational risk + risk assets)**	**21.40**	**23.60**
Core capital ratio min. 4 % **(Core capital × 100 / (12.5 × operational risk + risk assets)**	**21.28**	**23.58**

MLP's tier 2 capital solely consists of the contingency reserves according to § 340f of the German Commercial Code (HGB).

(47) Disclosures pursuant to §§ 21 (1), 22 of the German Securities Trading Act (WpHG)

Mr. Manfred Lautenschläger, Germany, informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that his share of the voting rights in MLP AG, Wiesloch, Germany fell below the threshold of 25 % on August 22, 2008, and amounted to 23.38 % on that day (25,205,534 voting rights). This share comprises 20.98 % of the voting rights (22,618,932 voting rights) of Angelika Lautenschläger Beteiligungen Verwaltungs GmbH attributable to him in line with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG).

Angelika Lautenschläger Beteiligungen Verwaltungs GmbH, Gaiberg, Germany, informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that her share of the voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 15 % and 20 % on April 21, 2008 and amounted to 23.08 % (22,618,932 voting rights) on that day.

M.L. Stiftung gGmbH, Gaiberg, Germany informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany exceeded the threshold of 3 % on December 7, 2007, and amounted to 4.14 % (4,500,000 voting rights) on that day. This share comprises 4.14 % (4,500,000 voting rights) of Manfred Lautenschläger Stiftung gGmbH attributable to it in line with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG).

Mrs Angelika Lautenschläger, Germany, informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that her share of the voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3 % and 5 % on December 7, 2007, and amounted to 5.97 % (6,500,000 voting rights) on that day. This share comprises 4.14 % (4,500,000 voting rights) of M.L. Stiftung gGmbH attributable to her in line with §§ 22 (1) 1 sentence 1 no. 1, and 22 (1) sentence 2 of the German Securities Trading Act (WpHG). 4.14 % (4,500,000 voting rights) of the shares held by Manfred Lautenschläger Stiftung gGmbH are attributable to M.L. Stiftung gGmbH in line with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG).

Barmenia Krankenversicherung a. G., Wuppertal, Germany, informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3 % and 5 % on December 21, 2009, and amounted to 6.67 % on that date (corresponding to 7,197,664 voting rights). This share comprises 0.27 % (corresponding to 290,000 voting rights) attributable to Barmenia Krankenversicherung a. G. in line with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG).

Barmenia Krankenversicherung a. G., Wuppertal, Germany informed us in line with § 25 (1) of the German Securities Trading Act (WpHG) that on December 15, 2009 through the aggregation of voting rights which it can unilaterally acquire by way of directly or indirectly held financial instruments and from voting rights in line with §§ 21, 22 of the German Securities Trading Act (WpHG), its share of the voting rights would have exceeded the thresholds of 3 % and 5 % and would amount to 6.67 % (corresponding to 7,197,664 voting rights) on that date. Of this, its share of the voting rights acquirable through financial instruments amounts to 6.00 % (6,472,664 voting rights) and our share of the voting rights in line with §§ 21, 22 of the German Securities Trading Act (WpHG) is 0.67 % (725,000 voting rights). The respective exercise date for the financial instruments is December 21, 2009.

Barmenia Krankenversicherung a. G., Wuppertal, Germany informed us in line with § 25 (1) of the German Securities Trading Act (WpHG) that on December 21, 2009 it exercised its previously directly or indirectly held financial instruments and fell back below the thresholds of 3 % and 5 % with respect to these financial instruments. The exercise date for the financial instruments was December 21, 2009.

Barmenia Krankenversicherung a. G., Wuppertal, Germany informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that on December 21, 2009 its share of the voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3 % and 5 % and amounted on that date to 6.67 % (corresponding to 7,197,664 voting rights).

Swiss Life Beteiligungs GmbH, Hanover, Germany informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany fell below the thresholds of 15 % and 10 % on December 21, 2009 and now amounts to 9.90 % (corresponding to 10,679,892 voting rights).

Swiss Life Holding AG, Zurich, Switzerland informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany fell below the thresholds of 15 % and 10 % on December 21, 2009 and now amounts to 9.90 % (corresponding to 10,679,892 voting rights). The voting rights are attributable to Swiss Life Beteiligungs GmbH in line with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG).

Swiss Life Beteiligungs GmbH, Hanover, Germany informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany fell below the threshold of 20 % on April 1, 2009 and now amounts to 15.90 % (corresponding to 17,152,556 voting rights).

Swiss Life Holding AG, Zurich, Switzerland informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany fell below the threshold of 20 % on April 1, 2009 and now amounts to 15.90 % (corresponding to 17,152,556 voting rights). The voting rights held by Swiss Life Beteiligungs GmbH are attributable to it in line with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG).

Berenberg Bank, Joh. Berenberg Gossler & Co. KG, Hamburg, Germany informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany fell below the threshold of 5 % on November 18, 2009 and now amounts to 4.84 % (corresponding to 5,223,957 voting rights).

AXA S.A., Paris, France, informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany, fell below the threshold of 5 % on August 22, 2008 and amounted to 4.72 % (5,090,989 voting rights) on that day. 4.18 % of the voting rights (4,503,693 voting rights) is attributable to it in line with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG) and a further 0.54 % (587,296 voting rights) is attributable to it in line with § 22 (1) sentence 1 no. 6 in connection with sentence 2 of the German Securities Trading Act (WpHG).

AXA S.A., Paris, France, also informed us that the attributable voting rights are controlled by the following Group structure: AXA S.A., Paris, France, is the parent company and controls Vinci B.V., Utrecht, Netherlands; this controls AXA Konzern AG, Cologne, Germany; this in turn controls AXA Lebensversicherung AG, Cologne, Germany.

AXA S.A., Paris, France, informed us of the following in line with § 21 (1) of the German Securities Trading Act (WpHG):

The share of the voting rights of AXA Lebensversicherung AG, Cologne, Germany, in MLP AG, Wiesloch, Germany, exceeded the threshold of 3 % on August 21, 2008, and amounted to 4.60 % (corresponding to 4,503,693 voting rights) on that date.

The share of the voting rights of AXA Konzern AG, Cologne, Germany, in MLP AG, Wiesloch, Germany, exceeded the threshold of 3 % on August 21, 2008, and amounted to 4.60 % (corresponding to 4,503,693 voting rights) on that date. The inclusion of these voting rights occurs in line with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG).

The share of the voting rights of Vinci B.V., Utrecht, Netherlands, in MLP AG, Wiesloch, Germany, exceeded the threshold of 3 % on August 21, 2008, and amounted to 4.60 % (corresponding to 4,503,693 voting rights) on that date. The inclusion of these voting rights occurs in line with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG).

The share of the voting rights of AXA S.A., Paris, France, in MLP AG, Wiesloch, Germany, exceeded the thresholds of 3 % and 5 % on August 21, 2008, and amounted to 5.17 % (corresponding to 5,063,489 voting rights) on that date. Of this, 4.60 % (4,503,693 voting rights) is attributable to AXA S.A. in line with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG) and a further 559,796 voting rights (0.57 %) are attributable in line with § 22 (1) sentence 1 no. 6 in connection with sentence 2 of the German Securities Trading Act (WpHG).

AXA S.A., Paris, France, also informed us that the attributable voting rights are controlled by the following Group structure: AXA S.A., Paris, France, is the parent company and controls Vinci B.V., Utrecht, Netherlands; this controls AXA Konzern AG, Cologne, Germany; this in turn controls AXA Lebensversicherung AG, Cologne, Germany.

Allianz SE, Munich, Germany, informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany, exceeded the thresholds of 3 % and 5 % on August 22, 2008 and amounted to 6.27 % (corresponding to 6,761,893 voting rights) on that day. The voting rights were attributable to it in line with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG).

The voting rights attributable to it were held by the following companies it controls, whose respective share of the voting rights in MLP AG amounted to 3 % or more: Allianz Deutschland AG, Jota Vermögensverwaltungsgesellschaft mbH, Allianz Lebensversicherung AG.

At the same time, Allianz SE informed us of the following in line with §§ 21 (1) in connection with § 24 of the German Securities Trading Act (WpHG):

The share of the voting rights held by Allianz Deutschland AG, Munich, Germany, in MLP AG, Wiesloch, Germany, exceeded the thresholds of 3 % and 5 % on August 22, 2008 and amounted to 6.27 % (corresponding to 6,761,893 voting rights). These voting rights are attributable to Allianz Deutschland AG in line with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG).

The voting rights attributable to Allianz Deutschland AG were held by the following companies it controls, whose respective share of the voting rights in MLP AG amounted to 3 % or more: Jota Vermögensverwaltungsgesellschaft mbH, Allianz Lebensversicherung AG.

The share of the voting rights held by Jota Vermögensverwaltungsgesellschaft mbH, Munich, Germany, in MLP AG, Wiesloch, Germany, exceeded the thresholds of 3 % and 5 % on August 22, 2008 and amounted to 6.27 % (corresponding to 6,761,893 voting rights). These voting rights are attributable to Jota Vermögensverwaltungsgesellschaft mbH in line with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG).

The voting rights attributable to Jota Vermögensverwaltungsgesellschaft mbH were held by the following company it controls, whose respective share of the voting rights in MLP AG amounted to 3 % or more: Allianz Lebensversicherung AG.

The share of the voting rights held by Allianz Lebensversicherung AG, Stuttgart, Germany, in MLP AG, Wiesloch, Germany, exceeded the thresholds of 3 % and 5 % on August 22, 2008 and amounted to 6.27 % (corresponding to 6,761,893 voting rights).

HDI-Gerling Pensionskasse AG, Cologne, Germany informed us in line with §§ 21 (1), 22 (2) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3 % and 5 % on May 14, 2009 and now amounts to 9.89 % (corresponding to 10,671,969 voting rights). Of this, 9.39 % (corresponding to 10,132,969 voting rights) are attributable to it in line with § 22 (2) of the German Securities Trading Act (WpHG). HDI-Gerling Pensionskasse AG holds 0.50 % (corresponding to 539,000 voting rights) directly.

Aspecta Lebensversicherung AG, Cologne, Germany informed us in line with §§ 21 (1), 22 (2) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3 % and 5 % on May 14, 2009 and now amounts to 9.89 % (corresponding to 10,671,969 voting rights). Of this, 8.40 % (corresponding to 9,054,969 voting rights) are attributable to it in line with § 22 (2) of the German Securities Trading Act

(WpHG). Aspecta Lebensversicherung AG holds 1.50 % (corresponding to 1,617,000 voting rights) directly.

CiV Lebensversicherung AG, Hilden, Germany informed us in line with §§ 21 (1), 22 (2) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3 % and 5 % on May 14, 2009 and now amounts to 9.89 % (corresponding to 10,671,969 voting rights). Of this, 9.65 % (corresponding to 10,408,201 voting rights) are attributable to it in line with § 22 (2) of the German Securities Trading Act (WpHG). CiV Lebensversicherung AG holds 0.24 % (corresponding to 263,768 voting rights) directly.

PBV Lebensversicherung AG, Hilden, Germany informed us in line with §§ 21 (1), 22 (2) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3 % and 5 % on May 14, 2009 and now amounts to 9.89 % (corresponding to 10,671,969 voting rights). Of this, 9.65 % (corresponding to 10,408,201 voting rights) are attributable to it in line with § 22 (2) of the German Securities Trading Act (WpHG). PBV Lebensversicherung AG holds 0.24 % (corresponding to 263,768 voting rights) directly.

Neue leben Lebensversicherung AG, Hamburg, Germany informed us in line with §§ 21 (1), 22 (2) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3 % and 5 % on May 14, 2009 and now amounts to 9.89 % (corresponding to 10,671,969 voting rights). Of this, 9.16 % (corresponding to 9,878,255 voting rights) are attributable to it in line with § 22 (2) of the German Securities Trading Act (WpHG). neue leben Lebensversicherung AG holds 0.74 % (corresponding to 793,714 voting rights) directly.

Neue leben Holding AG, Hamburg, Germany informed us in line with §§ 21 (1), 22 (1) sentence 1 no. 1 and (2) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3 % and 5 % on May 14, 2009 and amounts to 9.89 % (corresponding to 10,671,969 voting rights). Of this, 9.16 % (corresponding to 9,878,255 voting rights) are attributable to it in line with § 22 (2) of the German Securities Trading Act (WpHG) and a further 0.74 % (corresponding to 793,714 voting rights) are attributable to it in line with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG).

Proactiv Holding AG, Hilden, Germany informed us in line with §§ 21 (1), 22 (1) sentence 1 no. 1 and (2) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3 % and 5 % on May 14, 2009 and amounts to 9.89 % (corresponding to 10,671,969 voting rights). Of this, 8.67 % (corresponding to 9,350,719 voting rights) are attributable to it in line with § 22 (2) of the German Securities Trading Act (WpHG) and a further 1.22 % (corresponding to 1,321,250 voting rights) are attributable to it in line with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG).

HDI-Gerling Industrie Versicherung AG, Hanover, Germany informed us in line with §§ 21 (1), 22 (2) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3 % and 5 % on May 14, 2009 and now amounts to 9.89 % (corresponding to 10,671,969 voting rights). Of this, 9.49 % (corresponding to 10,231,552 voting rights) are attributable to it in line with § 22 (2) of the German Securities Trading Act (WpHG). HDI-Gerling Industrie Versicherung AG holds 0.41 % (corresponding to 440,417 voting rights) directly.

HDI-Gerling Firmen und Privat Versicherung AG, Hanover, Germany informed us in line with §§ 21 (1), 22 (2) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3 % and 5 % on May 14, 2009 and now amounts to 9.89 % (corresponding to 10,671,969 voting rights). Of this, 9.49 % (corresponding to 10,231,552 voting rights) are attributable to it in line with § 22 (2) of the German Securities Trading Act (WpHG). HDI-Gerling Firmen und Privat Versicherung AG holds 0.41 % (corresponding to 440,417 voting rights) directly.

HDI Direkt Versicherung AG, Hanover, Germany informed us in line with §§ 21 (1), 22 (2) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3 % and 5 % on May 14, 2009 and now amounts to 9.89 % (corresponding to 10,671,969 voting rights). Of this, 9.49 % (corresponding to 10,231,553 voting rights) are attributable to it in line with § 22 (2) of the German Securities Trading Act (WpHG). HDI Direkt Versicherung AG holds 0.41 % (corresponding to 440,416 voting rights) directly.

HDI-Gerling Sach Serviceholding AG, Hanover, Germany informed us in line with §§ 21 (1), 22 (1) sentence 1 no. 1 and (2) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3 % and 5 % on May 14, 2009 and now amounts to 9.89 % (corresponding to 10,671,969 voting rights). Of this, 8.67 % (corresponding to 9,350,719 voting rights) are attributable to it in line with § 22 (2) of the German Securities Trading Act (WpHG) and a further 1.22 % (corresponding to 1,321,250 voting rights) are attributable to it in line with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG).

Talanx Beteiligungs-GmbH & Co. KG, Hanover, Germany informed us in line with §§ 21 (1), 22 (1) sentence 1 no. 2 and (2) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3 % and 5 % on May 14, 2009 and now amounts to 9.89 % (corresponding to 10,671,969 voting rights). Of this, 8.67 % (corresponding to 9,350,719 voting rights) are attributable to it in line with § 22 (2) of the German Securities Trading Act (WpHG) and a further 1.22 % (corresponding to 1,321,250 voting rights) are attributable to it in line with § 22 (1) sentence 1 no. 2 of the German Securities Trading Act (WpHG).

Hannover Beteiligungsgesellschaft mbH, Hanover, Germany informed us in line with §§ 21 (1), 22 (1) sentence 1 no. 2 in connection with sentence 2 and (2) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3 % and 5 % on May 14, 2009 and now amounts to 9.89 % (corresponding to 10,671,969 voting rights). Of this, 8.67 % (corresponding to 9,350,719 voting rights) are attributable to it in line with § 22 (2) of the German Securities Trading Act (WpHG) and a further 1.22 % (corresponding to 1,321,250 voting rights) are attributable to it in line with § 22 (1) sentence 1 no. 2 in connection with sentence 2 of the German Securities Trading Act (WpHG).

HDI Haftpflichtverband der Deutschen Industrie V.a.G., Hanover, Germany informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that by the exercise of financial instruments on April 1, 2009 its share of the voting rights in MLP AG, Wiesloch, Germany exceeded the thresholds of 3 % and 5 % and now amounts to 9.89 % (corresponding to 10,671,969 voting rights). The voting rights are attributable to it in line with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG).

The voting rights attributable to it are held by the following companies it controls, whose share of the voting rights in MLP AG in each case amounts to 3 % or more: Talanx AG, Hanover, Germany, HDI-Gerling Leben Serviceholding AG, Cologne, Germany, HDI-Gerling Lebensversicherung AG, Cologne, Germany.

Furthermore, HDI Haftpflichtverband der Deutschen Industrie V.a.G. informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that by the exercise of financial instruments on April 1, 2009 the share of the voting rights of Talanx AG, Hanover, Germany in MLP AG, Wiesloch, Germany exceeded the thresholds of 3 % and 5 % and now amounts to 9.89 % (corresponding to 10,671,969 voting rights). The voting rights are attributable to Talanx AG in line with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG). The voting rights attributable to Talanx AG are held by the following companies it controls, whose share of the voting rights in MLP AG in each case amount to 3 % or more: HDI-Gerling Leben Serviceholding AG, HDI-Gerling Lebensversicherung AG.

Furthermore, HDI Haftpflichtverband der Deutschen Industrie V.a.G. informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that by the exercise of financial instruments on April 1, 2009 the share of the voting rights of HDI-Gerling Leben Serviceholding AG, Cologne, Germany in MLP AG exceeded the thresholds of 3 % and 5 % and now amounts to 9.89 % (corresponding to 10,671,969 voting rights). The voting rights are attributable to HDI-Gerling Leben Serviceholding AG in line with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG). The voting rights attributable to HDI-Gerling Leben Serviceholding AG are held by the following companies it controls, whose share of the voting rights in MLP AG in each case amount to 3 % or more: HDI-Gerling Lebensversicherung AG.

Furthermore, HDI Haftpflichtverband der Deutschen Industrie V.a.G. informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that by the exercise of financial instruments on April 1, 2009 the share of the voting rights of HDI-Gerling Lebensversicherung AG, Cologne, Germany in MLP AG exceeded the thresholds of 3 % and 5 % and now amounts to 9.89 % (corresponding to 10,671,969 voting rights). HDI Haftpflichtverband der Deutschen Industrie V.a.G. also informed us in line with §§ 25 (1), 24 of the German Securities Trading Act (WpHG) that on April 1, 2009 HDI Haftpflichtverband der Deutschen Industrie V.a.G., Talanx AG, HDI-Gerling Leben Serviceholding AG and HDI-Gerling Lebensversicherung AG no longer held any financial instruments directly or indirectly that grant them the right to acquire shares in MLP AG. Therefore, on that day they had fallen below the threshold of 5 % of the voting rights in MLP AG according to § 25 (1) of the German Securities Trading Act (WpHG). Pursuant to §§ 21, 22 of the German Securities Trading Act (WpHG) they hold 9.89 % of the voting rights (10,671,969 voting rights).

HDI Haftpflichtverband der Deutschen Industrie V.a.G., Hanover, Germany informed us in line with §§ 25 (1), 24 of the German Securities Trading Act (WpHG) that on March 23, 2009 HDI Haftpflichtverband der Deutschen Industrie V.a.G., Hanover, Germany, Talanx AG, Hanover, Germany, HDI-Gerling Leben Serviceholding AG, Cologne, Germany and HDI-Gerling Lebensversicherung AG, Cologne, Germany directly or indirectly held financial instruments which granted them the right to acquire shares in MLP AG, Wiesloch, Germany amounting to 8.40 % of the voting rights (9,060,334 voting rights).

Furthermore, HDI Haftpflichtverband der Deutschen Industrie V.a.G. informed us that HDI Haftpflichtverband der Deutschen Industrie V.a.G., Talanx AG, HDI-Gerling Leben Serviceholding AG and HDI-Gerling Lebensversicherung AG directly or indirectly hold shares in MLP AG amounting to 1.49 % of the voting rights (1,611,635 voting rights). Together with the voting rights in MLP AG already held by HDI Haftpflichtverband der Deutschen Industrie V.a.G., Talanx AG, HDI-Gerling Leben Serviceholding AG and HDI-Gerling Lebensversicherung AG, to which the previously-mentioned financial instruments directly held on March 23, 2009 grant entitlement, would represent 9.89 % of the voting rights (10,671,969 voting rights). Therefore HDI Haftpflichtverband der Deutschen Industrie V.a.G, Talanx AG, HDI-Gerling Leben Serviceholding AG and HDI-Gerling Lebensversicherung AG would have exceeded the threshold of 5 % of the voting rights in MLP AG on March 23, 2009.

The indirectly held shares and financial instruments held by HDI Haftpflichtverband der Deutschen Industrie V.a.G., Talanx AG, HDI-Gerling Leben Serviceholding AG and HDI-Gerling Lebensversicherung AG are held through the following companies controlled by them:

1. In the case of HDI Haftpflichtverband der Deutschen Industrie V.a.G.:
   - Talanx AG, Hanover, Germany
   - HDI-Gerling Leben Serviceholding AG, Cologne, Germany
   - HDI-Gerling Lebensversicherung AG, Cologne, Germany
2. In the case of Talanx AG:
   - HDI-Gerling Leben Serviceholding AG, Cologne, Germany
   - HDI-Gerling Lebensversicherung AG, Cologne, Germany
3. In the case of HDI-Gerling Leben Serviceholding AG:
   - HDI-Gerling Lebensversicherung AG, Cologne, Germany

According to notification by HDI Haftpflichtverband der Deutschen Industrie V.a.G., the maturity date of the aforementioned financial instruments is at the latest the third trading day after the Supervisory Board of Talanx AG agrees to the purchase contract of March 23, 2009.

Harris Associates L.P., Chicago, USA informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany exceeded the threshold of 5 % on October 14, 2009 and on that day amounted to 5.10 % (corresponding to 5,500,722 voting rights). These voting rights are attributable to Harris Associates L.P. in line with § 22 (1) sentence 1 no. 6 of the German Securities Trading Act (WpHG).

Harris Associates Inc., Chicago, USA informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany fell below the threshold of 5 % and 3 % on March 21, 2008 and amounted to 0.00 % (corresponding to 0 voting rights) on that day. This publication is based on the fact that Harris Associates Inc. fulfils the conditions in § 32 of the German Investment Act (InvG) and in §§ 22 (3a) and 29a (3) of the German Securities Trading Act (WpHG). The share of the voting rights of Harris Associates LP, Chicago, USA is not affected by this notification.

Harris Associates Inc., Chicago, USA informed us that it had revoked its voting rights notifications in line with § 21 (1) of the German Securities Trading Act (WpHG) regarding the voting rights in MLP AG, Wiesloch, Germany of April 3, 2008, May 21, 2008, October 1, 2008, November 3, 2008, March 13, 2009, May 20, 2009 and June 25, 2009. This revocation is based on the fact that Harris Associates Inc. did not hold shares of the voting rights in MLP AG which would have necessitated a voting rights notification on April 3, 2008, May 21, 2008, October 1, 2008, November 3, 2008, March 13, 2009, May 20, 2009 and on June 25, 2009. The voting rights notifications of Harris Associates LP, Chicago, USA are not affected by this revocation.

Harris Associates L.P., Chicago, USA informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany exceeded the threshold of 3 % on June 24, 2009 and on that day amounts to 3.09 % (corresponding to 3,332,291 voting rights). These voting rights are attributable to Harris Associates L.P. in line with § 22 (1) sentence 1 no. 6 of the German Securities Trading Act (WpHG).

Harris Associates Inc., Chicago, USA informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany exceeded the threshold of 3 % on June 24, 2009 and on that day amounts to 3.09 % (corresponding to 3,332,291 voting rights). These voting rights are attributable to Harris Associates Inc. in line with §§ 22 (1) sentence 1 no. 6 in connection with 22 (1) sentence 2 of the German Securities Trading Act (WpHG).

Harris Associates L.P., Chicago, USA informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany fell below the threshold of 3 % on May 19, 2009 and amounted to 2.99 % (corresponding to 3,233,217 voting rights) on that day. These voting rights are attributable to Harris Associates L.P. in line with § 22 (1) sentence 1 no. 6 of the German Securities Trading Act (WpHG).

Harris Associates Inc., Chicago, USA informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany fell below the threshold of 3 % on May 19, 2009 and amounted to 2.99 % (corresponding to 3,233,217 voting rights) on that day. These voting rights are attributable to Harris Associates Inc. in line with §§ 22 (1) sentence 1 no. 6 in connection with 22 (1) sentence 2 of the German Securities Trading Act (WpHG).

Harris Associates L.P., Chicago, USA informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany exceeded the threshold of 3 % on March 12, 2009 and amounted to 3.00 % (corresponding to 3,236,336 voting rights) on that day. These voting rights are attributable to Harris Associates L.P. in line with § 22 (1) sentence 1 no. 6 of the German Securities Trading Act (WpHG).

Harris Associates Inc., Chicago, USA informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany exceeded the threshold of 3 % on March 12, 2009 and amounted to 3.00 % (corresponding to 3,236,336 voting rights) on that day. These voting rights are attributable to Harris Associates Inc. in line with §§ 22 (1) sentence 1 no. 6 in connection with 22 (1) sentence 2 of the German Securities Trading Act (WpHG).

Regionalverbandsgesellschaft mbH, Berlin, Germany fulfilled its obligation to inform us in line with § 21 (1) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany fell below the threshold of 3 % on May 8, 2008 and amounted to 2.23 % (2,183,499 voting rights) on that day. Of this, 2.23 % (2,183,499 voting rights) was attributable to it in line with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG). These voting rights attributable to it were held by the following companies controlled by it, whose direct or indirect share of the voting rights in MLP AG amounted to 2.23 %: Erwerbsgesellschaft der S-Finanzgruppe mbH & Co. KG, Landesbank Berlin Holding AG, Landesbank Berlin AG, Berlin.

Erwerbsgesellschaft der S-Finanzgruppe mbH & Co. KG, Berlin, Germany fulfilled its obligation to inform us in line with § 21 (1) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany fell below the threshold of 3 % on May 8, 2008, and amounted to 2.23 % (2,183,499 voting rights) on that day. Of this, 2.23 % (2,183,499 voting rights) was attributable to it in line with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG). These voting rights attributable to it were held by the following companies controlled by it, whose direct or indirect share of the voting rights in MLP AG amounted to 2.23 %: Landesbank Berlin Holding AG, Landesbank Berlin AG, Berlin.

Landesbank Berlin Holding AG, Berlin, Germany, informed us in line with § 21 (1) of the German Securities Trading Act (WpHG) that its share of the voting rights in MLP AG, Wiesloch, Germany, fell below the threshold of 3 % on May 8, 2008 and on that day amounted to 2.23 % (2,183,499 voting rights).

Landesbank Berlin Holding AG, Berlin, Germany, also informed us that 2.23 % (2,183,499 voting rights) is attributable to it in line with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG). These voting rights attributable to Landesbank Berlin Holding AG are held by the following company it controls, whose share of the voting rights in MLP AG directly amounts to 2.23 %: Landesbank Berlin AG, Berlin, Germany.

Erwerbsgesellschaft der S-Finanzgruppe mbH & Co. KG, Berlin, Germany, informed us that Landesbank Berlin Holding AG in line with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG) is a subsidiary of Erwerbsgesellschaft der S-Finanzgruppe mbH & Co. KG and that the voting rights of Landesbank Berlin Holding AG in MLP AG are attributable to it. The share of the voting rights held by Landesbank Berlin Holding AG in MLP AG, Wiesloch, Germany, fell below the threshold of 3 % on May 8, 2008 and on that day amounted to 2.23 % (2,183,499 voting rights).

Erwerbsgesellschaft der S-Finanzgruppe mbH & Co. KG, also informed us that 2.23 % (2,183,499 voting rights) are attributable to it in line with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG). These voting rights attributable to Erwerbsgesellschaft der S-Finanzgruppe mbH & Co. KG, Berlin, Germany, are held by the following companies it controls, whose direct or indirect share of the voting rights in MLP AG is 2.23 %: Landesbank Berlin Holding AG, Landesbank Berlin AG, Berlin, Germany.

Regionalverbandsgesellschaft mbH, Berlin, Germany, informed us that Landesbank Berlin Holding AG is a subsidiary of Erwerbsgesellschaft der S-Finanzgruppe mbH & Co. KG in line with § 22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG) and that the voting rights of Landesbank Berlin Holding AG in MLP AG are attributable to it. The share of the voting rights held by Landesbank Berlin Holding AG in MLP AG, Wiesloch, Germany, fell below the threshold of 3% on May 8, 2008 and amounted to 2.23% (2,183,499 voting rights) on that day.

Regionalverbandsgesellschaft mbH, Berlin, Germany, also informed us that 2.23% (2,183,499 voting rights) is attributable to it in line with §22 (1) sentence 1 no. 1 of the German Securities Trading Act (WpHG). These voting rights attributable to Regionalverbandsgesellschaft mbH, Berlin, Germany, are held by the following companies it controls, whose direct or indirect share of the voting rights in MLP AG is 2.23%: Erwerbsgesellschaft der S-Finanzgruppe mbH & Co. KG, Landesbank Berlin Holding AG, Landesbank Berlin AG, Berlin, Germany.

(48) Events after the balance sheet date

The dependent branch in the Netherlands was sold with a purchase contract of January 15, 2010. MLP anticipates minimal expenses as a result of this.

Apart from those described here, there were no other appreciable events after the balance sheet date with effects on the company's net assets, financial position or results of operations.

(49) Release of consolidated financial statements

The Executive Board authorised the consolidated financial statements for issue on March 16, 2010 and will present them to the Supervisory Board for publication on March 24, 2010.

Wiesloch, March 16, 2010

MLP AG

Executive Board

Dr. Uwe Schroeder-Wildberg

Gerhard Frieg

Ralf Schmid

Muhyddin Suleiman

Audit Opinion

"We have audited the consolidated financial statements prepared by the MLP AG, Wiesloch, comprising the income statement, the statement of comprehensive income, the statement of financial position, the statement of cash flow, the statement of changes in equity and the notes to the consolidated financial statements, together with the group management report for the fiscal year from January 1 to December 31, 2009. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315 a (1) HGB ["Handelsgesetzbuch": "German Commercial Code"] are the responsibility of the parent company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU, the additional requirements of German commercial law pursuant to Sec. 315 a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development."

Stuttgart, March 17, 2010

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Müller-Tronnier
German Public Auditor

Frey
German Public Auditor

Responsibility statement

"To the best of our knowledge and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group, and the Group management report gives a fair view of the performance of the business including business results and the overall position of the Group, together with a description of the principal opportunities and risks associated with the expected development of the Group."

Wiesloch, March 16, 2010

MLP AG

Executive Board

Dr. Uwe Schroeder-Wildberg

Gerhard Frieg

Ralf Schmid

Muhyddin Suleiman