

LETTER TO OUR SHAREHOLDERS

Dear Shareholders,

In 2015 we once again demonstrated that we are on the right track – despite all of the adversities in the markets. With one exception, we increased revenue in all fields of consulting and set new record levels in the fields of wealth management and loans. Contrary to market trends we also enjoyed growth in the field of health insurance and virtually doubled revenue in the category of other commission and fees, which essentially comprises real estate brokerage, for the second year in succession. Furthermore, with the acquisition of DOMCURA we have opened up another strategic business segment.

This is all good news and was essential for MLP to record a solid profit in 2015. However we are still not satisfied with our level of earnings. This can largely be attributed to one factor – the markets in the field of old-age provision, which remain extremely difficult. Our sector has now been reporting on this phenomenon for quite some time. However, in 2015 the reservations displayed by many German citizens reached a level that even the greatest sceptics would have considered unimaginable just a few years ago. Life and pension insurance policies will never again assume the role they enjoyed during the times of full tax privileges. Yet the market will bounce back – albeit in an altered form – and MLP will benefit to a greater degree.

We anticipated early on that life and pension insurance policies could not permanently assume the role they played for many years and have been preparing the company for this since 2005. Today, MLP is therefore a significantly different company than it was some ten years ago. We have expanded certain business segments and established new ones. Where necessary we have supported and driven this process through targeted acquisitions.

In terms of client groups this means that while MLP exclusively catered to private clients until 2006, significant revenue is today contributed by our business with corporate clients and institutional investors. Insurance brokers, who use the services of our subsidiary DOMCURA, came on board as a further client group in the past year.

If we compare the year 2005 with 2015, we can see an unmistakable development: we have increased recurring revenue from around 30 % to around 60 %. This makes MLP a far more stable company today. However, it is also clear that we are not yet where we want to be.

An overview of the development of total revenue over the last five years shows that only 2012, the year in which the switchover to unisex tariffs took place and many clients with corresponding requirements were able to secure better conditions by signing up in advance, delivered better results than the past financial year. Compared to 2014, total revenue rose from € 531.1 million to € 557.2 million. However, the breakdown of sales revenue has shifted considerably compared to the previous year. At € 215.7 million, revenue generated in the old-age provision segment declined by 10 % year-on-year. This development has a direct effect on net profit.

In contrast, the trend in all other consulting fields is very pleasing. With revenue of € 166 million, the MLP Group set a new record in the field of wealth management. Both the subsidiary FERI and the private client business at MLP made an important contribution here. In the non-life insurance segment, revenue rose from € 34.6 million to € 54.9 million. This figure includes the € 19.2 million revenue of DOMCURA as of August 1. Although the health insurance market remains challenging, MLP recorded 5.5 % growth to € 45.9 million in this sector. Demand remains high in the real estate sector. Against this background, revenue from the loans and mortgage business increased by 19 % to € 16.2 million. Other commission and fees, which primarily include the brokerage of real estate objects, virtually doubled to € 15.6 million.

While we are already effectively compensating for the declines in revenue in the old-age provision segment, these are having a greater impact on earnings due to higher margins. Yet despite this, at € 32.5 million we still recorded solid earnings before interest and taxes and prior to acquisitions (pro forma EBIT). EBIT including the DOMCURA acquisition was € 30.7 million. This is due to the seasonality of the DOMCURA business model, which has been described several times. Based on this, our subsidiary achieves a very strong result in the first quarter of the year, but then makes an arithmetic loss in quarters two to four. Overall, the result is, as anticipated, highly positive. The finance cost and the tax rate were both impacted by one-time costs. These two effects can both be attributed to an additional tax expense that originates primarily from MLP's international activities, which were already terminated by 2007. Accordingly, net profit declined to € 19.8 million. Based on an assumed acquisition of DOMCURA with effect from January 1, 2015, net profit is € 23.3 million.

As announced, the KPI is also the basis of our dividend decision. This is because MLP acquired DOMCURA in July 2015, but is entitled to a share of profits on 100 % of the shares from the beginning of 2015. On this basis, the Executive Board proposes a dividend of 12 cents per share. This puts us within the announced framework in terms of the distribution rate and allows us to strike a healthy balance between offering our shareholders a high degree of reliability and securing ourselves the flexibility we need – not only for increasing capital requirements, but also for capital expenditure and potential acquisitions.

To sustainably increase earnings in the old-age provision markets despite the ongoing downward trend observed, we will seek to accelerate the further development of MLP even more keenly from 2016. In addition to our growth initiatives, we will be pursuing two targeted additions to our strategy of the last few years. Firstly, we will become even more active in terms of acquisitions and cooperations. Secondly, we will further streamline our cost management system.

With DOMCURA, we successfully completed an acquisition in 2015, while at the same time repeatedly stressing that we are open to further acquisitions in the FERI segment. As such, MLP is now once again taking a closer look at acquisition opportunities in the private client business. Alongside this, we are also keen to further broaden the horizon of our business through organic growth and are focusing on the following three central approaches here: the further broadening of our revenue basis, the ongoing implementation of our digitalisation strategy and the recruitment of new consultants.

In terms of broadening our revenue structure, we have already made good progress. In 2016, the focus is on the fields of non-life insurance, wealth management and real estate. We also anticipate a healthy boost in the field of non-life insurance through DOMCURA.

In the field of wealth management, in which MLP and FERI now manage total assets of € 29 billion, sales revenues have displayed very positive development both at FERI and in MLP's private client business over the last few years. This field of consulting will remain a key focus in 2016. In addition to this, we will further expand the real estate business segment.

The recruitment of new consultants also remains an important strategy in 2016. In 2015, the number of consultants increased in the final quarter from 1,914 to 1,935. This key figure therefore increased slightly for two consecutive quarters, and the measures for attracting consultants initiated in the second quarter of 2015 are beginning to bear fruit.

We are keen to take up these positive signals and recruit even more consultants – although obviously only if we can find the right candidates. Our new package of benefits and the training allowance, which makes it much easier for new consultants to make the transition into self-employment, are being well received. We will also open new offices in the university segment and further intensify our recruiting activities in 2016.

Our digitalisation strategy will also help us expand our business. MLP has been offering online sales for electronics insurance and travel health insurance policies since the start of 2016. One of the next steps will be to significantly expand our client portal to increase digital interaction with existing clients. With this step, we are intelligently combining the online and offline worlds with one another. The key here is to remove any notion of "either or" and instead focus on bringing the two concepts together.

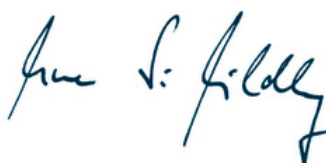
Alongside the measures on the revenue side, we will further streamline our cost management system. MLP has considerably reduced its administration expenses since 2008. The aim of the measures approved at the start of 2016 is to once again significantly reduce costs in the financial year 2017 and in the following years. This will incur one-off expenses of approximately € 15 million in the financial year 2016. As of the financial year 2017 we anticipate a considerable increase in EBIT compared to 2015. The focus in terms of the earnings trend is therefore on 2017, i.e. the year in which our cost-saving measures will deliver their full effects.

We therefore feel certain that our strategic outlook and the measures introduced to increase earnings will also drive up our share price again. After all, we are neither satisfied with the current price level nor does it represent our true potential.

We would be delighted if you – our shareholders – continued to join us on our journey. On behalf of the entire Executive Board, I would like to express my sincere thanks for the trust you showed in us throughout the last financial year.

I would also like to express my sincere thanks to all consultants and employees in the Group. You achieved everything possible in these markets, while also initiating many important future projects throughout 2015.

Your sincerely

A handwritten signature in blue ink, appearing to read 'Uwe S. Schroeder-Wildberg', written in a cursive style.

Dr. Uwe Schroeder-Wildberg