MPC Capital AG
The MPC Group

MPC Capital AG proposes dividend of EUR 3.50

- **Dividend payout ratio of 92% confirms shareholder-friendly dividend policy**
- **Sales of EUR 213.7 million 6% short of the record level of 2006**
- **Consolidated net income of EUR 38.6 million**
- **Outlook for 2008 changed due to increased investment in HCI Capital**

Hamburg, February 28, 2008 – As had been expected, MPC Münchmeyer Petersen Capital AG, the SDAX-listed wealth and asset manager, fell short of the previous year's record results in fiscal 2007. This was due, on the one hand, to a large number of forward-looking decisions, which will start to contribute to profits only in the current fiscal year and, on the other hand, to income from the sale of fund properties generated in the previous year. The approved and ratified consolidated financial statements show sales of EUR 213.7 million, which is 6% below the previous year's EUR 228.4 million. At EUR 53.1 million, earnings before interest and taxes (EBIT) were down 29% on the previous year's EUR 74.6 million. Consolidated net income for the year after minorities declined by 31% from EUR 56.0 million to EUR 38.6 million, which represents earnings per share of EUR 3.64 (2006: EUR 5.28). At their joint meeting, the Management Board and the Supervisory Board decided to propose to the Annual General Meeting on April 22, 2008 to pay out a dividend of EUR 3.50 per share (2006: EUR 5.00).

As of the balance sheet date, the Group's total assets amounted to EUR 306.4 million (2006: EUR 213.4 million). The equity ratio stood at 39.1% (2006: 71.5%). The balance sheet shows EUR 119.7 million in equity (2006: EUR 152.5 million).

Key figures

In TEUR	**31.12.2007**	**31.12.2006**	**+/−**
Sales	213,687	228,366	−6%
EBIT	53,129	74,624	−29%
Net income after minorities	38,604	55,993	−31%
Earnings per share in EUR	3.64	5.28	−31%
Dividend in EUR	3.50	5.00	−30%
Total assets	306,386	213,350	+44%
Equity capital	119,694	152,499	−22%
Employees (average)	311	249	+25%

The Management Board continues to project a placement volume of EUR 1.1 billion for the current fiscal year (2007: EUR 1,062 million). The planned increase in the investment in HCI Capital AG to 35.1% (previously: 15.1%) suggests that consolidated net income for 2008 will amount to EUR 52 million (previously: EUR 45 million). In conjunction with this transaction, MPC Capital AG plans to increase its capital from 10.6 million shares to 12.15 million shares (from authorised capital), so that earnings per share will increase from EUR 4.25 to EUR 4.28.

With regard to the analysis of the figures for fiscal 2007 and their comparability, the following should be taken into account:

1) Decisions for the future

In the past fiscal year, the company focused on winning new target groups, refining its organisation and pooling its distribution power under the MPC Capital brand as well as on developing new attractive markets and products.

MPC Global Maritime Opportunities, the first MPC Capital product for institutional investors, was successfully placed in the market in an amount of EUR 158 million. Due to its focus on recurring management fees, the fund made no profit contribution in the past fiscal year but will significantly enhance the quality of sales through recurring income going forward. Moreover, it represents the basis for future offerings to institutional investors.

The entry in the institutional business segment led to a modification of the distribution structure. Three sales organisations are now grouped under the MPC Capital brand: MPC Capital Investments for closed-end funds, MPC Capital Concepts for open-ended capital investments such as investment funds, structured products and insurance products as well as MPC Capital Privatbank for the institutional business and private placements. The three companies have full operational sales responsibility and an excellent position for the future under the MPC Capital brand.

MPC Capital has developed new investment concepts such as the Indian Real Estate Fund and Real Estate Opportunity Asia. The company's entry in the market for renewable energy funds (solar farms) and the financing of an exploration oil drilling rig (MPC Deepsea Oil Explorer) testify to the forward-looking expansion of the asset classes. A major portion of the development costs was incurred in 2007. This is reflected in the disproportionate increase in "Other operating expenses" from EUR 33.4 million to EUR 38.6 million. With the exception of the Indian fund, all these products will be placed and, hence, make a profit contribution in the current fiscal year.

2) Analysis of sales – income from property sales in the previous year

In 2006, opportunities arising in the international real estate markets were exploited to the benefit of its shareholders by selling properties from the closed-end fund portfolios. The successful sale of assets (revenues from winding up funds) made a significant contribution to sales and earnings in the previous year, which could not be realised in the same amount in fiscal 2007. This is reflected in the structure of MPC Capital AG's sales revenues as of the balance sheet date.

Sales in TEUR	2007	2006	+/−
Sales from initiating projects	9,011	13,092	–3%
Sales from placing equity	177,985	165,136	+8%
Sales from fund management	24,534	21,179	+16%
Sales from winding up funds	2,157	28,958	–93%
TOTAL	**213,687**	**228,366**	**–6%**

*Deviations due to rounding of figures.

3) Analysis of sales – increase in recurring sales

Accounting for 59% (2006: 49%) of total sales, ship investments were the most successful product group in fiscal 2007. Real estate funds contributed 21% to sales (2006: 30%), while life insurance funds accounted for 10% of total sales (2006: 12%). Structured products represented 4% of sales (2006: 4%). Private equity and investment funds contributed 3%,respectively (2006: 5%), to Group sales in 2007.

A positive development was reflected in the continued increase in recurring sales which rose from 9.3% to 11.5% in the past fiscal year and testify to the ongoing evolution of MPC Capital AG. The company plans to expand the share of recurring sales to 20%, so that they would fully cover the Group's fixed costs.

4) Effects from the investment in HCI Capital and the financing of an oil drilling rig

The dividend of EUR 5.1 million from the 15.1% investment in HCI Capital AG is included in "Income from participations". This income more than offsets the interest expenses for the debt capital raised to acquire the shares in an amount of EUR 41.7 million.

In MPC Capital's balance sheet for the period ended December 31, 2007, especially the investment in HCI Capital AG and the financing of the exploration oil drilling rig, led to a change in the balance sheet structure. At EUR 306.4 million, total assets are up by 44% on the previous year's EUR 213.4 and the equity capital of EUR 119.7 million (2006: EUR 152.5 million) represents 39.1% (2006: 71.5%) of the company's total assets. In conjunction with the financing of an exploration oil drilling rig, receivables and other assets in an amount of USD 122.4 million (EUR 83.1 million) on the assets side are offset by current liabilities in the same amount on the liabilities side. These will be repaid in full when the fund is placed in the current fiscal year. The investment in HCI Capital is shown under "Participations" in an amount of EUR 54.0 million. As of the reporting date, the shares were valued at EUR 14.90 per share. On the liabilities side, this item is primarily offset by debt capital in an amount of EUR 41.7 million.

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Outlook on 2008

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On February 12, 2008, MPC Capital AG expressed its intention to make a public tender offer to the shareholders of HCI Capital AG at a price of EUR 14.22, which has been confirmed by the Federal Banking Supervisory Authority (BaFin). The company will make full use of the opportunities arising in this context - which will depend on the percentage of shareholders accepting the offer - to the benefit of both companies. The acquisition of further shares in HCI Capital AG as part of the offer, which is expected to be settled by early May, may have additional effects on the results of MPC Capital AG.

Expectations of the Management Board

“In 2007, MPC Capital was once again able to initiate attractive projects, make inroads into new markets and target groups and raise more than EUR 1 billion from our customers. It is the sum total of the right decisions which determines whether overriding objectives are met and milestones for the future are set through innovations. We closed the year with good results in accordance with our plans. We should highlight the increase in recurring sales as a percentage of total sales to 12% as well as the continued high dividend payout ratio of 92%, which allows us to propose a dividend of EUR 3.50,” said Dr. Axel Schroeder, CEO of MPC Capital AG.

“MPC Capital will again set standards in our industry in 2008. New innovative product ideas will be available to our distribution partners and investors, and high-profile transactions such as an order for container ships with an investment volume of EUR 1.6 billion will strengthen the product pipeline and increase the company’s visibility. Not least will the increased investment in HCI Capital AG open up the opportunity to realise new ideas and projects on a greater scale and in a spirit of partnership and competition to the benefit of both companies and their shareholders. This will be an eventful and successful fiscal year for MPC Capital,” Dr. Axel Schroeder added.

Inquiries:
Andreas Schwarzwälder
Investor Relations
Phone: +49 40 38022-4347
E-mail: ir@mpc-capital.com