MPC Capital AG
Annual Report 2010

MPC Capital

Profile

MPC Capital has developed, initiated and sold asset-based alternative investments that it actively supports as a fund manager across the entire product cycle in the interests of investors since 1994. As the biggest listed issuing house for closed-end funds in Germany, MPC Capital has been involved in gradually developing the alternative investment market and has rigorously expanded it with its own product concepts. As a leading innovator, MPC Capital aims to actively shape the market in terms of products, processes and service. As a result, MPC Capital has been a strong product partner for the bank and savings bank sector and for independent sales partners for years.

As renowned specialist in asset-based capital investments, equipped with in-depth understanding and knowledge of the markets, MPC Capital assumes responsibility across the entire term of the capital investment. Specialists at the MPC Capital Group constantly analyse the development of the markets and use the promising investment and exit opportunities in the best interests of investors. In addition, under the strong MPC Capital brand, the company brings future-oriented ideas and concepts to market maturity for all core segments – real estate, ships and energy – and sells them as high-yield, long-term investment concepts via a high-performance network. MPC Capital has thus been a reliable business partner and product supplier for independent and institutional sales partners for several years. On the market, MPC Capital sets standards for sales partners in terms of processes and service.

Customers, sales partners, shareholders and employees of MPC Capital place part of their financial and commercial future in the company‘s hands. MPC Capital is aware of the resultant obligation to act in a responsible, sustainable manner, and fulfils this at every organisational level of the company.

As the biggest listed issuing house for closed-end funds in Germany, MPC Capital has initiated 319 capital investments to date. Over 180,000 customers have invested more than EUR 7.7 billion in the products of MPC Capital, thus enabling investments of more than EUR 18.6 billion.

MPC Capital has been listed on the stock exchange since 2000 and is currently listed on the German stock exchange‘s Prime Standard.

MPC Capital Group in figures

MPC Capital Group in figures

Result	Jan. 1 – Dec. 31, 2009	Jan. 1 – Dec. 31, 2010
Sales in TEUR	54,640	61,497
EBITDA in TEUR	-15,981	-23,320
Consolidated loss in TEUR	75,827	39,126
Balance Sheet	**Dec. 31, 2009**	**Dec. 31, 2010**
Balance sheet total in TEUR	321,853	308,845
Equity in TEUR	4,897	-2,978
Equity ratio in %	1.5	n.a.
Share	**Dec. 31, 2009**	**Dec. 31, 2010**
Earnings per share in EUR	-4.37	-1.61
Employees	**Dec. 31, 2009**	**Dec. 31, 2010**
Average for the year	288	244
Personnel expenditure in TEUR	23,487	24,448
Personnel expenditure ratio in %	43.0	39.8

Content

Mission Statement

The world of alternative capital investments is big – and is getting bigger by the day. Traditional, asset-based closed-end funds give customers the opportunity for a clearly comprehensible corporate investment that does not lose its intrinsic value. Setting standards in this investment segment and actively shaping the market: these are the main aims of MPC Capital.

Successful, sound products and the confidence of people in the strong MPC Capital brand form the basis for this. Asset-oriented closed-end funds are a key component of our customers' asset accumulation. They entrust a piece of their financial future to us with their fund acquisition. This compels us to manage their capital investments carefully, transparently and professionally for the entire term of the funds. On the basis of a balanced opportunity and risk profile, we always aim to generate the best result for our customers and be at the forefront in terms of the accompanying processes and service. We pursue this aim for all our customers, both private and institutional investors. At the same time, our sales partners trust us with part of their financial future. MPC Capital has been a reliable business partner and product supplier for them for many years. We also intend to be leaders in the provision of sound, asset-based closed-end funds in the future and set standards for sales partners in service and choice. Management, excellence and trust are the foundation of our activities - and the basis for the future growth of MPC Capital AG.

MPC Capital product portfolio

Ship investments

Investment class: closed-end funds
Offered since: 1994
Placed funds: 124, of which 2 in 2010
Placed equity: EUR 2,977 million, of which EUR 53.5 million in 2010
Investment volume: EUR 8,848 million, of which EUR 7 million in 2010
Ships: 221
Ship classes: container ships, bulkers, tankers, reefers, heavy lift ships, multi-purpose ships
Investors: 73,151

KEY DATA	2010 in EUR million	2009 in EUR million
Equity	53.3	9.6
Sales	12.0	21.1
Gross profit	8.8	9.6

Real estate

Investment class: closed-end funds
Offered since: 1995
Placed funds: 109, of which 5 in 2010
Placed equity: EUR 2,842 million, of which EUR 131.9 million in 2010
Investment volume: EUR 6,186 million, of which EUR 232.5 million in 2010
Properties: 316
Locations: Germany, Great Britain, India, Japan, Canada, Netherlands, Austria, Portugal, USA
Investors: 91,362

KEY DATA	2010 in EUR million	2009 in EUR million
Equity	131.9	48.7
Sales	28.8	22.7
Gross profit	17.2	15.8

Energy

Investment class: closed-end funds
Offered since: 2008
Placed funds: 4
Placed equity: EUR 179.9 million, of which EUR 7 million in 2010
Investment volume: EUR 413.9 million, of which EUR 55 million in 2010
Properties: 1 deepsea oil & gas explorer, 4 solar parks, 1 biomass power plant
Investors: 4,885

KEY DATA	2010 in EUR million	2009 in EUR million
Equity	7.0	48.4
Sales	1.8	5.4
Gross profit	0.2	0.4

Other investments

Investment class: closed-end funds, saving funds, investment funds, insurance solutions
Offered since: 1999
Placed funds: 82
Placed equity: EUR 1.748 million, of which EUR 27.3 million in 2010
Investment volume: EUR 3,119 million, of which EUR 9.9 million in 2010
Properties: Private-equity funds, investment funds, life insurance funds, insurance solutions
Investors: 46,275

KEY DATA	2010 in EUR million	2009 in EUR million
Equity	27.3	39.8
Sales	10.3	4.6
Gross profit	7.2	4.6

THE MANAGEMENT BOARD

The Management Board

DR. AXEL SCHROEDER

CEO, Strategic Positioning, Mergers & Acquisitions

Dr. Axel Schroeder (born 1965) has worked for the MPC Group since 1990. In 1994 he took over responsibility for the MPC Capital AG and became Chairman of the Management Board in 1999. As such he took MPC Capital AG public in September 2000. As CEO he is shaping the entrepreneurial future of MPC Capital.

ULF HOLLÄNDER

CFO, Finance and Accounting, Controlling, Risk Management, Legal and Tax

Ulf Holländer (born 1958) joined MPC Capital in early 2000 and was appointed CFO in July 2000. Besides the Finance and Accounting Department he is also responsible for the Legal and Tax Department of MPC Capital. Previously he held executive positions at the shipping company Hamburg-Süd and its subsidiaries in Australia and the USA.

TOBIAS BOEHNCKE

COO, Organisation, IT and Human Resources

Tobias Boehncke (born 1971) joined the MPC Group in 1997. He initially developed today's IT service for the Group and then went on to manage this service as a managing director. In 2004 he was put in charge of Human Resources and became managing director of the trustee company in 2005. Since April 2008 he is a Member of the Management Board of MPC Capital AG.

ALEXANDER BETZ

CSO, Head of Sales, Product Strategy and Marketing

Alexander Betz (born 1972) has been appointed Member of the Management Board of MPC Capital AG in April 2010. His previous position was CEO at eFonds Solutions AG. eFonds Solutions AG is a leading sales platform for closed-end funds, which he developed after founding a consulting company for issuing houses already in 1993 while studying business economics.

Foreword of the Management Board

Dear shareholders,

In 2010, we directly experienced the consequences and repercussions of the world's biggest financial and economic crisis since the 1930s. The year 2011 started with political unrest in North Africa, and the natural disaster in Japan will change our society for many years to come. No-one could have predicted that events of this kind and of this magnitude would occur so close together. In these times, we are running a company whose task is to look forward positively, identify investment opportunities and convert them into investment products.

Almost exactly a year ago, I set out the strategy programme of MPC Capital AG in these pages. As part of this programme, we looked closely at all corporate divisions and also critically examined our own corporate decisions from the past. However, we were also cautiously optimistic that the global economic recovery and demand from private investors for security-oriented asset-based investment products would stabilise in 2010.

While the brighter economic climate has enabled new, promising investments, the strong recovery in the German economy has again strengthened the confidence and the planning reliability of German investors to a certain extent. This has already had a positive impact on our business: in our traditional real estate funds, we fully placed five funds with an equity volume of over EUR 100 million remarkably quickly in the reporting period.

Even so, despite the pleasing nature of this initial operational success, it has also become clear that the prevailing wait-and-see attitude and high level of risk aversion of German private investors is much more lasting and pronounced than we first expected. Outside the real estate segment, placement of closed-end funds proved to be protracted.

For us, the logical consequence of this slow recovery in investor demand was to continue our strategy programme. By March 2010, we had already managed to conclude a far-reaching agreement with our funding partners that safeguards financing of most of the existing funds and funds to be placed as well as the associated liability risks of the company until the end of 2013.

At shareholder level, we carried out a capital increase from authorised capital with a total volume of around EUR 24.2 million in April 2010. As part of the capital increase, the share capital rose from around EUR 18.2 million to over EUR 27 million.

We subsequently turned our full attention to our operating business, which we geared towards the changed market situation. Specifically, we adapted our structures, optimized processes, controlled costs, adjusted our product range and expanded our range of services relating to sales and products of MPC Capital.

For example, we rigorously pursued our concentration on our three core segments of ship investments, real estate funds and energy. Management of existing funds was transferred to the newly created MPC Capital Fund Management unit. All sales-related activities were bundled in MPC Capital Investments GmbH.

We also initiated a major step with an extensive product, transparency and service initiative for sales partners and investors. In this process, we are already implementing measures that legislators intend to impose in future as industry-wide transparency obligations.

The success of this rigorous operational alignment became apparent in the reporting period in the form of the first clear increase in our placement volume. Equity raised on the market was up by around 50% on the previous year at almost EUR 220 million (2009: EUR 147 million), whilst according to the German Association of Closed-end Funds (VGF), the overall market only posted a slight increase from EUR 5.1 billion to EUR 5.8 billion. Consequently, we again improved the market share of MPC Capital AG and came in third among the biggest providers in the industry in retail client business. We would like to thank our employees, who made this positive development possible.

Given the increase in the placement volume and the associated rise in sales, a positive operating result of almost one million Euro was generated in the 2010 financial year. However, special and non-recurring effects had a significant negative impact on comprehensive income for the financial year. These particularly related to the revaluations of receivables of MPC Capital in relation to other companies. With the economic environment remaining difficult, we pursued a conservative valuation approach. The resultant negative impacts did not affect liquidity but still had to be carried in the accounts. Taken together, they amounted to a negative contribution of around EUR 24 million, thus accounting for much of the net loss of around EUR 39.1 million.

In events after the reporting period, on 12 January 2011 we announced the strengthening of the company's equity base through a debt-to-equity swap with a total volume of EUR 44.5 million. The debt-to-equity swap has successfully been implemented on March 31, 2011 and will be incorporated in the financial result for the first quarter of 2011 for the first time. The debt-to-equity swap will contribute to a strong positive Group result in the first three months of 2011.

In the 2010 financial year, the existing funds demonstrated the substance offered by a closed-end fund that invests in assets. Payouts to investors in MPC Capital products totalled around EUR 240 million, compared with EUR 170 million in the previous year. This result is particularly attributable to the active management of the funds. In the past two years alone, in the interests of investors, MPC Capital's fund managers have negotiated around 300 leasing and charter contracts, reorganised the financing of 24 investment companies and sold 16 fund properties.

In the beginning of 2011, we also managed to significantly reduce the contingent liabilities posted on the balance sheet date of 31 December 2010. We achieved this by fully handing over a shipping project with a total of nine container ships of over 13,000 TEU each to maritime business partners. Consequently, in terms of quantity and project size, we have already actively adapted our available product pipeline to the changed market conditions. Nevertheless, we still have access to an attractive ship pipeline; nearly all our ships are fully financed and have fixed charter contracts. We are therefore in the comfortable position of being able to launch corresponding investments in the next few years, and we remain a flexible, reliable product partner for our sales partners.

Despite the difficult conditions, the closed-end fund market raised equity of EUR 5.1 billion in 2009 and EUR 5.8 billion in 2010 and made it available to the economy for investment in assets. Chiefly as a result of the ongoing lending restraint of banks and the higher regulatory capital backing requirements that they face in their lending business, demand for equity in the economy is likely to increase further over the next few years.

In addition, the economic recovery ensures increased investor optimism. German private households alone have financial assets of around EUR 4.9 trillion that are currently invested primarily in liquidity-related investment categories. Against the background of growing confidence, historically low interest rates and forecasts of rising inflation, some investors will increasingly look for alternative investment opportunities with a sound return once again. In this environment, closed-end funds that invest in professionally managed real assets with stable value, transparent structures, constant payment streams and an attractive post-tax return are the ideal investment product.

MPC Capital is well-placed to benefit quickly from a sustained upturn of the closed-end fund market.

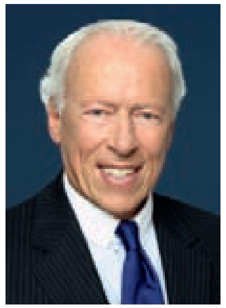
We very much hope that you, our valued shareholders, will continue to support us as we work to achieve this. Many thanks!

On behalf of the entire MPC Capital Group and the Management Board

Axel Schroeder

Dr. Axel Schroeder
Chairman of the Management Board of MPC Capital AG

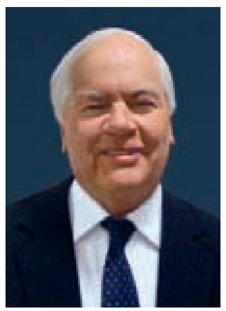
The Supervisory Board



AXEL SCHROEDER

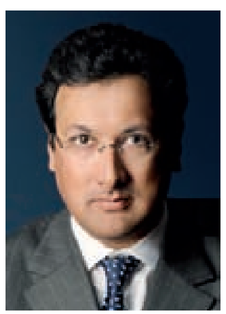
Chairman of the Supervisory Board

Axel Schroeder (born 1943) is a businessman and Managing Partner of MPC Münchmeyer Petersen & Co. GmbH (the holding company of the MPC Group), Hamburg. For more than three decades, he has been managing the fortunes of the Hanseatic trade firm. Axel Schroeder has been Chairman of the Supervisory Board of MPC Capital AG since November 25, 1999.



JOHN BOTTS

John Botts (born 1941) is a member of the Supervisory Board of MPC Capital AG since May 2010. John Botts can call on many years of experience in the international financial industry and is chairman of Botts & Company Limited, London, United Kingdom.



D.T. IGNACIO JAYANTI

D. T. Ignacio Jayanti (born 1968) has a degree in Business Administration and a Master's degree in Economics from the University of Cambridge. He established Corsair Capital in 2006 after many years of working as a manager in the financial sector. Today, Ignacio Jayanti is the President of Corsair Capital and member of the Investment Committee of the investment funds Corsair II and Corsair III.

Report of the Supervisory Board

Dear Shareholders of MPC Capital,

The world economy recovered in the year 2010. Within Europe, the German economy showed the strongest growth, thus making an important contribution to restoring confidence and increasing the planning certainty for domestic capital investors. The first signs of a pick-up in demand for capital investment products became visible in the reporting period. As a result, MPC Capital AG was able to increase its placement volume by 50 percent over the previous year to almost EUR 220 million. The company thus benefited disproportionately from the market recovery and made third place among the biggest players according to "Verband Geschlossene Fonds e.V." (VGF - association of closed-end funds). It should be noted, however, that this high increase is also attributable to the historically low placement figures of the previous year.

The higher placement volume was already reflected in growing sales revenues from project planning and the raising of capital. The operating activities thus made a positive profit contribution throughout the year 2010. Against the background of the continued difficult environment, extraordinary and one-time effects weighed on the bottom line, though. In particular, the revaluation of receivables and the accounting-related write-down of receivables with a maturity of more than one year to the estimated current fair value led to a clearly negative result in 2010. These effects have been mainly offset in the first quarter of 2011 by the implementation of the debt-to-equity swap with a volume of EUR 44,5 million on March 31, 2011.

The work of the Supervisory Board in the reporting period

The Supervisory Board again fulfilled the monitoring and advisory duties required of it according to the law and the Articles of Association of MPC Capital AG with considerable diligence and prudence in the 2010 financial year. In this respect, the Supervisory Board was in continuous dialogue with the Management Board of MPC Capital AG. Furthermore, the Management Board of MPC Capital AG regularly, promptly and extensively informed the Supervisory Board on the situation of the company by means of verbal and written reports. Business development and key structural and organisational changes were the main focal points of reporting. The Supervisory Board was involved in all decisions of crucial importance to the company and accompanied these decisions throughout their entire duration. Insofar as required by law and the Articles of Association, the Supervisory Board cast its vote on the resolutions of the Management Board after detailed examination and consultation. In doing so, the Supervisory Board felt strongly committed to the long-term well-being of the company.

In the reporting period, there were a total of four meetings of the Supervisory Board in presence of the Management Board. The Management Board was available to the Supervisory Board to discuss and answer further questions at these meetings. The subject matter of this regular consultation included the development of the Group's earnings, financial and net worth position, the business development of the individual product segments, planned investments as well as key corporate planning and strategy issues; in addition, the Group's risk situation was always discussed.

The Supervisory Board was also informed in detail of time-critical measures or decisions between meetings. The Chairman of the Supervisory Board also regularly requested information on the current business situation and major business transactions in the company outside the meetings of the Supervisory Board.

Changes to the Supervisory Board and Board of Directors

At the end of this year's ordinary Annual General Meeting of MPC Capital AG, Supervisory Board member Ulrich W. Ellerbeck stood down early of his own accord. The Supervisory Board of MPC Capital AG would like to thank Ulrich W. Ellerbeck for his work that he performed in a diligent, far-sighted manner in the interests of the company in a difficult market environment. On May 11, 2010, the Annual General Meeting of MPC Capital AG approved the Supervisory Board's proposal to elect John Botts, a banker from London, to replace the departing Supervisory Board member for the remaining duration of his term of office. John Botts is therefore in office until the end of the Annual General Meeting in 2013. The Supervisory Board of MPC Capital AG firmly believes that John Botts is an asset to the company with his many years of experience in the international financial services sector.

In the reporting period, Management Board member Ulrich Oldehaver left the company on March 31, 2010, of his own accord in order to take up new roles. The Supervisory Board noted this with regret, and would like to thank Ulrich Oldehaver for his outstanding work and service for MPC Capital AG. The Supervisory Board of MPC Capital AG appointed Alexander Betz to the Management Board as his successor with effect from April 1, 2010. Alexander Betz is regarded as a renowned expert in the market for alternative capital investments. eFonds Solutions AG, which he founded in 2000, is now the leading service provider for closed-end investments. In addition, Alexander Betz assumed responsibility for sales at MPC Capital AG in November 2010 following the scheduled departure of Management Board member Joachim Pawlik.

The Supervisory Board would like to thank the Management Board and employees of MPC Capital sincerely for their work and exceptional commitment in the 2010 financial year.

REPORT OF THE SUPERVISORY BOARD

Corporate Governance

On March 30, 2010, the Management Board and Supervisory Board issued the Declaration of Conformity in accordance with Article 161 of the German Stock Corporation Act and made it available to shareholders at all times on the company's website. MPC Capital AG complies with the majority of the recommendations of the Government Commission on the German Corporate Governance Code in the version dated May 26, 2010. Any deviations from the recommendations were extensively listed and individually substantiated in the Declaration of Conformity. The Declaration of Conformity in accordance with Article 161 of the German Stock Corporation Act is printed in the annual report as part of the corporate governance report.

In addition, the Management Board and Supervisory Board of MPC Capital AG jointly approved the Declaration on Business Management in accordance with figure 3.10 of the German Corporate Governance Code and Article 289a (1) of the German Commercial Code and published it on the internet at www.mpc-capital.de/ir. With regard to the regulations of the German Takeover Directive Implementation Act, the Supervisory Board refers to the Group's management report.

Auditing and appropriation of earnings

PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, Hamburg, was appointed and commissioned as the auditor for the annual financial statements and consolidated financial statements on the basis of a resolution of the Annual General Meeting on May 11, 2010. PricewaterhouseCoopers AG audited the annual financial statements of MPC Capital AG and the MPC Capital Group including the accounting and the corresponding management reports and provided an unqualified auditor's report. The consolidated financial statements were also prepared in accordance with Article 315a of the German Commercial Code on the basis of the International Financial Reporting Standards (IFRS) as applicable in the European Union.

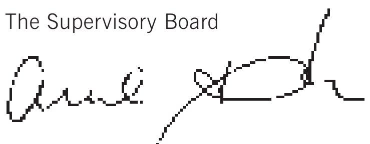
The annual financial statements, the management reports and the corresponding audit reports of PricewaterhouseCoopers AG for the 2010 financial year were sent to all Supervisory Board members in due time. The Supervisory Board thus fulfilled all its checking and monitoring duties.

At several meetings the audit reports, the annual financial statements and the consolidated financial statements were the subject of intensive discussions in the presence of the auditors. In addition, the monitoring of the accounting process, the effectiveness of the internal control systems, risk management system and internal audit system as well as the auditing, in particular the independence of the auditor and the additional services supplied by the auditor, were discussed.

The auditors reported in detail on their audit results and were available for further information.

After detailed examination, the Supervisory Board of MPC Capital AG approved the annual financial statements and consolidated financial statements including the respective management report and the respective audit report. The annual financial statements and consolidated financial statements to December 31, 2010 prepared by the Management Board and audited by PricewaterhouseCoopers AG were thus finally approved and adopted on July 19, 2011. The Management Board's proposal on the appropriation of earnings was approved.

Hamburg, July 19, 2011
The Supervisory Board



Axel Schroeder
Chairman

Corporate Governance

Sound corporate governance and transparency are key requirements for the confidence of the shareholders, investors, business partners and employees of MPC Capital AG – and are therefore essential to sustainable corporate success.

With the Declaration on Business Management, MPC Capital AG sets out the key elements and structures of its corporate governance. The Declaration on Business Management is updated each year and is available to interested members of the public at all times on the website of MPC Capital AG at www.mpc-capital.com/ir.

In terms of corporate governance, the business management of MPC Capital AG is geared toward the principles of responsibility and sustainability. This also includes implementation of the requirements and recommendations set out in the German Corporate Governance Code ("the Code"). These comprise internationally recognised standards for managing listed companies as well as rules and recommendations for remuneration systems, management positions, transparency, accounting and auditing.

The Code is now available in the version dated 26 May 2010. MPC Capital AG largely follows the requirements and recommendations of the Code. Deviations from the Code are publicised and substantiated at least once a year in the context of the Declaration of Compliance of MPC Capital AG. MPC Capital AG makes the Declaration of Conformity and the Declaration on Business Management available to all shareholders and interested members of the public at all times on the Investor Relations section of its website (www.mpc-capital.com/ir).

Declaration by the Board of Management and Supervisory Board of MPC Münchmeyer Petersen Capital AG on the recommendations of the "Government Comission on the German Corporate Governance Code" in accordance with Art. 161 Stock Corporation Act (AktG) as of March 30, 2011:

The Board of Management and Supervisory Board of MPC Münchmeyer Petersen Capital AG declare that during the period from December 20, 2009 to July 2, 2010 (coming into force of the German Corporate Governance Code as amended on May 26, 2010) the company complied with the recommendations of the "Government Commission on the German Corporate Governance Code ("the Code") amended on June 18, 2009, with exemptions published in the corresponding statement of declaration. Since then the company has complied and will continue to comply with the recommendations set forth in the Code as amended on May 26, 2010 except for the following exceptions.

According to Code section 2.3.3, companies are to facilitate the personal exercising of shareholders' voting rights by assisting them in the use of postal votes and proxies.

The Articles of Association of MPC Münchmeyer Petersen Capital AG do in general provide for the possibility of postal votes. However, shareholders in MPC Münchmeyer Petersen Capital AG already have the possibility to appoint a proxy designated by the company to exercise their voting rights. Given that shareholders can thus submit their votes already before the official date of the Annual General Meeting, the company believes that the additional option of voting by mail would not essentially facilitate the exercising of shareholders' rights and has so far refrained from offering this option.

MPC Münchmeyer Petersen Capital AG publishes the overall compensation received by the members of the Board of Management and Supervisory Board in the consolidated annual financial statement for the respective financial year. On May 4, 2006 this was agreed by the Annual General Meeting by three-quarters majority. Consequently, Code section 4.2.4 as well as Code section 5.4.6 para. 3 are not applicable. Finally, MPC Capital AG does not present the compensation received by the members of the Supervisory Board in individualised form in the Corporate Governance Report according to Code section 5.4.6 para. 3 because the company believes that an individual presentation would not provide any additional information given the transparent rules defined in its Articles of Association.

According to Code section 5.1.2 para. 1, the Supervisory Board is to respect diversity in appointing the Management Board and, in particular, aim for an appropriate consideration of women. In appointing and dismissing members to and from the Board of Management, the Supervisory Board of MPC Münchmeyer Petersen Capital AG always makes its decisions for the greater good of the company. Specifically, the Supervisory Board bases its appointments to the Management Board on candidates' professional expertise, skills sets and relevant experience. Other criteria or characteristics such as their gender or religious affiliation have never had any bearing on these decisions.

According to Code section 5.4.1 paras 2 and 3, the Supervisory Board shall specify objectives regarding its composition and publish these objectives as well as the status of their implementation. In proposing candidates to the Supervisory Board, MPC Münchmeyer Petersen Capital AG has consistently paid attention to the expertise, the abilities and the professional background required to accomplish the duties of the Supervisory Board member as well as the aspect of diversity. Criteria or characteristics such as a candidate's gender or religious affiliation have never had any bearing on the selection of candidates. Given that the Supervisory Board of MPC Münchmeyer Petersen Capital AG is comprised of three members only, the company has opted to refrain from setting fixed criteria regarding the composition of the Supervisory Board so as not to curtail its ability to propose a candidate who is best suited to serve the company's needs at a given time.

Moreover, the Code recommends under section 5.1.2 para. 2 and section 5.4.1 to specify an age limit for members of the Board of Management as well as for the members of the Supervisory Board. MPC Münchmeyer Petersen Capital AG does not specify such age limits. Appointments to the company's Supervisory Board are, in particular, based on candidates' professional expertise, skills sets and relevant experience. Other criteria or characteristics such as their age do not have any bearing on these decisions as long as it does not prevent them to fully perform their tasks.

As the Supervisory Board is comprised of three persons, the Supervisory Board and the Company believe that the formation of committees (as recommended in section 5.3 of the Code) would not be appropriate and would not increase the efficiency of the Supervisory Board's work.

The Articles of Association of MPC Münchmeyer Petersen Capital AG provide for a fixed compensation to be paid to Supervisory Board members. A performance-related compensation scheme as discussed in section 5.4.6 para. 2 of the Code is currently not in place. Given the Supervisory Board's monitoring function, MPC Capital AG believes that a fixed compensation is preferable in order to ensure the independent control function of the Supervisory Board. The company does not comply with the recommendation of the German Corporate Governance Code to consider the position of Chair of the Supervisory Board among other things in the compensation of the Supervisory Board. The company believes that the existing compensation is a sufficient remuneration for these tasks.

Section 7.1.2 of the Code recommends that the consolidated financial statements be published within 90 days from the end of the financial year. MPC Münchmeyer Petersen Capital AG will not comply with this deadline for the publication of the 2010 consolidated financial statements. This is primarily due to the at-equity consolidation of HCI Capital AG pursuant to IAS 28 and, hence, the full recognition of the result for the year published by HCI Capital AG on March 28, 2011. MPC Münchmeyer Petersen Capital AG will again comply with the publication recommendations of section 7.1.2 of the Code in future.

Hamburg, March 30, 2011

Axel Schroeder	Dr. Axel Schroeder
Chairman of the Supervisory Board	Chairman of the Management Board

REMUNERATION REPORT

The company's Supervisory Board is responsible for the structure and regular review of the appropriateness of the remuneration system for the members of the Management Board of MPC Capital AG. In accordance with the Articles of Association and the Law on the Appropriateness of Management Board Compensation (VorstAG) that came into force on 5 August 2009, the Supervisory determines the individual Management Board remuneration on this basis.

The remuneration system for the Management Board consists of fixed components independent of performance and variable performance-related components. The performance-related variable remuneration components comprise individual criteria for each Management Board member geared towards their respective area of responsibility, with a basis of assessment covering several years. All remuneration components are intrinsically appropriate and structured in such a way that they do not cause inappropriate risks to be entered into.

The components which are independent of performance are composed of a base salary and remuneration in kind. New regulations and remuneration structures in the VorstAG are implemented by the company in new contracts and extensions to existing contracts. The Management Board contracts of MPC Capital AG provide for change-of-control agreements in three cases. In the event of premature termination of employment, there is the opportunity for a severance payment including fringe benefits, which is intended to remunerate the remaining term of the contract of employment. The severance payment is capped and amounts to a maximum of two years' remuneration.

The Supervisory Board reviews and decides on the appropriateness of the Management Board's remuneration on a regular basis but at least once a year. Criteria for the appropriateness of remuneration are the tasks of the individual Management Board member, their personal performance, the economic situation, success and future prospects of the company and the conventionality of the remuneration - taking into account equivalent levels on the market and the remuneration structure that applies elsewhere in the company.

In accordance with Article 11 number 11.6 of the Articles of Association of MPC Münchmeyer Petersen Capital AG, the remuneration system of the Supervisory Board only consists of fixed remuneration independent of performance that is paid after the end of the financial year. With regard to the monitoring function of the Supervisory Board, MPC Capital believes that this remuneration is advisable. There is no separate remuneration for the Chairman of the Supervisory Board.

The Management Board Remuneration Disclosure Act provides for individualised disclosure of the remuneration of Management Board members subdivided by components independent of performance and performance-related components as well as components with a basis of assessment covering several years and a long-term incentive. The information required can be omitted if the Annual General Meeting approves this with a three-quarters majority of the share capital represented at the passing of the resolution. The Annual General Meeting of MPC Capital AG held on 11 May 2010 approved the omission of this information for the period of five years with 97.01% of those present entitled to vote. The overall remuneration approved for the Management Board is published in the notes to the annual report.

Securities transactions subject to reporting requirements (directors' dealings)

In accordance with Article 15a of the German Securities Trading Act (WpHG), members of the Management Board and Supervisory Board of MPC Capital AG are obliged to publish the acquisition or sale of securities if the value of the acquisition and sale transactions made reaches or exceeds the sum of EUR 5,000 in a calendar year. Individuals and legal entities with close connections with a member of the Management Board or Supervisory Board are also subject to reporting requirements according to the WpHG.

Above and beyond the statutory duty to give notification of and publish transactions in shares of the company, the holding of shares of the company or related financial instruments by Management Board and Supervisory Board members is also to be disclosed in accordance with figure 6.6 of the German Corporate Governance Code in the version dated 26 May 2010 if the holding directly or indirectly exceeds 1% of the shares issued by the company.

CORPORATE GOVERNANCE

Securities transactions of executives subject to reporting requirements in accordance with Article 15a WpHG in the 2010 financial year:

NAME	TRANSACTION	ISIN	TRANSACTION DATE	STOCK EXCHANGE	NUMBER (SHARES)	PRICE PER SHARE (EUR)	TOTAL VOLUME (EUR)
Tobias Boehncke (COO)	Purchase/ exercise of subscription rights	DE000A1DA-KR3	19 April 2010	Hamburg/ over-the-counter	4,394	2.75	12,083.50
Dr. Axel Schroeder (CEO)	Purchase/ exercise of subscription rights	DE000A1DA-KR3	19 April 2010	Hamburg/ over-the-counter	10,025	2.75	27,568.75
Betz Unter-nehmensentwick-lung GmbH	Purchase/ exercise of subscription rights	DE000A1DA-KR3	19 April 2010	Hamburg/ over-the-counter	67,000	2.75	184,250.00
Alexander Betz (CPO)	Purchase/ exercise of subscription rights	DE000A1DA-KR3	19 April 2010	Hamburg/ over-the-counter	15,000	2.75	41,250.00

There were no securities transactions of the Supervisory Board in the 2010 financial year subject to reporting requirements.

Direct and indirect holding of shares of the company by Management Board and Supervisory Board members as at 31 December 2010:

- Axel Schroeder (Chairman of the Supervisory Board) 11.15 %
- Dr. Axel Schroeder (Chairman of the Management Board) 4.98 %

All Management Board and Supervisory Board securities transactions subject to reporting requirements are published on the internet at all times under Investor Relations at www.mpc-capital.com.

The MPC Capital share

THE MPC CAPITAL SHARE

Stock markets on the rise

Stock markets worldwide were boosted by a strong recovery of the global economy with a historically low level of interest rates in the reporting period. The Dow Jones in New York climbed to over 11,500 points in the course of the year, thus gaining around 11% overall. The healthy state of the German economy was reflected on the trading floor in Frankfurt. The German stock market index (DAX) rose significantly by around 16% in the course of the year. For a while, the index even hovered around the 7,000-points mark. Ultimately, the DAX ended up at 6,900 points on December 31, 2010.

Initially, the price rally is likely to continue next year, although many government economic programmes expire in 2011. In addition, high debt levels are forcing some countries into budget consolidation. In this environment, the extent to which US citizens regain their confidence and willingness to spend is a major factor. However, a slight slowdown of the global economy is unlikely to dampen sentiment on financial markets too much – maintaining growth is more important.

MPC Capital share impacted by capital increase

The MPC Capital share did not follow the very positive trend of international stock markets in the reporting period. Whereas the index for small caps (SDAX) rose by some 45% to more than 5,100 points, the MPC Capital share fell slightly in value in the course of the year. Significant share price movements occurred in connection with the announcement of the capital increase in April 2010. Accordingly, the share hit a high of EUR 4.83 on April 21, 2010. Following the successful capital increase, the higher market price compared with the subscription price led to slight price pressure. The share reached its 52-week low of EUR 3.05 on November 30, 2010. At the year-end, the closing price was EUR 3.36 (Xetra closing price).

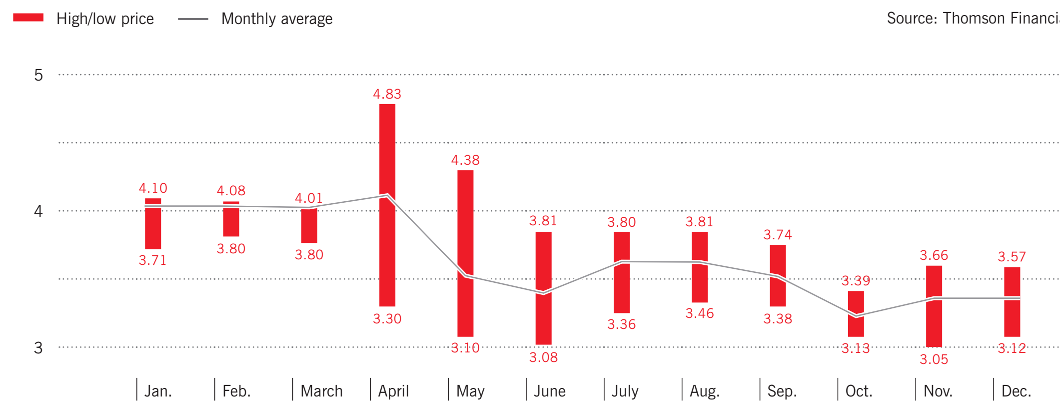
Increase in trading volume during the year

In January 2010, an average of 6,200 shares of MPC Capital AG were traded each day on the Xetra trading platform. The trading volume rose significantly with the announcement of the capital increase. In April, the figure was around 30,500 shares per day – the trading volume thus reached almost 610,500 shares on a monthly basis. On completion of the capital increase the daily trading volume stabilised at the 10,000 mark. The company's market capitalisation stood at around EUR 90.8 million as of December 31, 2010.

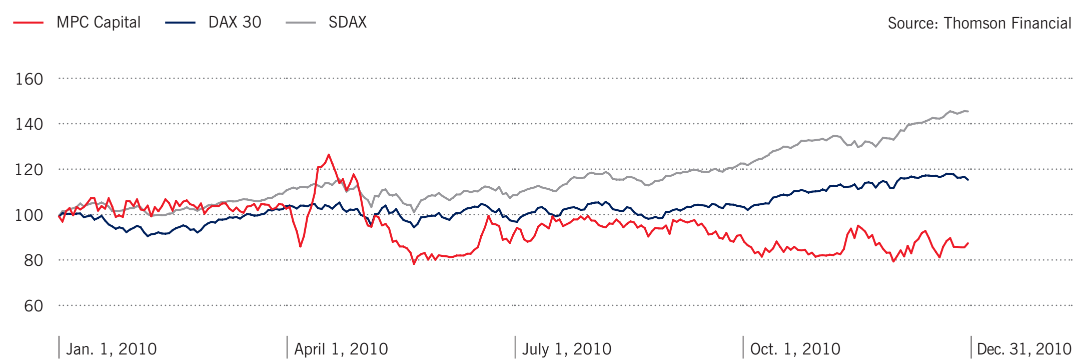
Shareholders show long-term confidence

In the context of the strategy programme initiated back in 2009, the Management Board and Supervisory Board of MPC Capital AG publicly announced on March 26, 2010 that it would be increasing the company's share capital from EUR 18,212,918 to EUR 27,020,000 by means of a rights issue from authorised capital. The subscription price for the new shares was set at EUR 2.75 here. The three main shareholders Corsair Capital, MPC Holding and shareholder Oldehaver respectively, the Oldehaver Beteiligungsgesellschaft, had already demonstrated their confidence in the company ahead of the capital increase by issuing fixed applications for subscription for a minimum amount in the capital increase. In total, all 8,807,082 new shares were subscribed to in the subscription period of 1 April 2010 to April 15, 2010 through the exercising of subscription rights and oversubscription. The free float subscribed to shares worth around EUR 7.9 million. The gross cash inflow for the company totalled around EUR 24.2 million and was transferred to equity. The successful completion of the capital also demonstrates shareholders' long-term confidence in the company and strengthens the company's financial position.

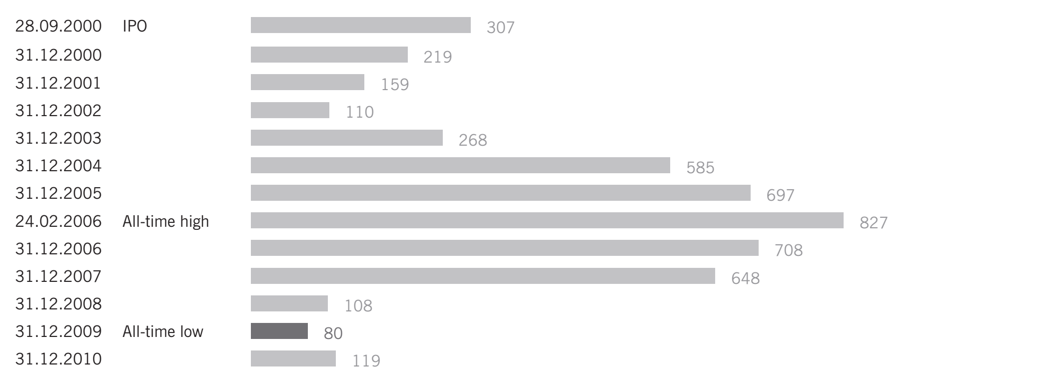
HIGH, LOW AND AVERAGE PRICE (XETRA), JANUARY 1 TO DECEMBER 31,2010 in EUR



INDEXED 2010 PERFORMANCE



MARKET CAPITALISATION OF MPC CAPITAL AG SINCE IPO in EUR million

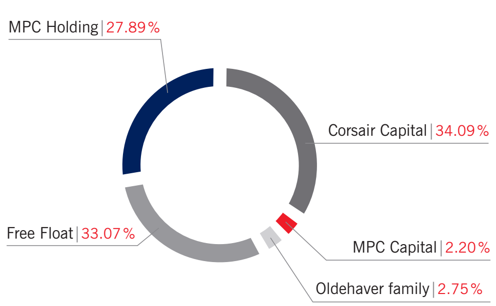


Changed shareholder structure

Following the completion of the capital increase on April 15, 2009, the shareholder structure of MPC Capital AG has changed. MPC Capital AG issued a total of 8,807,082 new bearer shares from authorised capital to existing shareholders. Consequently, the company's share capital increased from the previous EUR 18,212,918 to EUR 27,020,000 with a notional share of EUR 1.00 of equity capital per share. Of the 27,020,000 no-par bearer shares issued as at December 31, 2010, Corsair Capital holds 34.09%, MPC Holding 27.89% and shareholder Ulrich Oldehaver 2.75%. The percentage of treasury shares stands at 2.20%, and the free float accounts for 33.07%. MPC Capital AG thus has a stable shareholder structure geared towards the long term.

The two main shareholders Corsair Capital and MPC Holding illustrated their joint interest in MPC Capital AG once again by announcing a pooling of voting rights on April 16, 2010. As a result of this, the two major shareholders Corsair Capital and MPC Holding hold a notional 60% of the voting rights of MPC Capital AG. A further pool agreement is in place between MPC Holding, Oldehaver Beteiligungsgesellschaft and private shareholder Ulrich Oldehaver respectively the Oldehaver Beteiligungsgesellschaft. In addition, in connection with the capital increase of February 2009 Corsair Capital has concluded a lock-up agreement with which the company undertakes to hold a total of 646,418 shares not currently authorised for trading until at least March 31, 2011.

SHAREHOLDER STRUCTURE AS AT DECEMBER 31, 2010



High attendance at Annual General Meeting

Around 350 shareholders accepted their invitation to the Annual General Meeting of MPC Capital AG on May 11, 2010 in Hamburg. Management Board member Alexander Betz followed the traditional reports by the Chairman of the Management Board on the company's position and by the Chief Finance Officer on the financial figures for 2009 with a report on product and sales planning, in which he also introduced himself to the shareholders as the new Chief Sales Officer. John Botts, a candidate in the election of a new Supervisory Board member, also took the opportunity to make himself known to the shareholders. In accordance with the agenda, this was followed by a discussion between shareholders and management on the position and prospects of MPC Capital AG. All agenda items of the Annual General Meeting were approved with well over 95% of the vote. 69.07% of the share capital carrying voting rights was represented at the Annual General Meeting. All documents relating to the Annual General Meeting of MPC Capital AG are available at all times on the investor relations website of MPC Capital AG.

Changes on the Management Board of MPC Capital AG

MPC Capital announced the following changes on the Management Board in the reporting period. Management Board member Ulrich Oldehaver left the company on March 31, 2010 of his own accord in order to take up new roles. The Supervisory Board of MPC Capital AG appointed Alexander Betz to the Management Board as his successor effective on April 1, 2010. Alexander Betz is regarded as a renowned expert in the market for alternative capital investments. eFonds Solutions AG, which he founded in 2000, is now the leading service provider for closed-end investments.

Change on the Supervisory Board

At the end of the Annual General Meeting of MPC Capital AG, Supervisory Board member Ulrich W. Ellerbeck stood down early of his own accord. The Annual General Meeting of MPC Capital AG approved the Supervisory Board's proposal to elect John Botts, a banker from London, to replace the departing Supervisory Board member Ulrich W. Ellerbeck for the remainder of his term of office. John Botts is therefore in office until the end of the Annual General Meeting in 2013. The Supervisory Board of MPC Capital AG firmly believes that John Botts is an asset to the company with his many years of experience in the international financial services sector.

Investor relations – performance for you

MPC Capital AG's financial communication works for you. On the basis of credibility, transparency and topicality, we are involved in constant exchange with all capital market players in order to communicate corporate issues clearly and comprehensibly.

The difficult economic environment has increased the challenges for financial communication. For this reason, regular trust-based contact with shareholders, analysts and interested members of the public remained the focus of the work of MPC Capital AG's financial communication in the reporting period. The Investor Relations team met the high information requirement of shareholders and financial analysts, mainly through numerous telephone calls and extensive e-mail and postal correspondence as well as individual and group discussions, some of which involved Management Board members. In addition, MPC Capital provided extensive information on the company's position and business development with prompt publication of the quarterly reports, the half-year report and the annual financial statements. Supplementary analyst and telephone conferences constantly ensured active exchange on the current development of the company.

Online services expanded

In the reporting period, the Investor Relations team further expanded its services on the homepage of MPC Capital AG at www.mpc-capital.com/ir. In addition to all legally required information, interested market participants can find lots of further background information and services relating to the company here. Among other things, all corporate and announcements as well as presentations and recordings of telephone conferences are made available and archived on the website. MPC Capital provides its quarterly reports, half-year report and annual report as online reports and for download, and the MPC Capital AG annual report is also prepared and sent out in paper format. The online financial calendar provides interested parties with an overview of all the year's key financial and publication dates.

Get in touch with us!

Extensive reporting and a wide range of online services are no substitute for personal contact. It is our great pleasure to be available to you now and in the future for information, explanations and suggestions – feel free to arrange a meeting or send us a letter or e-mail.

You can contact the Investor Relations department MPC Capital AG by e-mail (ir@mpc-capital.com), by telephone (+49 (0)40 38022-4347) or in writing at MPC Capital AG, Investor Relations, Palmaille 75, 22767 Hamburg, Germany.

THE MPC CAPITAL SHARE

KEY SHARE DATA

Security identification number	518760
ISIN	DE0005187603
Type of share	Individual bearer shares with a notional share of EUR 1,00 of equity capital
Trading exchanges	Official trading in Frankfurt am Main and Hamburg; OTC in Berlin, Bremen, Düsseldorf, Hanover, Munich, Stuttgart
Market segment	Prime Standard
Indices	SDAX, HDAX, CDAX, HASPAX, Classic All Share, Prime All Share, GEX
Designated Sponsor	Close Brothers Seydler Bank AG
First day of trading	September 28, 2000
Reuters abbreviation	MPCG.DE
Bloomberg	MPC GR
Datastream	D:MPC

KEY RATIOS OF THE MPC CAPITAL SHARE	2008	2009	2010
Ernings per share in EUR	-8.95	-4.68	-1.61
Share price at the year-end in EUR (XETRA)	8.90	4.40	3.36
High in EUR (XETRA)	61.89	9.41	4.83
Low in EUR (XETRA)	3.88	4.10	3.05
Number of shares	12,146,415	18,212,918	27,020,000
Market capitalisation* in Mio. EUR	108	80	91

* at year's end share price

The world of MPC Capital

THE WORLD OF MPC CAPITAL

The world of MPC Capital

Growth, globalisation and sustainability are the factors that determine the development of our modern society. And first and foremost, it is production resources such as real estate, ships and energy that influence the character of successful economies. Through its investments in assets, MPC Capital has played a decisive role in shaping the image of the world: with real estate in which people live and work, with ships that facilitate the exchange of goods worldwide and with plants that meet energy demand in a sustainable manner. As a result, both MPC Capital and the investors in its funds are helping to shape the world of tomorrow.

Deepsea Oil Explorer
Atlantic

Bulker MS Pearl River
Mediterranean
Page 33

Containership MS Manet Star
Worldwide

Containership MS POS Hongkong
Pacific
Page 35

Real estate Delft
Netherlands

Real estate Toronto
Canada
Page 37

Real estate London
Great Britain

Real estate Vienna
Austria
Page 39

Real estate New York
USA

Real estate Gurgaon
India

Real estate Ashikaga
Japan

Solar park Mallorca
Spain
Page 41

Real estate Erlangen
Germany

Biomass power plant Rio Grande do Sul
Brasil
Page 43

Mediterranean

The MS Pearl River

Since ancient times, the Mediterranean has served as the economic conduit for the transportation of goods between the orient and the occident. Today, it is the main artery for the trade of goods between Europe, Asia and Africa. Covering an area of about 2.5 million square kilometres, the Mediterranean forms the logical centre of the Mediterranean area. This includes the Mediterranean islands as well as all coastal regions of Southern Europe, the Near East and North Africa.

In 1998, MPC Capital put the MS Pearl River into service. This bulk carrier predominantly serves the shipping routes of the Mediterranean. It carries dry bulk such as ore, coal, bauxite, phosphate, cement and grain. After making it through a challenging period between 2001 and 2002, the ship has generated continuous and stable returns for its investors since then. For this reason, the ship has been retained beyond the fund term which was originally due to end in 2007. Therefore, the MS Pearl River is and will continue to be a true pearl of maritime traffic.

THE WORLD OF MPC CAPITAL

Pacific

The MS POS Hongkong

The Pacific Ocean is by far the largest of the seven seas and connects Asia to the Americas. Covering almost one third of the entire surface of the earth, it also contains the world's busiest shipping routes. The most prominent of these is the North Pacific route, most of which runs along the Tropic of Cancer. The North Pacific or Transpacific route divides near Hawaii into the Panama Route and a route running north along the west coast of the US. Most of the traffic between the Far East and North America runs along this latter route.

The container vessel MS Santa Ana was acquired by MPC Capital in 1994. The MS Santa Ana belongs to the 3,500 TEU container ship class. The MS Santa was our first ship investment and marked the foundation of our issuing house and is still plying the seven seas today. The ship has since been passed to its third charterer and is operating under its third name.

Originally the MS Santa Ana, it then became the Maersk Ipanema before receiving its current name POS Hongkong. In the meantime, the ship operates on the North Pacific route, and travels back and forth between the harbours in Long Beach, Los Angeles or Oakland in the USA and Xiamen in China.

43° 40´N, 79° 23´W

Real estate
Server Hotel Toronto

Toronto, Canada's largest city, is situated directly on the north-western edge of Lake Ontario. Together with the surrounding municipalities, it forms the centre of the largest conurbation in Canada with a total population of about 5.5 million. From its modest beginnings as a transshipment and trading centre for the British, who carried on the fur trade with the indigenous Indian tribes of the hinterland (the word „Toronto“ means „Meeting Place” in the language of the Huron Indians), the city originally named „York” by the settlers gradually developed into the economic centre of Canada. Nowadays, Toronto is a metropolis that attracts people from all over the world.

In 2002, MPC Capital acquired a site containing buildings attached to each other and a car park as part of the MPC Capital Canada 6 fund. The buildings are located in the city centre. One of them is described as a server hotel: The entire property is a vast high-security computer centre that houses thousands of servers and server cabinets. These include the computers for the country's largest telecommunication company. In 2009, MPC Capital sold the property at a substantial premium for the investors. The new owner of the site is planning to construct one of the tallest skyscrapers in the city among else on the former car park.

48° 14´N, 16° 23´E

Real estate Millennium Tower Vienna

The quality of life in Vienna is possibly one of the highest in Europe. With its 2.4 million inhabitants, the Austrian capital is the gateway to Eastern Europe. Now the tenth largest city in the European Union, it has developed into an economic hub that also offers a major cultural heritage. Home to headquarters of important institutions such as the United Nations Office and the OPEC Secretariat, Vienna also maintains a high profile politically. Due to its international importance in the political sphere, Vienna now ranks among the alpha world cities.

In 2003, MPC Capital acquired „Millennium City“ in Vienna. Along with the Millennium Tower, the shopping mall, the Entertainment Center and adjoining apartments, this project is Austria's first town-in-town concept. Based on an international model, the Millennium City combines accommodation, offices, shopping and entertainment facilities to create a unique building complex that is steadily developing into the infrastructural centre of the new district around the Millennium Tower. Investors in MPC Sachwert Rendite-Fonds Austria who have invested in the fund are benefiting from this.

39° 37´N, 2° 59´E

Renewable energy Solar Park Mallorca

Mallorca, a cliff that rises out of the sea, has fascinated people down through the ages. In addition to lush vegetation, deserted bays and numerous built-up tourist centres, the biggest of the Balearic islands is most famous for the annual number of hours of sunshine. Out of a population of some 850,000 people on the island, around half of them live in the capital city Palma; added to this number are 60,000 Germans alone. The recent past has seen Mallorca embrace the concept of sustainability. The island's administration is increasingly aware of its responsibility to limit mass tourism and to conserve the beauty of the natural environment.

In 2008, MPC Capital purchased shares in four solar parks, which use photovoltaic technology to generate solar electricity. Three of these are located on Mallorca (in Calvià, Villafranca and Santa Margarita) with a fourth in Huéscar (Andalusia).The MPC Solarpark fund allows investors to profit both from excellent funding conditions and impressive climatic factors. Both of these issues combine to make Spain and Mallorca in particular attractive to investors in the area of photovoltaics. The four facilities cover a total area of 202,000 square metres – which is equivalent to 30 football fields. They have the capacity to generate peak outputs of about 9.61 megawatts (MWp). According to independent yield assessments, the amount of electricity generated annually is sufficient to supply electricity to over 4,400 average Spanish households every year.

28° 39´S, 56° 0´W

Biomass power plant Rio Grande do Sul

São Borja is an important centre in Rio Grande do Sul, the most southern of Brazil's Federative States. Situated close to the borders with Argentina and Uruguay and with a population of around ten million, Rio Grande do Sul is not only the most densely populated of the three southernmost states, but is also one of the wealthiest and is an important industrial centre in Brazil. Despite the country's abundance of raw materials and its leading position in the area of renewable energies, electricity is a precious commodity in Brazil. As part of the international climate protection initiative, the Federal Ministry for the Environment, Nature Conservation and Nuclear Safety is supporting a sustainable approach to meeting the enormous demand for energy in the region with its master plan "Biogas for Rio Grande do Sul".

Since 2008, the MPC Capital Bioenergy fund has invested in a biomass plant in São Borja, which is due to be completed in 2011.By incinerating rice husks, a waste product of the production of rice, the plant will reach a gross peak output of 12.3 megawatts (MW).This will give the plant the capacity to supply electricity to over 40,000 average Brazilian households. The investment in the MPC Bioenergie fund is a sustainable investment for all participants: Investors can look forward to a high total return after taxes. The Brazilians can generate the electricity they so urgently require directly in the relevant area. And rice farmers can now avail of a sustainable alternative to simply dumping the rice husks, as has been the case up to now – not to mention an additional source of income. And the significant reduction in greenhouse gases emitted by the uncontrolled decomposition of deposited rice husks up to now safeguards the environment.

Group Management Report 2010

Content

GROUP MANAGEMENT REPORT

1. Business and economic environment

BUSINESS OF THE MPC CAPITAL GROUP

MPC Capital has developed, initiated and sold asset-based alternative investments that it actively supports as a fund manager across the entire product cycle in the interests of investors since 1994. As the biggest listed issuing house for closed-end funds, MPC Capital has been involved in gradually developing the alternative investment market and has rigorously expanded it with its own product concepts. MPC Capital aims to actively shape the market in terms of products, processes and service and set industry-wide standards here. Under the strong MPC Capital brand, for all product lines, the company brings promising ideas to market maturity, sells them as high-yield investment concepts and manages them as fund products in the interests of investors. MPC Capital thus covers the entire value-added chain in all product segments. The company's core business includes traditional closed-end investments in the real estate, ship and energy segments.

MPC Capital is Germany's biggest listed issuing house

From its inception in 1994 to the reporting date 31 December 2010, MPC Capital has initiated a total of 319 investments with a total investment volume of more than EUR 18.6 billion. Over 180,000 customers have put their trust in MPC Capital, investing more than EUR 7.7 billion in the products of the biggest listed issuing house. In doing so, they have created real assets in conjunction with MPC Capital: over 220 ships, over 315 individual properties, four solar parks, a deep-sea exploration platform and a biomass plant. All this is based on the long-term confidence of investors in the company and its investment products – and therefore their willingness to entrust the company with part of their own financial future. This fact and the company's own history compel MPC Capital to act responsibly in the interests of its customers, sales partners and employees.

MPC CAPITAL IN THE FINANCIAL AND ECONOMIC CRISIS

By September 2008 at the latest, the global financial and economic crisis, triggered by the insolvency of one of the most established US investment banks, also directly impacted the core business of the MPC Capital Group. The stumbling international economic system led to a deep and lasting crisis of confidence and restraint among German private investors. In the wake of this, demand slumped for all forms of capital investment – including closed-end funds. According to information from the German Association of Closed-end Funds (VGF), the market for closed-end funds crashed by almost 40% in 2009 alone, which is a reduction by 50% in comparision to 2007. MPC Capital was unable to escape this development. The placement periods for current funds not only increased as a result, but doubts also arose as to the ability to place planned funds. Against this backdrop, MPC Capital faced the challenge of reorganising the placement guarantees and warranties committed to with the existing asset pipeline and finding a tenable financial solution for the company. This development affected all providers of closed-end investment models, virtually without exception. MPC Capital adapted to this responsibility early on and initiated a comprehensive strategy programme at the start of 2009. Together with its shareholders as well as business and financing partners, the company introduced various measures that were largely completed by the end of the 2010 financial year and that comprised financing current funds in the existing asset pipeline and bolstering the financial situation of the company itself. Thanks to the successful conclusion of an agreement with financing partners on 26 March 2010 in particular, the financing of a majority of the funds currently being marketed and yet to be placed was ensured. This agreement will remain in place until 30 September 2013.

The market for closed-end funds recovered slightly in the 2010 financial year, increasing by almost 13% as against the previous year. In the reporting period, MPC Capital achieved a placement volume of around EUR 220 million, an increase of almost 50% year-on-year. Nonetheless, the placement result is still relatively low historically. Thus, the placement risks still apply to the existing asset pipeline; particularly for fund projects that so far have not been covered by the agreement with the financing partners. In addition, while business prospects have brightened with the global economic recovery in 2010, there are still measurement risks on investments and receivables of the MPC Capital Group. The effects of this on the earnings position, financial and net worth position of the MPC Capital Group in the 2010 financial year and the material risks are shown transparently and in detail in the sections on the earnings position, financial and net worth position from page 80 and in the opportunity, opportunity and risk report from page 94 of the Group management report. MPC Capital is currently working systematically in cooperation with its shareholders and financing partners to reduce these risks further. This also includes the measures by the MPC Capital Group presented in the supplementary report from page 89.

ORGANISATIONAL AND MANAGEMENT STRUCTURES

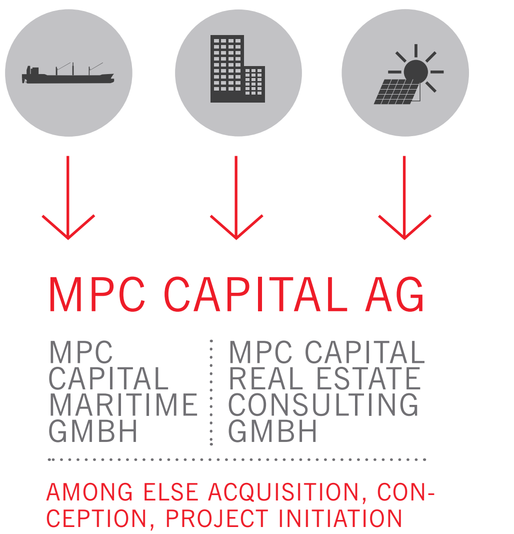
Clear organisational focus on the three core segments

In 2008, MPC Capital began a process of restructuring its organisation and services across its core competences in the area of closed-end asset-based investment models. This restructuring was rigorously continued in 2010.

The organisational structure is clearly geared towards the three core segments of real estate, ships and energy. Accordingly, knowledge of the respective markets and products is bundled in the three product competence centres of real estate, ships and energy. These are responsible for market analysis, asset screening, acquisition, design and project initiation.

For the above-mentioned individual product segments, specialists work at all levels in the three product competence centres. In traditional and new markets alike, these highly qualified employees are constantly assessing the possibilities and opportunities for high-quality, long-term investments to make dynamic and innovative enhancements to MPC Capital's product range. Product quality is the top priority at all levels of fund development. In this way, MPC Capital has positioned itself for many years as an important, strong product partner for banks, savings banks and independent sales partners.

MPC Capital Organizational structure by core segments (simplified)



Focal points of operating business

The Supervisory Board of MPC Capital AG appointed Alexander Betz to the Management Board as the successor to Ulrich Oldehaver with effect from 1 April 2010. Alexander Betz has immense knowledge of the closed-end funds market and the associated challenges. In 2000, he founded eFonds Holding AG, which is now a leading service provider for closed-end investments. Consequently, Alexander Betz has an outstanding network in the industry, especially among independent sales partners, whose share of the placement volume increased further in the reporting period. In addition, Alexander Betz assumed responsibility for sales at the MPC Capital Group in November 2010 following the scheduled departure of Management Board member Joachim Pawlik. The key pillars of the operating business – product strategy, sales, and marketing – are thus focused on one Management Board portfolio and can be adapted to market changes with appropriate speed and flexibility. Alexander Betz resigned as Chairman of the Management Board of eFonds Solutions AG on 31 March 2010 and moved to the company's Supervisory Board.

Sales strengths bundled

In the 2010 financial year, MPC Capital continued to focus on its expertise in sales. All sales-related activities were concentrated in the MPC Capital Investments GmbH. It manages the sales of the all MPC Capital products. In addition to closed-end public funds, these also include company pension schemes (pension commitments), insurance products, asset-based investment funds and management of private placements and direct customers. As well as the direct sales units, other departments within the MPC Capital Investments GmbH support sales by performing key administrative and organisational tasks.

Through further concentration and bundling of sales in MPC Capital Investments as well as integration of the departments that directly support sales, synergies were utilised and the effectiveness of sales and sales-related measures increased. This is also reflected by the almost continuous increase in the placement volumes of the MPC Capital Group since the end of the first quarter of 2009.

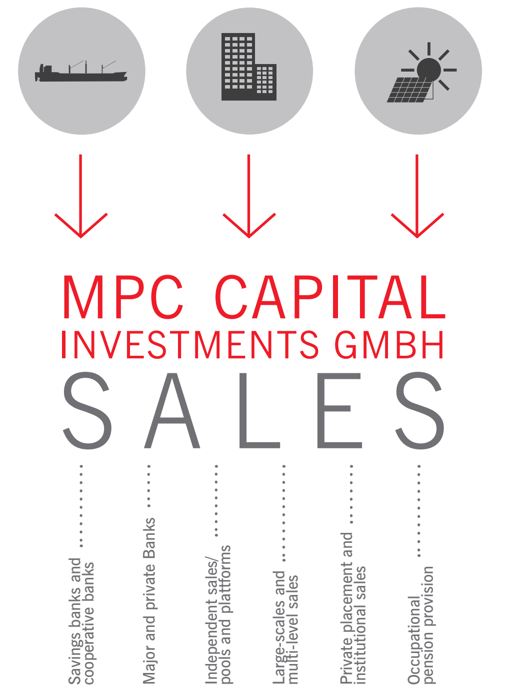
Three clear selling groups

Sales and marketing of MPC Capital are focused on the three traditional selling groups of institutional sales, independent sales and direct sales. Here, independent sales also include financial distribution independent of banks, and direct sales includes the marketing of investment products for institutional investors. Cultivation and enhancement of relationships with sales partners were also key aspects of the corporate strategy of the MPC Capital Group in the 2010 financial year. The sales strength of MPC Capital in operating business is based on a close and trusting relationship with sales partners as well as a high-quality product range geared towards customers' requirements. For this reason, MPC Capital expanded its existing high-quality sales network and services for sales partners and aligned them with the new placement structures in sales in the reporting period. The aim is to reach a very broad diversification within sales markets.

Amidst the disruptions on the international finance markets, in particular following the insolvency of the US investment bank Lehman Brothers in September 2008, the share of institutional sales in the total placement volume has continued to fall. Banks and savings banks continue to be severely affected by a loss of confidence among investors. In the reporting period, the share of banks and savings banks in the total placement volume stood at around 40% compared with 55% in the 2009 financial year. In contrast, the share of the independent sales partners in the total placement rose further. It now amounts to around 57% compared with 42% in the previous year.

The trend of the previous year continued on the Austrian market. However, banks, savings banks and Raiffeisen banks again proved to be one of the most significant distribution pillars, accounting for around 79% (2009: 80%) of equity placed. The background to this development was the successful placement of traditional real estate funds such as MPC Holland 71, MPC Deutschland 7 and MPC Deutschland 8, which were offered primarily via institutional sales partners in Austria. Independent sales and financial sales independent of banks accounted for around 21%.

MPC Capital Sales structure (simplified)



New Service Initiative

A close and professional relationship with individual sales partners forms the basis for all successful product sales. Against this background, MPC Capital is committed to developing and expanding this network actively, carefully and continuously. With specialist knowledge relating to the three core markets for MPC Capital's products as well as corresponding expertise and quality in developing, initiating and managing the products, MPC Capital for years has been laying the foundations for long-term partnerships.

GROUP MANAGEMENT REPORT

To reinforce and extend this leading position in supporting its business partners, MPC Capital set up an extensive product and service initiative for sales partners and investors in April 2010. This service initiative is based on fundamental services for sales partners such as training, telephone hotlines, support in the area of marketing and various online services. Additionaly, several other measures have been initiated and implemented in the year 2010.

With the MPC Capital Research department, MPC Capital extended the range of information for sales partners and investors. Quarterly market reports on the three core segments of real estate, shipping and energy highlight current trends and provide an outlook for future development. External specialists from renowned companies help the MPC Capital competence centre to prepare the market reports. For example, the shipping market report is produced in collaboration with the Institute of Shipping Economics and Logistics (ISL) in Bremen. Alongside this, the German Energy Agency (dena) and Jones Lang LaSalle provide information on renewable energies and real estate markets respectively. With the market reports, sales partners and investors have the opportunity to derive their own action options for investment on the basis of a sound market opinion. The MPC Capital Expert and Partner Day in March 2010 with sales and business partners was mainly about communicating knowledge and experience.

In the context of the placement of MPC Deutschland 8 in October 2010, MPC Capital announced for the first time that financial sales teams had the opportunity to use an external plausibility check with immediate effect. The plausibility checks are offered by the renowned FeriEuroRating Services AG. Sales partners and parties interested can order detailed documentation, in return for a processing fee. In future, nearly all newly launched MPC Capital products will be subjected to a corresponding plausibility check.

MPC Capital has already taken on a leading role in the voluntary implementation of measures to strengthen consumer protection and liability security for sales partners. It was also the first issuing house to voluntarily forego the elimination of prospectus liability provided for according to section 13 (1) of the German Sales Prospectus Act (VerkProspG) after six months. With this voluntary action, MPC Capital strengthens investor protection whilst also ensuring liability security on the part of the broker. With the start of sales of MPC Holland 71 in April 2010, MPC Capital also became the first closed-end fund issuing house to introduce the product information sheet. MPC Capital has thus followed the initiative of the German Federal Ministry of Food, Agriculture and Consumer Protection (BMELV), which presented a sample product information sheet in July 2009. The product information sheet briefly and concisely sets out the key features of an investment product, thus enabling comparison with other investment products.

New Product Offensive

The change in the demand situation since September 2008 led to further adjustments to MPC Capital's products in the reporting period.

MPC Capital focused on the core business of closed-end investments in the real estate, ships and energy segments and adjusted product design and fund structuring to the risk adversity of customers. In particular, demand centred on traditional funds with a simple fund structure and very secure revenues in 2010.

Consequently, in the reporting period, the Group particularly offered clearly structured traditional closed-end real estate funds characterised by long-term tenants with good credit ratings in traditional locations in Europe regarded as "safe havens" by investors. In total, MPC Capital launched five real estate funds with properties in Germany and the Netherlands in the reporting period. All these funds were fully placed by the reporting date, 31 December 2010. The combination of a traditional real estate fund with features of green investments also proved to be highly successful here. For instance, investors in MPC Deutschland 7 invested in a new office building awarded gold status by the German Society for Sustainable Construction (DGNB). Buildings that are awarded this badge of quality meet the highest requirements in terms of ecological, economic and socio-cultural sustainability. With the MPC Bioenergie fund, MPC Capital also added another fund from the energy segment to its range in the reporting period. The MPC Bioenergie fund has won an "A-" rating from Scope as well as the "Cash Financial Advisors Award" 2009.

The Fund Management

MPC Capital actively accompanies and manages its funds throughout their entire life cycle. Since May 2010, MPC Capital Fund Management GmbH has been the competence centre of the MPC Capital Group that deals with management and controlling of all closed-end investment products.

The MPC Capital Group's fund management department boasts around 16 years of experience in fund and asset management. The fund management department is in regular exchange with the product competence centres, fund business management, TVP Treuhand- und Verwaltungsgesellschaft für Publikumsfonds and the central departments of the MPC Capital Group. This network and the specialists in the MPC fund management department ensure that investors and fund business management can rely on high-quality management of their assets – from acquisition through controlling to management of exits. Over the last two years the MPC Capital fund managers have negotiated about three hundred rental and charter agreements, re-organised the financing of 24 funds and have accompanied the sale of 16 funds (assets) in the interest of investors.

The high quality standards of the MPC Capital fund management have especially been shown during the challenging business environment over the last two and a half years. Due to the collapse on global shipping markets, in the overall market for closed-end investment models, around 217 ship investments reported financial difficulties, and twelve even went into insolvency. At MPC Capital, not one fund has gone into insolvency so far. Of a total of 124 MPC Capital ship investments as at 31 December 2010, there have only been unscheduled capital increases for sixteen ship investments, all of which were successfully placed. In the real estate segment, MPC Capital had initiated 68 closed-end real estate funds with more than 230 properties in nine countries by the end of 2009. MPC Capital has supported a total of 41 real estate funds in the sale of properties – many of them in times of top valuations on the real estate markets. All 24 active, closed-end real estate funds of MPC Capital paid out to investors in 2009 and repaid their liabilities at least in line with contractual terms. All other funds are still in distribution.

GROUP MANAGEMENT REPORT

The fund management team of the MPC Capital Group thus also made a key contribution to ensuring future revenues of the MPC Capital Group: weak performance of existing funds could have negatively impacted the MPC Capital brand and thus the future placement of funds.

TVP – the competence centre for investors

In addition to initiation, sales and fund management, support and (after-sales) service for the customers of MPC Capital products is a further pillar of the Group's business model. This responsible task is performed by Treuhand- und Verwaltungsgesellschaft für Publikumsfonds mbH (TVP), the competence centre for investors. It provides investors with an extensive range of services relating to their MPC Capital products. TVP supplies investors with extensive information on the funds and represents the interests of investors in relation to the fund company. Investors receive further information about their company at regular intervals – for instance in the form of comprehensive annual reports and trustee reports. It supports entry into the fund and manages the trust accounts. TVP also carries out coordination procedures at shareholder and trustor meetings, thus giving shareholders and trustors the opportunity to be involved in the decisions of the fund company. TVP is therefore a crucial interface between the investors and involved partners in an investment. The range of services also includes monitoring prompt and correct payments from the funds as well as support of all transactions and sales of company shares. In addition, TVP also carries out administrative management and transfer of closed-end investments in the event of sale, inheritance or donation. TVP's range of services and information was also expanded and extended in 2010 in the context of the service initiative.

MPC FundXChange – the secondary market platform of MPC Capital

MPC Capital largely deals with long-term, asset-based closed-end investments from the three core segments of real estate, ships and energy.

Intended as long-term investments in sound assets, the individual situation or strategy of investors may nonetheless lead them to want to sell their closed-end investment early.

In the absence of a regulated market for the sale of units in closed-end investments, the last few years have seen the creation of numerous secondary market platforms where the early sale of fund units is possible.

MPC Capital also aims to set standards in after-sales service. To ensure that investors in closed-end investments of MPC Capital can still rely on a corresponding level of quality when selling their fund units early, MPC FundXchange GmbH was established.

MPC Fund Xchange GmbH is the competence centre for the early sale of units in MPC Capital's closed-end investments. It acts as a broker, bringing supply and demand – i.e. sellers and buyers – together. The interests of all the persons involved are protected through detailed knowledge of MPC Capital funds and the respective markets. Trade takes place via an internet-based secondary market platform (www.mpc-fxc.de). The number of transactions almost doubled from 247 in 2009 to 431 in 2010. At 95, the number of tradable companies remained at almost the same level as the previous year (2009: 96). Ship investments were the most-traded asset category in 2010 – followed by life insurance secondary market funds and real estate funds.

MPC Capital AG acquires share in Engel & Völkers Capital AG

In October 2010, MPC Capital announced that the company had invested in Engel und Völkers Capital AG with a share of 35%. The young company is the funds arm of the Engel & Völkers Group and has launched two closed-end funds in the housing property segment so far. The aim of MPC Capital's financial investment is to increase the enterprise value of Engel & Völkers Capital in the medium term and benefit from the company's earnings potential. Both companies have outstanding networks in the domestic and international real estate segment. Access to each other's network opens up new investment opportunities and therefore future growth potential for both companies.

Strategy programme successfully implemented in 2010

The difficult economic environment of the past two and a half years has also presented special business challenges for MPC Capital. MPC Capital faced up to these challenges actively and early. The company adopted an extensive strategy programme back at the start of 2009. The aim of the future-oriented programme is to put MPC Capital AG on a stable footing, strengthen its position for sustainable growth and thus secure a leading position on the market in the long term.

After successful implementation of the first phase of the strategy programme in 2009, MPC Capital also successfully implemented and advanced the measures of the second phase of the strategy programme in 2010. The multistage strategy programme incorporated the organisation, the shareholders and the financing partners, in other words all key pillars of the company.

Organisational measures

MPC Capital has continued and structurally implemented its clear focus on the core business of asset-based closed-end investments and investment concepts. The cost-cutting programme was also continued in the reporting period. In the context of these organisational changes, the number of people employed in the MPC Capital Group also fell from 267 (as at 31 December 2009) to 222 as at the reporting date of 31 December 2010.

Shareholders strengthen the company

To strengthen the company's equity, the Management Board and Supervisory Board of MPC Capital AG officially announced on 26 March 2010 that it would be increasing the company's share capital by means of a rights issue from authorised capital. The subscription price for the new shares was set at EUR 2.75.

MPC Capital AG successfully completed the capital increase in mid-April 2010. In total, all 8,807,082 new shares were subscribed to in the subscription period of 1 April 2010 to 15 April 2010 through the exercising of subscription rights and oversubscription. This increased the number of issued shares of MPC Capital AG from 18,212,918 to 27,020,000. The gross cash inflow for the company totalled around EUR 24.2 million.

The three main shareholders Corsair Capital, MPC Holding and Oldehaver Beteiligungsgesellschaft had already ensured a minimum amount from the capital increase for the company ahead of the capital increase with fixed applications for subscription. In total, the three main shareholders alone invested around EUR 16.4 million in MPC Capital AG; the free float subscribed to new shares worth around EUR 7.8 million. The successfully completed capital increase strengthens the company's position and demonstrates the long-term confidence and optimism of all shareholders in MPC Capital AG.

Stable financing base till end of September 2013
On 26 March 2010, MPC Capital concluded important and far-reaching agreements with its banking partners that created a stable financing base for MPC Capital AG itself as well as for most funds already in distribution and the funds to be distributed in the future. These covered aspects such as the extension of interim financing, the reduction of product volumes and the extension of placement periods. Therefore the agreement also covers the placement guarantees and warranties issued by the company.

This agreement also includes important and far-reaching commitments on the part of the funding partners with regard to existing loan agreements and liabilities as well as their conditions. This includes agreements on the extension of existing credit lines and interim financing and the suspension of existing covenants. The agreement runs until September 2013.

Strategy programme creates stability
With the organisational changes, the cash inflow from the capital increase and the agreement with its financing partners, MPC Capital successfully put in place key components of the second phase of its strategy programme in the reporting period.

By ensuring a stable financing for the duration of the agreement with the financial partners MPC Capital was able to focus firmly on its operating business in the rest of the reporting period. In addition to changes to the organisation and structures in sales, this also included the service product initiative for sales partners and investors instigated in the second quarter of 2010 and access to an almost fully financed product pipeline. Nevertheless, there are still further projects within the product pipeline whose financing is not covered by the agreement. The financing risks in the MPC Capital Group resulting from this are presented in the opportunity and risk report from page 94.

Change to the shareholder structure
Following completion of the capital increase on 15 April 2009, the shareholder structure of MPC Capital AG has changed. MPC Capital AG issued a total of 8,807,082 new bearer shares from authorised capital to existing shareholders. Of these new shares, Corsair Capital bought 3,766,720, MPC Holding subscribed to 2,109,091, shareholders in the free float bought 2,858,543 new shares and Ulrich Oldehaver, a former Management Board member of MPC Capital AG, bought 72,728 new shares. This results in the following new shareholder structure: Corsair Capital holds a 34.09% stake in MPC Capital AG (9,212,382 shares), MPC Holding 27.89% (7,534,703 shares) and Ulrich Oldehaver 2.75% (743,924 shares). The percentage of treasury shares held corresponds to 2.20% (593,000 shares); the free float accounts for 33.07% (8,935,991 shares) of shares in MPC Capital AG. The new shares issued as part of the capital increase were included in trading and consequently in the existing price determination for shares of the company on the regulated market of the stock exchanges in Frankfurt am Main and Hamburg in June 2010.

Major shareholders show unity
The two main shareholders of MPC Capital AG – MPC Holding and Corsair Capital – also announced a voting rights pool agreement on 16 April 2010. With this agreement, the corresponding voting rights of the other partner are assigned to the parties concerned. As a result of this, the two major shareholders Corsair Capital and MPC Holding hold a notional 60% of the voting rights of MPC Capital AG. A further pool agreement is in place between MPC Holding, Oldehaver Beteiligungsgesellschaft and Ulrich Oldehaver as an individual. With the voting rights pool agreements, the main shareholders have ensured a high level of transparency of the shareholder structure and clearly shown that they all believe in the long-term positive business development of MPC Capital AG and support the company strategically.

In addition, in connection with the capital increase of February 2009 Corsair Capital has concluded a lock-up agreement with which the company undertakes to hold a total of 646,418 shares not currently authorised for trading until at least April 30, 2012.

GENERAL ECONOMIC CONDITIONS

German economy on the rise
The pace of growth of the German economy significantly exceeded economists' forecasts in 2010. With an increase in gross domestic product of around 3.6% (2009: -4.7%), the German economy proved to be one of the top-performing industrialised economies and became a growth engine for Europe. One key source of impetus for this quick upturn was the sharp rise in global trade. Consequently, the German export industry was back to its old strength by the first half of 2010 and chiefly benefited from rising demand of newly industrialising countries. Overall, German exports increased by some 14% in 2010 compared to the previous year. Newly industrialising countries such as Brazil, China and India alone accounted for around 20% of German exports. As a result of the improved performance of the German economy, imports also rose by around 13% in 2010. Overall, the external balance – i.e. the difference between exports and imports – again made a key contribution to the German gross domestic product at 1.1 percentage points. The upturn in the export sector slowed down slightly in the second half of 2010. However, this effect was cushioned by the dynamic performance of the German domestic economy. For instance, private consumer expenditure rose by 0.5% during the year, thus making a key contribution to growth alongside government expenditure (2010: +2.2%) and investments (2010: +5.5%). The pleasing situation on the German employment market was another key pillar of this performance. The number of unemployed people fell below the three million mark, the lowest level since 1992. The increase in employment had a positive impact on disposable income and formed the basis for increased spending of private households. Therefore the German upturn has a sound and broad foundation.

Higher capacity utilisation and a rise in energy and commodity prices – partly due to euro exchange rate fluctuations – caused price levels to increase by around 1.1% (2009: 0.4%) in Germany in 2010. Price rises were noted in particular for mineral oil products such as heating oil and fuels, but also for food products such as cooking fats and fruit. In contrast, consumers benefited from lower charges in the communications sector (2010: -2.0%).

Global economy on the rise
The global economic recovery that started at the end of 2009 gathered pace in 2010, with provisional growth of 4.8% compared to a decrease of -0.6% in 2009. The newly industrialising countries, in particular Brazil, China and India, again showed great strength, impressing with growth rates of between 7.5% and over 10% according to the International Monetary Fund (IMF). As a result, these countries were also a significant factor in the fast recovery of global trade, which grew by some 11% year-on-year (2009: -11%) according to IMF estimates, to the benefit of the global logistics and transport industry in particular. In contrast, many newly industrialising countries showed relatively moderate expansion. A self-sustaining upturn only started slowly in the less export-oriented economies such as the USA in particular. Growth impetus was weak for private consumption, the cornerstone of the US economy, due to the continuing high level of unemployment, low income growth and low real estate prices. This is why, in addition to the "American Recovery and Reinvestment Act" passed back in 2009, the US government adopted another infrastructure programme with a total volume of around USD 50 billion at the end of 2010.

The US central bank (the Federal Reserve) made its own contribution to the recovery of the US economy in the course of the year. For instance, the Federal Reserve the kept the Federal Funds Rate – which had already reached its lowest level since 1971 in December 2008 – within a range of 0.00 to 0.25%. The Federal Reserve is thus helping to ensure an adequate supply of lending in the economy and strengthening the traditional role of banks as a financial intermediary between investors and companies. A further cash inflow came from the ongoing purchase of long-term US government bonds.

Challenges in the euro zone

In the euro zone, the high-export industrialised economies in particular returned to robust growth in the first half of 2010. In the second half of the year, particularly in the core countries of the euro zone, there was a slight upturn in domestic economic performance and with it a broadening of economic foundations. Overall, the euro zone posted provisional growth of around 1.7% in 2010 (compared to -4.1% in the previous year). Nevertheless, the debt situation of peripheral euro countries, and in particular the related financial speculation, had a negative impact on the euro zone. This chiefly related to Greece, Ireland and Portugal, but also Spain and Italy. European policymakers responded to these challenges through the capital markets. First of all, the European Financial Stability Facility (EFSF) was set up in May 2010. It is intended to help normalise the development and strengthen confidence in the markets with various measures and regulations with a volume of up to EUR 750 billion. In December 2010, the heads of state and government of the member states also agreed on new safeguard mechanisms in the context of the European currency union, which are to come into force in 2013.

Against the background of a slight overall economic expansion with a moderate price rise of 1.5% in the euro zone, the European Central Bank (ECB) left the key interest rate at 1% in 2010, meaning that there has been no change since May 2009. With its monetary policy, the ECB is still trying to ensure appropriate provision of liquidity for the European economy. The ECB countered currency speculation involving heavily indebted euro countries with various measures. These included the purchase of government bonds of at-risk debt-laden countries. The ECB has increased the key interest rates to 1.5% on July 7, 2011.

A test for the euro

At the beginning of 2010, the euro was still benefiting from the generally robust economic prospects in the euro zone and higher interest rates compared to the USA. In January 2010, the EU currency actually traded at times even above USD 1.45. However, as the year progressed, the high level of government debt of some member states negatively impacted the euro, which consequently fell against the US dollar, in some cases heavily. European policymakers and the European Central Bank countered this speculation with various programmes and measures. At the end of 2010, the euro exchange rate had largely stabilised, returning to above the USD 1.30 mark. As at the reporting date of 31 December 2010, the exchange rate was USD 1.32/Euro.

GROUP MANAGEMENT REPORT

Capital markets recover

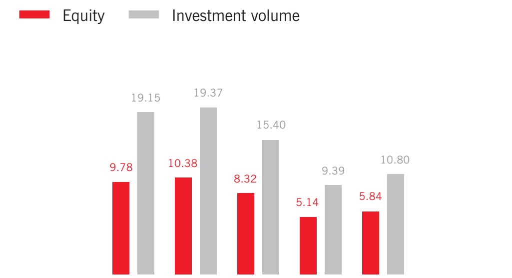
The global economic recovery – strong in some countries – and continuing low interest rates also had a positive impact on stock market performance. Whilst the Dow Jones went up by 11% to over 11,500 points in the course of the year, the German stock market index (DAX) actually gained 16%, closing at above 6,900 points. Indeed, the Dax even broke the 7,000-point barrier for a while for the first time since June 2008. Even speculation surrounding the government finances of some European countries and the associated pressure on the euro only resulted in a moderate short-term impairment of the essentially positive trend in sentiment. Export-oriented companies chiefly benefited from the recovery of the markets, in particular the stocks of automobile manufacturers.

DEVELOPMENT OF THE INDUSTRY AND CUSTOMER BASE

Market on the road to recovery

After the market for investment models posted its worst result for more than ten years in 2009 with placed equity of EUR 5.1 billion, the situation appears to have bottomed out in the reporting period. The German Association of Closed-end Funds (VGF) reported a 13% increase in placed equity for 2010. Overall, investors invested around EUR 5.8 billion in closed-end investment models. Consequently, the overall market returned to year-on-year growth for the first time since 2007, however, from a very low basis. The total investment volume rose by almost 15% from EUR 9.4 billion in 2009 to EUR 10.8 billon in 2010. Another pleasing factor is that the fourth quarter saw the highest level of placement in 2010. The performance of fund products also benefited from the recovery of the capital and goods markets worldwide: investors in closed-end investments received payouts of around EUR 2.6 billion in 2010, up 26% on the previous year.

Placement in investment models 2010
in EUR billion



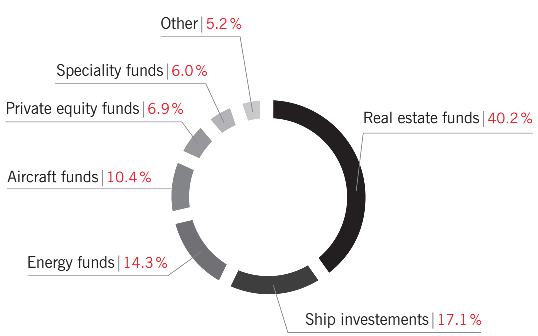
Source: VGF Verband Geschlossene Fonds, 2011

Growth in the real estate and ship segments

The strongest-growing segments in the reporting period were real estate, energy, ships, private equity funds, aircraft funds and leasing funds. However, development in real estate contrasted sharply. Whereas placed equity rose strongly by 46%, the amount invested in foreign real estate fell significantly by around 47%. Overall, the real estate segment posted a slight decline of just under 5% to EUR 2.3 billion. Measured in terms of volume, real estate thus remained by far the strongest placement segment. The high level of demand for German real estate reflects the increased security requirements of investors, and the German real estate has proved to be very stable in recent years, showing no tendency to overheat in one direction or the other. Funds with properties in the USA declined significantly in the reporting period.

Ship investments recorded a 34% increase on the previous year. Capital measures for existing funds accounted for EUR 285.6 million of the total raised of EUR 996.3 million. In the course of the global economic recovery, the first ship investments thus benefited from the recovery of the shipping markets. Whilst special and niche segments are likely to have been mainly responsible for this success, the prospects for traditional container ships improved. However, the situation in the tanker and bulker market was still very volatile. The total market for ship investments is currently only at around 70% of the level of 1999 (EUR 2.5 billion). Leasing funds (+87%) and private equity funds (+73%) also posted strong growth rates. Some of this success is undoubtedly attributable to the low starting basis in both segments.

Market for investment models 2010



Source: VGF Verband Geschlossene Fonds, 2011

Significance of independent sales grows

Independent sales partners placed around 31% of all closed-end investments in the reporting period, thus increasing their share by four percentage points year-on-year. Banks achieved a share of 44% compared to 53% in 2009. Consequently, banks remained the most important distribution partner in 2010, although they lost significantly in relation to independent sales. This is mainly the result of a long-standing major loss of confidence in bank advisors on the part of investors.

Asset growth for HNWIs

In 2009, high net worth individuals (HNWIs), defined as people with net financial assets of more than USD 1 million, increased their financial assets by almost 19% to USD 39 trillion compared to the previous year. At the same time, the total number of people with HNWI status worldwide rose by over 17% to around 10 million. According to the authors of the “World Wealth Report 2010” published in June 2010, HNWIs have thus moved on from the difficult year of 2008. For assets and growth, in 2009, the figures in some regions were back to the level of 2007.

In keeping with the much faster economic recovery of the newly industrialising countries, the increased pace of growth was also reflected among HNWIs in the Asian countries. For instance, the number of HNWIs in the Asia-Pacific region rose by 25.8% to around 3 million in 2009, putting it on a par with Europe for the first time. At the same time, growth rates were also substantial in the USA (16.6%) and Europe (12.5%). The number of German HNWIs also rose by 6.4% on 2008 to around 861,500 asset millionaires. However, the fast growth in the Asia-Pacific region has hardly changed the traditional allocation of HNWIS to the three countries of the USA, Japan and Germany: they still accounted for 53.5% of all HNWIs in 2009 (2008: 54.0%).

In terms of their asset growth, the HNWIs particularly benefited from the upturn on the stock market and the recovery in other investment categories. As a result of their generally high investment volume and a greater willingness to incur risk compared to other investor groups, changes on the international stock exchanges and the product markets are reflected comparatively quickly in the asset development of HNWIs. Nevertheless, the confidence of HNWIs in the investment markets was not fully restored in 2009. However, around 59% of HNWIs indicated that they regained their confidence in their financial advisor in 2009. Their investment strategy also remained fairly conservative. HNWI investors preferred predictable income and cash flows, which is illustrated by the increase in investments in fixed-interest investment vehicles from 29% to 31%. The share level rose from 25% to 29%. The attractiveness of tangible assets also increased again among HNWIs compared to 2007. In particular, the real estate segment exceeded the 2007 figure of 14% in 2008 and 2009, reaching 18% in both years.

The experts behind the “World Wealth Report 2010” believe that assets of HNWIs are likely to have grown further in 2010 with a sustained global economic recovery and the associated positive trends of the product and capital markets.

Financial assets of German private households at a record level

Financial assets of German private households reached a new record level in 2010 at EUR 4.88 trillion (2009: EUR 4.67 trillion). On average, every German citizen has invested EUR 59,000 in banks, on the capital market and in insurances. In addition to a traditionally high savings rate and a 2.6% increase in disposable income, valuation gains from the strong 2010 stock market year were particularly responsible for this.

Nevertheless, despite the rapid growth of the German economy in 2010, investment decisions remained heavily influenced by caution. Liquidity-related investment forms posted high inflows. With holdings of around EUR 750 billion, overnight funds exceeded savings deposits of some EUR 600 billion. In contrast, Germans showed cautious restraint in stock investments: although the proportion of stock assets in the asset portfolio of households rose by some 20%, this is probably largely attributable to net appreciation.

The sustained recovery of the German economy is also likely to further strengthen the confidence and planning reliability of German investors and therefore their willingness to invest. In the next few years, capital left in sight and savings deposits is likely to be increasingly invested in other higher-yield capital investments again. In the next few years, Germans would therefore have to decide what investment products to invest in. In particular, asset-oriented investments – for example in the form of traditional closed-end investment models in the real estate sector – meet investors’ increased requirements for real assets, transparency and clarity. They also provide a possible hedge against future price rises through the price of the asset, which usually increases with the general price level.

GROUP MANAGEMENT REPORT

2. Business development in 2010

MPC Capital reaches placement target

In 2010 MPC Capital reached a placement volume of about EUR 220,0 million (2009: EUR 146,6 million) exceeding the previous year's level by almost 50%. MPC Capital thus recovered much more quickly and strongly than the overall market. According to the German Association of Closed-end Funds (VGF), the market for closed-end investments reached a placement volume of EUR 5.8 billion in the reporting period, an increase of around 13% on the previous year (2009: EUR 5.1 billion). MPC Capital thus is among the top five providers of closed-end investment models and ranks number three in total retail business in Germany in 2010.

With a broad and long-term positioning, MPC Capital compensated for fluctuations in supply and demand of individual product segments in the reporting period and, in addition to ongoing fund placements, fully placed a total of five funds in the real estate sector with an equity volume of over EUR 100 million. The three core segments of real estate, ships and energy accounted for around 84% of the placement success. MPC Münchmeyer Petersen Capital Austria AG maintained its share in the placement result of the MPC Capital Group at around 3.8% in 2010 and increased the placement by around 50% year-on-year to EUR 8.5 million. The placement volume was generated solely in the real estate segment here.

More than 180,000 customers place their trust in MPC Capital

In the 2010 financial year the number of customers since the company was established has grown to over 180,000, up 2.2% on the previous year. The percentage of investors subscribing to more than one product remained almost unchanged compared with the previous year at around 24%. MPC Capital products paid out 2009 EUR 170 million to investors in 2009 – in the reporting period, the figure was around EUR 240 million.

The placed volume of MPC Capital in 2010 is set out in detail below*:

Placed equity
in EUR million*

Year	2006	2007	2008	2009	2010
Real estate funds	234.4	241.1	110.0	48.7	131.9
Ship investments	411.2	552.7	199.2	9.6	53.3
Energy	-	-	124.3	48.4	7.0
Umbrella funds	10.4	5.8	1.2	11.4	17.4
Investment funds	43.7	34.6	0.0	22.1	4.0
Other	308.7	227.4	112.8	6.4	5.9
Of which life insurance funds	141.9	114.5	48.6	0.6	-
Of which private equity	47.7	37.7	3.5	4.8	5.6
Of which structured products	101.7	33.3	13.8	-	-
Total	**1,008.4**	**1,061.6**	**547.5**	**146.6**	**219.5**

* Differences based on rounding differences

DEVELOPMENT OF THE SEGMENTS

Real estate funds

Performance overview of real estate funds	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2010
Initiierte Fonds **	98	103	104	109
Equity volume* in EUR million	2,551	2,661	2,709	2,842
Investment volume* in EUR million	5,485	6,069	5,953	6,186

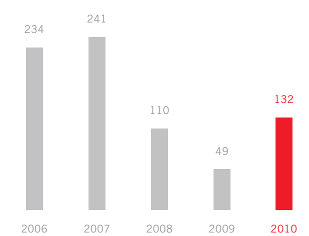
*cumulated **including real estate sold/funds liquidated and opportunity funds

REAL ESTATE FUNDS

Core competence real estate

Closed-end real estate funds are among the most established and successful products of the MPC Capital Group. The capital raised in the real estate segment exceeded that of the ship segment as long ago as 1999. Since 1994, MPC Capital has set up a total of 109 real estate funds. Investors have invested around EUR 2.8 billion in these funds, thus enabling an investment volume of almost EUR 6.2 billion, with which 316 properties have been financed. The real estate funds are actively managed by the MPC Capital fund management team across their entire lifecycle. MPC Capital has thus managed to initiate and conduct numerous successful sales in the interests of investors. In total, MPC Capital has sold 41 funds in Germany, the UK, Canada, the Netherlands and the USA in times of top valuations on the real estate markets in the interests of investors, generating an average total return of around 154% with an average term of just six years. According to the audited MPC Capital balance of transactions for 2009, all 24 active closed-end core real estate funds also made payments to investors and repaid at least in line with contractual terms.

Development of placement volume of real estate funds
in EUR million



Segment with the best placement results

The core segment of real estate developed into a placement guarantor in the reporting year. In total, investors invested around EUR 132 million in MPC Capital real estate funds, which equates to year-on-year growth of almost 170% and a share of around 60% in the total placement volume. Traditional closed-end real estate funds with properties in traditional locations were particularly in demand here. These “core investments” generally invest in office, residential or commercial properties with stable value and have long-term tenancy agreements with tenants with good credit ratings. The funds have an average calculated term of between ten and twelve years. The high percentage of real estate funds in the total placement result in 2010 also indicates that investors remain highly cautious and prudent in investing their money, as traditional real estate funds are regarded as a safe haven and inflation protection with their real estate assets.

Development of real estate markets

The strong economic growth also shaped development on the real estate markets in many regions in 2010. In the current environment of low interest rates, there was growing demand for space and higher rent levels. At the same time, the top real estate locations in Europe, including London and Paris, benefited particularly strongly from catch-up effects, as they have been characterised by some extreme falls in prices in recent years. Rising property prices ensured a decline in initial returns for high-quality properties in these locations. The initial return reflects the ratio between rental income in the first year and the sum invested. Whereas these European top markets have thus demonstrated greater volatility, the German real estate market has shown a high level of stability in recent years. Unlike many other countries, Germany has not experienced a sharp fall in prices, as no speculation bubble had built up beforehand. The strong growth of the German economy last year means that sound economic requirements for a rise in space demand and increasing rent levels are in place.

Success in Germany and the Netherlands

MPC Capital has used the opportunities and possibilities presented on the German real estate market at an early stage and in the interests of investors. In the reporting period, the specialists at the real estate product competence centre secured various high-quality properties with fixed long-term tenancy agreements for tenants with good credit ratings. With MPC Deutschland 5, MPC Deutschland 6, MPC Deutschland 7 and MPC Deutschland 8, four Germany real estate funds were launched in the reporting period. The funds had an equity volume of over EUR 95 million and were fully placed in the reporting period. In some cases, investor demand significantly exceeded available supply. The combination of a traditional real estate fund with features of green investments also proved to be highly successful here. For instance, investors in MPC Deutschland 7 invested in a new office building awarded gold status by the German Society for Sustainable Construction (DGNB). Buildings that are awarded this badge of quality meet the highest requirements in terms of ecological, economic and socio-cultural sustainability.

In addition to the German real estate markets, the Dutch real estate markets have also been providing stable investment opportunities for several years. MPC Capital is regarded as a renowned partner on the Dutch real estate market, chiefly because of the sale of much of its Netherlands real estate portfolio that it successfully carried out at the peak of market development in 2006 in the interest of investors. Via this network, many high-quality properties are offered to MPC Capital first, or in off-market transactions. The successful series of MPC Capital Holland funds was continued in 2010. With MPC Holland 71, investors invested around EUR 13 million in the corporate headquarters of a globally operating Dutch software manufacturer. MPC Holland 71 was fully placed in the reporting period.

Growth region Asia

The Asian growth region was one of the strongest-growing worldwide in 2010. In particular, the newly industrialising countries of China and India moved on from the slight fall in growth. Both economies were among the growth engines of the global economy as well as the Asian region in the reporting period. According to estimates of the International Monetary Fund (IMF), production is likely to increase by 10.5% in China and around 9.7% on the Indian subcontinent. Demand for office and commercial space in Asia also continues to rise with the strong economic recovery. Sound company profits and rising salaries should also have a positive impact on rent development.

MPC Capital utilised the opportunities on the Indian real estate market at an early stage, thus giving German investors the chance to participate in the region's dynamic growth. In 2007, in conjunction with the joint venture MPC Synergy Real Estate, MPC Capital offered and fully placed its first real estate fund, MPC India, on the Indian subcontinent. Placement of the second India fund, MPC India 2, was continued in the reporting period. The fund indirectly invests in eleven Indian project developments of modern urban entertainment centres. The fund has an equity volume of more than EUR 100 million.

In addition, MPC Capital continued the placement of MPC Japan in the reporting period. MPC Japan has been the first closed-end real estate fund with properties in Japan for over 20 years. With an equity volume of over EUR 66 million, the fund invests in Japanese shopping and entertainment centres. The respective business premises are leased on a long-term basis to businesses including supermarkets, DIY stores, fitness centres and cinemas. The tenancy agreements have a long-term structure. The fund has met all its planned payment targets so far. In light of the consequences of the severe earthquake in Japan at the start of 2011, sales were immediately discontinued in the first quarter of 2011 until further notice.

No funds were available in the real estate opportunity funds sector. The phase of economic weakness and significant price corrections on the real estate markets initially restricted exit channels for portfolio properties. In terms of the ongoing America and Asia opportunity funds, the target funds thus focused primarily on enhancing existing investments and promising investments as a result of the price corrections on the real estate market. The total investment sum of the MPC opportunity fund America 3 was also reduced from USD 130 million to USD 44.3 million.

Energy funds

Performance overview of energy funds	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2010
Initiated funds	2	4	4
Equity volume* in EUR million	124	173	180
Investment volume* in EUR million	351	414	414

* cumulated

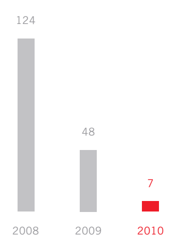
ENERGY FUNDS

MPC Capital established the energy segment on the market for closed-end funds in 2008. The company has already marketed a wide range of various assets in the energy sector: an exploration platform for deep-sea oil and gas deposits, a solar park fund and, at present, a biomass plant. A total of four funds have been initiated in the energy segment since 2007, with which MPC Capital raised equity of almost EUR 180 million. The investment volume came to around EUR 414 million. Furthermore, two of the MPC Capital energy funds have already received awards. The MPC Solarpark fund received the Scope Award in the best energy fund category in 2008 and MPC Bioenergie was presented the "Cash Financial Advisors Award" and achieved a Scope rating of "A –" in 2009.

Capital investment in the future

Social and moral values have become an increasingly important aspect of capital investment in recent years. Sustainable or green investments provide an attractive financial return on capital invested, but also impress investors with a "moral return". With their capital investment, investors are increasingly keen to make a contribution to the current socioeconomic and environmental challenges. This change in economic thinking, often also known as "karma capitalism", has intensified in recent years. Estimates suggest that one in seven invested euros invested already goes into sustainable or green investments – around twelve times more than in 2003.

Development of placement volumes of energy and commodity funds in EUR million



Global shortage of resources

Global challenges such as climate change and shortage of resources continue to rise. The global population is growing by around 80 million a year, which is roughly equivalent to the current total population of Germany. At the same time, lifestyles and standards worldwide continue to change. Demand for water, food and energy will therefore continue to rise significantly in the years ahead. Against the background of finite resources and energy supplies, alternative solutions and possibilities must be developed in order to satisfy future demand.

GROUP MANAGEMENT REPORT

MPC Capital has recognised and used the diverse opportunities and rising demand in the energy segment at an early stage. At the same time, MPC Capital deliberately does not participate in price speculation on scarce resources. MPC Capital's energy funds always combine the attractive with the useful: investors who invest in the exploration platform for deep sea oil and gas deposits, the MPC Deepsea Oil Explorer or in the MPC solar park and currently in MPC Bioenergie, a biomass plant, play an active part with their investment in securing existing commodities and developing new regenerative methods of energy production.

MPC Capital expects the trend towards "karma capitalism" to continue in the years ahead. The Hamburg-based Trendbüro, which publishes extensive analyses and studies on this topic, has also reached this conclusion. In the acquisition of new projects and partners, MPC Capital furthermore benefits from a broad international network and a wide range of personal contacts.

MPC Bioenergie – biomass plant in Brazil

Brazil is one of the up-and-coming countries of the BRIC states (Brazil-Russia-India-China). With expected economic growth of over 7 % in 2010, Brazil is at the forefront of the global economic recovery. Its fast development and high population growth have also heightened awareness of the need for sustainable economic activity in Brazil. Efficient use and conservation of energy and resources will be crucial to the future of the fifth largest country in the world, with over 190 million inhabitants.

MPC Capital has positioned itself on this significant growth market with MPC Bioenergie. The fund invests in a biomass plant and has an equity volume of around EUR 27 million. The biomass plant of MPC Bioenergie will generate electricity from burning rice hulls. The biomass plant is CO_2-neutral. Rice hulls are a waste product from rice processing, so MPC Bioenergie's investment has scarcely any impact on the price of rice, which is of major significance for billions of people as an important foodstuff. The biomass plant will be constructed in the industrialised southern area of the country, in Sao Borja.

MPC Capital is entrusting the experienced AREVA Group, based in Paris, which has a staff of more than 75,000 and is constructing power plants throughout the world, with the construction of the biomass plant. AREVA has a majority holding in a Brazilian company that constructs power plants. This means that the company has specialist local expertise and can access an existing network and existing structures during construction.

MPC Bioenergie's income source will be generated, in essence, from the sale of the electricity it generates. However, additional income can also be generated from the sale of CO_2 certificates and the rice hull ash. Rice hull ash is an important raw material for the rubber and concrete production industry.

Ship investments

Performance overview of ship investments	Dec. 31, 2007	Dec. 31, 2008	Dec. 31, 2009	Dec. 31, 2010
Initiated ships and funds**	203 ships in 114 funds	221 ships in 121 funds	221 ships in 122 funds	221 ships in 124 funds
Equity volume* in EUR million	2,715	2,913	2,923	2,977
Investment volume* in EUR million	7,990	8,849	8,841	8,848

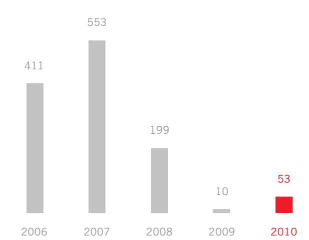
* cumulated **cumulated including ships sold / funds liquidated

SHIP INVESTMENTS

Ship investments are regarded as the classic form of closed-end investment. The international division of labour has ensured an almost constant increase in the proportion of seaborne transportation of consumables and intermediate goods over time. The growth of the global economy is especially dependent on the availability and readiness for deployment of a modern, efficient fleet of ships for all varieties of goods and commodities. Germany has a key role here at international level. For instance, the German market share for container ships is more than one third of the global fleet. Many of these container ships were financed within the framework of closed-end investment models.

For a ship investment, the business form of a GmbH & Co. KG (limited partnership in which the general partner is a limited liability company) is generally used as the legal form. Management of the ship is transferred to a contract carrier during the fund term. The unit holder receives ongoing payments from a sound first deployment with a charterer with a good credit rating and also participates in the sale of the asset at the end of the term. The lifetime of a ship investment in general is more than ten years. The long-term nature of ship investments also provides protection against short-term market fluctuations. Ideally, stronger market phases balance out weaker market phases across the term. Studies show that in a comparison of over 500 ship investments, asset growth of over 7% p.a. is obtained on average after a holding period of around nine years.

Development of placement volumes of ship investments
in EUR million



Ships competence centre

Since 1994, MPC Capital has launched a total of 124 ship funds with 221 ships. Investors invested about EUR 3 billion in MPC Capital ship funds thus generating a total investment volume of around EUR 8.8 billion.

As an experienced issuing house, MPC Capital develops the overall concept for every ship fund. Conservative assumptions on the development of the charter rates, operating costs, interest rates, exchange rates and the disposal proceeds are the foundations for a sound investment here.

In the area of ship investments, MPC Capital works together with the well-known international shipping companies, the largest shipyards and the leading global charterers. The ships competence centre assumes responsibility for selecting and bringing together important partners with the aim of achieving long-term success. In this respect, MPC Capital also benefits in particular from the longstanding experience and considerable expertise of MPC Steamship GmbH & Co. KG, a shipping company in which MPC Capital has a stake of around 25.1%.

MPC Capital manages ship funds throughout their entire life-cycle and constantly analyses the development of shipping markets. As soon as new attractive exit possibilities arise, the asset (ship) will be sold in the interest of the investors. So far 18 ship funds have been sold. As a result, investors profited from an asset growth of on average net 10% during an average runtime of the funds of just below seven years.

Repercussions of weak previous years

The collapse of the global economy also hit the shipping markets hard in 2008 and 2009. New orders and existing shipping companies were geared towards sustained growth in global trade. The considerable decline of around 11% in world trade in 2009 significantly impaired demand for transport capacity and with it the utilisation of ships in all shipping segments. In particular, container shipping faced extreme challenges. At the height of the downturn, around 22% of the global container fleet was unused. Against this background, charter rates and shipbuilding prices fell sharply. With the fast development of the global economy, the situation on the shipping markets – here the container market - brightened again in the reporting year. Nevertheless, some funds had to bridge liquidity bottlenecks by means of capital increases or by raising preference capital. At the beginning of March 2010, around 217 ship investments were affected by such measures, with 12 of them being unable to raise the financial funds required. Overall, according to the German Association of Closed-end Funds (VGF), the number of existing funds stood at 1,183.

Active fund management

MPC Capital was also affected by the general market development. Even so, MPC Capital's existing funds generally benefited from fixed charter agreements with creditworthy charterers. In addition, the company has developed measures and solutions which also allow the fund companies to bridge economically challenging phases. These measures include, for example, reducing the volume of the ship investments, devising restructuring concepts and establishing a bridging fund in the interests of mutual solidarity between the shipping companies where MPC Steamship is the manager. Capital measures were only carried out in sixteen of a total of 124 initiated ship investments. All capital-raising actions were carried out on a voluntary basis by existing investors or new financial backers opportunistically entering the shipping markets. In many cases, demand actually exceeded the liquidity requirement. Around EUR 52.5 million was raised via corresponding measures in the reporting period. Through the agreement with its financing partners in the context of the strategy programme, MPC Capital ensured financing for almost all funds in distribution and funds to be distributed in future until September 2013. The financing of single ship investments not yet covered by the agreement will and have to be structured during the financial year 2011 by individual agreements.

MPC Global Maritime Opportunities Fund

With MPC Global Maritime Opportunities S.A., MPC Capital added a fund for institutional investors to its business model in the shipping sector for the first time in 2007. MPC Global Maritime Opportunities S.A. is approved by Luxembourg's banking regulator (Commission de Surveillance du Secteur Financier, CSSF). The MPC Global Maritime Opportunities Fund invests within almost all ship segments and classes. In addition to all ship types in all ship segments, this also includes maritime infrastructure projects as well as listed or non-listed shipping companies. As at the reporting date of 31 December 2010, the fund had only invested in ships and shipbuilding contracts. The fund was closed in the 2007 financial year after having raised equity of USD 228 million. The aim is to use the potential of different cycles in the shipping markets via an opportunistic, purely return-oriented investment and charter strategy.

In the difficult market conditions, the fund's management team particularly managed the existing portfolio actively and in close coordination with MPC Capital AG as an investment advisor as well as the Investment Committee. This included restructuring measures of the existing portfolio such as construction price reductions, construction contract cancellations and the resale of delivered ships.

Market environment brightens

With the fast recovery of the global economy in 2010, global trade also grew strongly by around 11% in the reporting period. The recovery in container shipping was equally dynamic. Whereas container transshipment fell by around 10% in 2009, the experts at the Institute for Shipping Economics and Logistics (ISL) in Bremen expect growth of up to 12% for 2010. Growth rates are likely to average 8% in the next few years according to the ISL. Due to scrapping, order cancellations and delivery postponements, the net tonnage arriving on the market will probably be lower than first expected. At the same time, bottlenecks in container unloading in central ports (port congestion) and "slow steaming" are limiting factors in terms of available tonnage. With "slow steaming", the speed of the ships is reduced. This saves fuel, but also keeps the ships on individual routes for longer – thus depriving the market of tonnage. The fundamental upturn of the market is also reflected by the Harper Petersen Charter Rate Index (HARPEX), which rose by almost 130% year-on-year in the reporting period. Nonetheless, MPC Capital did not initiate any new ship investments in the reporting period, but it did actively manage existing funds in the interests of investors.

Other investments

INSURANCE PRODUCTS / INVESTMENT FUNDS / PRIVATE EQUITY

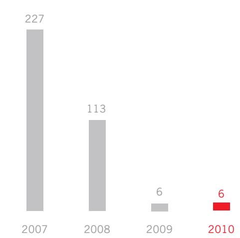
INSURANCE PRODUCTS

MPC Prime Basket – innovative investment fund

MPC Capital has always furthered the development of the closed-end investment market. With the MPC Prime Basket, MPC Capital has successfully initiated an umbrella fund that rigorously uses the advantages of asset-based capital investments. The fund invests in closed-end investments, thus benefiting from the longstanding experience and knowledge of the investment segment within the MPC Capital Group. The fund has a wide-ranging investment approach including real estate funds, energy funds, ship investments, aircraft funds and private equity funds. The fund does not only invest in MPC Capital products. The investment process is strictly regulated and the funds are selected in accordance with rigorous quality criteria. The fund's asset management team analyses and identifies promising investments in the individual segments and submits them to the Investment Committee of the MPC Prime Basket. This committee makes the final decision on what investments are to be made. The Investment Committee consists of experienced key employees in the MPC Capital Group.

Via the MPC Prime Basket investment fund, institutional investors especially Liechtenstein-based insurance companies have the opportunity to structure their products on the basis of a broadly diversified asset portfolio. In this way, insurance companies can offer their customers fund-linked insurance products based on high-yield assets and therefore an ideal companion to other capital investments in the context of risk diversification. MPC Capital has always managed to attract leading insurance companies for the MPC Prime Basket. The concept of the MPC Prime Basket has also impressed PrismaLife, the leading Liechtenstein insurance company, which now also offers its customers fund-linked policies based on the MPC Prime Basket.

Other investments (life insurance funds/ private equity/structured products) in EUR million



As at the reporting date of 31 December 2010, the MPC Prime Basket had a volume of around EUR 11.5 million.

INVESTMENT FUNDS

Strong performance for MPC Europa Methodik

The MPC Europa Methodik fund has regularly been assessed as first class in the past, and has been one of the leading Europe funds for several years. The fund is managed by the renowned asset manager Frank Lingohr. His IT-based analysis system makes decisions with no emotional input - and automatically invests in the most promising European shares. The MPC Europa Methodik again demonstrated the success of this investment strategy in the reporting period: the MPC Europa Methodik benefited significantly from the generally strong recovery on the international stock markets, generating a performance of around 17.8% in 2010, whilst the MSCI TR Net Europe comparison index only rose by 11.1%. Apart from its extremely gratifying performance, the fund volume also rose by 63% to EUR 102 million (2009: EUR 62 million).

MPC Growth Portfolio

The MPC Growth Portfolio invests worldwide in the most promising investment categories of shares, precious metals, real estate and bonds all the way to commodities and currencies. With adherence to quality criteria by MPC Capital, the well-known FERI Institutional Advisors GmbH manages the three MPC Absolute Return super-funds, MPC Income Portfolio, MPC Growth Portfolio and MPC Dynamik Portfolio. The three funds participated in the recovery of the global capital, product and commodity markets to varying degrees. Whilst the performance of the MPC Income Portfolio was slightly negative at -1.1%, the MPC Growth Portfolio and the MPC Dynamik Portfolio increased in value by 1.8% and around 6.0% respectively compared to the previous year. As at the reporting date of 31 December 2010, the volume was around EUR 27 million.

UMBRELLA FUNDS

MPC Best Select

With the MPC Best Select series, MPC Capital gives investors the opportunity to invest in a highly diversified manner in a large number of assets with just one investment. The spread across several segments of asset-based investments reduces the dependency on the development of individual products or segments, thus increasing security for the entire portfolio. Furthermore, the longstanding experience and extensive knowledge of the MPC Capital Group in the asset-based capital investment sector lies behind the funds. The MPC Best Select funds thus offer private investors a professionally managed portfolio of assets such as real estate funds, energy funds, ship funds or aircraft funds. The investment strategy particularly meets the current high requirements of investors in terms of security-oriented, comprehensible and recoverable capital investments. An investment in the MPC Best Select series thus provides an attractive way into asset-based capital investments. The MPC Best Select 10 was in the placement phase during the reporting period. The fund has an equity volume of approx. EUR 20 million.

MPC Select Private Plan

The MPC Select Private Plan provides investors with a flexible strategy for investing in a professionally managed portfolio of asset-based capital investments. With the MPC Select Private Plan, MPC Capital has created a new, innovative investment opportunity for the MPC Best Select series that is particularly suitable for new and first-time customers in the closed-end fund sector. With monthly instalments starting from just EUR 100, private investors gain access to a broadly diversified portfolio of investments in assets. The capital investment opportunities via a one-off payment or monthly instalments give investors planning reliability and flexibility, especially in the current market environment.

MPC Select Private Plan

As a leading innovator, MPC Capital has created diverse product ranges that are all based on its core competence in the asset-based capital investment sector. The MPC Best Select Company Plan 2 was specially designed and developed to cover pension commitments and also for general capital investment by companies. It is based on the underlying principle of all funds in the MPC Best Select series and invests in a portfolio of several asset-based closed-end funds such as real estate funds, energy funds, commodity funds, infrastructure funds, aircraft funds and ship investments. To achieve the broadest possible diversification and thus greater security for the entire portfolio, an individual asset category should account for no more than 30% of the entire portfolio. The MPC Best Select Company Plan 2 is the first ever fund saving plan of this kind. The fund has an individually selectable savings period of between 5 and 20 years. In this respect, the company remains totally flexible, as exemption from contributions, reduction of contributions or complete replenishment are possible. The MPC Best Select Company Plan 2 thus offers a professionally managed portfolio from the stable of the MPC Capital Group, one of the leading providers of asset-based capital investments. The MPC Best Select Company Plan 2 is the successor fund to the MPC Best Select Company Plan, which was awarded the "Financial Advisors Award" in 2008. Around EUR 9.2 million was raised with the MPC Best Select Company Plan 2 in the 2010 financial year.

PRIVATE EQUITY

Investment in European SMEs

The MPC Private Equity 11 fund was in the placement phase in the reporting period. The fund is investing with an equal weighting in the four investment companies APAX Europe VII, Carlyle Europe Partners III, Doughty Hanson & Co V and Odewald & Compagnie III. The investment focus of private equity funds is specifically on European SMEs in traditional industries. Whereas the challenging economic environment initially blocked exit channels for sales of companies and the partner funds were focused on enhancing and strengthening their existing investments, the fast recovery of the global economy, particularly in Germany, brightened the prospects for investments in and acquisitions of companies. The small and mid-market buyout segment is likely to benefit from this development, as the total volumes traded here are tolerable even against the background of ongoing restraint on the part of banks. As at the reporting date, the investment companies of MPC Private Equity 11 had raised around EUR 12.9 million and invested in 40 companies.

Life insurance secondary market funds

No further life insurance secondary market funds were initiated in the reporting period. Due to the changes in general conditions, MPC Capital no longer expects this series of products to be continued. The last of all 16 life insurance secondary market funds initiated by MPC Capital were closed back in the 2009 financial year. The MPC fund management team is responsible for the ongoing management of the funds.

3. Earnings position, financial and net worth position

Value-oriented Group management

The management of the MPC Capital Group is focused on achieving a sustained increase in value. This relates both to the management of the Group as a whole and that of its subsidiaries. Key management variables here are placed equity volume and gross earnings. The value-oriented management system is a component and the basis of controlling and planning processes in the MPC Capital Group.

EARNINGS POSITION

With the recovery of the global economy and the strong growth of the German economy in particular, the wait-and-see attitude and uncertainty of German investors has eased somewhat and a slight recovery in demand for investment products is underway. Whereas the overall market grew slightly from a placement volume of around EUR 5.1 billion in 2009 to EUR 5.8 billion according to the German Association of Closed-end Funds (VGF), the MPC Capital Group's placed equity increased significantly by 50% year-on-year to almost EUR 220 million. Even so, the strong increase in the reporting period must be viewed in the context of the historically low level of the previous year.

The recovery of placement figures has not yet been fully reflected by higher sales. In 2010, the MPC Capital Group generated total sales of TEUR 61,497, compared to TEUR 54,640 in the previous year, with the initiation, sale, administration and management of investment products for HNWI customers and institutional investors. This equates to an increase of some 12%. In particular, shifts within the product portfolio caused a significant change in the placement result as a ratio of sales. In addition, most of the placement volume in the ship segment was raised via capital increases that involved only low profit contributions from placement or initiation. In contrast, the real estate segment provided major impetus for income from placement and initiation of new funds with a total of five fully placed real estate funds in the reporting period. Overall, the proportion of sales generated solely from placement and initiation rose significantly year-on-year to over 118%. Recurring sales from fund management again significantly bolstered the operating result. They totalled TEUR 37,741 up almost 29% on the previous year. Their share of the sales volume reached just under 60% compared with around 54% in the previous year. Charter income of TEUR 2,927 was posted in the reporting period. This income stemmed from the consolidation of an investment in four LPG tankers, which were all sold in 2010.

A detailed breakdown by product of the sales and profit contributions can be found in the segment reporting in the notes to the consolidated financial statements.

Although the number of new and placed funds increased year-on-year in the reporting period, the cost of purchased services fell by around 3.3% to TEUR 22,300. The cost of purchased services generally comprises commission payments for placing equity by institutional and independent sales partners and expenses for placement and prospectus costs. Compared with the previous year, it can be seen that total commission payments increased significantly by almost 57% with the higher placement result. In contrast, other expenses decreased. In addition, the sale of the investment in four LPG tankers means that they will no longer incur ship operating costs, which were also included in the cost of purchased services. In the reporting period, other operating income amounted to TEUR 18,663 (2009: TEUR 9,849) and included income from foreign currency gains as well as the remission of debts with the sale of the four LPG tankers.

In the reporting period, MPC Capital rigorously continued the strategy programme initiated in 2009. As well as a cost-cutting programme, this also included the adjustment of personnel numbers to the changed general conditions. As at the reporting date of 31 December 2010, the total headcount at the MPC Capital Group was 45 lower than on 31 December 2009. On average, the MPC Capital Group employed 244 staff in the reporting period. Personnel expenses increased from TEUR 23,487 to TEUR 24,448. This was chiefly due to variable remuneration components linked with the placement or full placement of fund products. In addition, attractive and competitive remuneration structures are needed to secure highly-qualified and motivated employees for the company on a long-term basis.

Other operating expenses were a key factor in the 2010 consolidated financial statements. They contain one-off effects from value adjustments of receivables with a term of more than one year. The global economic recovery in 2010 has not yet been reflected in the results of all MPC Capital fund companies. Some receivables that MPC Capital holds in relation to these companies were therefore revalued. Alongside with further expenses which are of a non-cash nature, this negatively impacted income by a total of TEUR 24,088 which was largely responsible for the negative annual result. In addition, expenditure for developing and marketing new and existing products and product lines, legal, consultancy and project costs, advertising costs and expenses for marketing and events are usually included in other operating expenses. Nevertheless, it is clear that without the special and non-recurring effects, other operating expenses would have been at roughly the same level as the previous year. Corrected for these effects, MPC Capital reported a positive operating result of almost EUR 1 million for the 2010 financial year.

In the reporting period, other operating expenses including non-recurring and special effects totalled around TEUR 56,252, almost twice the level of the previous year (2009: TEUR 32,929).

As a result, the Group posted EBITDA, that is a result before interest, taxes, depreciation and amortisation, of TEUR -23,320 on the balance sheet date, 31 December 2010 (2009: TEUR -15,981). MPC Capital assumes that the intrinsic value of the receivables will increase again in the medium term as a result of the expected sustained improvement of the global economic situation.

At TEUR 3,549, amortisation and depreciation in the MPC Capital Group was almost at the same level as the first half-year (reporting date: 30 June 2010) and mainly comprised the adjustment requirement between carrying amount and lower fair value or sale value arising from a devaluation due to the sale of the four LPG tankers. The financial result was also still negative in the reporting period. Financial income includes interest income and investment income from fund companies. Interest expenses were the main factor in the result in terms of financial expenses.

Overall, income from associates posted a negative result of TEUR 5,241 in the reporting period (2009: TEUR -29,379). HCI Capital AG, in which MPC Capital AG held a 33.4% stake as at the reporting date of 31 December 2010, accounted for TEUR 2,278 of this (2009: TEUR -22,754). There were also negative contributions from the investment in eFonds Solutions AG and Global Maritime Opportunities S.A.

Overall, this resulted in a pre-tax loss of TEUR 38,628 for the MPC Capital Group (2009: TEUR 72,739). Around half quarters of the result was due to the non-recurring and special effects relating to the value adjustments of receivables with a term of more than one year. When taxes on income payable by Group companies with a positive result are taken into account, a consolidated loss of TEUR 39,126 was generated as at 31 December 2010.

GROUP MANAGEMENT REPORT

FINANCIAL AND NET WORTH POSITION

Principles and goals of financial management

The goal of financial management is to ensure the financial stability and corporate scope of action of the MPC Capital Group, as well as maintaining adequate liquidity reserves and facilities so that the Group can fulfil its payment obligations without restriction at all times. In doing so, an adequately balanced ratio between equity and debt is targeted and the liquidity and financing requirements analysed over a period extending several years.

The Group invests free liquidity in an interest-bearing manner in the context of active financial management. Only non-speculative, conservative, short-term forms of investment are used, such as call money or time deposits with banks.

Strategic, entrepreneurial decisions and the economic conditions have a material impact on the financial position and net worth of MPC Capital. Although the general economic situation improved significantly again in the reporting period, not all segments and corporate divisions benefited from this to the same extent. Thus even though placement figures were up year-on-year, a historical comparison shows that this recovery is still progressing at a low level overall. Non-recurring and special effects from value adjustments of receivables and moderate sales growth had a negative impact on the financial position, net worth and earnings position of the MPC Capital Group. At the same time, the MPC Capital Group was able to fulfil its payment obligations in full at all times and to secure its financing for the financing requirements required in the reporting period.

At the balance sheet date, the MPC Capital Group had financial liabilities mainly to banks and other financial institutions of approximately TEUR 271,293, of which approximately 22.9 % (2009: 43.0 %) – or approximately TEUR 62,033 – have a short-term structure, i.e. they have a maximum term of one year. The vast majority of financial liabilities of 77.1% (2009: 57.0%) have a long-term structure. The considerable changes result from a strategic transformation of external liabilities from those of a current nature to non-current ones. Furthermore, as of the 31 December 2010 reporting date, the MPC Capital Group had unutilised facilities of TEUR 6,202. The duration and interest structure of the financial liabilities in the MPC Capital Group are described in detail in the notes to the consolidated financial statements.

In the reporting period, an important element of the active financial management was also the agreement of 26 March 2010 concluded with the funding partners. With this bank agreement, MPC Capital secured the prolongation of existing credit lines and interim financing as well as the suspension of existing covenants. The agreement covers a large part of the financing of existing funds and funds to be placed, including the placement guarantees and sureties issued in this connection. The agreement contains qualitative and quantitative covenants. MPC Capital is confident that the conditions will not come into effect and that the agreement will remain in place until the contractual maturity on 30 September 2013. At the same time, as a result of continuation of the expansive monetary policy pursued by central banks and an improvement in the general economic situation, there were no significant changes in the general level of interest rates that could have an impact on follow-up financing or renegotiation of MPC Capital's loans. Interest payments made totalled around TEUR 7,975 in the reporting period (2009: TEUR 8,998). The risk report analyses the impact of the interest rate and follow-up financing, starting on page 94 ff.

In the reporting period, the company strengthened its liquidity position and equity base by means of a capital increase in April 2010. In the context of this capital increase, the company's share capital rose from around EUR 18.2 million to over EUR 27.02 million by means of a rights issue from authorised capital. The capital was successfully and fully carried out. The company received gross proceeds of around EUR 24.2 million as a result.

Cash flow statement

The MPC Capital Group posted a negative cash flow from operating activity of TEUR -13,611 (2009: TEUR -1,466) in the reporting period. This is considerably better than the negative Group result of TEUR 39,126. The key reason for this is that this position is not impact by the special effects of the revaluation of long-term receivables to their current fair value, which is of a non-cash nature.

In the reporting period, cash outflow from investment activity was TEUR 5,410 (2009: TEUR - 38,534). The lower outflow compared to the previous year is among else attributable to the sale of the four LPG tankers accounting for an inflow of TEUR 14,893.

Financing activity resulted in positive cash flow of TEUR 18,876, which is largely attributable to bank loans and the capital increase resulting in gross proceeds of TEUR 24,208 from April 2010. However, principal repayments exceeded bank loans in the reporting period. In addition, cash flow from financing activity includes TEUR 20,000 that is recognised as a cash inflow and stems from a reversed credit balance with restriction on disposal. Total holdings of cash and cash equivalents stood at TEUR 8,993 on the reporting date of 31 December 2010, and were thus up only slightly on the level at the beginning of the year. Sufficient facilities to fulfil all planned payment obligations throughout the Group by the respective due date are made available to cover the potential funding requirements calculated as part of detailed liquidity planning. The financing situation was additionally strengthened in the context of the strategy programme by means of the bank agreement of 26 March 2010.

Consolidated balance sheet

The Group's balance sheet total as at 31 December 2010 was TEUR 308,845, consequently only just under the previous year's level of TEUR 321,853. Both balance sheets recorded the addition of Sachwert Rendite-Fonds Indien 2 GmbH & Co. KG, Asien Opportunity Real Estate Investor GmbH & Co. KG and Sachwert Rendite-Fonds Opportunity Asien GmbH to the scope of consolidation.

On the assets side, the tangible assets item in particular was much lower at TEUR 1,764 (2009: 15,885). The change to this item chiefly results from the sale of the four LPG tankers during 2010. As part of its concentration on its core area of business, namely closed-end investments and, in particular, the real estate, ship and energy segments, MPC Capital made payments for four biomass plants, which are recognised in other current assets. Investments in associates and joint ventures increased to TEUR 76,718.

As part of the strategy programme initiated at the beginning of 2009, MPC Capital deposited a balance of TEUR 20,000 as collateral. This was recognised in the balance sheet as other financial assets. The balance was transferred to cash and used for loans to fund companies. The latter are recognised in receivables from related parties.

On the liabilities side, the MPC Capital Group had negative equity of TEUR 2,978 at the end of 2010 (2009: TEUR +4,897). In particular, equity was negatively impacted by non-cash special and non-recurring effects relating to revaluating the company's receivables. These must continue to be considered as closely related to the difficult economic conditions of 2008 and 2009. MPC Capital assumes that the intrinsic value of receivables will increase again in the medium term as a result of the improvement of the general economic situation.

In the reporting period, provisions increased from TEUR 1,413 in 2009 to TEUR 2,911. In particular, provisions were created for personnel and stock options and for possible obligations from funds.

Financial liabilities excluding provisions, derivative financial instruments and deferred taxes totalled TEUR 271,293 (previous year: TEUR 276,649). The changes are partly attributable to repayment of the loan for the four LPG tankers sold. At the balance sheet date of 31 December 2010, non-current financial liabilities totalled TEUR 209,260 (2009: TEUR 157,750). The year-on-year increase partly stems from restructuring debt with a short-term maturity structure to debt with a long-term maturity structure. Current financial liabilities therefore decreased from TEUR 118,899 in 2009 to TEUR 62,033 as at the reporting date of 31 December 2010.

Overall statement on the economic situation

The Group's economic situation remains negatively impacted by existing obligations from guarantees and sureties granted. In this respect the agreement concluded with the banks on 26 March 2010 achieved a substantial release in terms of time for the MPC Capital Group. The agreement with the banks is limited in time and ends on 30 September 2013. Financing of projects in the current asset pipeline not covered by the agreement must be ensured in line with their maturities. The Management Board is confident of a successful restructuring of these projects as well.

In general the Management Board anticipates that the economic situation of the MPC Capital Group will also improve in the 2011 financial year in line with the recovery in the general economy.

4. Employees

Our employees – a strong community

Motivated and qualified employees are the most important success factor of any company, especially in a challenging economic environment. It is these people who are at the sharp end of the strategic realignment and supporting the company through a period of major personal and corporate challenges with immense commitment. The realignment of the corporate strategy and the organisational and structural overhaul of the company were continued in 2010. Individual areas of activity were combined, skills bundled and available expertise pooled in new structures. MPC Capital again intensively supported the employees affected by the changes and helped them to readjust through the application of individual internal and external measures.

For many MPC Capital employees, the structural changes involved a realignment and change of their area of responsibility. At the same time, the possibilities associated with the restructuring and the need to focus quickly and effectively on changed conditions and new topics involved an expansion of the skills of our employees in some corporate divisions. MPC Capital has therefore put a firm emphasis on targeted personnel development and motivation, especially in a difficult economic environment. This development was promoted by the experienced managers and complemented and supported by both company-wide and individual personnel development measures. For instance, MPC Capital enjoyed another successful year with the MPC Product Academy in 2010. At the MPC Product Academy, MPC Capital has been rigorously training and developing its employees for the special tasks and requirements of the company and its product range since 2008. When filling key posts, this has enabled MPC Capital to turn largely to extremely well-trained and motivated internal personal – thus keeping skilled employees in the company whilst enhancing their development.

For posts where internal appointments are not made, MPC Capital also attracted people with outstanding qualifications to the company in 2010 as a result of high-quality HR work. The established mentoring system and the induction programme have enabled new colleagues to start their complex tasks quickly, meaning that they have soon become an essential part of MPC Capital.

Shaping the extensive and far-reaching changes of 2010 and overcoming the challenges required extraordinary commitment and a highly level of identification with the company on the part of employees. Consequently, the Management Board extends its special thanks to all employees. In a difficult environment, they have shown great dedication in taking up new tasks and pushing through far-reaching changes, thus forming the basis for a successful future for the company.

GROUP MANAGEMENT REPORT

During the reporting period, the average number of employees in the MPC Capital Group was 244. In comparison with the average 288 employees in the previous year, this means a reduction of around 15%. As at the reporting date of 31 December 2010, the MPC Capital Group employed 222 staff. Managing Directors and other senior employees at MPC Capital AG and its subsidiaries receive performance-related remuneration in addition to their fixed salary.

Child care

The cooperation with a day nursery is a dedicated service designed to enable mothers and fathers to return to the company quickly. Full day care through to 7:00 pm has been provided there for children of MPC Capital employees since 2007. With its close proximity to the workplace, the service makes it easier for parents to balance work and family life. MPC Capital benefits considerably from enabling its extremely well-trained employees to return to their duties quickly in this way.

Ongoing development

Extensive and further development of MPC Capital's employees is planned for 2011. This will be based on an in-depth analysis of requirements, which MPC Capital started off by conducting a company-wide employee survey in December 2010. The results obtained from this survey will shape personnel development in 2011 and enable precise alignment with employees' requirements.

5. Social commitment

Persistence and the willingness to take responsibility are key properties that strengthen each individual as well as our company. Boldly embracing responsibility and consistently giving maximum performance helps to make the world a better place. For this reason, the MPC Capital foundation supports educationally disadvantaged young people with a long-term project.

This commitment of the foundation is also recognised as a service by the public, as illustrated by a headline in the German daily newspaper "Die Welt" in the Hamburg business section of 7 August 2010: "Getting through is all that matters – the MPC foundation improves the future prospects of Altona's young people". Focusing on education problems and a skills shortage, the article provides an in-depth report on the foundation's work to improve youth education. The real credibility generated through the tangible achievements of the foundation also benefits the core business of the company.

Responsibility

With the MPC Capital foundation, MPC Capital demonstrates its corporate social responsibility on many levels. The development of the young people supported comes first. This has paid off: nearly all the participants from the last two intakes have resolved to work towards a university degree. In addition, MPC Capital is fulfilling its share for the long-term economic wellbeing of society: the qualified, conscientious employees of MPC Capital AG are a key pillar of the company. By giving targeted support to young people, the company helps to combat the skills shortage and safeguard industrial locations. Early investment in better education, recognition and greater commitment helps to avoid disproportionately high costs in the social network. In particular, these costs would include increased taxes for the public, companies and employees.

Persistence

By establishing the MPC Capital foundation in 2005, MPC Capital has anchored its social commitment permanently and strategically within the Group. The foundation is a reliable, enduring partner for young people, partner schools and other institutions as well as for public authorities and politicians. Four intakes have already passed through the MPC Capital foundation's project, the Elbstation academy. The fifth year is already underway with 23 participants. In addition, in the alumni programme, 32 young people are receiving ongoing support until they enter vocational training or begin their studies. Against the background of the difficult market situation, MPC Capital also had to reduce its financial contributions for 2010. At the same time, however, with planning and operational support, MPC Capital helped raise donations of EUR 32,102.50 to ensure continuation of the project's activities.

MPC Capital warmly invites closely associated companies and business partners to follow this example – in the interests of young people, society and the economy.

In 2010, 9 MPC Capital employees and 5 facilitators from other Hamburg companies were again involved in the foundation's mentoring programme. Numerous employees also apply their specialist knowledge or help to run events. This is an indicator of a strong social relationship and identification with the values and aims of the company. The common social involvement of company and employees also contributes to identification with MPC Capital.

It is anticipated that a detailed report on activities for 2010 will be available to download from the MPC Capital foundation's website at www.mpc-capital-stiftung.de as of the third quarter of 2011. Hard copies will also be available.

6. Supplementary report

MPC Capital strengthens equity with EUR 44.5 million in the first quarter of 2011

In the context of an agreement with some of its creditor banks to convert debt to equity (debt-equity swap), MPC Capital has managed to build up and strengthen its overall financing position on a long-term basis. According to the agreement announced on 12 January 2011, a total of around 2.8 million new non-par bearer shares from authorized capital with exclusion of subscription rights for shareholders are to be issued to the participating banks. The agreement has been successfully implemented as of March 31, 2011, and the new shares have been recorded in the commercial register. This increased the company's share capital from the current figure of EUR 27,020,000 to EUR 29,845,397. In return, the participating banks contributed loan receivables with a nominal value of around EUR 44.5 million to MPC Capital AG as a non-cash contribution. Therefore, the UniCredit has surpassed the share thresholds set within the German Securities Trading Act (Wertpapierhandelsgesetz, WpHG) of three respectively five per cent and since March 31, 2011, holds a share in MPC Capital AG of 7.21%. This corresponds to a 2.151.890 shares in number.

With the debt-equity swap, MPC Capital strengthened its overall financing position on a long-term basis in the first quarter of 2011. The group's equity now faces substantially less liabilities. In addition, the debt converted in the context of the agreement will no longer incur interest payments, which will have a positive impact on the group's future liquidity position.

MPC Capital suspends distribution of the closed-end MPC Japan real estate fund

Against the background of the strong earthquake in Japan and its dramatic consequences, MPC Capital has suspended distribution of the MPC Japan real estate fund for the time being. No employees of the local partner companies and people in the properties were hurt. The properties themselves were not damaged or only minor damages were caused, which have already been removed. The MPC Japan fund has a total investment volume of EUR 162 million, with EUR 66 million in equity to be placed. The funding of the fund is secured by a bank agreement dated March 26, 2010, which will expire on September 30, 2013.

MPC Capital participates in restructuring of HCI Capital AG

On March 29, 2011, HCI Capital AG announced that it will complete its restructuring programme with a capital increase in an amount of EUR 11 million through the issue of new registered shares with a par value of EUR 1. MPC Capital AG, which held 33.4% in HCI Capital AG on December 31, 2010, welcomes this move and has supported the restructuring programme of HCI Capital AG from the very beginning. Together with the other main shareholder, the Döhle Group, MPC Capital had therefore promised to participate in the capital increase on certain conditions. The financial contribution to be made by MPC Capital AG after the completion of the capital increase by HCI Capital AG totalled EUR 6.1 million. The Döhle Group and MPC Capital AG now each have a share of 25.58% in the share capital of HCI Capital AG.

Besides the capital increase, MPC Capital has restructured the financial obligations of HCI Capital AG from the joint Deepsea Oil Explorer project. Whereas MPC Capital has met most of its placement obligations within the placement phase, HCI Capital AG has unfulfilled placement obligations including soft costs in an amount of approx. USD 23.5 million. It seemed unlikely that these placement and payment obligations would be met in the medium term. MPC Capital AG has therefore restructured the funding of this obligation. For this purpose, receivables in an amount of approx. USD 18.5 million held by MPC Capital AG towards Beteiligungsgesellschaft Deepsea Oil Explorer mbH & Co. KG were used to meet the unfulfilled obligations. Moreover, the HCI Capital Group has assigned claims on HCI Deepsea Oil Explorer GmbH & Co. KG for the reimbursement of soft costs in an amount of approx. USD 5 million to MPC Capital AG. These claims were then contributed to the company as a non-cash contribution. As a result, MPC Capital AG will hold an indirect share of approx. 22% in HCI Deepsea Oil Explorer GmbH & Co. KG.

The capital measures described above conclude the financial restructuring programme of HCI Capital AG, which means that the company can now concentrate in full on its operating activities. The capital increase will greatly help to preserve the value of MPC Capital AG's investment in HCI Capital AG.

MPC Capital manages to substantially reduce contingent liabilities

On 21 April 2008, MPC Capital AG took over performance guarantees and a bond totaling around EUR 1.2 billion in conjunction with the order of nine container ships, each with a loading capacity of 13,100 TEU. With the performance guarantees, MPC Capital assured the shipyard, Hyundai Heavy Industries Co., Ltd. ("Hyundai"), that the new ordering companies would attend to their duties as laid down in the shipbuilding contracts. Additionally, the bond for the financing banks served as security of all receivables of the banks for the new ordering companies from the financing of the ships.

On July 15, 2011, MPC Capital together with its partners successfully reached an agreement that the construction contracts of the nine container ships will be taken over by third-party investors. Financing and employment were secured based on an agreement between the investors and the financing syndicate of banks as well as the Korean company Reederei Hanjin Shipping Co. Ltd. As a result, Hyundai and the financing banks released MPC Capital from the performance guarantees and the bond. In return, MPC Capital was obliged to take on guarantees for the financing banks on Japanese Yen (JPY)-swaps and forward exchange transactions totalling EUR 18.7 million that had been concluded in 2008. Liability from those guarantees depends on several covenants that will be effective as of the year 2023. MPC Capital estimates the current value of the guarantees with zero, as at the present time MPC Capital does not expect the coverants and the guarantees to come into effect. In the future these guarantees will be held as contingent liabilities.

Moreover, no claims can be made against MPC Capital AG in reference to the order of these container ships in the future. As a result, the contingent liabilities of around EUR 2.1 billion as at 31 December 2010 are significantly reduced by around EUR 1.2 billion. With this transaction, MPC Capital AG has actively adapted its available product pipeline with regard to the number and size of the project to the changed market conditions and thereby secured a long-term stable financing position.

7. Other information

Management Board Remuneration Disclosure Act (VorstOG)

The Management Board Remuneration Disclosure Act provides for individualised disclosure of the remuneration of Management Board members subdivided by components independent of performance and performance-related components as well as components with a basis of assessment covering several years and a long-term incentive. The information required can be omitted if the Annual General Meeting approves this with a three-quarters majority of the share capital represented at the passing of the resolution. The Annual General Meeting of MPC Münchmeyer Petersen Capital AG held on 11 May 2010 approved the omission of this information for the period of five years with 97.01% of those present and entitled to vote. The overall remuneration approved for the Management Board is published in the notes to the annual report on page 236.

The principles of the MPC Capital Group's remuneration system for the Management Board and Supervisory Board are explained below in accordance with Article 315 (2) number 4 of the German Commercial Code. The remuneration system for the Management Board consists of fixed components independent of performance and variable performance-related components. The performance-related variable remuneration components comprise individual criteria for each Management Board member geared towards their respective area of responsibility, with a basis of assessment covering several years. All remuneration components are intrinsically appropriate and structured in such a way that they do not cause inappropriate risks to be entered into. The Supervisory Board must decide on the appropriateness of the remuneration. Criteria for the appropriateness of remuneration are the tasks of the individual Management Board member, their personal performance, the economic situation, success and future prospects of the company and the conventionality of the remuneration – taking into account equivalent levels on the market and the remuneration structure that applies elsewhere in the company.

The Management Board remuneration system of MPC Capital AG thus largely complies with the remuneration structures set out in the German Corporate Governance Code under figure 4.2.3 ff. in the version dated 26 May 2010. Further disclosures on this and deviations from the Code's recommendations are to be found in the Declaration by the Management Board and Supervisory Board of MPC Capital AG on the recommendations of the German Commission on the German Governance Code in accordance with Article 161 of the German Stock Corporation Act in the context of the Declaration on Business Management. The Declaration of Conformity is available on the homepage of MPC Capital at all times at www.mpc-capital.com/ir.

In accordance with Article 11 number 11.6 of the Articles of Association of MPC Münchmeyer Petersen Capital AG, the remuneration system of the Supervisory Board only consists of fixed remuneration independent of performance that is paid after the end of the financial year. There is no separate remuneration for the Chairman of the Supervisory Board.

Disclosures required under takeover law

The disclosures required under takeover law according to Article 315 (4) figures 1 to 9 of the German Commercial Code HGB as at 31 December 2010 are listed below.

1. Composition of subscribed capital

The subscribed capital as at the reporting date of 31 December 2010 consists of 27,020,000 no-par bearer shares with a notional share of EUR 1 of equity capital. Each share entitles the holder to one vote in the Annual General Meeting.

2. Voting right restrictions

The two major shareholders of MPC Capital AG, Münchmeyer Petersen & Co. GmbH ("MPC Holding") and Corsair III Investments (Luxembourg) S.a.r.l. ("Corsair Capital") communicated a voting rights pool agreement on 16 April 2010. Under this agreement, the two shareholders must assign their voting rights to each other until further notice. On 16 April 2010, MPC Holding also entered into a voting rights pool agreement with shareholder Oldehaver and Oldehaver Beteiligungsgesellschaft mbH until further notice. In addition, in the context of a lock-up agreement dated 16 April 2010, Corsair Capital also made a commitment to MPC Capital AG to hold 646,418 of its MPC Capital shares until at least April 30, 2012.

3. Shareholdings exceeding 10% of the voting rights

As at the reporting date of 31 December 2010, the following shareholdings and/or persons with a share of more than 10% of the voting rights were known to MPC Capital AG:

- 27.89% of the shares are held by MPC Münchmeyer Petersen & Co. GmbH. In accordance with the agreement referred to in item 2, the voting rights of Corsair III Investments (Luxembourg) S.a.r.l and of shareholder Ulrich Oldehaver and Oldehaver Beteiligungsgesellschaft mbH are attributable to this company until further notice.
- 34.09% of the shares are held by Corsair III Investments (Luxembourg) S.a.r.l. In accordance with the agreement referred to in item 2, the voting rights of MPC Münchmeyer Petersen & Co. GmbH are attributable to this company until further notice.
- 2.75% of the shares are held by Ulrich Oldehaver. These comprise the shares attributable to him via Oldehaver Beteiligungsgesellschaft mbH in accordance with Article 22 (1) sentence 1 of the German Securities Trading Act. In addition, the voting rights of MPC Münchmeyer Petersen & Co. GmbH are also attributable to Ulrich Oldehaver according to Article 22 (2) of the German Securities Trading Act until further notice in accordance with the agreement referred to in item 2.
- 2.75% of the shares are held by Oldehaver Beteiligungsgesellschaft mbH. These comprise the shares attributable to the company via Ulrich Oldehaver in accordance with Article 22 (1) sentence 1 of the German Securities Trading Act. In addition, the voting rights of MPC Münchmeyer Petersen & Co. GmbH are also attributable to Oldehaver Beteiligungsgesellschaft mbH according to Article 22 (2) of the German Securities Trading Act until further notice in accordance with the agreement referred to in item 2.

4. Shares with specific special rights

Shares with special rights which bestow control powers do not and did not exist.

5. Voting rights participation of employees

It is to be assumed that employees participate in the capital. However, the Management Board is not aware of any employee holding significant numbers of MPC Capital AG shares.

6. Appointment and dismissal of Management Board members, changes to the Articles of Association

The legal provisions apply to the appointment and dismissal of members of the Management Board of MPC Capital AG. The Annual General Meeting of MPC Capital AG on 11 May 2010 resolved various changes to the Articles of Association of MPC Capital AG with a large majority:

a) Agenda item 6: Resolution on the authorisation for acquisition and utilisation of treasury shares
b) Agenda item 7: Resolution on the cancellation of existing authorised capital for 2009 and creation of new authorised capital for 2010 and corresponding changes to the Articles of Association
c) Agenda item 9: Resolution on changes to the Articles of Association in order to adapt to the German Act Implementing the Shareholders' Rights Directive

The wording of the changes can be found in the invitation to the Annual General Meeting of MPC Capital AG on 11 May 2010. This and the Articles of Association of MPC Münchmeyer Petersen Capital AG are available on the internet at all times at www.mpc-capital.de/ir.

7. Authorisations of the Management Board to issue shares

MPC Capital AG's Annual General Meeting of 11 May 2010 authorised the Management Board to raise the company's share capital with the agreement of the Supervisory Board once or several times up to 10 May 2015 by up to a total of EUR 12,742,822 by issuing up to 12,742,822 new shares for cash or kind (authorised capital 2010). The Management Board is also authorised to exclude shareholders' subscription rights under certain circumstances with the agreement of the Supervisory Board (agenda item 7b of the invitation to MPC Capital AG's Annual General Meeting of 11 May 2010).

The Annual General Meeting of MPC Capital on 11 May 2010 also authorised the company to acquire and to use treasury shares until 11 May 2012 in the scope of up to 10% of the current share capital. At no point is more than 10% of the share capital to be attributable to the shares acquired, together with other treasury shares in the company's ownership

GROUP MANAGEMENT REPORT

or which are allocable to the company in line with Articles 71a et seq. of the German Stock Corporation Act.

At the Annual General Meeting at the end of the 2009 financial year on 12 May 2009, it was also stipulated in agenda item 6 that the company is entitled on one or more occasions up to 11 May 2014 to issue profit sharing rights and/or debentures totalling up to EUR 100,000,000 with conversion rights or option rights securitised in option certificates and participating bonds or a combination of these instruments on up to 9,000,000 new bearer shares in the company with a pro rata amount of the share capital of up to EUR 9,000,000 in accordance with the authorisations and conditions under agenda item 6 of the invitation to the Annual General Meeting of MPC Capital AG on 12 May 2009. The invitation to the Annual General Meeting on 12 May 2009 is available on the internet at all times at www.mpc-capital.de/ir.

8. Agreements relating to a change of control
No significant agreements exist which come under the condition of a change of control due to a takeover bid (change of control clauses).

9. Compensation agreements in the context of a takeover bid
Compensation agreements have not been concluded with the members of the Management Board or employees in the event of a takeover bid.

8. Opportunity and Risk Report

RISK AND VALUE CULTURE

The aim and the mission of the MPC Capital Group's risk and value culture is to preserve enterprise value and increase it on a sustainable basis, to maintain financial and entrepreneurial flexibility and thus to ensure the company's continued existence in the long term.

Active risk management is an important component of the business management and control of the MPC Capital Group.

Risks to the company can arise as a result of its own entrepreneurial activities or external factors. It is the duty of risk management to identify these risks at an early stage, to assess them and to limit them sufficiently so that business opportunities can be exploited.

The Management Board and Supervisory Board of MPC Capital AG are committed to the principles of a management system aligned to value orientation and therefore attach great importance to ongoing systematic risk management.

GROUP MANAGEMENT REPORT

RISK MANAGEMENT SYSTEM

Knowledge of existing and potential risks is the key to the long-term and sustainable success of the entire company. Risk management is an active system for the sustainable management of the company, which includes all activities of the MPC Capital Group. Risk management is concerned with identifying these risks, analysing and assessing them, managing them, monitoring them and communicating them.

Within the Group, the business units are responsible for early recognition and reporting and for dealing with business risks. The next higher management level is responsible for monitoring this. The business units as well as the holding company itself identify, assess, control and continually monitor the risk situation. MPC Capital aggregates the risk situation so that it can be taken into account within each entrepreneurial decision. The risk management system of MPC Capital AG, which is standardised throughout the Group and organised centrally, complies with legal requirements. It analyses, assesses, communicates and updates the risks to the MPC Capital Group as part of a regular risk inventory. In particular, the risk management system focuses on the early recognition of internal and external risks and on comprehensive and complete risk-based reporting.

Regular reporting, which is embedded in the integrated controlling concept, communicates information on the status of, and significant changes to, material risks. The purpose of the reporting and controlling system is to ensure that the business divisions, staff and Management Board have all information at all times which they require for the early detection of developments which could impair the Group's financial position, net worth and earnings position.

The Management Board keeps the Supervisory Board informed of the development of risks through regular comprehensive reports and immediate reports in the event of special developments.

MPC Capital AG's risk management system is part of the annual financial statements and fulfils the legal requirements of the Control and Transparency in Enterprises Act (KonTraG).

MPC Capital AG also sees its risk management system as a dynamic and constantly evolving function. The findings gained by the Management Board and the management through the daily risk management programme make an important contribution towards the ongoing expansion of the risk management system. Furthermore, they can be elementary to ensure achievement of corporate goals and to increase the MPC Capital Group's value on an ongoing basis.

The risk management system in the accounting process
With regard to the accounting process, the risk management system relates to compliance with legal and industry standards, the correct recognition of facts in the balance sheet and the appropriate valuation and consideration of balance sheet risks. Ongoing monitoring takes place via an internal control system that constitutes an integral part of the risk management system. The internal control system comprises principles, processes and measures to ensure the correctness of the accounting and the control of crucial legal and internal guidelines.

Qualified employees, the use of software that is customary for the sector, clear internal and legal guidelines constitute the fundamental principles for a uniform and continual accounting process within the MPC Capital Group. The measures and requirements incorporated as part of an internal control process such as automatic and manual plausibility checks also guarantee that the accounting process is adequate and correct.

Through this framework, MPC Capital ensures that, in essence, transactions are recorded, processed and documented promptly, correctly and traceably in accordance with the legal requirements and internal guidelines. It also guarantees that assets and liabilities are recognised and shown correctly and appropriately in the consolidated financial statements. The information in the consolidated financial statements and the annual report is comprehensible and transparently visible.

The key features of the risk management and internal control system with regard to the consolidated accounting process in place at MPC Capital can be described as follows:

- The MPC Capital Group is distinguished by a clear organisational and corporate structure. Company-wide key functions are managed centrally via MPC Capital AG. The organisational concentration of tasks and the bundling of knowledge were rigorously continued in the reporting period.
- The functions of the units and areas involved in the accounting process (e.g. accounting, Group sales controlling and Group controlling) are kept separate. The areas involved in the risk management and control system have the requisite expertise and the appropriate resources to fulfil their tasks adequately.
- The consolidated financial statements of the MPC Capital Group follow International Financial Reporting Standards (IFRS).
- The MPC Capital Group has a central accounting and balancing organisation.
- The accounting process is effected on the basis of a uniform account system.
- In essence, reporting is structured on a segment basis.
- Appropriate internal control processes (within the processes, dual control principle, release procedures and authorisation procedures) are in place.
- The financial systems used correspond to standard software (LucaNet, Diamant).
- Internal guidelines have been implemented for material transactions. These are updated, extended and supplemented on an ongoing basis (e.g. travel expenses guidelines).
- Income-relevant risks and/or risks that would jeopardise the company's existence are recorded, analysed and managed continuously via planning, reporting, controlling and early warning systems and processes.
- Identification of specific risks and relevant risks is carried out using a bottom-up principle, in part via the individual competence centres.
- Among other things, the Management Board and Supervisory Board also address material questions of accounting and risk management.
- The completeness and accuracy of data are checked. This is effected via plausibility checks incorporated in the various software programs used.
- The accounting-relevant processes incorporated at MPC Capital are dynamic. This means that they are regularly reviewed and, if applicable, adjusted to current developments and general conditions.

ENVIRONMENT AND INDUSTRY RISKS

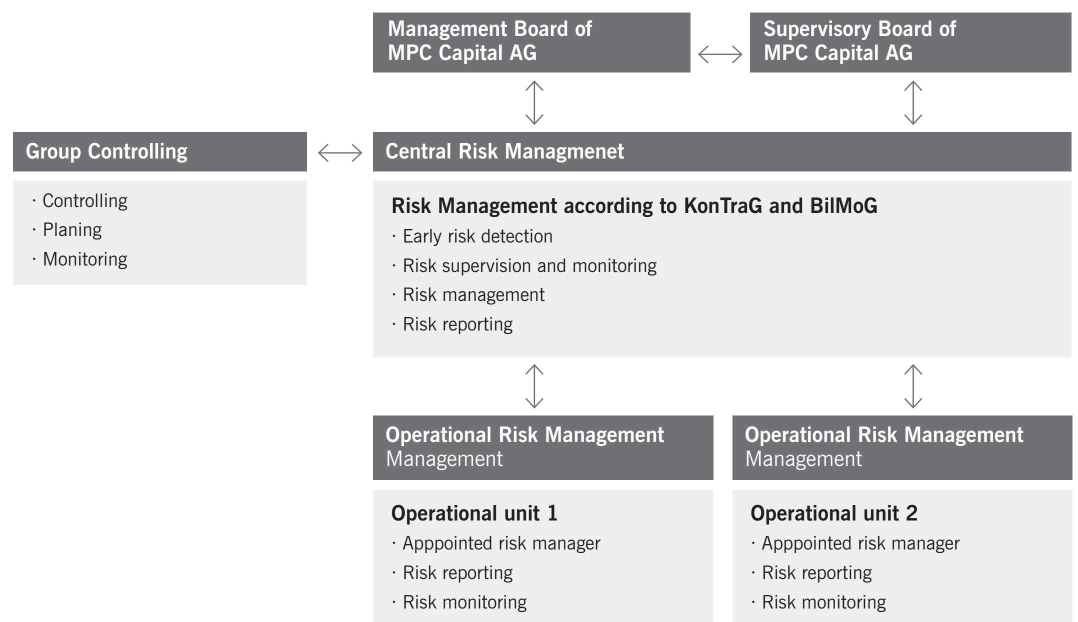
The MPC Capital Group operates throughout Germany and in Austria and the Netherlands and is involved in the development, initiation, sale and management of closed-end asset-based investments.

The activities of the MPC Capital Group are influenced by general external conditions such as the economic situation, changed legal frameworks, the development of the general income and prosperity of investors and changes in their investment preferences. As at any other company, these general conditions can deteriorate and have corresponding negative impacts on the earnings position, financial and net worth position of the MPC Capital Group.

Changes in investor preferences

Amidst the disruptions on the finance and product markets in 2008 and 2009, many investors suffered personal losses and their willingness to invest was reduced significantly. However, capital market investors' confidence in many financial advisors also nosedived. In the reporting period, the strong recovery of the German economy also boosted the confidence and planning reliability of German investors for the first time since the financial crisis. For instance, demand for investment products recovered slightly in 2010. In contrast, the change in investment behaviour appears to be more enduring: Investment decisions were taken in a careful and highly security-oriented manner in the reporting period. This also applies to the market for closed-end investment models, where it is pleasing to note that the total placement volume rose slightly to

MPC Capital Group Risk Management System (simplified)



EUR 5.8 billion in the reporting period (2009: EUR 5.1 billion). Even so, it is still well below the level of 2008 (EUR 8.3 billion).

MPC Capital was unable to escape the changes in the industry environment. Nevertheless, MPC Capital saw its placement figures start to recover far more quickly than the overall market. As of the end of the first quarter of 2009, the MPC Capital Group reported an increase in its placement figures in almost every quarter. In particular, the early orientation of the MPC Capital Group towards new sales structures and investor preferences quickly proved to be successful. For instance, MPC Capital achieved full placement of a total of five traditional closed-end real estate funds in the reporting period. Nevertheless, placement volumes remain low on a historical comparison.

Availability of assets

MPC Capital's business model is mainly based on the initiation and sale of closed-end investment models. In view of this, the ongoing initiation of new fund products and the expansion of the product range form the basis for the company's long-term growth. A requirement for this is that the widest possible selection of attractive and promising assets or investment properties that meet the high quality standards of MPC Capital must be available.

The brighter economic climate ensured new promising investment opportunities on the product and asset markets in the reporting period. Nevertheless, there is already considerable competitive pressure surrounding attractive properties and investments in some segments. Frequent factors in the successful conclusion of contracts are a good network, fast preparation of interim financing solutions and business partners' confidence in the company's ability to generate specific placement volumes.

MPC Capital has a large, well-developed national and international network as well as an outstanding reputation in all core segments on the market. This enabled MPC Capital to secure five new real estate fund projects in the reporting period alone. Until September 30, 2013, MPC Capital also has full access to an almost fully financed asset pipeline characterized by charter or pool employment contracts.

At the same time, MPC Capital offers investment opportunities in the energy segment such as the MPC Bioenergie. With the MPC Capital Bioenergie the company has structured and initiated an alternative asset – a biomass plant – via the model of a closed-end fund.

As Germany's biggest listed issuing house and the established "MPC Capital" brand, the company is highly regarded on the market and among its business partners. MPC Capital managed to launch all planned fund projects in the reporting period and secure corresponding solutions for interim financing. The risk of a product shortfall is to be regarded as low.

Nevertheless, there are financing risks – in some cases significantly so – in the existing asset pipeline, arising in particular from the warranties and placement guarantees granted, known as contingent liabilities. Financing for a significant portion of these contingent liabilities was secured and reorganised in the agreement with the banks of 26 March 2010. MPC Capital is confident that it will secure similar finance guarantees for the projects not covered by this agreement soon. The agreement with the financing partners ends on 30 September 2013. If it not possible to place these assets on the market as funds or to develop alternative solutions and financing structures in the medium term, there is the possibility of a considerable financing shortfall.

Image and reputation risks

In recent years, the turbulence on the finance and product markets as well as the shipping markets has increased the risk of the profitability of individual or several investments deviating significantly from the planned forecasts or payouts being omitted altogether. This development is already apparent from parts of the audited MPC Capital balance of transactions for 2009. Nevertheless, this is an industry-wide experience that cannot be attributed to initiation or design defects on the part of individual initiators.

Even so, a worse than expected performance of MPC Capital products exposes the company and the MPC Capital brand to an increased image and reputation risk. MPC Capital is countering this risk with a consistent quality strategy. This begins with selection of the assets, design and sales and continues with investor support and management of the fund across the entire term of the product. At the same time, MPC Capital follows an open and transparent communication policy.

In the reporting period, MPC Capital managed to avoid significant impacts on the company's image and reputation. This is not least proven by the placement success in the real estate segment in the financial year 2010. For this reason, MPC Capital does not envisage an increased image and reputation risk for the company at present.

Financing of new projects

Banks and financial institutions have been badly hit by the collapses on the finance and capital markets in the past two and a half years. In some cases, the state has had to step in as a guarantor in order to ensure continued existence and prevent negative impacts on the entire financial system. Inadequate liquidity, increasing risk awareness and higher capital backing requirements have limited the lending practices of banks and financial institutions. To fend off a possible credit crunch, the European Central Bank (ECB) has massively reduced interest rates. Nevertheless, these interest rate cuts have only been partially passed on to borrowers, if at all. In addition, in the necessary restructuring of finance and banking, new regulatory requirements are being set and introduced in order to avoid extreme situations in the future. For example, under the name "Basel III", new guidelines intended to make banks more resistant to risks from their business have been passed. Despite the economic upturn in Germany, these are initially likely to make credit scarcer and more expensive, as less credit per euro of equity can be granted than was previously the case. In view of this, it is possible that adequate external financing and equity bridging loans may not be found for individual new projects of the MPC Capital Group under cost-effective conditions.

The successful implementation of the strategy programme initiated at the start of 2009, as well as the successful implementation of the debt-to-equity swap in the first quarter of 2011 haven strengthened the overall financing position of the company. At the same time, the placement performance of the MPC Capital Group above market levels is proof of its fundamental placement strength. MPC Capital is therefore well positioned to negotiate corresponding financing for fund initiation at acceptable conditions. Furthermore, the company's placement performance also offers opportunities for alternative and innovative (interim) financing solutions, as demonstrated not least by the real estate projects initiated and fully placed in the reporting period. Other advance funding solutions will become more important in the future such as sellers credits or contract penalties as a substitute for placement guarantees.

GROUP MANAGEMENT REPORT

Competition for investments

MPC Capital is in direct competition with other providers of alternative investments on the market for closed-end investments. As Germany's biggest listed issuing house, MPC Capital has a leading position on the market. Since it was established in 1994, MPC Capital has initiated and realised more than 319 funds with a total investment volume of over EUR 18 billion.

MPC Capital again improved and strengthened its market position in the reporting period, however, against a very weak previous period. Its good reputation and high profile (MPC Capital brand), the strategic measures that were successfully implemented in the reporting period and its transparent communication policy as a listed company are likely to secure a stable position on the market for MPC Capital in future.

In addition to direct competition from within the sector, closed-end investments are in indirect competition with other investments and investment opportunities. For example, the general interest rate level forms a parameter which determines the competitiveness of closed-end funds against products directly dependent on interest rates. The economic environment and the estimate of the future economic situation also represent a key influencing factor, which may become apparent in a higher savings rate and reservation towards alternative investment options. The attitude of investors towards all forms of investment has generally changed. Investors are ultimately much more cautious and security-oriented in their investment decisions. Liquidity-related investment forms in particular posted high inflows. The strong recovery of the German economy is likely to boost the confidence and planning reliability of German investors. In view of the expansive monetary policy of the ECB, liquidity-related investment options hardly deliver a real rate of interest at present. If the economic upturn also accelerates the general price increase, liquidity-related investment products are likely to see an outflow of capital and long-term tangible assets will be more attractive. Even so, investors remain cautious and risk averse.

REGULATORY RISKS

As at 31 December 2010, MPC Capital does not require an authorisation permit under the German Banking Act (KWG) for its business model on the basis of the applicable legal situation.

In principle, amendments to tax legislation may impact upon the performance of individual MPC Capital funds and entire product segments. Nevertheless, the funds of MPC Capital are designed with a view to the return for the company, not the exploitation of specific fiscal advantages. Against this background, the MPC Capital Group currently cannot identify any potential tax changes that could have material effects on the development and sale of products.

In addition, legislative changes or new regulatory requirements in particular can significantly affect the performance and future viability of individual MPC Capital funds and the product segments. Legislators and regulatory authorities at European and national level are working together to increase the security and transparency of the financial markets. This can lead to significant additional expenses and supervisory transparency obligations for financial sales teams and providers of investment products.

In 2010, the European Parliament approved the Alternative Investment Funds Managers directive (AIFM). It is still to be passed by the Council of the European Union. Two more years are planned for national implementation. With the AIFM directive, providers of closed-end funds could be subject to many new requirements in the next few years. They may have to comply with numerous authorisation requirements, transparency obligations and capital requirements and set up comprehensive risk management systems.

Further draft bills on regulation of the finance and investment market are also currently under discussion at federal level in Germany. These chiefly include updating of financial investment broker legislation and the German Asset Investment Act (VermAnlG) as well as the Investor Protection Improvement Act (AnSVG).

- As at the reporting date, the updating of financial investment broker legislation and the German Asset Investment Act chiefly involve the introduction of a new Article 34f of the German Trade Regulation Act (GewO), which sets out qualified authorisation requirements for financial investment brokers and advisers, as well as product-specific new regulations in the context of a newly introduced German Asset Investment Act and changes to the German Sales Prospectus Ordinance (VerkProspV). These include, for example, the obligation to prepare a product information sheet and the extension of the current liability exclusion period. The current draft bill still does not fundamentally classify issuing houses as financial institutions as defined by the German Banking Act (KWG). Nevertheless, there is a possibility that individual areas of activity of issuing houses that are performed by subsidiaries may come within the ambit of German Banking Act business with a regulation requirement. A definitive assessment cannot be made as at 31 December 2010, and is only likely to be possible on the basis of practical application and case studies.
- The government draft of the German Investor Protection and Functionality Improvement Act approved on September 2010 does not contain any new regulations on closed-end funds, as these are to be issued separately, as explained beforehand.

For this reason, there remains a possibility that parts of the business model of the MPC Capital Group may have to be adapted significantly in the context of the changed regulatory obligations and supervisory requirements in future.

The MPC Capital Group is well positioned to implement future supervisory requirements and statutory obligations quickly in the Group. As a listed company, MPC Capital has had the corresponding organisational structures and a large amount of experience in dealing with compliance and capital market requirements and supervisory authorities for several years now. This expertise was further increased by the management of MPC Capital Privatbank – a unit with a full banking license until its sale in March 2009 – and of MPC Capital Concepts, a subsidiary with a permit in accordance with Article 32 of the German Banking Act. The MPC Capital Group also has a critical size that does not call business continuity into question despite the increased supervisory requirements. Furthermore, the MPC Capital Group can also take on services for smaller issuing houses if required here, thus creating a further source of income.

The service initiative instigated by MPC Capital in 2010 additionally helps the sales partners to comply with supervisory and regulatory requirements. For instance, the product information sheet was introduced in the reporting period before this was actually required by law. In addition, the legally prescribed elimination of prospectus liability after six months was voluntarily foregone.

OPERATIONAL AND STRATEGIC COMPANY RISKS

Risks in sales

The MPC Capital Group sells its investments through major and private banks, savings banks, cooperative banks, sales platforms, pools, large distributors, independent financial sales and direct sales. A simultaneous restriction or ending of the business relationship between MPC Capital and several of these business partners could lead to a significant impairment of the company‘s business activities. In general, the overall sales structure has changed in favour of the independent sales partners and sales platforms in recent years. In the reporting period, the share of banks and savings banks in the total placement volume stood at around 40% compared with 55% in the 2009 financial year. The independent sales partners increased their share to around 57% of equity placed compared with 42% in the previous year. The rise in placement figures in the reporting period shows that MPC Capital responded to the changed structures in sales successfully and quickly. The greater diversification of the placement result among the various sales channels has reduced the dependency on individual sales groups. No major concentration within the sales groups is apparent.

Liability risk for statements made in the prospectuses

Prospectuses are issued for the sale of funds initiated by MPC Capital. There is a possibility that MPC Capital AG or its subsidiaries could be held liable as the publisher of these prospectuses with respect to individual investors in the event of incorrect or incomplete information. MPC Capital counters this risk by ensuring a high level of quality in producing the prospectuses. The prospectuses are drawn up by long-standing, experienced employees in accordance with the “Principles of correct assessment by prospectuses of publicly offered investments” (IDW S4), a standard of Institut der Wirtschaftsprüfer in Deutschland e.V. (Institute of Public Auditors in Germany). An auditor assesses the prospectuses on the basis of this standard. In institutional sales in particular, many sales partners also subject the products to an internal audit before they begin distributing them. Despite these measures, there is no guarantee regarding the completeness or accuracy of the information in the prospectuses or the statements they provide on economic developments or tax effects. The increase in the average placement duration of the offered funds since the end of 2008 has also increased the likelihood of supplements arising from a significant change to facts on which the prospectus is based. Liability risks may arise from supplements that are not provided on time or in full. For this reason, in the analysis of requirements and preparation of the supplements, MPC Capital, applies the same degree of care and quality as when preparing the prospectuses. In addition, in accordance with Article 13 (1) of the German Sales Prospectus Act, (VerkProspG), the regulation of Article 44 (1) sentence 1 of the German Stock Exchange Act (BörsG) also applies to closed-end funds. According to this, prospectus liability only applies to subscriptions that are made within six months after initial publication of the offer. However, the actual placement period of a closed-end fund is often longer. In the context of the service and transparency initiative, MPC Capital forewent the legally prescribed elimination of prospectus liability after six months after commencement of an offer in the interests of sales partners and investors. Consequently, the duration of the prospectus liability risk for MPC Capital has increased. The turbulence on the international economic and financial markets has also impacted on the performance of individual MPC Capital funds. As a result, disappointed investors may become more willing to consider legal measures.

GROUP MANAGEMENT REPORT

Legal risk

As at the reporting date of 31 December 2010, legal proceedings or damage claims are of subordinate importance – in so far as they are known – and their effects are taken into consideration in the consolidated financial statements. In addition, the legal dispute with cash.life AG was settled out of court in the reporting period.

The out-of-court settlement avoided drawn-out and cost-intensive legal proceedings and created planning reliability, entirely in the interests of investors. The agreement provides for a payment of EUR 6.8 million by the fund companies to cash.life. In return, cash.life AG will drop all actions. The service and management services of the MPC Capital life insurance secondary market funds have been performed by MPC Münchmeyer Petersen Capital Life Plus Consulting GmbH since 1 January 2010. The savings from the lower fees of MPC Münchmeyer Petersen Capital Life Plus Consulting across the entire term exceeds the payment of EUR 6.8 million and thus is in the financial interest of the fund companies. MPC Capital had committed support to the fund companies for the legal dispute and created provisions of around TEUR 500 in this connection. Only around TEUR 60 of the provisions was used for legal advice costs. The remaining amount was reversed on 31 December 2010 and recognised as other operating income from the reversal of provisions.

ORGANISATIONAL RISKS

Personnel risks

In the reporting period, in the context of the lower placement volume and thus the reduced new initiation of funds, MPC Capital largely completed the adjustment of personnel numbers to the changed general conditions that was started in the 2009 financial year. As at 31 December 2010, the number of employees was 222 compared with 267 as at the reporting date for 2009. MPC Capital implemented these measures in a careful and considered way, and supported the employees affected with various internal measures. This ensured that negative impacts, such as a loss of identification with the company by the remaining employees, were avoided as far as possible. The fact that the level of identification has remained high is reflected not least in the voluntary support for the MPC Capital foundation shown by numerous employees in the reporting period. At the same time, the external perception of MPC Capital as a fair and attractive employer has not changed significantly. The number of applications and enquiries rose again in 2010.

This development reduces the future risk of MPC Capital not having sufficient employees with the necessary qualifications to carry out the operational and strategic requirements of the company. MPC Capital counters this risk through numerous internal personnel development measures and by positioning the company as an attractive employee. One example of this is the implementation of the MPC Capital Academy. In many business divisions, there are also key positions that are of significant importance to the further development and business of the company. These people are closely tied to the company through various measures. MPC Capital was again able to fill vacant or new positions quickly in 2010.

IT risks

The business processes and the internal and external communication of the MPC Capital Group are increasingly based on IT and electronic data processing. A significant fault or a breakdown of the electronic business systems can lead to a loss of data and significant disruption to business processes.

The MPC Capital Group has outsourced the IT management as well as the ongoing inspection and monitoring of information technology, data processing systems and IT processes to MPC IT Services GmbH & Co. KG. The company is a subsidiary of MPC Holding. Various organisational and strategic measures are taken in order to minimise IT risks as far as possible. These include active IT risk management, rules with the stipulation of corresponding responsibilities, and a periodic reporting system. In addition, technical precautions, for example data restoration and continuity plans, are developed, maintained and checked on an ongoing basis.

MEASUREMENT RISKS FROM INVESTMENTS

The MPC Capital Group holds various investments in companies. The enterprise values of these investments may change over time as a result of various factors. In the context of extensive, regular risk management, MPC Capital therefore examines the value of investments and adjusts the valuations listed in the balance sheet of MPC Capital if applicable. Accounting value adjustments do not have any effect on the liquidity of the MPC Capital Group here. However, material or cumulative and simultaneous value adjustments could greatly reduce equity and possibly endanger the continued existence of the company in its current form. Accordingly, in the reporting period, especially the valuation of the investment in HCI Capital AG and the valuation of a stock option in MPC Global Maritime Opportunities S.A., SICAF were of importance.

HCI Capital AG

HCI Capital AG started an extensive restructuring programme in 2010. In addition to organisational changes, the programme includes strengthening the financial position of HCI Capital AG and the aim of a release from contingent liabilities entered into. The MPC Capital Group supports the restructuring programme, which is likely to lead to a recovery in the income prospects at HCI Capital AG in the long term and thus strengthen the value of the investment. HCI Capital AG has already reached significant milestones in the implementation of its restructuring programme: as well as deferring a bank loan of around EUR 36 million, HCI Capital AG announced on 10 August 2010 that it had agreed with its funding partners to strengthen its equity position by converting debt of EUR 31.5 million. Accordingly, the company issued 5,354,116 new bearer shares, increasing the share capital of HCI Capital AG from EUR 24,000,000 to EUR 29,354,116. To ensure full subscription of the new shares, the key funding partners contributed their outstanding receivables from in relation to the company with a nominal value of around EUR 31.5 million as a non-cash contribution. With the issue of new shares, the percentage of the share capital and voting rights of HCI Capital AG held by MPC Capital fell to 33.4%. The Group result of HCI Capital continued to be consolidated at equity in accordance with the new proportionate interest. The dilution of the investment in HCI Capital AG has caused an amendment of the book value of HCI Capital of about EUR 2.2 million to a current value of EUR 37.0 million. This corresponds to a value of EUR 3.8 per share in HCI Capital.

On the basis of an impairment test for the investment in HCI Capital AG, no impairment requirement was established during the 2010 reporting period. Even so, a future impairment requirement cannot be fully ruled if HCI Capital fails to significantly increase the placement volume in high-yield segments in the medium term. As at the balance sheet date, the Xetra closing price of the HCI Capital share was EUR 1.85.

MPC Global Maritime Opportunities S.A., SICAF

MPC Capital also has a 12.26% interest in MPC Global Maritime Opportunities S.A., SICAF, a special fund according to Luxembourg law in the legal form of a société anonyme. The target fund invests within the entire value-added chain of the maritime economy. The planned investment of the MPC Capital Group amounts to USD 25.0 million of the total capital. MPC Capital also holds stock options for a further 20% of the total capital. If these stock options were exercised, the proportionate interest would be 30.01%. The difficult environment in shipping was a key factor in the performance of MPC Global Maritime Opportunities S.A. Consequently, the valuations of the stock option and the investment resulted in an adjustment requirement of around EUR 5.1 million for MPC Capital. With the recovery of (container) charter rates and ship prices that started in 2010, the prospects in the maritime investment sector have improved again. Alongside new investment opportunities, more exit channels are also likely to be available for existing investments. MPC Global Maritime Opportunities S.A. is also expected to benefit from this development in the medium term.

FINANCIAL RISKS

Liquidity risk

The liquidity risk is managed centrally at the MPC Capital Group. To ensure constant ability to pay, sufficient facilities to fulfil all planned payment obligations throughout the Group by the respective due date are made available. These facilities consist of operating cash flows as well as changes to current financial liabilities. They are derived from liquidity planning. MPC Capital's risk management system therefore attaches particular importance to liquidity planning and liquidity monitoring. Risk management is performed centrally by the Finance and Taxation division.

Liquidity planning and the current liquidity situation are reviewed on an ongoing basis. Significant changes or deviations are communicated immediately and actively to the divisions responsible and to the Management Board. The purpose of liquidity planning and monitoring is to ensure that the company has the necessary flexibility with regard to financing at all times. For this purpose, adequate liquidity reserves and unused credit lines must be made available. MPC Capital also actively manages the liquidity risk. For instance, cost-reduction potential is quickly utilised and existing financing is restructured with more favourable borrowing costs.

In the reporting period, MPC Capital's liquidity was burdened in particular by operating expenses, restructuring of fund projects, consultancy costs and interest and principal repayments for financial liabilities. Opportunities for refinancing and extension of existing credit lines initially deteriorated in 2009. MPC Capital strengthened its liquidity position in the context of the agreement with its funding partners and a capital increase in 2010. As 2010 progressed, the more positive business development and the results of the cost-cutting programme initiated in 2009 also contributed to an adequate liquidity position. In the context of liquidity planning over a period of 24 months, the probable liquidity requirement was determined and potential funding requirements were secured through appropriate financing commitments from banks as well as the likely incoming and outgoing payments impacting on liquidity. As at 31 December 2010, the available liquidity amounted to around EUR 12 million. The conversion of liabilities to equity in the amount of around EUR 44.5 million as part of the debt-to-equity swap from March 2011 also has a positive impact on the liquidity position as no more interest or principal payments will be incurred for the non-current liabilities concerned.

GROUP MANAGEMENT REPORT

Follow-up financing risk

As at the balance sheet date of 31 December 2010, MPC Capital had current liabilities due to banks of TEUR 62,033 (2009: 118,899). These liabilities have a term of around one year. Accordingly, there are risks as to whether follow-up financing to replace due liabilities can be found under similar conditions. As part of the bank agreement dated 26 March 2010 securing and prolonging existing credit lines and interim financing as well as suspending existing covenants, MPC Capital reduced the follow-up financing risk. In this context, short term liabilities were re-structured in long-term liabilities. The agreement will expire on September 30, 2013. However, should MPC Capital not be able in the meanwhile to fulfill the qualitative and quantitative covenants associated with this agreement or should not be able to place funds on the market or to arrange alternative solutions, there is in general the risk of an imbalance in the follow-up financing.

The reduction of non-current liabilities in the context of the debt-to-equity swap announced in January 2011 as well as the recovery of operating business also had a positive impact on the probability of the MPC Capital Group being able to conclude appropriate follow-up financing if required.

Interest rate risk

Interest rate risks arise due to market-related fluctuations in interest rates and changes in margins when taking up and extending loans. Changes in interest rates may negatively impact the future liquidity position of the MPC Capital Group via higher interest expenses. In addition, higher interest charges may adversely affect the business benefit of various corporate measures and restrict the corporate scope for action. On the investment side, the same applies to tying up new assets and building up an appropriate asset pipeline. In the context of the agreement dated 26 March 2010, MPC Capital secured the prolongation of existing credit lines and interim financing and the suspension of existing covenants until end of September 2013. The short-to medium-term interest rate risk has thus been reduced. If, however, MPC Capital should not be able to adhere to the covernants of the agreement or should not be able – together with its affiliates – to place those assets on the market or to find alternative financing solutions, there is the possibility of a financing gap.

Financial instruments

The MPC Capital Group is exposed to financial risks in financing via the money and capital market. Derivative financial instruments are used to hedge interest rate positions to minimise the possible negative financial effects caused by interest rate fluctuations. As a hedging instrument for part of the financing for the investment in HCI Capital AG, a standard hedge was agreed in the form of an interest swap for a loan amount of TEUR 17,000. The financial instruments in place within the MPC Capital Group undergo regular risk controls. In year-end market-to-market valuation as at 31 December 2010, the financial instrument is measured at its current market price.

Detailed information on the measurement of the interest rate swap of the MPC Capital Group and information on other financial instruments can be found in the section on derivative financial instruments in the notes to the consolidated financial statements.

Currency risks

The MPC Capital Group is subject to currency risks in the context of its business activities. They arise from alterations in rates between the functional currency of the company (Euro) and other currencies. In the reporting period, the MPC Capital Group particularly faced currency risks in the context of project initiation, sales and management of funds in foreign currencies. The US dollar is the dominant currency here. MPC Capital also has a 12.26% stake in the MPC Global Maritime Opportunities fund and holds further share options in this fund for a further 20% of the share capital. The MPC Global Maritime Opportunity fund is an investment fund in USD.

Currency risks therefore consist of future unforeseen exchange rate developments, in particular a significant weakening of the USD/EUR exchange rate. No hedging transactions have been carried out to limit these risks.

The overall risk from changes in exchange rates is to be regarded as fairly low. On the balance sheet date in the context of risk management, currency risks are recorded and subjected to a sensitivity analysis in terms of their impacts on the earnings position, financial and net worth position. Foreign currency gains and losses are recorded in the financial result.

Bad debt risk

In addition to initiation of closed-end funds in the core segments of real estate, ships and energy, the business activities of the MPC Capital Group also include financing and management services for individual fund companies and partner companies. The difficult general economic situation on the product and capital markets has also had financial implications for some fund companies. In light of this, MPC Capital performed revaluations on its receivables in the reporting period. In addition, receivables with a term of more than one year were written down to current fair value owing to accounting reasons. This resulted in negative, extraordinary and non-recurring accounting effects. These non-cash effects, combined in other operating expenses, reduced the consolidated result by around TEUR 20,643.

Contingent liabilities

The business model of MPC Capital is essentially based on structuring various assets from the segments of real estate, ships and energy into closed-end funds and placing them in full on the market. To guarantee appropriate product availability over the entire financial year, promising assets have to be secured for or linked to the company early on and often before being placed on market. In this context, MPC Capital issues directly enforceable warranties and placement guarantees, known as contingent liabilities. These contingent liabilities are usually dissolved on full placement of the assets as closed-end funds. However, owing to the wait-and-see attitude among investors as a result of the financial and economic crisis, the risk has increased that these funds may not be fully placed on the market as planned.

As at the balance sheet date, the contingent liabilities of the MPC Capital Group amounted to around EUR 2,062 billion in total. If a significant portion of these contingent liabilities had to be converted into actual, recognised liabilities, this would mean a substantial liquidity and financing risk and thereby a threat to the continued existence of the company in is current form.

In response to the changing general conditions and as part of its strategy programme, MPC Capital reached an agreement with its financing partners on 26 March 2010 that secures or reorganises the financing for the majority of the funds currently being placed or set to be placed in future. The agreement covers contingent liabilities of the MPC Capital Group of about EUR 800 million and – assuming compliance with the agreed qualitative and quantitative covenants – will remain in effect until 30 September 2013. Moreover, MPC Capital substantially reduced its outstanding contingent liabilities by finalising an agreement with investors to take over a ship project of nine 13,000 TEU container vessels. This released MPC Capital from contingent liabilities amounting to EUR 1.2 billion. Further information on this topic can be found in the supplementary report of the MPC Capital Group Management Report.

The company is also continuing to work on a significant further reduction of liability risks through various restructuring measures with funding partners and institutional investors. MPC Capital expects to substantially reduce its contingent liabilities over the reporting period. In the future, MPC Capital nevertheless is still convinced that the availability of products in all segments will be a major competitive factor and that access to a fully financed and available asset pipeline can prove to be crucially important. Consequently, there are no plans to completely scale back the asset pipeline.

a) Surety risk

At the beginning of a closed-end fund, there is the tie-up, i.e. the purchase of the asset that constitutes the investment object of the fund. The tie-up is made at a time when the fund company does not have sufficient financial resources, as the offer phase of the fund has often not yet started. For this reason, advance funding is required. So that the fund companies receive this financing, they are generally protected by the MPC Capital Group through corresponding directly enforceable guarantees or comparable obligations. These obligations have a term of several years, particularly with the financing of ships, due to the time discrepancy between ordering and delivery. Ships are almost entirely financed through bank lending during the construction period. With the exception of one project, construction period financing is in place for all ordered ships of the MPC Capital Group. In addition, all ship projects of the MPC Capital Group have firm commitments with regard to the long-term ship mortgage financing and equity bridging loans required in the delivery and placement phase. No further new orders were made in the reporting period. MPC Capital therefore managed the asset pipeline in joint coordination with the construction and funding partners to reduce possible future negative effects. Various solution approaches such as order cancellations, purchase price reductions and delivery postponements were developed and implemented here.

b) Placement risks

MPC Capital generally provides a placement guarantee to the financing banks in connection with the initiation and sale of a fund in order to enable the interim financing of the outstanding equity required for the offer phase. MPC Capital thus assumes the obligation of guaranteeing outstanding equity from its own funds at the end of the placement period if applicable and thus initiating equity bridging loans. MPC Capital adopts a conservative approach to planning the placement periods and applies its longstanding experience and market knowledge. If one or more closed-end funds still cannot be placed in the planned period, this may result in considerable payment obligations for the MPC Capital Group.

In rare cases, the MPC Capital Group provides further guarantees in connection with the placement of a fund for strategic reasons. These currently amount to around USD 10 million in the MPC Capital Group. For a large majority of the funds, however, there are no further guarantees and a negative economic performance by individual funds would have only an indirect effect on the earnings position, financial and net worth position of the MPC Capital Group.

Overall risk

MPC Capital has identified the risk positions in the company at an early stage and analysed and entrepreneurially managed them in the context of active risk management.

On 26 March 2010, the MPC Capital Group concluded important, far-reaching agreements with its funding partners that largely related to the extension of existing credit lines and interim financing as well as the suspension of existing covenants. MPC Capital achieved stable financing for most funds already in distribution and funds that are to be distributed in the future – and thus for most liability risks of the company until the end of September 2013. The financing of projects in the current asset pipeline not covered by the agreement must be ensured in line with their maturity. The Management Board is fully confident of a successful restructuring of these projects as well.

As at 31 December 2010, MPC Capital also held a 33.4% stake in HCI Capital AG, which is recognised at a carrying amount of about EUR 37.0 million. It was confirmed in the reporting period that the value of this interest had not been impaired. Nevertheless, future value adjustments cannot be fully ruled out. This is particularly the case if the restructuring measures initiated by HCI Capital do not or only partially result in positive corporate development.

As of March 31, 2011, MPC Capital has significantly strengthened its overall financial position with the debt-to-equity swap worth about EUR 44.5 million. With the successful conclusion of the swap the company is fundamentally strengthened to – in general - deal with measurement adjustments in its accounts. MPC Capital also assumes that the restructuring process of HCI Capital AG will progress successfully and that the company will return to reasonable earnings strength in the medium to long term, which is then likely to be reflected by the company's valuation.

However, if – contrary to the expectations of the MPC Capital Group – agreements with the funding partners arising from the various measures are not adhered to or various risk positions recognised as at 31 December 2010 come into effect simultaneously and cumulatively, this could have a significant influence on the Group's financial position, net worth and earnings position and jeopardise the continued existence of the Group in its current form. This particularly concerns risks from bank sureties issued and placement guarantees granted. If a significant portion of the contingent liabilities had to be converted into liabilities that actually have to be recognised or served, the funds available as at the end of the reporting period would not be sufficient to cover them.

OPPORTUNITIES

The global economy returned to growth in 2010. While the brighter economic climate enables new, promising investments in the product markets, the strong recovery in the German economy strengthens the confidence and the planning reliability of German investors. MPC Capital expects to benefit above average from a market recovery.

As Germany's biggest listed issuing house, MPC Capital boasts expertise from 319 fund products since 1994. Over the years, more than 180,000 customers have invested around EUR 7.7 billion in MPC Capital products, thus generating an investment volume of EUR 18.6 billion.

Increase in market share

With a placement volume of around EUR 220 million in the reporting period, MPC Capital exceeded the result of the previous year by almost 50%. The placement volume of the industry only rose by 13% to EUR 5.8 billion in the same period. MPC Capital benefited from an upturn in the market much more quickly in 2010. Consequently, MPC Capital gained market share. The main factors were the fast tie-up of new real estate projects and a well-positioned sales management. MPC Capital expects to be able to increase its market share further in 2011.

Market shakeout

The difficult general economic situation severely affected nearly all providers in the closed-end fund sector as of the second half of 2008. As well as safeguarding of existing funds and thus also image maintenance, financial obligations from the asset pipeline led to significant negative impacts. Many SMEs thus face major financial challenges. At the same time, they are not system-relevant to the extent that they can fully expect the support of product and funding partners. As a result, their future prospects are likely to have dampened, as the tie-up of new assets is likely to be hard to finance. The increasingly high capital backing requirements of banks with corresponding risk premiums may also severely restrict the scope for action of these companies. In particular, the large providers are likely to benefit from such a consolidation, and MPC Capital is the largest issuing house in Germany.

Reliable product partner

Traditionally, MPC Capital has a clear focus on closed-end funds as transparent and long-term investments in tangible assets. The company offers a wide range of products in the real estate, ships and energy segments and has responded quickly to changed demand situations. For instance, in the reporting period alone, five of the highly popular traditional real estate funds were newly tied up and fully placed with a volume of over EUR 100 million. The tie-up side of new projects has also changed, and now presents companies with particular challenges. Banks and credit institutions remain very cautious, especially when allocating equity bridging loans. Increased margins due to higher risk assessments many jeopardise the feasibility of a project. Consequently, alternative financial solutions are required, where purchase price deferrals or “seller’s credits” are used. The likelihood and feasibility of corresponding opportunities increases in line with the seller’s confidence in a company’s financial strength and placement strength. As a result of various corporate strategy measures, MPC Capital has maintained this strength.

Reliable product supplier

With the recovery of shipping, especially container shipping, demand for ship investments is also likely to return on the market for closed-end funds. Whilst many issuing houses have completely relinquished their asset pipeline in the ship segment or are working on a release from liabilities, MPC Capital still has access to an almost fully financed ship pipeline characterised by fixed charter contracts. MPC Capital is therefore able to bring corresponding investments to the market over the next few years and thus remain a flexible, reliable product partner for its sales partners. The company is therefore likely to benefit substantially from a sustained recovery of the shipping market and an upturn in demand for ship investments.

New funding channels

Cautious lending on the part of banks and financial institutions and higher risk premiums and costs as a result of the higher capital backing requirements of banks are also likely to expedite the need for alternative investment opportunities. For years, closed-end investments have provided a sound funding opportunity which distributes the risk over lenders and numerous equity providers. This is likely to open up numerous opportunities in the years to come – including new ones – on the product markets.

Real assets, long-term investments

The wait-and-see attitude and the risk aversion of investors has not markedly changed in the reporting period. Demand for financial products is still characterized by cautious, safety based and traditional. Nevertheless, MPC Capital expects this to be only a temporary phenomenon. The high savings ratio as well as the high aggregated amount on savings deposits in Germany will in the medium term again lead to increasing investments on the capital markets. An increase in the general price level would add speed to this rebound and would increase the corresponding market turnover. Based on the experience of previous years, it can be expected that in such an market environment real and sustainable assets will be preferred against structured products and products based on complex financial mathematics.

9. Forecast report

The following projections include assumptions which may not necessarily come true. Should one or several assumptions fail to materialise, the actual results and developments may deviate materially from these projections.

Global economic growth continues

The global economy grew strongly in 2010 and is likely to grow further in 2011. Nevertheless, the pace of the economic recovery will slow down slightly in 2011, chiefly due to a significant reduction in the fiscal stimulus programmes in the industrialised countries. Economic experts at the International Monetary Fund (IMF) expect global production to rise by approx. 4.2% in 2011 (2010: 4.8%). The newly industrialising countries will again be the driving force of global economic growth in 2011. Although the industrialised countries also embarked on an economic recovery again in 2010, the disruptions on the finance and product markets seem to be having a more lasting effect here. Economic experts also expect the growth trend to continue in 2012, albeit at roughly the same rate, with growth of 4.2%.

Against the background of the global economic upturn, global trade has also picked up considerably. There are significant differences between the individual regions here. In particular, trade in Asia grew substantially, reaching new record levels. However, trade growth is expected to have reached 10% in the industrialized countries, where growth rates have recently been well below those of the newly industrializing countries. As the pace of economic growth decreases slightly, global trade will also grow a little more slowly in future. Overall, an increase of 8% in global trade is expected for 2011, according to the World Bank.

In 2011, growth in the USA will stay at roughly the same level as the previous year at around 2.8%. In particular, the uncertain consumption prospects in the context of weak labor and real estate markets are dampening hopes for more dynamic growth. Even so, the US government has announced further measures to stimulate the economy. For instance, an infrastructure programme with a volume of around USD 50 billion was approved at the end of 2010. In addition, the government and opposition agreed to extend existing tax benefits. The upturn in the USA is therefore likely to slowly gain in scope in 2012.

The economic prospects in the euro zone for 2011 are cautiously optimistic. Economic performance in the countries of the euro zone has varied considerably so far. Whereas Germany in particular was a real growth engine in 2010, initially as a result of strong foreign trade and then through rising domestic demand, performance remained weak in many other European countries. Real gross domestic product actually shrank in Greece, Spain and Ireland in 2010.

The refinancing problems of some euro countries and the related currency turbulence surrounding the euro will lead to a tight fiscal savings policy in many euro countries, curbing economic development in the euro zone in 2011. Bank economists predict growth of around 1.5% for the euro zone in 2011. If the euro countries affected persist with consolidating their state finances in a credible and sustainable manner and the strong growth in the Asian economic area bolsters the export sector, most economic experts expect a more substantial increase in production of 2.2% by as early as 2012.

German economy on the rise

The German economy will also be unable to maintain its fast pace of growth in 2011, as state budgets face further consolidation and measures to stimulate the economy will be reduced here. However, the German economy remains on the rise: bank economic experts expect growth of around 2.8% for 2011 and 1.6 % for 2012.

Key interest rates remain at a low level

To date, the central banks have seen no cause for a significant adjustment of their low interest rate policy in the much more positive global economic prospects. The US central bank (the Federal Reserve) recently showed its intention to remain focused on the employment rate and inflation rate and to bring them to the target level with an expansive monetary policy. Consequently, the Federal Funds Rate is likely to remain at a historic low for the time being. The Federal Reserve is also sticking to its plan to buy government bonds with a volume of around USD 600 billion. No change in monetary strategy is likely to be initiated until the end of 2012 with a sustained recovery of the US economy that also impacts on the labour market and results in upward pressure on prices.

The European Central Bank (ECB) is initially expected to persist with its unconventional low interest rate policy with an interest rate of 1% in 2011. In addition, the ECB remains concerned about the euro currency speculation in connection with the refinancing of debt-laden euro countries. This also includes the ongoing purchase of government bonds of the troubled European countries, although this is being carried out prudently. Nevertheless, in this context the ECB sees fiscal policy as more of a responsibility and obligation than monetary instruments. In the further course of the year 2011 the ECB will be monitoring the development of the annual inflation rate closely. The ECB already increased the key interest rates to 1.5% on July 7, 2011.

INDUSTRY DEVELOPMENT

Recovery of the market for closed-end funds expected in 2011

The loss of confidence among investors, which has hit almost the entire spectrum of investments, only subsided slightly in 2010. According to the German Association of Closed-end Funds (VGF), the market for closed-end funds grew from EUR 5.1 billion in 2009 to EUR 5.8 billion in 2010. The forecasts of the MPC Capital Group in its 2009 annual report correctly assumed a modest increase. The expected trend has been borne out here, with investors mainly looking for traditional closed-end real estate funds with top properties, long-term tenancy agreements and tenants with good credit ratings as safe havens. Interest in green investments also remains undimmed. Although the financial assets of German private households reached a new record level of EUR 4.88 billion in 2010, investors continued to prefer liquidity-related investment forms in the reporting period.

While the first months of 2011 were characterized by the disastrous consequences of the big earthquake in Japan as well as the insolvency of two shipping companies, Beluga Shipping and Korea-Line, the ongoing recovery of the global economy, in particular the dynamic development of the German economy and the unexpectedly strong situation on the German employment market, should further increases investors' confidence and willingness to invest in 2011. Simple, transparent and security-oriented investment products are likely to benefit strongly from this development. In addition to the attractive returns of asset-oriented investments, the issue of price trends is also likely to bolster willingness to invest in assets. Asset-based investments provide a certain degree of protection against inflation, as the property value generally rises in line with the general price level.

CORPORATE DEVELOPMENT

MPC Capital in the year 2011

MPC Capital has rigorously used the challenging environment of the past few years to strategically and organisationally reposition the company, reduce its costs and increase its financial strength. By doing so MPC Capital always could rely on the trustworthy and reliable support of its financing partners and main shareholders. Along with the demanding economic environment in the years 2009 and 2010 those parties have assisted the company in its restructuring process and have strengthened the company. They are expected to do so in the future.

As part of its strategy programme initiated back in 2009, the company had achieved all set aims by the balance sheet date of 31 December 2010.

The MPC Capital Group still has access to the project pipeline and can quickly extend its range of funds in accordance with market development. In 2011 MPC Capital will continue to focus on investments based on tangible assets in the three core segments real estate, shipping and energy. With the conversion of debt into equity worth some EUR 44,5 million at the end of March 2011, MPC Capital has strengthened its overall financing position.

Positive earnings forecast for 2011 and 2012

The brighter economic climate, especially the strong growth of the German economy and the fast recovery of the shipping markets, are contributing to a marked improvement in general economic conditions. Consequently, the Management Board of MPC Capital AG expects placement volumes to pick up in the second half of 2011 and they should continue to do so in 2012. For the financial year 2011 MPC Capital expects a placement volume of about EUR 160 million in total, of which almost half was already placed in in total, of which almost half was already placed in the first six months of 2011. Accordingly revenues will be balanced between new initiation of funds and fund management. Given this and a declining or constant cost structure of the MPC Capital Group, the company's earnings situation is likely to improve. For the financial year 2011 a balanced result is expected. The Management Board expects a further improvement in the earnings situation for 2012 on the basis of an increase in the placement volume and revenue situation.

Examination of the business divisions

MPC Capital will continue its clear focus on asset-based closed-end investments in the three core segments of real estate, ships and energy in the 2011 financial year. At the same time, product development takes into account the changed requirements of investors for simplicity, clarity and greater security in their investments. The growing significance of social and moral values in investment decisions is particularly addressed by the product range in the energy sector.

Real estate funds

Real estate funds remained a key pillar of the MPC Capital Group's business activities in the financial year. In the 2010 reporting period, MPC Capital fully placed five funds in the traditional core real estate funds sector with long-term tenants with good credit ratings. Demand occasionally outstripped supply here. The product competence centre of the MPC Capital Group continuously analyses the real estate markets and examines attractive properties thoroughly in terms of their fund compatibility. Available opportunities are rigorously utilised in the interests of investors. In addition to longstanding experience in the real estate segment, MPC Capital also benefits from its large network and reputation for success here. This means that interesting properties are frequently offered to MPC Capital before other market participants – and can thus be secured in "off-market" transactions.

In particular, MPC Capital continues to concentrate on the traditional core real estate funds of the successful Deutschland and Holland series. MPC Capital announced three new fund products here in the first quarter of 2011 alone. Together, MPC Deutschland 9, MPC Deutschland 10 and MPC Holland 72 have a likely equity volume of more than EUR 40 million. Further fund projects are under close examination.

Energy funds

Social and moral values are becoming ever more important in investors' investment decisions. This is particularly apparent from a stable demand for energy funds. MPC Capital built up the energy fund segment in 2008 and established it on the closed-end investment market at the same time. MPC Capital only offers asset-based investments in the energy sector here. In contrast, fund products that are involved in price speculation on scarce resources, especially foodstuffs, do not correspond to the values of the MPC Capital Group and are not included in its product range.

MPC Capital sees further growth potential in the energy sector over the next few years. The effective use of scarce resources and alternative methods for producing energy ranks as one of the current megatrends – even more so, after the devastating events in Japan in March 2011. When sourcing new projects and partners, MPC Capital also benefits in this segment from a wide international network and diverse personal contacts. The energy competence centre constantly analyses market trends and examines investment opportunities thoroughly.

Placement of MPC Bioenergie is being continued in the 2011 financial year. The fund is investing in a biomass plant in Brazil, which generates electricity from the incineration of rice hulls, a waste product of rice processing. The plant is to be completed in 2011. The fund's equity to be placed amounts to more than EUR 27 million.

The energy competence centre is currently examining and analysing various attractive projects. There are already further projects in the asset pipeline in the bioenergy segment.

Ship investments

The recovery of the international shipping market – here the container market - surpassed all expectations in 2010. Shipping experts expect a total year-on-year increase of around 12% in global container transhipment in 2010. There were also some sharp rises in charter rates: the Harper Petersen Charter Rate Index (HARPEX) was up by around 130% on the previous year as at the reporting date. The situation for global container shipping thus showed a much faster and sustained improvement than was initially forecast. This positive trend in shipping is also likely to continue for 2011. The shipping experts of the ISL (Institute for Shipping Economics and Logistics in Bremen) expect an average increase of some 8% in container transhipments over the next few years. The market's ability to absorb new ship capacity, which grew by almost 10% in the reporting period after scrapping, shows how robust the market recovery in container shipping has proved to be.

Ship investments via limited partnerships (KG model) will remain attractive against the background of the changed conditions on financial markets. They also remain an important financing instrument for shipping companies when the provision of credit is restricted. At the same time, they give private investors the opportunity to invest in a sound, durable and almost globally deployable asset with an attractive post-tax return. Market supply, however, still faces a low demand. MPC Capital launched a first ship investment (MPC "Rio Manaus") in the first quarter of 2011. The fund has an equity volume of approx. EUR 36 million.

In contrast to its competitors, MPC Capital still has a pipeline of ships that are almost completely financed and chartered on a long-term basis – and can thus quickly and flexibly offer ship investments with consistent and workable price-charter financing combinations. MPC Capital is therefore confident that it can quickly benefit from a further recovery in the ship segment.

Other investments

Recovery on the capital markets

The fast recovery of the global economy and the dynamic price trends on the international stock markets also positively impacted the performance of the MPC Europa Methodik and the MPC Absolute Return funds. According to estimates of economic experts, the global economy is likely to continue to grow in 2011, albeit at a slightly slower pace. MPC Capital expects the MPC Europa Methodik to benefit further from this development.

MPC Best Select – diversified investments in assets

The MPC Best Select funds give investors the opportunity to invest broadly in several asset-based closed-end investments with just one investment. In particular, the stable value of the assets is likely to lead to rising demand in the next few years, especially in view of the comparatively low return of more liquid asstes alternatives and possible higher inflation forecasts. With their wide-ranging asset-based investment portfolio and professional fund management, the MPC Best Select funds remain an attractive investment alternative here. MPC Capital will continue placing the MPC Best Select 10 in 2011. New alternatives such as the MPC Select Private Plan are also opening up the funds for new categories of investors and personal investment strategies.

The MPC Best Select Company Plan 2 also invests in a highly diversified range of closed-end investments from various segments. Sales will be continued in 2011.

MPC Prime Basket – innovation and tradition

The MPC Prime Basket investment fund initiated and managed by MPC Capital invests in selected asset-based closed-end investments. MPC Capital combines its tradition as an issuing house for closed-end asset-based investments with its tradition as a leading innovator in product design.

In the coming financial year, the MPC Prime Basket will again give institutional investors such as Liechtenstein-based insurers the opportunity to enable their customers to invest in high-return assets in the context of fund-linked insurance policies. MPC Capital is currently negotiating to gain further insurers for the MPC Prime Basket.

MPC Private Equity – SME financing

The economic recovery has particularly taken hold in the established European SME segment. Opportunities have increased considerably here, especially for corporate investments and acquisitions. The MPC Private Equity 11 is also likely to benefit from this in the medium term. It invests solely in four target funds that specialise in the SME segment. The fund has a volume of approx. EUR 21.5 million.

SALES STRUCTURES

Expansion of sales channels

In the reporting period, MPC Capital achieved the organisational implementation of the changes to its sales structures and aligned its sales planning and measures accordingly. MPC Capital expects revenues from institutional sales to increase again as investor confidence grows. Nevertheless, independent sales partners and financial sales independent of banks are likely to account for a high proportion of the entire placement volume for the time being. MPC Capital welcomes this development and has geared its sales strategy towards the related new requirements. A broader sales structure gives MPC Capital more flexibility in selling products and greater independence in relation to market-specific fluctuations of individual sales channels. With a much stronger recovery of placement figures compared with the overall market, MPC Capital benefited from this broad positioning in the reporting period and successfully put in place the essential conditions for the long-term existence and expansion of these structures.

In addition, expansion of the available sales-supporting measures and services is also particularly important. In 2011, MPC Capital will rigorously continue the service initiative instigated in the reporting period. Regulatory and supervisory issues are likely to take a central role here in the future. MPC Capital intends to set standards and take on a clear pioneering role in this area. This particularly includes extensive and continuous provision of information and support to sales partners regarding the introduction and implementation of regulation-specific requirements.

CORPORATE STRATEGY OUTLOOK

Investment category with a future

The considerable decline in placement figures (-46%) observed in 2009 – particularly in the placement of ship investments – raised the question of the future viability of closed-end investments, known as the German KG model. However, this decline did not only affect the closed-end investment market. Nearly all investment products posted a significant slump in demand as a result of the financial and economic crisis. For example, the financial assets of German private households invested in shares also fell by 50% in 2008 compared with 2007. Despite the difficult conditions, the closed-end fund market raised equity of EUR 5.1 billion in 2009 and EUR 5.8 billion in 2010 and made it available to the economy for investment in assets. Chiefly as a result of the ongoing lending restraint of banks and the higher regulatory capital backing requirements that they face in their lending business, demand for equity in the economy is likely to increase further over the next few years. This makes closed-end funds even more important as a traditional instrument for structuring financing. In addition, the economic recovery ensures increased investor optimism. German private households alone have financial assets of almost EUR 4.9 trillion that are currently invested primarily in liquidity-related investment categories. Against the background of growing confidence, the current historically low interest rates and forecasts of rising inflation as a result of the positive economic development, some investors will increasingly be looking for alternative investment opportunities again. In this environment, closed-end funds that invest in professionally managed real assets with stable value, transparent structures, constant payment streams and an attractive post-tax return are the ideal investment product. At present market volume is still only half of its pre-crisis level.

MPC Capital in a pioneering role

As Germany’s largest listed issuing house, MPC Capital benefited strongly from the slight upturn in the market in the reporting period compared with the overall market. MPC Capital expects a further recovery of the market in the next few years. In particular, the established issuing houses on the market are likely to benefit from this development. For instance, they have the critical size to develop alternative financing structures and be able to implement regulatory and supervisory requirements in a sound business manner. MPC Capital already assumes a pioneering role. In many sectors, it has helped to develop the alternative investment market and has consistently enhanced it with its own product concepts.

Active fund management

The difficult economic environment of recent years has particularly presented challenges for the management of existing funds. All MPC Capital funds are managed actively, i.e. across the entire term of the funds and in the interests of investors. MPC Capital has constantly demonstrated the high quality of its funds and its management services, for example by exploiting favourable exit possibilities in the interest of fund investors.

MPC Capital will therefore continue to expand its range of fund management services over the next years. This includes grouping together the various services in the fund management competence centre. In addition, MPC Capital is examining further possibilities for offering its expertise in this area as a service outside of its own fund products.

Major product supplier

MPC Capital is an important and reliable product supplier for banks and savings banks as well as independent funding partners and fincial sales teams. As at the reporting date of 31 December 2010, MPC Capital had launched products with an equity volume of around EUR 7.7 billion and successfully placed them via its sales partners. A total investment volume of around EUR 18.8 billion was thus financed. For the sales partners, constant provision high-quality, demand-oriented products is a key parameter. The constant market presence also boosts the image of the MPC Capital brand in the long term. In the reporting period, in a difficult market environment, MPC Capital responded to the changed demand conditions of investors flexibly and at an early stage and supplied its product partners with corresponding investment products. For instance, five traditional real estate funds with an equity volume of over EUR 100 million were newly initiated and fully placed in 2010 alone. MPC Capital can also point to a strong and fully financed product pipeline in the years ahead.

The Management Board of MPC Capital AG has set out the opportunities and risks for the company in detail in this report and is fully aware of these risks. However, if – contrary to the expectations of the MPC Capital Group – agreements with the funding partners arising from the various measures are not adhered to, especially the agreement of 26 March 2010, or various risk positions listed in the Group management report as at 31 December 2010 come into effect simultaneously and cumulatively, this could have a significant influence on the Group's financial position, net worth and earnings position.

However, the Management Board is fully convinced of the workability, sustainability and strength of MPC Capital's business model and sees MPC Capital as having a leading role in the closed-end fund market. The Management Board took the appropriate corporate steps for this in the reporting period. The Management Board believes that the success of these corporate measures will be reflected by earnings of the MPC Capital Group in 2011 and 2012.

Hamburg, July 15, 2011
Management Board

Dr. Axel Schroeder
Chairman

Ulf Holländer

Tobias Boehncke

Alexander Betz

Consolidated financial statements 2010

Contents

1. 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 assets, liabilities, financial position and profit or loss of the group, and the group management report includes a fair review of the development and performance of the business and the position of the group, together with a description of the principal opportunities and risks associated with the expected development of the group.

Hamburg, July 15, 2011

Dr. Axel Schroeder
Chairman

Ulf Holländer

Tobias Boehncke

Alexander Betz

2.
Group statement of comprehensive income

from January 1 to December 31, 2010

		2010 TEUR	2009 TEUR adjusted*
Sales	→ 7	61,497	54,640
Change in finished goods and work in progress	→ 8	-480	-998
Cost of purchased services	→ 9	-22,300	-23,056
Gross profit		**38,717**	**30,586**
Other operating income	→ 10	18,663	9,849
Personnel expenses	→ 11	-24,448	-23,487
Other operating expenses	→ 12	-56,252	-32,929
Depreciation and amortisation of intangible assets and property, plant and equipment	→ 13	-3,549	-17,448
Operating result		**-26,869**	**-33,429**
Financial income	→ 14	45,382	10,138
Financial expenses	→ 15	-51,901	-20,069
Financial result		**-6,519**	**-9,931**
At equity income from associate	→ 16	-5,241	-29,379
Profit / loss before income tax		**-38,628**	**-72,739**
Taxes on income	→ 17	-498	-3,087
Consolidated loss / profit		**-39,126**	**-75,827**
Other comprehensive income:			
Currency differences IFRS		1,210	1,102
Revaluation reserves according to IAS 39		5,808	-3,289
Share of other comprehensive income of associates		-337	-1,223
Other comprehensive income for the period		**6,682**	**-3,411**
Group comprehensive income		**-32,444**	**-79,237**
Consolidated loss / profit, of which attributable to:			
Non-controlling shareholder		-38	-6
Equity holders of the parent company		-39,088	-75,821
Group comprehensive income attributable to:			
Non-controlling shareholder		-38	-6
Equity holders of the parent company		-32,406	-79,232
Earnings per share, attributable to the equity holders of the parent company during the year (expressed in EUR per share):	→ 18		
basic		-1.61	-4.37

Note: There may be deviations due to rounding figures.
*adjustments please refer to section 3.3

3.
Consolidated balance sheet

as at December 31, 2010

ASSETS		Dec. 31, 2010 TEUR	Dec. 31, 2009 TEUR adjusted*	Jan. 1, 2009 TEUR adjusted*
Non-current assets				
Intangible assets	→ 19	1,568	1,519	1,579
Tangible assets	→ 20	1,764	15,885	2,788
Investments in associates and joint ventures	→ 21	76,718	69,683	92,255
Receivables from related parties	→ 22	16,344	21,558	7,436
Available-for-sale financial assets	→ 23	119,254	107,258	94,567
Other financial assets	→ 24	5,958	25,347	8,671
Other current assets	→ 25	24,385	24,353	0
Deferred tax assets	→ 26	0	0	3,047
		243,985	**265,602**	**210,343**
Current assets				
Inventories	→ 27	4,072	4,703	36,801
Accounts receivables	→ 28	6,870	1,803	1,626
Receivables from related parties and companies	→ 29	38,379	32,332	30,370
Current income tax receivables	→ 30	901	1,400	4,541
Other financial assets	→ 31	576	535	6,552
Other current assets	→ 32	3,064	2,675	16,727
Cash and cash equivalents	→ 33	8,993	9,138	27,747
		62,856	**52,588**	**124,364**
Non-current assets held for sale and disposal groups		**0**	**3,663**	**0**
Total assets		**308,845**	**321,853**	**334,707**

Note: There may be deviations due to rounding figures.
*adjustments please refer to section 3.3

EQUITY		Dec. 31, 2010 TEUR	Dec. 31, 2009 TEUR adjusted*	Jan. 1, 2009 TEUR adjusted*
Capital and reserves attributable to equity holders of the parent company	→ 34			
Share capital		27,020	18,213	12,146
Capital reserve		879	15,383	21,872
Retained earnings		-19,538	-10,355	16,559
Other comprehensive income		7,637	955	4,366
Treasury shares at acquisition costs		-27,957	-27,957	-27,957
Total capital and reserves attributable to equity holders of the parent company		**-11,959**	**-3,761**	**26,986**
Non-controlling interests		8,981	8,658	1,999
Total equity		**-2,978**	**4,897**	**28,985**
DEBTS				
Non-current provisions and liabilities				
Financial liabilities	→ 35	209,260	157,750	158,220
Liabilities payable to related parties	→ 36	2,055	888	0
Derivative financial instruments	→ 37	1,744	2,649	1,531
Other liabilities	→ 38	3,217	0	0
Deferred tax liabilities	→ 26	204	171	1,029
		216,479	**161,457**	**160,781**
Current liabilities				
Provisions	→ 39	2,911	1,413	11,133
Tax liabilities	→ 40	4,951	5,311	7,164
Financial liabilities	→ 35/41	62,033	118,899	89,291
Liabilities payable to related parties	→ 42	9,250	9,611	6,816
Accounts payables	→ 43	4,823	7,241	22,967
Other financial liabilities	→ 45	0	3,029	1,953
Other liabilities	→ 44	11,376	9,993	5,617
		95,344	**155,498**	**144,941**
Total liabilities		**311,823**	**316,955**	**305,722**
Total equity and liabilities		**308,845**	**321,853**	**334,707**

Note: There may be deviations due to rounding figures.
*adjustments please refer to section 3.3

CONSOLIDATED FINANCIAL STATEMENTS

4.
Consolidated statement of changes in equity

from January 1 to December 31, 2010

2010 — Capital and reserves attributable to equity holders of the parent company

	Share capital TEUR	Capital reserve TEUR	Retained earnings TEUR	Other comprehensive income TEUR	Treasury shares at acquisition cost TEUR	Total TEUR	Non-controlling interests TEUR	Total equity TEUR
As at December 31, 2009	**18,213**	**15,383**	**-10,355**	**955**	**-27,957**	**-3,761**	**8,658**	**4,897**
Profit/loss for the period	0	0	-39,088	0	0	-39,088	-38	-39,126
Currency translation differences	0	0	0	1,210	0	1,210	0	1,210
Financial assets held for sale	0	0	0	5,808	0	5,808	0	5,808
Share of other comprehensive income of associates	0	0	0	-337	0	-337	0	-337
Total other income	0	0	0	6,682	0	6,682	0	6,682
Total comprehensive income	**0**	**0**	**-39,088**	**6,682**	**0**	**-32,406**	**-38**	**-32,444**
Change in capital reserve	0	-29,905	29,905	0	0	0	0	0
Capital increase	8,807	15,400	0	0	0	24,208	362	24,569
Change in consolidation scope	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0
As at December 31, 2010	**27,020**	**879**	**-19,538**	**7,637**	**-27,957**	**-11,959**	**8,981**	**-2,978**

Note: There may be deviations due to rounding figures.

2009 adjusted* — Capital and reserves attributable to equity holders of the parent company

	Share capital TEUR	Capital reserve TEUR	Retained earnings TEUR	Other comprehensive income TEUR	Treasury shares at acquisition cost TEUR	Total TEUR	Non-controlling interests TEUR	Total equity TEUR
As at December 31, 2008	**12,146**	**21,872**	**35,332**	**4,366**	**-27,957**	**45,759**	**0**	**45,759**
Adjustments IAS 8	0	0	-18,773	0	0	-18,773	1,999	-16,774
As at January 1, 2009	**12,146**	**21,872**	**16,558**	**4,366**	**-27,957**	**26,986**	**1,999**	**28,985**
Profit/loss for the period	0	0	-75,821	0	0	-75,821	-6	-75,827
Currency translation differences	0	0	0	1,102	0	1,102	0	1,102
Financial assets held for sale	0	0	0	-3,289	0	-3,289	0	-3,289
Share of other comprehensive income of associates	0	0	0	-1,223	0	-1,223	0	-1,223
Total other income	0	0	0	-3,411	0	-3,411	0	-3,411
Total comprehensive income	**0**	**0**	**-75,821**	**-3,411**	**0**	**-79,232**	**-6**	**-79,237**
Change in capital reserve	0	-48,536	48,536	0	0	0	0	0
Dividend for 2010	0	0	0	0	0	0	0	0
Capital increase	6,067	42,047	0	0	0	48,114	6,664	54,778
Changes in the group companies	0	0	591	0	0	591	0	591
Other	0	0	-219	0	0	-219	0	-219
As at December 31, 2009	**18,213**	**15,383**	**-10,355**	**955**	**-27,957**	**-3,761**	**8,658**	**4,897**

Note: There may be deviations due to rounding figures.
*adjustments please refer to section 3.3

CONSOLIDATED FINANCIAL STATEMENTS

5.
Consolidated cash flow statement

from January 1 to December 31, 2010

	Jan. 1 – Dec. 31, 2010 TEUR	Jan. 1 – Dec. 31, 2009 TEUR adjusted*
Cash flow from operating activities	**-13,611**	**-1,466**
Profit/loss for the period	-39,126	-75,827
Depreciation and amortization of intangible assets and property	3,549	17,448
Disposal of intangible and tangible asstes	5	1,770
Income tax paid	498	3,087
Interest received/interest paid	9,525	8,868
Other financial income	1,356	3,189
At equity income from associated companies	5,241	29,379
Changes in the group companies	39	-849
Disposal of non-current financial assetss	255	426
Other non-cash effective activities	2,464	7,143
Changes in provisions	1,498	-13,154
Changes in operating assets and liabilities	7,688	25,570
Operating cash flow	**-7,008**	**7,051**
Interest received in cash	1,735	1,759
Interest paid in cash	-7,975	-9,998
Taxes on income paid	-362	-278
Cash flow from investing activity	**-5,410**	**-38,534**
Payments for investments in intangible asstes	-143	-65
Payments for investments in tangible asstes	-1,028	-1,098
Payments for the acquisition of subsidiaries and other investments	-13	-13,142
Payments for the acquisition of associated companies	-12,801	-7,970
Payments for investments in non-current financial assets	-9,897	-19,580
Gain from the disposal of intangible assets	5	-30
Gain from the disposal of tangible assets	258	2,413
Gain from the disposal of subsidiaries and other investments	22	830
Gain from the disposale of associated companies	190	0
Gain from the disposal of non-current financial assets	3,104	108
Gain from the disposale of assets held for sale	14,893	0
Cash flow from financing activities	**18,876**	**21,465**
Cash received from short-term financing	5,296	4,503
Repayments of short-term financing	-27,120	-521
Cash received from medium- and long-term financing	9,600	26,034
Repayments from medium- and long-term financing	-13,107	-36,605
Long-term payments restrictions on bank balances	20,000	-20,000
Capital increase	24,208	48,055
Net decrease/increase in cash and cash equivalents	**-145**	**-18,534**
Cash and cash equivalents at the beginning of the period	9,138	27,747
Effect of variations in prices	0	-74
Cash and cash equivalents at the end of the period	**8,993**	**9,138**

Note: There may be deviations due to rounding figures.
*adjustments please refer to section 3.3

6. Notes to the consolidated financial statements

MPC Münchmeyer Petersen Capital AG, Hamburg, as of December 31, 2010

1. BASIC INFORMATION

The MPC Münchmeyer Petersen Capital Group operates in Germany, the Netherlands and Austria. It develops and markets innovative and high-quality investment products. Between the start of operating activity in 1994 (when it was still operating under the name MPC Münchmeyer Petersen Capital Vermittlung GmbH & Co. KG) and 31 December 2010, the MPC Münchmeyer Petersen Capital Group has placed equity totalling approximately EUR 7.746 billion in the product areas of ship investments, life insurance funds, real estate funds, energy and commodity funds, private equity funds, other corporate investments, structured products and investment funds.

MPC Münchmeyer Petersen Capital AG is registered in the Commercial Register of the Hamburg District Court, Department B, under No. 72691.

The company's registered office is Hamburg, Germany.

Its address is: MPC Münchmeyer Petersen Capital AG, Palmaille 67, 22767 Hamburg, Germany.

The company has been listed on the German stock exchange since 28 September 2000 and is currently listed on the Prime Standard.

This consolidated report was approved by the Management Board on July 15, 2011 and released for publication.

The Management Board and Supervisory Board have issued the compulsory Declaration of Compliance with the German Corporate Governance Code in accordance with Article 161 of the German Stock Corporation Act and made it permanently available to shareholders on the company's website (www.mpc-capital.de/ir).

2. SUMMARY OF KEY ACCOUNTING POLICIES

The key accounting policies applied when preparing this consolidated report were presented below: the methods described were applied consistently in the reporting periods presented unless specified otherwise.

2.1 PRINCIPLES FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements of the MPC Münchmeyer Petersen Capital Group for the 2010 financial year were prepared in line with the International Reporting Standards (IFRS) as they are to be applied in the European Union (EU) and the additional requirements of German commercial law pursuant to Article 315a Section 1 of the German Commercial Code.

The consolidated financial statements were compiled on the basis of historic acquisition/production cost, restricted by the market valuation of available-for-sale financial assets and the measurement at fair value through profit and loss of financial assets and financial liabilities including derivatives.

The consolidated financial statements have been prepared in Euro. Unless otherwise stated, all amounts are presented in thousands of Euro (TEUR). Commercial practice was followed in the rounding of individual items and percentages. As a result, there may be minor rounding differences.

The Group statement of comprehensive income is organised in accordance with the cost of production method.

The financial year in the present consolidated financial statements is the same as the calendar year.

Preparation of consolidated financial statements in line with IFRS requires estimates which have an effect on the assets and liabilities recognised in the balance sheet, as well as disclosures on contingent assets and contingent liabilities as of the reporting date and reported income and expenses for the reporting period. The amounts actually reached may deviate from these estimates. Furthermore, the application of company-wide accounting policies makes judgements by management necessary. Areas with more scope for judgement or greater complexity or areas where assumptions and estimates are of crucial significance for the consolidated financial statements are listed under Point 5 of the notes to the consolidated financial statements.

2.1.1 Continued existence of the company

The Management Board is convinced of the workability, sustainability and strength of MPC Münchmeyer Petersen Capital AG's business model and sees MPC Münchmeyer Petersen Capital AG as having a leading role in the closed-end fund market.

An agreement concluded with the funding partners on 26 March 2010, includes important and far-reaching commitments on the part of the funding partners with regard to existing loan agreements and liabilities as well as their conditions. This includes agreements on the extension of existing credit lines and interim financing and the suspension of existing covenants. The outcome of this is financing security for funds to be placed as well as security for all significant company liabilities, including the placement guarantees and sureties issued. At the same time, the stable financing basis will also improve the financing basis for new business. The agreement shall apply until the end of September 2013 at least.

However, if – contrary to the expectations of the Management Board – agreements with the funding partners arising from the various measures are not adhered to, especially the agreement of 26 March 2010, or various risk positions listed in the Group management report as at 31 December 2010 come into effect simultaneously and cumulatively, this could have a significant influence on the Group's financial position, net worth and earnings position.

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The Management Board took the appropriate corporate steps for this in the reporting period. The Management Board believes that the success of these corporate measures will be reflected by the placement figures and earnings of the MPC Münchmeyer Petersen Capital Group in 2011 and 2012.

The Management Board expects the Group to have sufficient funds to be able to operate in the more immediate future.

The Group has compiled the consolidated financial statements on the basis of the company's continued existence.

3. KEY ACCOUNTING POLICIES

3.1 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO STANDARDS AND INTERPRETATIONS TO BE APPLIED FOR THE FIRST TIME IN THE FINANCIAL YEAR

The MPC Münchmeyer Petersen Capital Group is applying the following new and amended Standards and Interpretations for the first time as at 1 January 2010, which have a significant impact on the financial position, net worth and earnings position and cash flows:

In detail, the following policies are affected:

The amendments to IAS 27 "Consolidated and Separate Financial Statements according to IFRS" make application of the "economic entity approach" compulsory when treating the acquisition or disposal of shares after control has been obtained or while it is retained. Accordingly, minority transactions of this kind must be viewed as transactions with owners and recorded in equity with no impact on profit or loss. If control is lost as a result of the disposal of shares, any capital gain or loss is recognised in profit or loss. If shares are still held following the loss of control, the remaining shares are stated at fair value. The difference between the previous carrying amount of these remaining shares and their fair value is included in the profit or loss with the result of the disposal and is stated separately in the notes with the corresponding revaluation amount of the remaining shares. In the event of existing shareholdings being increased and control obtained for the first time („successive purchase") or in the case of a pro rata disposal, the standard demands that existing shareholdings or the remaining shareholdings are remeasured at fair value through profit or loss. Losses attributable to minorities, which exceed their carrying amount, must now be shown in Group equity as negative carrying amounts.

The reworded, amended IFRS 3, "Business Combinations", comprises regulations on scope, on purchase price components, on the treatment of minority interests and goodwill as well as the extent of the assets, liabilities and contingent liabilities to be recognised. The standard also contains regulations on the recognition of loss carryforwards and the classification of agreements of the acquired company. The amended standard retains application of the acquisition method for business combinations, but includes material changes to the determination of acquisition costs. For example, the adjustment to the acquisition costs in the event of the purchase price agreement being dependent on future events must be included in the determination of the purchase price at fair value on the purchase date irrespective of the probability of their occurring subsequent amendments to the fair value of contingent components of the purchase price classified as debt must, in principle, be prospectively recognised through profit or loss.

The new versions of IAS 27 and IFRS 3, which, having been adopted by the EU, were published in the official journal of the EU on 12 June 2009, were applied for the first time in the MPC Münchmeyer Petersen Capital Group on 1 January 2010. Depending on the type and extent of future transactions, the amendments will have effects on the financial position, net worth and earnings position of the MPC Münchmeyer Capital Group, which cannot be estimated at present.

The amendment to IAS 39, "Financial Instruments: Recognition and Measurement – Eligible Hedged Items" clarifies which items can be hedged in the context of hedge accounting. It also makes clear that an effective hedge of one-sided risks through an option as a whole (i.e. intrinsic value and fair value) is generally not possible, which has repercussions on the use of the hypothetical derivative method.

The amendments, which, having been adopted by the EU, were published in the Official Journal of the EU on 16 September 2009, are applicable to financial years beginning on or after 1 July 2009 and retrospective application to the comparison period is compulsory. Application of the amendment had no effects on the financial position, net worth and earnings position of the MPC Münchmeyer Capital Group in the reporting year or in the previous year, for which the figures had been adjusted.

The amendment of IFRS 2 and IFRIC 11, "Share-based Payments with Cash Settlement in the Group", was adopted on the basis of queries to the IASB on cases in which the accounting parent company had received goods or services for which its parent company or another Group company was obliged to pay but not the company itself. As a result of the amendment to IFRS 2, the provisions of IFRIC 8, "Ambit of IFRS 2", and IFRIC 11, „IFRS 2 – Group and Treasury Share Transactions" were integrated in the standard. The amendments to IFRS 2, which were published in the Official Journal of the EU on March 24 2010, having been adopted by the EU, will be effective for reporting periods, which begin on or after 1 January 2010. They are applicable retrospectively in accordance with the transitional provisions of IFRS 2. The amendments are of no relevance to the MPC Münchmeyer Petersen Capital Group.

The IASB adopted a new version of IAS 24, "Related Party Disclosures" in November 2009. Among other things, the definition of a "related party" was standardised and the purpose of the disclosure was specified. Also certain disclosures for companies, which are at least influenced decisively by the public sector ("government-related entities"), will no longer be required in future. The basic principle of reporting on related parties remains unchanged. Following adoption by the EU, the new version of IAS 24 was published in the Official Journal of the EU on 20 July 2010. Application of the new IAS 24 is mandatory for financial years starting on or after 1 January 2011 and the previous year's disclosures for 2010 must be adjusted retrospectively. The MPC Münchmeyer Petersen Capital Group has applied the amendments to IAS 24 prematurely since 1 January 2010. Since the amendments relate to disclosures in the notes, the new IAS 24 will have no effects on the financial position, net worth and earnings position of the MPC Münchmeyer Capital Group.

Amendments to existing IFRS and Interpretations have already been published as part of the "Annual Improvement Project 2010". These relate to ten IFRS and two Interpretations as well as associated principles for conclusions. Application of the majority of the amendments is mandatory for the first time for financial years starting on or after 1 January 2010.

In addition, further amendments applicable in the year under review were approved:

IFRIC 12, "Service Concession Arrangements"
IFRIC 15, "Agreements for the Construction of Real Estate"
IFRIC 16, "Hedges of a Net Investment in a Foreign Operation"
IFRIC 17, "Distributions of Non-cash Assets to Owners"
IFRIC 18, "Transfers of Assets from Customers"
IFRS 1, "First-time adaption"

The amendments published in the Official Journal of the EU following adoption by the EU have no material effects on the financial position, net worth and earnings position of the MPC Münchmeyer Capital Group in the reporting year.

3.2 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO STANDARDS AND INTERPRETATIONS THAT HAVE BEEN PUBLISHED BUT NOT YET APPLIED

The following Standards and Interpretations have been issued but only come into effect in subsequent reporting periods and have not been applied prematurely by the MPC Münchmeyer Petersen Capital Group:

The amendment to IAS 32, "Classification of Rights Issues" was published in October 2009. If a company grants subscription rights as well as options or option certificates to a fixed number of treasury shares in a currency other than its functional currency, these rights were previously to be accounted for as a financial liability, since the "fixed-for-fixed" criterion in IAS 32.16 (b)(ii) is not fulfilled because of fluctuations in exchange rates. IAS 32 was supplemented to the effect that subscription rights as well as options and option certificates to a fixed number of treasury shares against a fixed amount in any currency are to be shown as equity instruments, if these are granted pro rata to all existing shareholders of the same class. Following adoption by the EU, the amended IAS 24 was published in the Official Journal of the EU on 24 December 2009. It must be applied retrospectively to financial years starting on or after 1 February 2010.

The following amendments were also published:

- IAS 12, “Income Taxes”
- IFRIC 14, “The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”
- IFRIC 19, “Extinguishing Financial Liabilities with Equity Instruments”
- IFRS 7, “Financial Instruments: Disclosures”
- IFRS 9, “Financial Instruments”
- IFRS 1, “First-time Adoption of IFRS”

The amendments are unlikely to have any material effects on the presentation of the net asset situation, financial position and results of operations of the MPC Münchmeyer Petersen Capital Group.

Another annual collective standard for minor amendments to IFRS was published as part of the Annual Improvement Project 2010 in May 2010. The collective standard contains editorial revisions and minor amendments to six IFRS and one Interpretation.

This relates to changes to:

- IFRS 1 “First-time Adoption of IFRS”
- IFRS 3 “Business Combinations”
- IFRS 7 “Financial Instruments: Disclosures”
- IAS 1 “Presentation of Financial Statements”
- IAS 27 “Consolidated and Separate Financial Statements”
- IAS 34 “Interim Financial Reporting”
- IFRIC 13 “Customer Loyalty Programmes”

The collective standard has been endorsed in European law on February 18th, 2011. The amendments are applicable to financial years starting on or after 1 July 2010 or 1 January 2011, but, as things stand at present, will not have any material effects on the financial position, net worth and earnings position of the MPC Münchmeyer Capital Group.

3.3 CHANGES TO KEY ACCOUNTING POLICIES

Because the placement of some real estate funds did not proceed as scheduled, MPC Münchmeyer Petersen Capital AG reviewed various fund structures to ascertain the existence of disproportionate risk positions in the 2010 financial year.

This review led to retroactive correction of errors in the following cases:

MPC Sachwert Rendite-Fonds Opportunity Asien GmbH & Co. KG

The investment in MPC Sachwert Rendite-Fonds Opportunity Asien GmbH & Co. KG was measured at cost as an available-for-sale financial asset in 2009 and should have been included in full consolidation from the time of the change in the risk position in the context of the financial market crisis triggered in the third quarter of 2008.

The reason for the inclusion in consolidation of MPC Sachwert Rendite-Fonds Opportunity Asien GmbH & Co. KG is its classification as an SPE, which must be consolidated in accordance with SIC 12, as the majority of risks of ownership lie with MPC Münchmeyer Petersen Capital AG on account of the contract structure.

MPC Sachwert Rendite-Fonds Opportunity Asien GmbH & Co. KG was subsequently completely consolidated retrospectively.

Sachwert Rendite-Fonds Indien 2 GmbH & Co. KG

The investment in MPC Sachwert Rendite-Fonds Indien 2 GmbH & Co. KG was recognised at cost in 2009 and should have been fully consolidated from the time it was founded on 12 June 2008. First-time consolidation was performed retrospectively. Through subsidiaries, the MPC Münchmeyer Petersen Capital Group determines its financial and business policy and participates via a subsidiary significantly in future benefits.

The correction of the error encompasses Sachwert Rendite-Fonds Indien GmbH & Co. KG and its subsidiaries.
The MPC Sachwert Rendite-Fonds Indien 2 GmbH & Co. KG has a 90 % share in the Sapphire Capital Ltd., which itself holds 100 % of the twelve Mauritian investment companies. Due to this investment structure those companies have also been consolidated.

The correction of errors had the following impact on the presentation of the consolidated balance sheet as at 1 January 2009 and 31 December 2009:

Issue	January 1, 2009			December 31, 2009		
Line item	**Before change** TEUR	**Change** TEUR	**After change** TEUR	**Before change** TEUR	**Change** TEUR	**After change** TEUR
Investments in associates and joint ventures	**73,964**		**92,255**	**45,559**		**69,683**
Indien 2 companies		18,291			24,124	
Related party receivables (non-current)	**7,436**		**7,436**	**22,325**		**21,558**
Indien 2 companies		0			-767	
Available-for-sale financial assets (non-current)	**27,597**		**94,567**	**26,176**		**107,258**
Asien Opportunity		15,323			21,359	
Indien 2 companies		51,646			59,723	
Related party receivables (current)	**34,491**		**30,370**	**37,424**		**32,332**
Asien Opportunity		142			0	
Indien 2 companies		-4,262			-5,091	
Current income tax receivables (current)	**4,541**			**1,398**		**1,400**
Indien 2 companies		0			2	
Other assets (current)	**16,402**		**16,727**	**2,548**		**2,675**
Indien 2 companies		325			127	
Cash and cash equivalents (current)	**17,287**		**27,747**	**3,193**		**9,138**
Asien Opportunity		98			52	
Indien 2 companies		10,362			5,894	
Retained earnings	**35,332**		**16,559**	**6,087**		**-10,355**
Asien Opportunity		-13,926			5,511	
Indien 2 companies		-4,848			-3,179	
Change in retained earnings carried forward 1 January 2009		0			-18,773	
Other results	**4,366**		**4,366**	**4,244**		**955**
Asien Opportunity		0			-3,289	

Issue	January 1, 2009			December 31, 2009		
Line item	**Before change** TEUR	**Change** TEUR	**After change** TEUR	**Before change** TEUR	**Change** TEUR	**After change** TEUR
Minority interests (IFRS)	**0**		**1,999**	**0**		**8,658**
Indien 2 companies		1,999			8,658	
Financial liabilities (non-current)	**67,602**		**158,220**	**76,313**		**157,750**
Asien Opportunity		27,063			31,878	
Indien 2 companies		63,555			49,559	
Liabilities to related parties (non-current)	**0**		**0**	**0**		**888**
Indien 2 companies		0			888	
Financial liabilities (current)	**74,030**		**89,291**	**86,456**		**118,899**
Asien Opportunity		737			916	
Indien 2 companies		14,524			31,528	
Liabilities to related parties (current)	**4,137**		**6,816**	**8,582**		**9,611**
Asien Opportunity		1,624			-172	
Indien 2 companies		1,055			1,201	
Accounts payables	**22,999**		**22,967**	**7,104**		**7,241**
Asien Opportunity		2			6	
Indien 2 companies		-33			131	
Other liabilities (current)	**5,445**		**5,617**	**9,435**		**9,993**
Asien Opportunity		62			485	
Indien 2 companies		110			73	

The retrospective changes had the following impact on the presentation of the group´s consolidated statement of comprehensive income in the period 1 January to 31 December 2009:

Issue	2009		
Item in the statement of comprehensive income	Before change TEUR	Change TEUR	After change TEUR
Sales	**56,217**		**54,640**
Asien Opportunity		718	
Indien 2 companies		-2,295	
Other operating income	**8,135**		**9,849**
Asien Opportunity		1,713	
Indien 2 companies		2	
Other operating expenses	**-31,934**		**-32,929**
Asien Opportunity		341	
Indien 2 companies		-1,336	
Financial income	**3,952**		**10,138**
Asien Opportunity		3,958	
Indien 2 companies		2,228	
Financial expenses	**-17,067**		**-20,069**
Asien Opportunity		-1,219	
Indien 2 companies		-1,783	
Financial assets held for sale	**0**		**-3,289**
Asien Opportunity		-3,289	
Result due to change (before taxes)		**-963**	
Deferred taxes		0	
Result due to change (after taxes)		**-963**	
Number of shares		17,367,147	
Earnings per share after taxes (EUR)		**-0.06**	
Original profit/loss attributable to equity holders of the parent company before changes (after taxes)		-78,275	
Profit/loss attributable to equity holders of the parent company as a result of changes (after taxes)		-957	
Total profit/loss attributable to equity holders of the parent company after changes (after taxes)		**-79,232**	
Number of shares		17,367,147	
Total earnings per share after changes and after taxes (EUR)		**-4.56**	

These changes resulted in a cumulative effect on the profit / loss before tax of TEUR -963, as a result of which the loss per share (before taking taxes into account) has changed by EUR -0.06 overall.

Comprehensive income deteriorated to EUR -4.56 per share as at 31 December 2009.

Tables where the errors from previous years have been corrected are marked as “adjusted” in the rest of the financial report.

3.4 PRINCIPLES AND METHODS OF CONSOLIDATION

3.4.1 Consolidation

All companies where the MPC Münchmeyer Petersen Capital Group is able to determine their financial and operating policies directly or indirectly in order to benefit from these companies’ activities are included in the consolidated financial statements.

a) Subsidiaries

Subsidiaries are all companies (including special purpose vehicles) where the Group controls financial and operating policy and draws benefits. Generally this is accompanied by a share of the voting rights of more than 50 %. In the assessment of whether the Group does have control, the existence and impact of potential voting rights, which can be currently exercised or converted, are taken into account. Subsidiaries are included in the consolidated financial statements (full consolidation) from the date on which control passed to the Group. They are deconsolidated from the date on which control ends.

The acquisition method is used to account for any subsidiaries acquired. The purchase costs of an acquisition equate to the current market value of the assets delivered, of equity instruments issued and the liabilities assumed at the time of transaction (date of exchange) plus any costs directly attributable to the acquisition. They also contain the fair values of any assets or liabilities recognised, which are the result of a contingent return of service agreement. Acquisition related costs are recognised as an expense when they are incurred. The identifiable assets, liabilities and contingent liabilities acquired in a merger are measured according to the current market value at the time of acquisition.

For each corporate acquisition, the Group decides on an individual basis whether the non-controlling shares in the company acquired are recognised at fair value or on the basis of the pro rata share of the net assets of the company acquired.

The value resulting from the amount of the purchase cost, the amount of the non-controlling shares in the company acquired and the fair value of any shares previously held at the acquisition date in excess of the group’s stake in the net assets measured at fair value is recognised as goodwill. If the purchase costs are lower than the net assets of the acquired subsidiary measured at current market value, the difference is recorded directly in the income statement.

Transactions within the Group, balances and unrealised gains and losses on transactions between Group companies are eliminated. However, the existence of unrealised losses is taken as indicating the need to carry out an impairment test for the asset that has been transferred. The key accounting policies are amended, if necessary, to ensure that accounting is standardised throughout the Group.

If the Group loses control over a company, the remaining stake will be remeasured at fair value and the resulting difference recognised as profit or loss. The fair value is the fair value established when an associate, a joint venture or a financial asset is recognised for the first time. All amounts recognised in other comprehensive income with regard to this company are also accounted for in the manner that would be demanded if the parent company had sold the associated assets and liabilities directly. This means that a profit or loss previously recognised in other comprehensive income will be transferred from equity to net income.

b) Special purpose entity (SPE)
An SPE is a company formed for a clearly defined and limited purpose. SPEs are used for different purposes, but particularly for structured finance. This is intended to prevent access to investors' assets by financing creditors (referred to as "non-recourse" or "limited recourse financing") and protect the entity being financed from insolvency risks emanating from the investors (bankruptcy-remote). If the MPC Group bears the majority of the risks and rewards associated with ownership of the entities founded for its purposes, the entities are included in full consolidation.

c) Non-controlling shares in partnerships
According to IAS 32.16 and 32.19, a financial instrument is only an equity instrument if it does not contain a contractual or other obligation for the company to deliver cash and cash equivalents or another asset. IAS 32.18(b) also stipulates that a partner's right to convert his investment in a partnership at any time is to be reported as a liability even if the partner is an equity provider in the legal sense. Equity must be shown as a liability if the shareholders have a cancellation right and exercise of this right will substantiate a claim to conversion of the share vis-à-vis the company. Non-controlling shares in fully-consolidated partnerships are therefore recognised among liabilities. Non-controlling shares' contributions to profits or losses are recognised in the income statement (financial result).

Transactions with non-controlling shares in joint-stock companies
Transactions with non-controlling shares are treated as transactions with the Group's equity holders. A difference between the payment made and the relevant share of the carrying amount of the subsidiary's net assets resulting from the acquisition of a non-controlling stake is recognised in equity. Profits and losses resulting from the disposal of non-controlling shares are also recognised in equity.

d) Associates
Associates are those companies on which the Group exercises a significant influence but does not control, generally accompanied by a share of the voting rights between 20 % and 50 %. Investments in associates are accounted for using the equity method and recognised at their purchase cost. The Group's stake in associates includes the goodwill accrued on acquisition (after taking account of accumulated write-downs).

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The Group's share in the profits and losses of associated companies is recognised in the income statement from the date of acquisition, the share of changes in reserves in Group reserves. Cumulative changes post acquisition are netted off against the carrying amount of the investment. If the Group's share of the loss in an associate equals or exceeds the Group's share in this company including other unsecured receivables, the Group will not recognise any further losses unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between Group companies and associates are eliminated in line with the Group's share in the associate. Unrealised losses are also eliminated unless the transaction indicates an impairment in the asset that has been transferred. The key accounting policies of associates are amended, if necessary, to ensure that accounting is standardised throughout the Group. Dilution gains and losses, which result from shares in associates, are recognised in profit or loss.

If the proportionate interest in an associate has reduced but it remains an associate, only the pro rata amount of the profits and losses previously recognised in other comprehensive income will be transferred to the profit or loss.

e) Joint ventures
According to IAS 31, a joint venture is a contractual agreement in which two or more parties carry out an economic activity under joint management. IAS 31 contains an option with regard to inclusion in the consolidated financial statements: inclusion through proportionate consolidation or using the equity method.

The MPC Münchmeyer Petersen Capital Group uses the equity method to account for joint ventures.

3.4.2 Group companies
Apart from MPC Münchmeyer Petersen Capital AG, Group companies include 25 (previous year adjusted: 23) German and 27 (previous year, adjusted: 28) foreign subsidiaries.

The following overview contains all fully-consolidated companies in accordance with § 313 (2) No 1 sentence 1 HGB.

Equity investments	Share
MPC Capital Investments GmbH, Hamburg	100.00 % [1]
TVP Treuhand- und Verwaltungsgesellschaft für Publikumsfonds mbH, Hamburg	100.00 % [1]
MPC Münchmeyer Petersen Real Estate Consulting GmbH, Hamburg	100.00 % [1]
MPC Münchmeyer Petersen Life Plus Consulting GmbH, Hamburg	100.00 % [1]
MPC Capital Maritime GmbH, Hamburg	100.00 %
MPC Münchmeyer Petersen Portfolio Advisors GmbH, Hamburg	100.00 %
MPC Capital Fund Management GmbH, Hamburg	100.00 %
HBG Petersen Beteiligungs GmbH, Hamburg	100.00 %
MPC Capital Concepts GmbH, Hamburg	100.00 %
MPC Münchmeyer Petersen Capital Austria AG, Vienna / Austria	100.00 %
MPC Venture Invest AG, Vienna / Austria	100.00 %
MPC Münchmeyer Petersen Capital Suisse AG, Rapperswil-Jona SG / Switzerland	100.00 %
2153000 Ontario Ltd., Toronto, Ontario / Canada	100.00 %
MPC Münchmeyer Petersen Real Estate Services B.V., Amsterdam / Netherlands	100.00 %
TVP Trustmaatschappij B.V., Amsterdam / Netherlands	100.00 %
Administratión Solarpark Campanet S.L., Campanet / Spain	100.00 %
MPC Energie GmbH, Hamburg	100.00 %
MPC Bioenergie GmbH & Co. KG, Hamburg	100.00 %
Zweite MPC Bioenergie Brasilien GmbH & Co. KG, Hamburg	66.67 %
MPC Bioenergia do Brasil Participacoes e Servicos Ltda., Porto Alegre / Brazil	100.00 %
UTE Sao Sepé Geradora de Energia Eléctrica S.A., Porto Alegre / Brazil	100.00 %
UTE Itaqui Geradora de Energia Eléctrica S.A., Porto Alegre / Brazil	100.00 %
UTE Porto Alegre Um Geradora de Energia Eléctrica S.A., Porto Alegre / Brazil	100.00 %
UTE Porto Alegre Dois Geradora de Energia Eléctrica S.A., Porto Alegre / Brazi	100.00 %
Millennium Tower Facility-Management-Ges.m.b.H., Wien / Austria	100.00 %
Millennium Tower Verwaltungs- und Services-Ges.m.b.H., Vienna	100.00 %
Beteiligungsverwaltungsgesellschaft MPC Solarpark mbH, Hamburg	100.00 %
MPC Vermögensstrukturfonds Managementgesellschaft mbH, Hamburg	100.00 %
Managementgesellschaft Sachwert Rendite-Fonds Japan mbH, Quickborn	100.00 %
Managementgesellschaft Sachwert Rendite-Fonds England mbH, Hamburg	100.00 %
MPC Erste Vermögensverwaltungsgesellschaft mbH, Quickborn	100.00 %
MPC Achte Vermögensverwaltungsgesellschaft mbH, Hamburg	100.00 %
Verwaltung Sechste Sachwert Rendite-Fonds Canada GmbH, Hamburg	100.00 %
MPC Münchmeyer Petersen FundXchange GmbH, Hamburg	100.00 %
Zweite Beteiligungsgesellschaft „Rio D-Schiffe" mbH & Co. KG, Hamburg	81.28 %
Beteiligungsgesellschaft LPG Tankerflotte mbH & Co. KG, Hamburg	75.00 %

Equity investments	Share
MPC Sachwert Rendite-Fonds Opportunity Asien GmbH & Co. KG, Hamburg	4.44 %
Asien Opportunity Real Estate Investor GmbH & Co. KG, Hamburg	0.00 %
Sachwert Rendite-Fonds Indien 2 GmbH & Co. KG, Hamburg	40.02 %
Sapphire Capital Ltd., Port Louis / Mauritius	36.02 %
Aller River Ltd., Port Louis / Mauritius	36.02 %
Diemel River Ltd., Port Louis / Mauritius	36.02 %
Eder River Ltd., Port Louis / Mauritius	36.02 %
Emmer River Ltd., Port Louis / Mauritius	36.02 %
Fliede River Ltd., Port Louis / Mauritius	36.02 %
Fuhse River Ltd., Port Louis / Mauritius	36.02 %
Fulda River Ltd., Port Louis / Mauritius	36.02 %
Hasel River Ltd., Port Louis / Mauritius	36.02 %
Leine River Ltd., Port Louis / Mauritius	36.02 %
Ochtum River Ltd., Port Louis / Mauritius	36.02 %
Weser River Ltd., Port Louis / Mauritius	36.02 %
Werra River Ltd., Port Louis / Mauritius	36.02 %

[1] The annual financial statements of these companies are exempt from the duty of applying Articles 264 to 289 and Articles 316 to 329 of the German Commercial Code.

The following table includes all non-consolidated companies in accordance with § 313 (2) Nr. 1 sentence 2 code of commercial law (HGB).

Equity investments	Share
100 Commerce Valley Drive (Canada 9) GP Limited, Toronto, Canada	100.00 %
105 Commerce Valley Drive (Canada 8) GP Limited, Toronto, Canada	100.00 %
125 Commerce Valley Drive (Canada 7) G.P. Limited, Toronto, Canada	100.00 %
150 Bloor Street West (G.P.) Limited, Toronto, Canada	100.00 %
150 Commerce Valley Drive (Canada 9) GP Limited, Toronto, Canada	100.00 %
155 Queen (Canada 4) GP Limited, Toronto, Canada	100.00 %
155 University (Canada 7) G.P. Limited, Toronto, Canada	100.00 %
1670 Bayview (Canada 7) G.P. Limited, Toronto, Canada	100.00 %
2425 Matheson (Canada 7) G.P. Limited, Toronto, Canada	100.00 %
280 Slater (Canada 4) GP Limited, Toronto, Canada	100.00 %
3777 Kingsway (G.P.) Limited, Vancouver, Canada	100.00 %
4 King (Canada 7) G.P. Limited, Toronto, Canada	100.00 %
5343 Dundas (Canada 7) G.P. Limited, Toronto, Canada	100.00 %

Equity investments	Share
5353 Dundas (Canada7) G.P. Limited, Toronto	100.00 %
55/165 Commerce Valley Drive (Canada 8) GP Limited, Toronto	100.00 %
655 Bay Street (G.P.) Limited, Toronto	100.00 %
Anteil Austria an der Verwaltung Vierzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Asien Opportuntity Real Estate GmbH & Co. KG, Hamburg	100.00 %
Beteiligungsgesellschaft Zweite Offen Flotte GmbH & Co. KG, Hamburg	66.67 %
Cansquere (Canada 8) GP Limited, Toronto	100.00 %
CDM (Canada V) G.P. Limited, Toronto	100.00 %
CDM de Montréal Inc., Montréal	100.00 %
EDCAL (G.P.) Limited, Calgary	100.00 %
Eglinton (Canada III) G.P. Limited, Toronto	100.00 %
Elfte Sachwert Rendite-Fonds Canada GmbH & Co. KG, Quickborn	100.00 %
Front/York G.P. Limited, Toronto	100.00 %
Kommanditgesellschaft MS San Adriano Offen-Reederei GmbH & Co., Hamburg	67.01 %
Kommanditgesellschaft MS San Alessio Offen-Reederei GmbH & Co., Hamburg	67.01 %
Kommanditgesellschaft MS San Aurelio Offen-Reederei GmbH & Co., Hamburg	67.01 %
Managementgesellschaft Deepsea Oil Explorer Protect mbH, Hamburg	50.00 %
Managementgesellschaft MPC Bioenergie mbH, Hamburg	100.00 %
Managementgesellschaft MPC Global Maritime Private Placement mbH, Hamburg	100.00 %
Managementgesellschaft MPC Solarpark mbH, Hamburg	100.00 %
Managementgesellschaft Oil Rig Plus mbH, Hamburg	100.00 %
Managementgesellschaft Sachwert Rendite-Fonds Indien mbH, Hamburg	100.00 %
MIG Maritime Invest GmbH & Co. KG , Hamburg	100.00 %
MIG Maritime Invest Managementgesellschaft mbH, Hamburg	100.00 %
MIG Maritime Invest Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC (No. 1) GP Limited, Toronto	100.00 %
MPC (No. 2) GP Limited, Toronto	100.00 %
MPC (No. 3) GP Limited, Toronto	100.00 %
MPC (No. 4) GP Limited, Toronto	100.00 %
MPC (No. 5) GP Limited, Toronto	100.00 %
MPC Achte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Achtzehnte Vermögensverwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Best Select Company Plan Managementgesellschaft mbH, Quickborn	100.00 %
MPC Dritte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Elfte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Fünfte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Neunte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Real Value Fund GmbH & Co. KG, Hamburg	100.00 %
MPC Real Value Fund Verwaltungsgesellschaft mbH, Hamburg	100.00 %

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Equity investments	Share
MPC Rendite-Fonds Leben plus Management GmbH, Quickborn	100.00 %
MPC Sachwert Portfolio Holland B.V., Amsterdam	100.00 %
MPC Sechste Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Siebte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Siebzehnte Vermögensverwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Vierte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Zehnte Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MPC Zweite Vermögensstrukturfonds Verwaltungsgesellschaft mbH, Hamburg	100.00 %
MS Jacob Schulte Shipping GmbH & Co. KG, Hamburg	50.00 %
MS Julius Schulte Shipping GmbH & Co. KG, Hamburg	50.00 %
MS Polaris J Schifffahrtsgesellschaft mbH & Co. KG, Haren	33.33 %
Neunte Sachwert Rendite-Fonds Canada GmbH & Co. KG, Quickborn	100.00 %
Neunte Sachwert Rendite-Fonds Deutschland GmbH & Co. KG, Hamburg	100.00 %
Ontario/Yonge (Canada III) G.P. Limited, Toronto	100.00 %
Palmaille 75 Dreißigste Beteiligungsgesellschaft mbH & Co. KG, Hamburg	75.00 %
Palmaille 75 Dreißigste Vermögensverwaltungsgesellschaft mbH, Hamburg	100.00 %
Palmaille 75 Dreiunddreißigste Beteiligungsgesellschaft mbH & Co. KG, Hamburg	75.00 %
Palmaille 75 Dreiunddreißigste Vermögensverwaltungsgesellschaft mbH, Hamburg	100.00 %
Palmaille 75 Vierunddreißigste Beteiligungsgesellschaft mbH & Co. KG, Hamburg	100.00 %
Palmaille 75 Zweiunddreißigste Beteiligungsgesellschaft mbH & Co. KG, Hamburg	75.00 %
Palmaille 75 Zweiunddreißigste Vermögensverwaltungsgesellschaft mbH, Hamburg	100.00 %
Rio Angelina Schiffahrtsgesellschaft mbH & Co. KG, Hamburg	66.67 %
Rio Anna Schiffahrtsgesellschaft mbH & Co. KG, Hamburg	66.67 %
Rio Daly Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	28.85 %
Rio Delaware Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	28.85 %
Rio Durango Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	28.85 %
Rio Elena Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	66.67 %
Rio Eliza Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	66.67 %
Rio Lara Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	66.67 %
Rio Lilly Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	50.00 %
Rio Lucy Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	50.00 %
Rio Manaus Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	50.00 %
Rio Marie Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	66.67 %
Rio Montevideo Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	50.00 %
Rio Nadia Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	66.67 %
Rio Ragna Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	66.67 %
Rio Salween Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	50.00 %
Rio Sao Francisco Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	50.00 %

Equity investments	Share
Rio Sungari Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	50.00 %
Rio Theresa Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	66.67 %
Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	100.00 %
Schifffahrtsgesellschaft Merkur Harbour mbH & Co. KG, Bremen	44.44 %
Sixty Adelaide Street East (G.P.) Limited, Toronto	100.00 %
Talleur GmbH, Hamburg	50.10 %
Verwaltung Achte Sachwert Rendite-Fonds Canada GmbH, Quickborn	100.00 %
Verwaltung Achte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	100.00 %
Verwaltung Achte Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Achtunddreißigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Achtundsechzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Achtundvierzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Achtundzwanzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Asien Opportunity Real Estate GmbH, Hamburg	100.00 %
Verwaltung Beteiligungsgesellschaft CPO Nordamerika-Schiffe mbH, Hamburg	50.00 %
Verwaltung Beteiligungsgesellschaft MS SANTA VICTORIA und SANTA VIRGINIA mbH, Hamburg	50.00 %
Verwaltung Beteiligungsgesellschaft MS Santa-B Schiffe mbH, Hamburg	50.00 %
Verwaltung Beteiligungsgesellschaft MS Santa-L Schiffe mbH, Hamburg	50.00 %
Verwaltung Beteiligungsgesellschaft MS Santa-P Schiffe mbH, Hamburg	50.00 %
Verwaltung Beteiligungsgesellschaft MS SANTA-R Schiffe mbH, Hamburg	50.00 %
Verwaltung Beteiligungsgesellschaft Reefer-Flottenfonds mbH, Hamburg	100.00 %
Verwaltung Beteiligungsgesellschaft Vorzugskapital Rio - Schiffe mbH, Hamburg	100.00 %
Verwaltung Dreißigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Dreiundfünfzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Dreiundvierzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Dreiundzwanzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Dritte MPC Sachwert Rendite-Fonds Opportunity Amerika GmbH, Quickborn	100.00 %
Verwaltung Dritte Sachwert Rendite-Fonds Canada GmbH, Hamburg	100.00 %
Verwaltung Dritte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	100.00 %
Verwaltung Dritte Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Einunddreißigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Einundfünfzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Einundsiebzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Elfte Sachwert Rendite-Fonds Canada GmbH, Quickborn	100.00 %
Verwaltung Elfte Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Erste Sachwert Rendite-Fonds Canada GmbH, Hamburg	100.00 %
Verwaltung Erste Sachwert Rendite-Fonds USA GmbH, Hamburg	100.00 %
Verwaltung Fünfte Sachwert Rendite-Fonds Canada GmbH, Hamburg	100.00 %
Verwaltung Fünfte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	100.00 %

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Equity investments	Share
Verwaltung Fünfte Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Fünfunddreißigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Fünfzehnte Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Fünfzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung MPC Bioenergie Brasilien GmbH, Hamburg	100.00 %
Verwaltung MPC Bioenergie GmbH, Hamburg	100.00 %
Verwaltung MPC Global Maritime Private Placement GmbH, Hamburg	100.00 %
Verwaltung MPC Real Estate Opportunity Private Placement Amerika GmbH, Quickborn	100.00 %
Verwaltung MPC Sachwert Rendite-Fonds Opportunity Amerika GmbH, Quickborn	100.00 %
Verwaltung MPC Sachwert Rendite-Fonds Opportunity Asien GmbH, Hamburg	100.00 %
Verwaltung MPC Solarpark GmbH, Hamburg	100.00 %
Verwaltung Neunte Sachwert Rendite-Fonds Canada GmbH, Quickborn	100.00 %
Verwaltung Neunte Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Neunundfünfzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Neunundsechzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Neunundzwanzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Private Placement Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Reefer-Flottenfonds GmbH, Hamburg	100.00 %
Verwaltung Sachwert Rendite-Fonds England GmbH, Hamburg	100.00 %
Verwaltung Sachwert Rendite-Fonds Europa GmbH, Hamburg	100.00 %
Verwaltung Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Sachwert Rendite-Fonds Indien 2 GmbH, Hamburg	100.00 %
Verwaltung Sachwert Rendite-Fonds Indien GmbH, Hamburg	100.00 %
Verwaltung Sachwert Rendite-Fonds Japan GmbH, Quickborn	100.00 %
Verwaltung Sachwert Rendite-Fonds Österreich GmbH, Hamburg	100.00 %
Verwaltung Sechste Sachwert Rendite-Fonds Deutschland (Private Placement) GmbH, Hamburg	100.00 %
Verwaltung Sechste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Sechsunddreißigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Sechsundfünfzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Sechsundsechszigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Sechsundvierzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Sechsundzwanzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Sechzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Siebenunddreißigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Siebenundfünfzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Siebenundsechzigte Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Siebenundvierzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Siebte Sachwert Rendite-Fonds Canada GmbH, Quickborn	100.00 %
Verwaltung Siebte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	100.00 %

Equity investments	Share
Verwaltung Siebte Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Siebzehnte Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Siebzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Vierte Sachwert Rendite-Fonds Canada GmbH, Hamburg	100.00 %
Verwaltung Vierte Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	100.00 %
Verwaltung Vierte Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Vierundfünfzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Vierundvierzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Vierzehnte Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Vierzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Zehnte Sachwert Rendite-Fonds Canada GmbH, Quickborn	100.00 %
Verwaltung Zehnte Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Zwanzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Zweite MPC Bioenergie Brasilien GmbH, Hamburg	100.00 %
Verwaltung Zweite MPC Real Estate Opportunity Private Placement Amerika GmbH, Quickborn	100.00 %
Verwaltung Zweite MPC Sachwert Rendite-Fonds Opportunity Amerika GmbH, Quickborn	100.00 %
Verwaltung Zweite MPC Solarpark GmbH, Hamburg	100.00 %
Verwaltung Zweite Reefer-Flottenfonds GmbH, Hamburg	100.00 %
Verwaltung Zweite Sachwert Rendite-Fonds Canada GmbH, Hamburg	100.00 %
Verwaltung Zweite Sachwert Rendite-Fonds Deutschland GmbH, Hamburg	100.00 %
Verwaltung Zweite Sachwert Rendite-Fonds England GmbH, Hamburg	100.00 %
Verwaltung Zweite Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Zweiundreißigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Zweiundsiebzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Zweiundvierzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Zweiundzwanzigste Sachwert Rendite-Fonds Holland GmbH, Hamburg	100.00 %
Verwaltung Zwölfte Sachwert Rendite-Fonds Canada GmbH, Quickborn	100.00 %
Verwaltungsgesellschaft Achte MPC Global Equity mbH, Hamburg	100.00 %
Verwaltungsgesellschaft Deepsea Oil Explorer Protect mbH, Hamburg	50.00 %
Verwaltungsgesellschaft Dritte MPC Rendite-Fonds Britische Leben plus mbH, Hamburg	100.00 %
Verwaltungsgesellschaft Elfte Private Equity GmbH, Hamburg	100.00 %
Verwaltungsgesellschaft Jüngerhans-MPC mbH, Hamburg	50.00 %
Verwaltungsgesellschaft MPC Global Equity Step by Step II mbH, Hamburg	100.00 %
Verwaltungsgesellschaft MPC Global Equity Step by Step III mbH, Hamburg	100.00 %
Verwaltungsgesellschaft MPC Global Equity Step by Step IV mbH, Hamburg	100.00 %
Verwaltungsgesellschaft MPC Global Equity Step by Step mbH, Hamburg	100.00 %
Verwaltungsgesellschaft MPC Rendite-Fonds Britische Leben plus II mbH, Quickborn	100.00 %
Verwaltungsgesellschaft MPC Rendite-Fonds Britische Leben plus mbH, Quickborn	100.00 %
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus II mbH, Quickborn	100.00 %

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Equity investments	Share
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus III mbH, Quickborn	100.00 %
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus IV mbH, Quickborn	100.00 %
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus mbH, Quickborn	100.00 %
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus spezial II mbH, Quickborn	100.00 %
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus spezial III mbH, Quickborn	100.00 %
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus spezial IV mbH, Quickborn	100.00 %
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus spezial mbH, Quickborn	100.00 %
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus spezial V mbH, Quickborn	100.00 %
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus spezial VI mbH, Quickborn	100.00 %
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus V mbH, Quickborn	100.00 %
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus VI mbH, Quickborn	100.00 %
Verwaltungsgesellschaft MPC Rendite-Fonds Leben plus VII mbH, Quickborn	100.00 %
Verwaltungsgesellschaft Neunte Global Equity mbH, Hamburg	100.00 %
Verwaltungsgesellschaft Oil Rig Plus mbH, Hamburg	100.00 %
Verwaltungsgesellschaft Siebte MPC Global Equity mbH, Hamburg	100.00 %
Verwaltungsgesellschaft Vierte MPC Rendite-Fonds Britische Leben plus mbH, Quickborn	100.00 %
Yonge/Norton (Canada 4) GP Limited, Toronto, Canada	100.00 %
Zehnte Sachwert Rendite-Fonds Canada GmbH & Co. KG, Quickborn	100.00 %
Zweite MPC Best Select Company Plan Managementgesellschaft mbH, Quickborn	100.00 %
Zweite MPC Bioenergie Brasilien GmbH & Co. KG, Hamburg	66.67 %
Zweite MPC Solarpark GmbH & Co. KG, Hamburg	100.00 %
Zweiundsiebzigste Sachwert Rendite-Fonds Holland GmbH & Co. KG, Hamburg	100.00 %
Zwölfte Sachwert Rendite-Fonds Canada GmbH & Co. KG, Quickborn	100.00 %

The companies Kommanditgesellschaft MS San Adriano Offen-Reederei GmbH & Co., Kommanditgesellschaft MS San Alessio Offen-Reederei GmbH & Co. and Kommanditgesellschaft MS San Aurelio Offen-Reederei GmbH & Co. have not been included in consolidation despite the fact of the MPC Münchmeyer Petersen Capital Group's shareholding of more than 50 % as at the end of the reporting period because the MPC Münchmeyer Petersen Capital Group does not control them under IAS 27.13 and therefore cannot control their financial or business policies. These companies are carried at cost.

In total, 165 (previous year: 153) German and 31 (previous year: 30) foreign subsidiaries were not included in the consolidated financial statements. They are insignificant in presenting a true and fair view of the net asset situation, financial position and results of operations of the MPC Münchmeyer Petersen Capital Group. These companies are carried at cost. These include the 100 % holdings of MPC Münchmeyer Petersen Capital Group in the general partners of public companies (138 in total; previous year: 183), which are reported under shares in affiliates.

Information in accordance with § 313 (2) No 4 code of commercial law (HGB), which is part of the consolidated financial statement, has been emitted here for reasons of oversight. They can be found on the homepage at www.mpc-capital.de/ir/Hauptversammlung.

a) Associates

The following companies are regarded as associates and are consolidated at equity in accordance with IAS 28:

Equity investments	Share
Surya Treasure Island Private Ltd., India	48.80 %
Chandigarh Treasure Island Private Ltd., India	48.80 %
Gangetic Hotels Private Ltd., India	39.09 %
Raipur Treasure Island Private Ltd., India	32.87 %
Jabalpur Treasure Island Private Ltd., India	30.88 %
"Rio Lawrence" Schifffahrtsgesellschaft mbH & Co. KG, Hamburg	38.38 %
Engel & Völkers Capital AG, Hamburg	35.00 %
HCI Capital AG, Hamburg	33.36 %
Global Vision AG Private Equity Partners, Rosenheim	30.25 %
eFonds Solutions AG, Munich	29.19 %
MPC Münchmeyer Petersen Steamship GmbH & Co. KG, Hamburg	25.10 %
MPC Münchmeyer Petersen Steamship Beteiligungsgesellschaft mbH, Hamburg	25.10 %
MPC Global Maritime Opportunities S.A., SICAF, Luxembourg	12.26 %

The 12.26 % investment in MPC Global Maritime Opportunities S.A, SICAF is shown as an associate. In addition to its investment, MPC Münchmeyer Petersen Capital AG, Hamburg holds share options amounting to 20 % of the share capital. Two of three positions in the Investment Committee of MPC Global Maritime Opportunities S.A., SICAF are occupied by members of the Management Board of MPC Münchmeyer Petersen Capital AG. It therefore exercises significant influence on the company.

MPC Global Maritime Opportunities S.A., SICAF is a special fund according to Luxembourg law in the legal form of a Société Anonyme. The target fund invests within the entire value-added chain of the maritime economy. In addition to all ship types in all ship segments, it is also possible to invest in maritime infrastructure projects as well as listed and non-listed shipping companies.

On 15 July 2010, MPC Global Maritime Opportunities S.A., SICAF carried out a capital increase in which not all shareholders participated. As a result, the interest held by MPC Münchmeyer Petersen Capital AG in SICAF increased from 10.96 % to 12.26 %.

As at 31 December 2010, there was no financial data available for MPC Global Maritime Opportunities S.A. SICAF due to the volume of business. The basis for the disclosures in the consolidated financial statements of MPC Münchmeyer Petersen Capital AG is therefore the financial data for MPC Global Maritime Opportunities S.A. SICAF as at 30 September 2010.

A rights issue took place at HCI Capital AG by resolution on 10 August 2010. MPC Münchmeyer Petersen Capital AG did not take part in this rights issue. As a result, the stake held by MPC Münchmeyer Petersen Capital AG decreased from 40.8 % to 33.36 %. There was a dilution gain of TEUR 4,926.

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MPC Münchmeyer Petersen Capital AG, Hamburg acquired 35 % of the shares in Engel & Völkers Capital AG, Hamburg, by deed dated 27 September 2010. The purchase price was TEUR 1,050 and was paid in full in cash. The company designs, sells and manages public funds and investments. The company is consolidated at equity.

A rights issue was carried out at eFonds Solutions AG on 26 November 2010 in which not all shareholders participated. As a result, the at equity share held by MPC Münchmeyer Petersen Capital AG in eFonds Solutions AG increased from 27.98 % to 29.19 %.

b) Joint ventures

As at 31 December 2010, MPC Synergy Real Estate AG had total assets of TEUR 156 and equity of TEUR 115. The carrying amount of the investment attributable to the MPC Münchmeyer Petersen Capital Group was TEUR 64 as at year-end.

3.4.3 Changes in the Group companies

a) Disposals

The companies MPC Münchmeyer Petersen Capital (Liechtenstein) AG, Vaduz/Liechtenstein, and MPC Münchmeyer Petersen Asset Management AG, Hamburg, were deleted following the end of liquidation and left the Group completely in the first quarter and fourth quarter of 2010 respectively. Any remaining assets were transferred to the shareholder.

c) Additions

MPC Capital Fund Management GmbH was consolidated for the first time on 7 May 2010. MPC Capital Fund Management GmbH manages and controls the MPC Münchmeyer Petersen Capital Group's closed-end fund products. The company emerged from the renaming of a shelf company, MPC Fünfzehnte Vermögensverwaltungsgesellschaft mbH.

Zweite MPC Bionenergie Brasilien GmbH & Co KG, Hamburg, was established in 2010 and registered in the Commercial Register on 6 October 2010 and since then part of the Group's companies. The company holds the 100 % investment in UTE Itaqui Geradora de Energia Eléctrica S.A.

The investment in the Asien Opportunity Real Estate Investor GmbH & Co. KG, Hamburg, was consolidated for the first time as of 1 January 2010.

d) Others

eFonds Holding AG was renamed eFonds Solutions AG, Munich.

The investment UTE Dom Pedrito Geradora de Energia Eléctricia S.A. was renamed UTE Itaqui Geradora de Energia Eléctricia S.A., Porto Alegre/Brazil.

3.5 CURRENCY TRANSLATION

a) Functional currency and reporting currency

The items included in the financial statements of each Group company are measured on the basis of the currency, which equates to the currency of the primary economic environment in which the company operates (functional currency). The consolidated financial statements are prepared in Euro, which constitutes the functional currency and the reporting currency of the MPC Münchmeyer Petersen Capital Group.

b) Transactions

Transactions in foreign currencies are translated into the functional currency at the exchange rate prevailing on the date of the transaction.

Receivables and liabilities denominated in foreign currency are measured at the reporting date rate. The resulting translation differences are recognised as other operating profits or other operating losses in the reporting period.

c) Group companies

The modified closing rate method is used for translating the financial statements of subsidiaries whose functional currency differs from the reporting currency. In this method, assets and liabilities are translated at the reporting date rate, while expenses and income as well as cash flows are translated at the average rate. The resulting translation differences are recognised in “Other comprehensive income” until the foreign operation is sold.

The same principles are used for translating the financial statements of subsidiaries, which are measured using the equity method, as are used for consolidated subsidiaries.

d) Currency rates

Exchange rates of the currencies of significance for the MPC Münchmeyer Petersen Capital Group:

	Reporting date rate		Annual average rate	
	Dec. 31, 2010 per EUR	Dec. 31, 2009 per EUR	2010 per EUR	2009 per EUR
Brazilian real	2.2077	2.4856	2.3268	2.7625
British pound sterling	0.8566	0.8999	0.8583	0.8912
Indian rupee	60.0565	67.0164	60.6573	67.4243
Canadian dollar	1.3251	1.5036	1.3672	1.5857
Swiss franc	1.2465	1.4875	1.3828	1.5097
US dollar	1.3252	1.4332	1.3275	1.3942

These are interbank rates as at December 31, 2009 and December 31, 2008.

3.6 INTANGIBLE ASSETS

Intangible assets with a limited useful life acquired against payment are recognised at purchase cost. They are amortised on a scheduled basis over their respective useful lives. With the exception of goodwill, these intangible assets are amortised on a straight-line basis over a period of 3 years up to 20 years. Account was taken of impairments through write-downs. If the reasons for the write-down no longer apply, it is reversed.

a) Goodwill

Goodwill represents the amount of the purchase cost of the corporate acquisition in excess of the current market value of the Group’s stake in the net assets of the company acquired at the date of acquisition. Any goodwill resulting from a corporate acquisition is accounted for under intangible assets. Reported goodwill is subjected to an annual impairment test and is measured at its original purchase cost less accumulated write-downs. Write-ups are not permissible. Profits and losses from the sale of a company comprise the carrying amount of the goodwill, which is allocated to the company being sold.

Goodwill is allocated to cash generating units for the purpose of the impairment test. Goodwill is allocated to those cash generating units or groups of cash generating units in accordance with identified business segments from which it is expected that they will benefit from the merger in which the goodwill arose.

Goodwill is the only intangible asset in the MPC Münchmeyer Petersen Capital Group with an indeterminate useful life.

b) Trade marks and licenses

Trade marks and licenses acquired are recognised at acquisition/production cost. Trade marks and licenses acquired as part of a corporate acquisition are measured at fair value on the date of acquisition. Trade marks and licenses have determinate useful lives and are measured at their acquisition/production cost less cumulative depreciation and amortisation.

They are amortised on a straight-line basis over an estimated useful life of 15 to 20 years.

Acquired software licenses are capitalised on the basis of the costs incurred on acquisition and for preparing the software for its intended use. These costs are amortised over an estimated useful life of three to five years.

3.7 TANGIBLE ASSETS

Land and properties used by the company itself are shown at purchase cost, reduced by scheduled amortisation and cumulative write-downs. As a rule, scheduled amortisation takes place on a straight-line basis over the anticipated, normal useful life of the asset. The anticipated, normal useful life amounts to 25 to 50 years in the case of buildings, to 30 years in the case of ships and three to ten years in the case of office furniture and equipment.

Tenants' fittings in rented premises are amortised on a straight-line basis over the tenancy or anticipated useful life of the tenants' fittings, whichever is shorter, usually three to 15 years.

Depreciation on buildings and office furniture and equipment is shown under depreciation and amortisation. Costs for maintenance and repairs are expensed as incurred. Gains or losses from disposals are recognised under other operational income or other operational expenses.

3.8 IMPAIRMENT OF NON-MONETARY ASSETS

Assets, which have an indeterminate useful life, such as goodwill, are not amortised on a scheduled basis; they are tested for impairment on an annual basis. Tangible assets and other intangible assets, which are subject to scheduled amortisation, are tested for impairment if suitable events or changes in circumstances ("triggering event") indicate that the carrying amount may no longer be achievable. An impairment loss is recognised equal to the carrying amount in excess of the recoverable amount. The recoverable amount is the higher of the current market value of the asset less sale costs or the value in use. For the impairment test, assets are combined at the lowest level for which cash flows can be separately identified (cash generating units). With the exception of goodwill, non-monetary assets, which have been written down in the past, are checked each balance sheet date to establish whether the write-downs should be reversed.

3.9 FINANCIAL INSTRUMENTS

According to IAS 39, a financial instrument is a contract, which leads simultaneously to the establishment of a financial asset at one company and to the establishment of a financial liability or an equity instrument at another company. Financial assets, financial liabilities and equity instruments are combined under the term financial instruments.

Financial assets include investments, receivables, available-for-sale financial assets, other assets, cash and cash equivalents as well as receivables from assets held for sale. Financial liabilities include financial liabilities, trade payables, liabilities to related parties, derivative financial instruments and other financial liabilities.

The financial assets and liabilities of the MPC Münchmeyer Petersen Capital Group differ according to the following measurement categories defined in IAS 39 and classes defined in IFRS 7. Financial instruments are categorised on the basis of their intended use at the time of acquisition.

"Financial assets and liabilities measured at fair value through profit or loss": this category comprises financial instruments held for trading purposes and the financial instruments assigned to this category by the company. Measurement after recognition in this category is determined in accordance with fair value. Profits and losses on financial instruments in this category are to be recorded directly in the statement of comprehensive income.
"Loans and receivables": this category includes loans and receivables with fixed or determinable as well as the means of payments. Measurement after recognition is carried out at amortised cost. If there is substantial indication of impairment, this is recognised immediately through profit or loss in the statement of comprehensive income.

"Available-for-sale financial assets": instruments are assigned to this category if they cannot be assigned to another category. Measurement after recognition is carried out at fair value. Changes in the fair value are recognised in equity without any impact on profit or loss and are only recognised through profit and loss in the statement of comprehensive income when the financial asset is derecognised. If no market price is quoted on an active market for shares held, which are assigned to this category, and other methods to determine an objectifiable market value are not applicable, the shares are measured at amortised cost.

"Financial liabilities, measured at amortised cost": measurement after recognition is carried out at amortised cost. Differences between the amount received and the amount due for repayment are spread over the term and recognised as profit or loss in the statement of comprehensive income.

There were no reclassifications between the individual measurement categories in the financial year.

Financial assets are recognised at the fair value, which exists on the date on which the MPC Münchmeyer Petersen Capital Group agrees to acquire the asset.

Financial assets, which are not assigned to the category "financial assets measured at fair value through profit or loss", are tested for impairment on each balance sheet date. If the fair value of a financial asset is lower than its carrying amount, the carrying amount is reduced to its fair value. This reduction constitutes an impairment loss, which is recognised as an expense. Normal fluctuations in the value of available-for-sale financial assets are recognised in other comprehensive income. An impairment previously recognised as an expense is reversed through the income statement if events have occurred since the impairment was originally recognised, which make this necessary.

As a result of the amendment to IFRS 7 published by the IASB, disclosures regarding the levels in the fair value hierarchy for the financial instruments reported at fair value are required. A distinction is made between three hierarchy levels here.

In hierarchy level 1, the fair value of financial instruments is based on the price quoted on an active market. For financial instruments of this kind (such as securities held for trading purposes and available for sale securities), the stock market price on the balance sheet date is used to determine fair value. The current bid price is the relevant stock market price for financial assets.

If the fair value of financial instruments, which are not traded in an active market (such as derivatives traded over the counter) is determined using measurement models, which make use of observable parameters, they are assigned to hierarchy level 2. Different measurement models are used here and assumptions made, which are based on market conditions on the balance sheet date. Stock market prices or the prices in over the counter trading for instruments of the same type are used for non-current financial instruments.

Other measurement models, such as the DCF model, are used to determine the fair value of the remaining financial instruments. These financial instruments are assigned to hierarchy level 3.

The fair value of interest rate swaps is calculated from the present value of estimated future cash flows. The fair value of forward foreign exchange transactions is determined on the basis of forward exchange rates on the balance sheet date. In the case of trade receivables and payables, it is assumed that the nominal amount less write-downs equates to the fair value. The fair value of financial liabilities stated in the notes is determined by discounting future contractually agreed payment streams with the current market interest rate, which the Group was granted for comparable financial instruments. In determining fair values, if possible data from an active market are used, in as much as this is sensible and feasible.

A financial asset is derecognised when the contractual rights concerning cash flows from this financial asset expire or have been assigned. As part of the assignment, in essence, all opportunities and risks associated with ownership of the financial asset or the right to dispose of the financial asset must be assigned.

Financial liabilities are derecognised if the resulting obligation is extinguished, reversed or expires. Financial liabilities are also derecognised if there is a material change to the future cash flows from interest and capital payments because the terms are amended. At the same time, a new financial liability is recognised at the fair value based on the new terms and the difference between the carrying amount of the derecognised liability and the fair value of the newly reported liability is recognised through profit and loss in the statement of comprehensive income.

3.10 AVAILABLE-FOR-SALE FINANCIAL ASSETS

The assets classified as “available-for-sale” are shares in fund companies and in non-consolidated associates and other investments.

Measurement is at amortised cost as the fair value cannot be reliably calculated owing to cash flows that cannot be reliably determined. This item also includes securities measured at fair value.

If there is objective indication for an impairment of the asset, an impairment trest will be run.

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3.11 OTHER FINANCIAL ASSETS AND OTHER CURRENT ASSETS

Other financial assets and current assets are reported at the lower of acquisition and production cost or fair value on the closing date.

The carrying amount of other financial assets and other current assets is reviewed if there are signs of impairment or appreciation in value following a previous impairment and the assets are written down or written up accordingly. An impairment is recorded if there is objective evidence that the receivables due are not recoverable in their entirety.

3.12 CURRENT AND DEFERRED TAXES

Tax expense comprises current and deferred taxes. Current and deferred taxes are recorded in the statement of comprehensive income.

Current tax expense or income is calculated on the basis of the tax legislation applicable on the balance sheet date or which will shortly be applicable in the countries in which subsidiaries and associates are active and generate taxable income. The management reviews the figures reported in the tax return or in the tax accounts, particularly with regard to issues that are subject to interpretation under tax legislation, on a regular basis. Tax liabilities for the current period and for previous periods are stated at the amount at which payment to the tax office is anticipated.

Deferred tax expense or income is reported for temporary differences between the figures reported in the tax accounts and the figures reported in the IFRS consolidated financial statements and for tax loss carryforwards. Deferred tax assets are reported if it is likely that there will be tax income against which the deductible temporary difference can be used. Deferred tax liabilities, which arise as a result of temporary differences in connection with investments in subsidiaries and associates, are reported unless the date of the reversal of the temporary differences can be determined by the Group and it is likely that the temporary differences will not be reversed on the basis of this influence for the foreseeable future. Furthermore, no deferred tax assets and liabilities are reported from the initial recognition of an asset or a liability, which has no effect on the IFRS result (before income taxes) or the fiscal profit or loss at the time of the transaction, which does not constitute a business combination. Deferred tax assets and liabilities are only netted if

(i) they relate to the same taxable unit or tax group, (ii) they are levied by or owed to the same tax authority, (iii) there is an enforceable right of set-off vis-à-vis the tax authority and (iv) settlement on a net basis is intended.

Deferred taxes are measured using the tax rates and tax legislation applicable on the balance sheet or which has been legally adopted and which is expected to apply on the date the deferred tax assets are realised or the deferred tax liability is settled.

3.13 INVENTORIES

In accordance with IAS 2, inventories are reported at the lower of acquisition and production cost or net disposal value on the closing date.

This item mainly contains work in progress deferred as at the balance sheet date.

The net disposal value equals the achievable disposal proceeds less costs that will accrue to completion and less the selling costs, which will accrue until disposal.

The project costs of the funds not yet fully syndicated on the balance sheet date are deferred according to the stage of completion and reported under inventories. These costs are expensed at the time they are incurred and until the product is fully syndicated. These are therefore assets of the Group which will lead to a financial gain at a later date. The stage of completion corresponds to the ratio of the capital placed to the planned total capital on the balance sheet date.

3.14 RECEIVABLES

Receivables are amounts due from services supplied in the normal course of business. If realisation is expected in a year or less (or within the normal business cycle, if this is longer), the receivables are classified as current. Otherwise, they are accounted for as non-current receivables.

Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method and less impairments.

An impairment is recorded for receivables if there is objective evidence that the receivables due are not recoverable in their entirety. Considerable financial difficulties on the part of a debtor, an increased likelihood that a borrower will become insolvent or enter into restructuring proceedings of some other kind are regarded as indicators of impairment.

The carrying amount of the asset is reduced through an impairment charge. This loss is recognised in the income statement in other operating expenses as a write-down on receivables. If the receivable has become unrecoverable, the written-down receivable is derecognised. Subsequent incoming payments on amounts that had been previously derecognised are recorded through profit and loss in the statement of comprehensive income in other operating income under income from value adjustments and written-down receivables.

3.15 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash, demand deposits, other current, highly liquid, financial assets with an original term of three months maximum and overdraft facilities. Unused overdraft facilities are shown in the balance sheet under current financial liabilities as “liabilities due to banks”.

3.16 NON-CURRENT ASSETS HELD FOR SALE AND DISPOSAL GROUPS (IFRS 5)

Non-current assets held for sale (or groups of assets and liabilities held for sale) are classified as held for sale if their carrying amount will, in essence, be redeemed through a sale and a sale is extremely likely. They are measured at the lower of the carrying amount or fair value less disposal costs.

3.17 EQUITY

Shares are classified as equity.

Costs, which are directly attributable to the issue of new shares or options, are reported net after tax in equity as a deduction from the proceeds of the issue.

If a Group company buys treasury shares in MPC Münchmeyer Petersen Capital AG, the value of the consideration paid including directly attributable additional costs (net after income taxes) are deducted from the equity of MPC Münchmeyer Petersen Capital AG, until the shares are withdrawn.

Rights issues are recognised in the capital reserve net of issuing costs incurred.

3.18 FINANCIAL LIABILITIES

In particular, financial liabilities include trade payables, liabilities to financial institutions, derivative financial instruments and other liabilities.

On initial recognition, financial liabilities are measured at fair value less the transaction costs directly associated with raising loans, if applicable.

Financial liabilities are derecognised if the obligation on which this liability is based is discharged, cancelled or expires. Financial liabilities, which are measured at amortised cost, comprise trade payables and interest bearing loans in the MPC Münchmeyer Petersen Capital Group. They are measured at amortised cost using the effective interest rate method. Profits and losses are recorded through profit or loss when the debts are derecognised or repaid.

Loan liabilities are classified as current liabilities unless the Group has the unconditional right to defer repayment of the liability to a date at least twelve months from the date of the balance sheet.

3.19 DERIVATIVE FINANCIAL INSTRUMENTS

Under IAS 39.9, derivative financial instruments, such as currency and interest rate swaps as well as forward foreign exchange transactions are to be assigned to the category "financial assets and liabilities, which are measured at fair value through profit or loss" unless they are a component of a hedge relationship accounted for under the hedge accounting rules.

Since hedge accounting is not used in the MPC Münchmeyer Petersen Capital Group, changes in the fair value of derivative financial results are always recorded in the financial result for the period.

Generally, the fair value equals the market or stock exchange value. If no active market exists, the fair value is established by applying recognised option pricing models and through confirmations from banks.
The MPC Münchmeyer Petersen Capital Group's hedging policy is to use effective derivatives solely to hedge interest and currency risks. Derivative financial instruments help to reduce the negative impact of interest and currency risks on the financial position, net worth and earnings position of the Group.

3.20 EMPLOYEE BENEFITS

a) Termination benefits
Termination benefits are paid if an employee is made redundant from a Group company before his normal retirement date or if an employee leaves the company voluntarily in return for a settlement.

b) Bonus plans
An obligation is recognised as a liability and expense is recognised for bonus payments affect net income and are recognised as a liability or provision.

A provision is recognised as a liability in the consolidated financial statements in cases in which there is a contractual obligation or a de facto obligation results from past business practice.

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3.21 PROVISIONS

Provisions are created for all recognisable risks and uncertain liabilities, if the Group has a current legal or de facto obligation, which is the result of a past event, it is probable (more likely than not) that settlement of the obligation will lead to a cash outflow and the amount of the provision could be reliably calculated.

No provisions were recorded for future operating losses.

If there is a large number of obligations of the same type – such as in the case of the statutory warranty – the likelihood of a cash outflow is calculated on the basis of the group of these obligations. A provision is also recognised as a liability if the probability of a cash outflow with regard to individual obligations contained in this cash flow is low.

Provisions are measured at the present value of the anticipated expenses, with a pre-tax interest rate, which takes account of market expectations regarding the time value of money and the specific risks for the obligation, being used. Increases in the provision resulting from the addition of accrued interest are recognised through profit and loss as interest expense in the statement of comprehensive income.

3.22 LIABILITIES PAYABLE TO RELATED PARTIES

Liabilities payable to related parties are reported at the lower of acquisition and production cost or fair value on the closing date.

Liabilities fall due within one year.

3.23 TRADE LIABILITIES

Trade liabilities are payment obligations for products and services acquired during normal business operations. Those liabilities are classified as short-term liabilities if payment is due within one year or less or within a normal business cycle (if that is more than one year). In all other cases they are classified as long-term liabilities.

At first time recognition they are measured at fair value. Thereafter they will be measured at amortised cost using the effective interest rate method.

3.24 OTHER LIABILITIES

Expenses from the previous financial year, which lead to disbursements only in the new year, are recorded as "other liabilities" on the balance sheet date. These include wages and salaries that have not yet been paid, social security contributions that have been deducted but not yet paid, commission due and, in particular, part of the expenses in the financial year, for which disbursement is not required until after the balance sheet date (anticipatory items; deferment).

Other liabilities are measured at the lower of acquisition and production cost or fair value on the balance sheet date.

3.25 REALISATION OF INCOME

Sales comprise the fair value of the consideration received or to be received for the development and marketing of investments as part of ordinary operating activity. Sales are recognised net of sales tax, returns, rebates and discounts and after eliminating transactions within the Group.

The Group recognises sales when the amount of the sales can be reliably determined and if it is sufficiently likely that the economic benefit will accrue to the company. The amount of the sales can only be reliably determined if all contingencies relating to the sale have been remedied.

a) Sale of services
Sales from the financial year are taken into account irrespective of the time of payment, if they are realised. Sales from the performance of services are realised if the amount owed has been furnished and no economically related obstacles impede the realisation of the means of payment. Therefore, sales are only reported if it is sufficiently likely that the economic benefit associated with the transaction will be assigned to the company.

As a rule, the sales are earned and fall due depending on the level of placement and are deferred and realised accordingly. For a small portion of the services, the sales are earned and fall due on expiry of the subscription term of the products (“upfront fee”). In other cases, deferred ongoing fees are earned and fall due one year after the respective reporting date. However, the ongoing fees are not deferred to the respective reporting date.

In the MPC Münchmeyer Petersen Capital Group, the following services are rendered with the following realisation dates:

- Sales from initiating projects	at the start of equity placement
- Sales from placing equity	during equity placement
- Sales from fund management	within the duration of the fund
- Sales from fund liquidation	at the end of the fund term

The amounts from each of the above services are presented in segment reporting.

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b) Interest income
Interest income is recorded pro rata temporis using the effective interest rate method. If a receivable is impaired, the Group writes the carrying amount down to the recoverable amount, i.e. to the total of anticipated future cash flows, discounted with the initial effective interest rate. Accrued interest continues to be added to the written-down receivable at the initial effective interest rate and is collected as interest income. Consequently, interest income from written-down loan receivables is also recorded on the basis of the effective interest rate.

c) Charter revenues
Charter sales are deferred in accordance with the economic content of the relevant agreements and recorded pro rata temporis.

d) Dividend income
Dividend income is recorded on the date on which the right to receipt of the payment accrues.

4. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

4.1 FINANCIAL INSTRUMENTS

The following tables show the book values, carrying amounts and fair values for the financial assets measured in accordance with the measurement categories in IAS 39/IFRS 7.

	Carrying amount as at Dec. 31, 2010 TEUR	Loans and receivables TEUR	Financial assets at fair value through profit or loss TEUR	Available-for-sale financial assets measured at fair value TEUR	Available-for-sale financial assets measured at cost TEUR	Fair value as at Dec. 31, 2010 TEUR
Receivables from related parties (non-current)	16,344	16,344	0	0	0	14,924
Available-for-sale financial assets	119,254	0	0	29,177	90,077	119,254
Other financial assets (non-current)	5,958	5,958	0	0	0	5,958
Accounts receivables	6,870	6,870	0	0	0	6,870
Receivables from related parties (current)	38,379	38,379	0	0	0	38,379
Other financial assets (current)	576	110	290	176	0	576
Cash and cash equivalents	8,993	8,993	0	0	0	8,993
Non-current assets held for sale and disposal groups	0	0	0	0	0	0

adjusted	Carrying amount as at Dec. 31, 2009 TEUR	Loans and receivables TEUR	Financial assets at fair value through profit or loss TEUR	Available-for-sale financial assets measured at fair value TEUR	Available-for-sale financial assets measured at cost TEUR	Fair value as at Dec. 31, 2009 TEUR
Receivables from related parties (non-current)	21,558	21,558	0	0	0	21,396
Available-for-sale financial assets	107,258	0	0	21,362	85,896	107,258
Other financial assets (non-current)	25,347	25,347	0	0	0	25,347
Accounts receivables	1,803	1,803	0	0	0	1,803
Receivables from related parties (current)	32,332	32,332	0	0	0	32,332
Other financial assets (current)	535	0	79	456	0	535
Cash and cash equivalents	9,138	9,138	0	0	0	9,138
Non-current assets held for sale and disposal groups	3,663	0	0	0	3,663	3,663

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Among others, the financial instruments included in the “Available-for-sale financial assets” category contain unlisted investments for which there are no market prices as a reliabe prediction is not possible and could only be reliably determined in the context of actual sales negotiations. Disposal is not envisaged at present.

The following tables show the book values, carrying amounts and fair values for the financial liabilities measured in accordance with the measurement categories in IAS 39/IFRS 7.

	Carrying amount as at Dec. 31, 2010 TEUR	Financial liabilities measured at fair value through profit or loss TEUR	Financial liabilities, measured at amortised cost TEUR	Fair value as at Dec. 31, 2010 TEUR
Financial liabilities (non-current)	209,260	0	209,260	192,008
Liabilities due from related parties (non-current)	2,055	0	2,055	2,055
Derivative financial instruments (non-current)	1,744	1,744	0	1,744
Financial liabilities (current)	62,033	0	62,033	62,033
Liabilities due from related parties (current)	9,250	0	9,250	9,250
Accounts payables (current)	4,823	0	4,823	4,823
Current other financial liabilities (current)	0	0	0	0

adjusted	Carrying amount as at Dec. 31, 2009 TEUR	Financial liabilities measured at fair value through profit or loss TEUR	Financial liabilities, measured at amortised cost TEUR	Fair value as at Dec. 31, 2009 TEUR
Financial liabilities (non-current)	157,750	0	157,750	155,264
Liabilities due from related parties (non-current)	888	0	888	888
Derivative financial instruments (non-current)	2,649	2,649	0	2,649
Financial liabilities (current)	118,899	0	118,899	118,899
Liabilities due from related parties (current)	9,611	0	9,611	9,611
Accounts payables (current)	7,241	0	7,241	7,241
Current other financial liabilities (current)	3,029	3,029	0	3,029

The distribution of assets and liabilities measured at fair value to the different hierarchy levels is shown in the following tables:

Measurement at fair value as at Dec. 31, 2010

	Total TEUR	Level 1 TEUR	Level 2 TEUR	Level 3 TEUR
Available-for-sale financial assets	29,177	0	0	29,177
Other financial assets (current)	466	0	0	466
Liability derivative financial instruments (non-current)	1,744	0	1,744	0
Other financial liabilities (current)	0	0	0	0

Measurement at fair value as at Dec. 31, 2009

	Total TEUR	Level 1 TEUR	Level 2 TEUR	Level 3 TEUR
Available-for-sale financial assets	21,362	0	0	21,362
Other financial assets (current)	535	0	0	535
Liability derivative financial instruments (non-current)	2,649	0	2,649	0
Other financial liabilities (current)	3,029	0	0	3,029

In level 1, the calculation of fair value is based on the price quoted on an active market. In level 2, fair values are calculated with the help of procedures that make use of observable parameters. In level 3, fair values are calculated with the help of procedures which make use of parameters that are not observable.

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With regard to financial assets and financial liabilities, where the calculation of their fair value must be assigned to hierarchy level 3, the following table shows the reconciliation of the fair value from the beginning to the end of the reporting period.

Measurement at fair value at the end of the reporting period

	Financial assets measured at fair value through profit and loss TEUR	Available-for-sale financial assets measured at fair value TEUR	Financial liabilities measured at fair value through profit and loss TEUR	Total TEUR
Initial holdings Jan. 1, 2010	79	21,818	-3,029	
- Total gains and losses				
in the consolidated loss	-2,400	-280	3,029	349
in other comprehensive income	0	5,808	0	5,808
- Purchases	2,611	2,006	0	
- Sales	0	0	0	
- Reclassifications from Level 3	0	0	0	
Final holdings Dec. 31, 2010	290	29,353	0	
Total gains and losses in the statement of comprehensive income from financial instruments which MPC Münchmeyer Petersen Capital Group holds on the balance sheet date				**6,157**

Measurement at fair value at the end of the previous year

adjusted	Financial assets measured at fair value through profit and loss TEUR	Available-for-sale financial assets measured at fair value TEUR	Financial liabilities measured at fair value through profit and loss TEUR	Total TEUR
Initial holdings Jan. 1, 2009	4,641	17,238	-1,953	
- Total gains and losses				
in the consolidated loss	-4,988	7,409	-1,076	1,345
in other comprehensive income	0	-3,289	0	-3,289
- Purchases	427	2,105	0	
- Sales	0	-1,645	0	
- Reclassifications from Level 3	0	0	0	
Final holdings Dec. 31, 2009	79	21,818	-3,029	
Total gains and losses in the statement of comprehensive income from financial instruments which MPC Münchmeyer Petersen Capital Group holds on the balance sheet date				**-1,944**

Unrealised gains of TEUR 6,157 arose from financial instruments, where the calculation of their fair value must be assigned to hierarchy level 3 and which the MPC Münchmeyer Petersen Capital Group holds on the balance sheet date (previous year unrealised gains of TEUR 1,944).

If the assumptions made by the management of MPC Sachwert Rendite-Fonds Opportunity Asien GmbH & Co. KG concerning the discounting rate and the total return multiples change, this would influence the fair value. The certificate was measured using a discounted cash flow method. A discount rate of 8.96 % (previous year: 9.52 %) was assumed in the discount model. This is composed of a risk-free interest rate and a market risk premium. If one of these components increases by one percentage point, the calculated value of the certificate – all other things remaining equal – would be TEUR 1,169 (previous year: TEUR 1,128) lower. Total return multiples of the reference funds used for the valuation of the certificate of on average 1.11 were assumed in the measurement model used. If this component falls by 10 percentage points, the calculated value of the certificate – all other things remaining equal – would be TEUR 3,548 (previous year: TEUR 2,828) lower.

Further changes to the parameters, which were used in the measurement models for calculating the fair value according to level 3, have no significant impact on the fair value.

The following tables show how the results from dividends and interest, from measurement after recognition and from disposal are distributed to the individual categories of financial instruments defined in IAS 39.

		From subsequent measurement				
	Dividends and interest effects TEUR	**At fair value** TEUR	**Currency translation** TEUR	**Write-downs** TEUR	**From disposal** TEUR	**Net result 2010** TEUR
Loans and receivables	1,729	0	875	-20,593	0	-17,989
Financial assets measured at fair value through profit or loss	0	-2,400	0	0	0	-2,400
Available-for-sale financial assets measured at fair value	0	5,529	0	0	0	5,529
Available-for-sale financial assets measured at acquisition	1,114	0	0	0	-255	859
Financial liabilities measured at fair value through profit or loss	0	2,423	0	0	0	2,423
Financial liabilities measured at amortised cost	-10,550	0	755	0	0	-9,794
Total	**-7,707**	**5,551**	**1,630**	**-20,593**	**-255**	**-21,373**

		From subsequent measurement				
adjusted	**Dividends and interest effects** TEUR	**At fair value** TEUR	**Currency translation** TEUR	**Write-downs** TEUR	**From disposal** TEUR	**Net result 2010** TEUR
Loans and receivables	1,759	0	-939	-2,468	0	-1,648
Financial assets measured at fair value through profit or loss	0	-4,988	0	0	0	-4,988
Available-for-sale financial assets measured at fair value	0	4,120	0	0	81	4,202
Available-for-sale financial assets measured at acquisition	1,552	0	-1,583	0	335	304
Financial liabilities measured at fair value through profit or loss	0	-818	0	0	0	-818
Financial liabilities measured at amortised cost	-10,585	0	-127	0	0	-10,712
Total	**-7,724**	**-1,686**	**-2,650**	**-2,468**	**416**	**-13,661**

4.2 FINANCIAL RISK FACTORS

The Group is exposed to various financial risks due to its business activities: market risk (including foreign currency risk, interest-induced risk arising from changes to fair value and interest-induced cash flow risk), credit risk and liquidity risk. Overall risk management in the Group focuses on the unpredictability of developments on the financial markets and aims to minimise their potential negative impact on the financial position of the Group. The Group uses derivative financial instruments to hedge against certain risks. Group risk management is carried out by central financial controlling (Group controlling) in accordance with the guidelines adopted by the Management Board. The Risk Managers in the operating units are responsible for identification, evaluation and the management of measures in relation to individual financial risks, in close cooperation with Group controlling. The Management Board provides principles for cross-divisional Group risk management in writing, which are applicable to, and must be implemented by, all units in the Group.

a) Market risk

(i) Foreign currency risk

Currency risks exist in the MPC Münchmeyer Petersen Capital Group, arising as a result of initiating projects, distribution and managing funds in foreign currencies as well as through other transactions in foreign currencies. Foreign currencies are subject to constant exchange rate fluctuations against the Euro. Only those risks resulting from changes in exchange rates between the Euro and the US dollar are of material significance to the MPC Münchmeyer Petersen Capital Group. In the 2010 financial year, key US dollar transactions in the MPC Münchmeyer Petersen Capital Group resulted from sales for the conception, distribution and management of products in Real Estate Opportunity Funds. There are further currency risks as a result of disbursements to various fund companies, the investment and existing share options in MPC Global Maritime Opportunities S.A., SICAF and investments in foreign subsidiaries, the business activities of which are primarily carried out in foreign currencies. An adverse development in the USD exchange rate could lead to future exchange losses. However, as it is not certain when transactions in foreign currencies will arise, hedges to limit these currency risks have not been conducted. In order to present the potential impact of hypothetical changes in exchange rates on the financial result, sensitivity analyses, as required by IFRS 7, have been performed. Transactions in CAD, GBP, CHF, BRL and INR are not regarded as significant and have thus not been subject to a sensitivity analysis.

In the event of a USD exchange rate 10 % higher (lower) than the reporting date rate, the result after taxes for the 2010 financial year would have been TEUR 266 lower (TEUR 266 higher). In the event of a USD exchange rate 10 % higher (lower) than the reporting date rate, the sensitivity analysis of changes to exchange rates for the 2009 financial year would have led to a TEUR 68 lower (TEUR 68 higher) result after taxes.

Equity has been left out of the presentation of the impact of hypothetical changes in exchange rates, as no financial assets or liabilities exist for which analysis would lead to changes in equity.

(ii) Interest rate risk

Risks from changes in interest rates exist for the MPC Münchmeyer Petersen Capital Group in the context of loans granted and loans borrowed for refinancing investments in financial assets and property, plant and equipment.

A hedge in the form of an interest swap has been concluded as a hedging instrument in the context of financing the investment in HCI Capital AG. A detailed description of this instrument can be found under Point 367 “Derivative financial instruments” in the notes to the consolidated balance sheet.

In the event of a 100 basis points higher (lower) interest rate, the result after taxes for the 2010 financial year would have been TEUR 2,049 lower (TEUR 2,049 higher). In the event of a 100 basis points higher (lower) interest rate, the sensitivity analysis of changes in interest rates for the 2009 financial year would have led to a TEUR 1,824 lower (TEUR 1,824 higher) result after taxes.

Equity has been left out of the presentation of the impact of hypothetical changes in interest rates, as no financial assets or liabilities exist for which analysis would lead to changes in equity.

(iii) Other market price risks

In the event of additional capital calls from the MPC Global Maritime Opportunity Fund, MPC Münchmeyer Petersen Capital Group is obliged to contribute the capital requested. In connection with the measurement of this equity payment obligation there are risks resulting from changes to the material parameters of the measurement model, the discount factor used as a basis for determining present value and the assumed sale price.

The management of MPC Global Maritime Opportunities S.A., SICAF no longer intends to call the outstanding capital because of the current lack of attractive investment opportunities. The MPC Münchmeyer Petersen Capital Group’s share of the outstanding capital amounts to TEUR 1,000. On the basis that the call for capital is not likely to take place, the existing equity payment obligation was measured at TEUR 0 on the balance sheet date. Therefore a sensitivity analysis of changes in the influencing factors described above does not lead to any changes in the result after taxes for the 2010 financial year.

In the event of the discount factor being 100 basis points higher (lower), the sensitivity analysis of changes in the discount factor for the 2009 financial year would have led to the result after taxes being TEUR 246 lower (TEUR 260 higher). In the event of the sale price being 10 % higher (lower) than the reporting date rate, the result after taxes for the 2009 financial year would have been TEUR 1,103 higher (TEUR 1,103 lower).

b) Credit risk

The MPC Münchmeyer Petersen Capital Group is exposed to the risk that business partners, which are primarily fund companies, may be unable to meet their obligations to the Group. These obligations represent existing receivables of the MPC Münchmeyer Petersen Capital Group originating from services for conception, distribution and management. Here, the maximum default risk corresponds to the nominal values recognised for the respective categories of financial assets. The default risk of individual receivables is covered by corresponding individual valuation allowances.

The following table shows the development of valuation adjustments for trade receivables which represent recognisable default risks:

	2010 TEUR	2009 TEUR
As at 1 January	216	169
Additions	448	48
Reversals	-216	-1
As at 31 December	**448**	**216**

The following table shows the development of valuation adjustments for non-current receivables from related parties which represent recognisable default risks.

	2010 TEUR	2009 TEUR
As at 1 January	2,329	611
Additions	9,666	2,116
Reversals	-1,833	-399
As at 31 December	**10,162**	**2,329**

The following table shows the development of valuation adjustments for non-current receivables from related parties which represent recognisable default risks.

	2010 TEUR	2009 TEUR adjusted
As at 1 January	711	573
Additions	5,710	711
Reversals	-8	-573
As at 31 December	**6,413**	**711**

The following gives a breakdown of financial assets which were not impaired as at the reporting date, but were past due:

		Thereof: neither impaired nor past due on the closing date	Thereof: not impaired as of the reporting date and past due in the following time bands					
	Gross value TEUR	TEUR	Less than 30 days TEUR	Between 30 and 60 days TEUR	Between 61 and 90 days TEUR	Between 91 and 180 days TEUR	Between 181 and 360 days TEUR	More than 360 days TEUR
Non-current receivables due from related parties								
December 31, 2010	16,344	16,344	0	0	0	0	0	0
December 31, 2009 adjusted	21,558	13,289	8,268	0	0	0	0	0
Non-current other financial assets								
December 31, 2010	5,958	5,958	0	0	0	0	0	0
December 31, 2009 adjusted	25,347	25,122	225	0	0	0	0	0
Accounts receivables								
December 31, 2010	6,870	6,870	0	0	0	0	0	0
December 31, 2009 adjusted	1,803	988	8	797	1	4	2	4
Current receivables due from related parties								
December 31, 2010	38,379	38,879	0	0	0	0	0	0
December 31, 2009 adjusted	32,173	22,661	1,986	1,357	2,188	2,742	708	533
Current other financial assets								
December 31, 2010	3,064	3,064	0	0	0	0	0	0
December 31, 2009 adjusted	2,675	12	476	788	99	310	164	826
Non-current assets held for sale and disposal groups								
December 31, 2010	0	0	0	0	0	0	0	0
December 31, 2009 adjusted	3,663	3,663	0	0	0	0	0	0

With regard to the portfolio for the receivable categories listed, which is neither impaired nor in default, as well as other financial assets, there were no indications as at the closing date that borrowers would not meet their payment obligations.

c) Liquidity risk

In order to secure the liquidity of the MPC Münchmeyer Petersen Capital Group, the liquidity requirements of the Group are subject to ongoing monitoring and planning. Sufficient liquid funds are always kept available to meet the obligations of the Group for a certain amount of time. There are also credit facilities and current accounts which may be accessed as and when required.

The following table shows, based on the remaining duration as at the balance sheet date, contractually agreed, non-discounted interest and principal payments as at 31 December 2010 for original financial liabilities and derivative financial instruments according to maturity category.

adjusted	Carrying amount Dec. 31, 2010 TEUR	2011 TEUR	2012 TEUR	2013–2015 TEUR
Financial liabilities	271,293	101,071	8,809	186,876
Derivative financial liabilities	1,744	436	436	872
Financial liabilities	273,036	101,507	9,245	187,748

Items which fall due within the next twelve months match their carrying amounts, as the impact of a discount is not significant. Foreign currency amounts were translated at the spot exchange rate on the reporting date. Variable interest payments from financial instruments were calculated based on the most recent interest rates fixed before 31 December 2010. Financial liabilities which can be repaid at any time are always assigned to the earliest time period.

The following table shows the allocation of contractually agreed, non-discounted interest and principal payments for original financial liabilities and derivative financial instruments to maturity categories as they were presented as at 31 December 2009.

adjusted	Carrying amount Dec. 31, 2009 TEUR	2010 TEUR	2011 TEUR	2012–2014 TEUR
Financial liabilities	276,650	141,756	17,747	104,563
Derivative financial liabilities	2,649	749	837	1,401
Financial liabilities	279,298	142,505	18,583	105,963

4.3 CAPITAL RISK MANAGEMENT

The aims of the Group with regard to capital management consist of securing the continued existence of the company in order to provide shareholders with income and other interested parties with the services to which they are entitled. A further aim is maintaining an optimal capital structure so as to reduce cost of capital.

In order to maintain or alter the capital structure, the Group adjusts dividend payments made to shareholders as necessary, issues new shares or sells assets in order to repay liabilities. The share capital was paid up in full for the entire financial year.

As is standard in the sector, the Group monitors its capital on the basis of gearing, calculated as the ratio of net debt to total capital. Net debt comprises total financial liabilities (including trade payables and financial liabilities and other liabilities according to the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated from equity according to the consolidated balance sheet plus net debt. Gearing as at 31 December 2010 and 31 December 2009 was as follows:

	2010 TEUR	**2009** TEUR
Total financial debt	303,758	310,061
Corrected for cash and cash equivalents	-8,993	-9,138
Net liabilities	294,765	300,923
Total equity	-2,978	4,897
Total capital	**291,787**	**305,820**
Debt ratio	101 %	98 %

A key component of active financial management in the reporting period was the agreement of 26 March 2010 concluded with the financing partners. With this bank agreement, MPC Münchmeyer Petersen Capital AG secured the prolongation of existing credit lines and interim financing and the suspension of the covenants already in place. The agreement covers a majority of the financing for existing funds and funds yet to be placed, including the placement guarantees and sureties issued in this context. The agreement includes several qualitative and quantitative covenants, though MPC Münchmeyer Petersen Capital AG is confident that these conditions will not come into play and the agreement will remain in place until its expires on the agreed date of 30 September 2013.

5. CRITICAL ESTIMATES USED IN ACCOUNTING AND VALUATION

All estimates and judgements are re-evaluated on an ongoing basis and are based on past experience and additional factors, including expectations regarding future events, which may seem reasonable in the given circumstances.

The Group makes estimates and assumptions regarding the future. The amounts actually produced may deviate from these estimates. The estimates and assumptions, which entail a significant risk in the form of a material adjustment to the carrying amounts of assets and liabilities, relate to the following areas, in particular, whereby reference is made to the relevant detailed explanations of the carrying amounts:

a) Property, plant and equipment and goodwil

At the end of each reporting period, it must be assessed whether there are indications that property, plant and equipment or goodwill could have become impaired. If there are such indications, the recoverable amount must be estimated using forecast cash flows and appropriate interest rates. There were no indications of impairment on property, plant and equipment or goodwill as at the end of the reporting period. Furthermore, key assumptions and estimates also relate to determining economic useful lives for property, plant and equipment (note 20). Goodwill must be tested for possible impairment each year regardless of any indications. The recoverable amount is calculated in line with the accounting policies presented in section 3.6. The recoverable amount of the CGUs was determined based on the calculated value in use. These calculations were based on assumptions (note 19).

b) Securities

The fair value of financial instruments not traded on an active market is calculated using appropriate valuation methods selected from a variety of options. The Group uses the DCF method, which utilises a number of estimates and assumptions, to determine the fair value of securities.

c) Associates

In carrying out an impairment test, the equity value of the relevant shares is compared with the recoverable amount. In determining the present value in use of the shares, the Group estimated its own share of the present value of the estimated future cash flows that are expected to be generated by the associate.

As at the end of the reporting period, this related to the shares in MPC Global Maritime Opportunities S.A., HCI Capital AG and eFonds Solutions AG (note 21).

d) Investments

If there is objective evidence that a financial investment, which is not recognised at fair value because its fair value cannot be reliably determined, is impaired, the present value of estimated future cash flows is calculated to check the write-down required. The present value of estimated future cash flows is based on assumptions.

As at the end of the reporting period, this related to the interests in Kommanditgesellschaft MS San Adriano Offen-Reederei GmbH & Co., Kommanditgesellschaft MS San Aurelio Offen-Reederei GmbH & Co., Kommanditgesellschaft MS San Alessio Offen-Reederei GmbH & Co. (note 23).

e) Receivables

Other estimates relate to whether receivables are realisable. The Group creates write-downs to take account of anticipated losses resulting from receivables not being realisable. Past experience provides the basis for assessing whether the write-downs are appropriate (see number 4.1).

f) Provisions

The Group has created provisions for various risks. The assessment of the likelihood of their being utilised is based on past experience and the individual estimate of transactions. Facts, which increase their value, are taken into account accordingly (note 39).

g) Taxes on income paid

The Group is obliged to pay taxes on income in various countries. This is why material assumptions are required to calculate the provision for income tax. There are many transactions and calculations where the final taxation cannot be conclusively calculated during the normal course of business. The Group assesses the amount of provisions for anticipated tax audits on the basis of estimates as to whether and to what extent additional tax will be payable. If the final taxation of these transactions differs from that which was originally assumed, this will affect actual and deferred taxes in the period in which the taxation is finally calculated.

6. SEGMENT OVERVIEW

The organisational structure of the MPC Capital Group aims to develop attractive investment opportunities for customers, whilst at the same time securing a constant, high level of quality in investor support. The company is primarily organised according to the different product lines, of which the managing bodies report directly to the Management Board. The segment structure does not correspond to the legal structure of the individual Group companies, yet is prepared in the basic form of a statement of gross profit. The accounting principles applied to segment information correspond to the accounting principles applied to the MPC Münchmeyer Petersen Capital Group.

Description of the segments with reporting requirements:

The MPC Capital Group reports on nine segments, of which eight segments reflect the product lines, while one segment is a Group-wide segment. These segments form the basis for managing the company.

Real estate funds

This segment develops and manages closed-end funds which offer investments in residential, commercial and office real estate in a range of countries.

Real Estate Opportunity Funds

This segment develops and manages funds that allow investors to invest in different target funds. These target funds develop different kinds of real estate projects worldwide.

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Ship investments

This segment is responsible for the design and development of commercial closed-end funds involving investment in shipping companies of different types and sizes.

Life insurance funds

This segment develops and manages closed-end funds that buy and develop life insurance policies on the secondary market.

Energy funds

Energy and commodity funds invest in companies in the field of renewable energy or commodity production, or investigating occurrences of raw materials. The segment develops projects accordingly, and supervises the management of these projects.

Structured products

This segment develops insurance solutions and structured products as investment options for investors.

Private equity funds

The private equity funds segment develops closed-end funds that invest in different private equity target funds.

Others

This segment comprises activities that are unrelated to the other segments as well as activities that merely affect the Group and its functions.

Group-wide

This segment does not contain any products but those matters that influence gross profit without it being possible to allocate them to a segment. For instance, these may be expenses, which relate to a large number of products across all segments and therefore cannot be assigned without unreasonable expense.

Segment measurement variables

The organisation of the different sales types and the associated material expenses is of key importance for the segments in assessing the success of new business and the sustainability of regular sales.

Sales types are broken down as follows:

- Sales from initiating projects, which are generated for developing the marketability of a product.
- Sales from raising capital are earned for placing equity.
- Sales from administration include income for the trustee activities of the Group and for the ongoing management of certain funds.

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- Charter revenues include income from chartering ships which the MPC Münchmeyer Petersen Capital Group had on its own books until the first half of 2010.

Gross profit constitutes the central statistic for calculating the performance of a segment.

General overheads attributable to the Group headquarters and other items in the statement of comprehensive income are not allocated to the segments and do not constitute a criterion for appraising the performance of a segment.

Reconciliation

The reconciliation of segment information and the Group reports takes place within the presentation of the segments.

Information on geographical regions

The business segments of the Group operate in four main geographic areas, which are reflected in the management information used by the Board.

The Federal Republic of Germany is the home country – and the main place of business – of the company. Its activities focus on the development and marketing of innovative, high quality investments.

Sales to the Group's external customers are generated in Germany, Austria and the Netherlands, and, to a minor extent, in Brazil.

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7.
Consolidated segment reporting on the consolidated statement of comprehensive income 2010

from January 1 to December 31, 2010

	Real estate funds TEUR	Real estate opportunity funds TEUR	Ship investments TEUR	Life insurance funds TEUR	Energy and commodity funds TEUR	Structured products TEUR	Private equity funds TEUR	Other TEUR	Groupwide TEUR	Total TEUR
Sales from initiating projects	5,218	-21	39	0	388	0	0	191	0	5,816
Sales from placing equity	13,312	-804	-289	1	648	-27	568	1,615	-22	15,002
Sales from fund management	7,328	3,888	9,264	3,779	725	398	2,162	1,582	8,614	37,741
Sales from fund liquidation	-84	0	95	0	0	0	0	0	0	11
Charter revenues	0	0	2,927	0	0	0	0	0	0	2,927
Sales	**25,774**	**3,063**	**12,036**	**3,780**	**1,762**	**371**	**2,731**	**3,388**	**8,592**	**61,497**
Change in finished goods and work in progress	**-111**	**0**	**-164**	**0**	**-84**	**-6**	**-27**	**-89**	**0**	**-480**
Cost of purchased services	**-14,981**	**-2**	**-3,101**	**21**	**-1,322**	**-81**	**-926**	**-1,987**	**80**	**-22,300**
Gross profit	**10,682**	**3,061**	**8,771**	**3,800**	**355**	**284**	**1,778**	**1,312**	**8,673**	**38,717**
Other operating income										18,663
Staff costs										-24,448
Other operating expenses										-56,252
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment										-3,549
Operating result										**-26,869**
Financial income										45,382
Financial expenses										-51,901
Financial result										**-6,519**
At equity income from associates										-5,241
Earnings before taxes										**-38,628**
Taxes on income										-498
Consolidated net loss										**-39,126**
Other comprehensive income:										
Currency differences (IFRS)										1,210
Revaluation surplus under IAS 39										5,808
Share of other comprehensive income of associates										-337
Other comprehensive income for the period										**6,682**
Consolidated comprehensive income										**-32,444**

Note: Deviations may occur as a result of the rounding of figures.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated segment reporting on the consolidated statement of comprehensive income 2009

from January 1 to December 31, 2009

	Real estate funds TEUR adjusted	**Real estate opportunity funds** TEUR adjusted	**Ship investments** TEUR	**Life insurance funds** TEUR	**Energy and commodity funds** TEUR	**Structured products** TEUR	**Private equity funds** TEUR	**Other** TEUR	**Groupwide** TEUR	**Total** TEUR adjusted
Sales from initiating projects	3,985	5	14	0	458	0	0	121	0	4,581
Sales from placing equity	2,659	261	1,866	-5,743	3,754	851	367	774	178	4,966
Sales from fund management	5,609	3,483	10,192	4,213	1,209	526	2,315	1,150	663	29,360
Sales from fund liquidation	6,676	0	92	0	0	0	0	0	0	6,768
Charter revenues	0	0	8,964	0	0	0	0	0	0	8,964
Sales	**18,928**	**3,748**	**21,129**	**-1,530**	**5,420**	**1,377**	**2,681**	**2,044**	**841**	**54,640**
Change in finished goods and work in progress	**242**	**-1,327**	**-41**	**-213**	**441**	**6**	**-11**	**63**	**-158**	**-998**
Cost of purchased services	**-5,078**	**-740**	**-11,509**	**2,859**	**-5,703**	**-771**	**-211**	**-1,661**	**-243**	**-23,056**
Gross profit	**14,092**	**1,681**	**9,578**	**1,116**	**159**	**613**	**2,459**	**446**	**441**	**30,586**
Other operating income										9,849
Staff costs										-23,487
Other operating expenses										-32,929
Depreciation, amortisation and impairment of intangible assets and property, plant and equipment										-17,448
Operating result										**-33,429**
Financial income										10,138
Financial expenses										-20,069
Financial result										**-9,931**
At equity income from associates										-29,379
Earnings before taxes										**-72,739**
Taxes on income										-3,087
Consolidated net loss										**-75,827**
Other comprehensive income:										
Currency differences (IFRS)										1,102
Revaluation surplus under IAS 39										-3,289
Share of other comprehensive income of associates										-1,223
Other comprehensive income for the period										**-3,411**
Consolidated comprehensive income										**-79,237**

Note: Deviations may occur as a result of the rounding of figures.
(*) See section 3.3 for information on adjustments

CONSOLIDATED FINANCIAL STATEMENTS

8.

Geographical distribution

as at December 31, 2010

	Germany		Austria		Netherlands		Brazil		India		Group		Total	
	2010 TEUR	**2009** TEUR adjusted	**2010** TEUR	**2009** TEUR adjusted	**2010** TEUR	**2009** TEUR adjusted	**2010** TEUR	**2009** TEUR	**2010** TEUR	**2009** TEUR	**2010** TEUR	**2009** TEUR adjusted	**2010** TEUR	**2009** TEUR adjusted
Initiating projects	8,868	4,583	0	0	0	0	0	0	0	0	-3,052	-2	5,816	4,581
Placing equity	19,876	6,055	942	769	0	0	0	0	0	0	-5,816	-1,857	15,002	4,966
Fund managment	34,892	28,558	2,309	2,309	2,333	874	733	63	0	0	-2,526	-2,445	37,741	29,360
Fund liquidation	268	3,018	0	0	0	0	0	0	0	0	-257	3,750	11	6,768
Charter revenue	2,927	8,964	0	0	0	0	0	0	0	0	0	0	2,927	8,964
Sales	**66,830**	**51,178**	**3,251**	**3,079**	**2,333**	**874**	**733**	**63**	**0**	**0**	**-11,652**	**-554**	**61,497**	**54,640**

Note: There may be deviations due to rounding figures.

NOTES ON THE GROUP STATEMENT OF COMPREHENSIVE INCOME

7. SALES

The material sales result from the provision of services.

These include charter revenues resulting from the operation of the ships owned by LPG Tankerflotte mbH & Co. KG, Hamburg.

A breakdown of the individual segments can be found under “Segment reporting”.

8. CHANGES IN FINISHED GOODS AND WORK IN PROGRESS

The changes in the portfolio of finished goods and work in progress include the change in the capitalised project costs of funds not yet fully syndicated on the balance sheet date.

9. COST OF PURCHASED SERVICES

This item includes commission payments to sales partners and expenses arising from placement and prospectus costs.

It also includes costs from the operation of ships, which are the result of the operation of the ships of the LPG Tankerflotte mbH & Co. KG, Hamburg.

A breakdown of the segments can be found under “Segment reporting”.

10. OTHER OPERATING INCOME

Other operating income is composed as follows:

	2010 TEUR	2009 TEUR adjusted
Income from currency translation differences	7,470	4,880
thereof income realised from currency translation differences	*4,751*	*4,388*
thereof income not realised from currency translation differences	*2,719*	*492*
Income from debt waiver	5,868	0
thereof creditor banks	*4,843*	*0*
thereof MPC Steamship	*1,026*	*0*
Other consultancy services	1,521	0
Income from passing on charges	1,149	472
Income unrelated to the reporting period	675	1,584
Income from write-ups and the release of valuation adjustments	50	488
Gains from disposal of assets	4	824
Other	1,926	1,602
Other operating income	**18,663**	**9,849**

In 2010, five of the LPG tankers of Beteiligungsgesellschaft LPG Tankerflotte GmbH & Co, KG were sold. The proceeds from the disposal were used for the partial repayment of financing. In the process of winding up the company, the shareholder MPC Münchmeyer Petersen Steamship GmbH & Co. KG and the financing bank waived their remaining receivables. This waiver is reported under “Income from waiver of receivables”.

11. PERSONNEL EXPENSES

Personnel expenses are composed as follows:

	2010 TEUR	2009 TEUR
Salaries and wages	-21,349	-20,247
Social security contributions	-3,098	-3,240
Personnel expenses	**-24,448**	**-23,487**

The average number of employees is composed as follows:

	Annual average 2010	Annual average 2009
Germany	238	281
Austria	6	7
Switzerland	0	0
Netherlands	0	0
Liechtenstein	0	0
Employees	**244**	**288**

Of these people, 16 are employed in a managerial capacity and 228 in a clerical capacity.

CONSOLIDATED FINANCIAL STATEMENTS

12. OTHER OPERATING EXPENSES

Other operating expenses are composed as follows:

	2010 TEUR	2009 TEUR adjusted
		-2,955
Impairment of receivables	-20,643	-3,401
Legal and consultancy costs	-6,823	-5,726
Expenses from currency translation differences	-6,062	0
Liability provision for MPC Sachwert Rendite-Fonds Opportunity Amerika 3	-4,210	-3,175
Cost of office space	-2,657	0
Advertising, events	-2,301	-1,762
IT expenses	-1,406	-1,369
Communication expenses	-1,106	0
Travel costs	-941	-964
Prior-period expenses	-556	-1,089
Insurance and contributions	-523	-450
Vehicle costs	-485	-500
Personnel recruitment/other personnel costs	-477	-388
Office supplies and equipment	-241	-359
Cost of charter guarantees	-110	-1,426
Money transaction costs	-78	-127
Donations	-49	-272
Losses on disposals of assets	-8	1,770
Cost of surety risk	0	-1,528
Other	-4,342	-2,933
Other operating expenses	**-56,252**	**-32,929**

Loans and receivables measured after recognition are measured at amortised cost using the effective interest rate method. Value adjustments are created for recognisable individual risks. If default on a specific part of the receivables portfolio is likely, it is written down to the extent to which the carrying amount of a financial asset exceeds its recoverable amount. Indications for recognisable individual risks include a material deterioration in creditworthiness, significant payment delays or the considerable likelihood of insolvency and the associated inability to pay on the part of the customer. Expenses resulting therefrom are recognised under other operating expenses under Impairment of receivables. If the reasons for the previous write-down no longer apply, it is reversed but not by more than the amortised cost.

13. DEPRECIATION AND AMORTISATION OF INTANGIBLE ASSETS AND TANGIBLE ASSETS

Depreciation and amortisation of intangible assets and tangible assets is composed as follows:

	2010 TEUR	2009 TEUR
Impairment of property, plant and equipment and tangible assets	-2,604	-15,132
Depreciation and amortisation of intangible assets and property, plant and equipment	-945	-2,316
Depreciation and amortisation of intangible assets and property, plant and equipment	**-3,549**	**-17,448**

14. FINANCIAL INCOME

Financial income is composed as follows:

	2010 TEUR	2009 TEUR adjusted
Interest and similar income	35,774	1,766
thereof restructuring of financial liabilities	*34,039*	*0*
Income from derivatives and certificates	3,336	0
thereof income from the measurement of the share subscription obligation for MPC Global Maritime Opportunities S.A., SICAF	*3,029*	*0*
Income from the reduction of the settlement obligation and investments	6,273	8,372
of which from the reduction of the Sachwert Rendite-Fonds Indien 2 GmbH & Co. KG settlement obligation.	*5,049*	*2,198*
thereof income from investments in fund KGs	*1,054*	*1,303*
Financial income	**45,382**	**10,138**

As a result of the bank agreement concluded on 26 March 2010 (Wetterfest II), there have been changes to the terms of the MPC Group's financial liabilities in the form of extensions to their terms and changes to their interest rates. These changes to the terms have led to considerable differences between the carrying amount and the fair value of some financial liabilities. The item Interest and similar income shows the derecognition of the carrying amounts of these financial liabilities.

CONSOLIDATED FINANCIAL STATEMENTS

15. FINANCIAL EXPENSES

Financial expenses are composed as follows:

	2010 TEUR	2009 TEUR adjusted
Interest and similar expenses	-45,299	-10,634
thereof restructuring of financial liabilities	*-37,324*	*0*
Expenses from the reduction of the settlement obligation and investments	-4,966	-860
thereof Asien Opportunity Real Estate Investor GmbH & Co. KG	*-4,049*	*0*
thereof MPC Sachwert Rendite-Fonds Opportunity Asien GmbH & Co. KG	*-494*	*0*
Impairment of equity interests	-1,636	-3,196
thereof write-downs on financial assets hold for sale	*-1,356*	*-3,189*
thereof impairment on other financial assets (current)	*-280*	*-8*
Expenses from derivatives and certificates	0	-5,379
Financial expenses	**-51,901**	**-20,069**

As a result of the bank agreement concluded on 26 March 2010 (Wetterfest II), there have been changes to the terms of the MPC Group's financial liabilities in the form of extensions to their terms and changes to their interest rates. These changes to the terms have led to considerable differences between the carrying amount and the fair value of some financial liabilities. The item Interest and similar expenses shows the recognition of the fair values of these financial liabilities.

16. AT EQUITY INCOME FROM ASSOCIATES AND JOINT VENTURES

Equity income from associates and joint ventures can be summarised as follows:

	31.12.2010 TEUR	31.12.2009 TEUR
Global Vision Private Equity Partners AG	23	85
Income from associated equity interests	**23**	**85**
HCI Capital AG	-2,278	-22,764
Engel & Völkers Capital AG	-61	0
MPC Global Maritime Opportunities S.A., SICAF	-1,207	-5,098
eFonds Solutions AG	-1,738	-1,511
Rio Lawrence Schiffahrtsgesellschaft mbH & Co. KG	0	-11
MPC Münchmeyer Petersen Steamship GmbH & Co. KG	0	-63
Expenses from associated equity interests	**-5,283**	**-29,447**
MPC Synergy Real Estate AG	20	0
Income from joint ventures	**20**	**0**
MPC Synergy Real Estate AG	0	-17
Expenses from joint ventures	**0**	**-17**
At equity income from associated companies and joint ventures	**-5,241**	**-29,379**

The carrying amounts of the associated companies can be summarised as follows:

	2010 TEUR	2009 TEUR adjusted
Surya Treasure Island Private Ltd.	5,131	4,819
Chandigarh Treasure Island Private Ltd.	5,187	4,856
Gangetic Hotels Private Ltd.	4,134	3,879
Raipur Treasure Island Private Ltd.	7,403	6,949
Jabalpur Treasure Island Private Ltd.	3,856	3,619
"Rio Lawrence" Schifffahrtsgesellschaft mbH & Co. KG	0	0
Engel & Völkers Capital AG	989	0
HCI Capital AG	36,951	39,231
Global Vision AG Private Equity Partners	527	701
eFonds Solutions AG	3,130	4,578
MPC Münchmeyer Petersen Steamship GmbH & Co. KG	0	0
MPC Münchmeyer Petersen Steamship Beteiligungsgesellschaft mbH	13	13
MPC Global Maritime Opportunities S.A., SICAF	9,332	992
Investments in associated companies	**76,653**	**69,639**

17. TAXES ON INCOME

Taxes on income paid and owed in the individual countries and tax deferments are reported as taxes on income.

The taxes on income are divided between Germany and abroad as follows:

	2010 TEUR	2009 TEUR adjusted
Actual taxes	-498	-842
Germany	*76*	*-1,297*
Abroad	*-574*	*455*
Deferred taxes	0	-2,245
Germany	*0*	*-2,076*
Abroad	*0*	*-170*

Deferred taxes unrelated to the reporting period are TEUR 338 (previous year: TEUR 855).

In the 2010 financial year, corporations headquartered in Germany were subject to corporation tax of 15 %, a solidarity surcharge of 5.5 % in addition to the corporation tax and trade tax, the level of which depends on the various assessment rates levied by individual municipalities.

Group income taxes are also subject to the effect of the possibility which exists in Germany under certain conditions, when operating merchant vessels internationally, to determine profit as a lump-sum tax on the basis of the net storage space of the ship and not on an accruals basis.

The group tax rate corresponds to the German tax rate for the parent company MPC Münchmeyer Petersen Capital AG and amounts to 32.28 % (previous year: 32.28 %). This tax rate comprises corporation tax of 15 %, a solidarity surcharge of 5.5 % in addition to corporation tax and trade tax with an assessment rate of 470 %. The application of the group income tax rate of 32.28 % to the consolidated result before income taxes would lead to expected tax income of TEUR 12,467 (previous year: TEUR 23,477). The difference between this amount and the effective tax expenditure of TEUR 498 (previous year: TEUR -3,087) can be seen from the following reconciliation.

	2010 TEUR	2009 TEUR adjusted
Consolidated result before taxes	-38,628	-72,739
Forecast taxes on income (32,28 %; previous year: 32,28 %)	12,467	23,477
Different tax rates	-357	-899
Adjustments to deferred taxes recognised in the previous year	334	-1,898
Temporary differences and loss carryforwards for which no deferred taxes were recognised	-13,337	-7,699
Non-tax-deductible expenses	-1,252	-13.928
Tax-free income	0	0
Deviation from the basis of assessment for trade tax	26	-468
Tonnage tax effects	1,703	-1,979
Minority effects	-421	-752
Current taxes on income for previous years	338	855
Other deviations	0	194
Taxes on income	**-498**	**-3,087**
Effective tax rate (%)	1.29	4.24

The deviations reported under the item “Different tax rates” are the result of the tax rates for domestic and foreign group companies which deviate from the tax rate of MPC Münchmeyer Petersen Capital AG.

The other deviations essentially result from the effects of tonnage tax at Beteiligungsgesellschaft LPG Tankerflotte mbH & Co. KG.

The minority effects are the results of the valuation of the minority interests of the consolidated personal companies.

CONSOLIDATED FINANCIAL STATEMENTS

18. EARNINGS PER SHARE

The basic earnings per share are determined in line with IAS 33 as a ratio of the consolidated result for the year allocated to the shareholders after minorities and the weighted average number of outstanding shares during the financial year. As a result of the rights issues in April 2010, the weighted number of shares is 24,347,550 and thus deviates from the number of shares on the reporting date (27,020,000).

	2010 TEUR	2009 TEUR adjusted
Profit/loss for the period (TEUR)	-39,126	-75,827
thereof attributable to minority interests	*-38*	*-6*
thereof attributable to equity holders of the parent company	*-39,088*	*-75,821*
Weighted number of shares outstanding	24,347,550	17,367,147
Basic earnings per share (EUR)	**-1,61**	**-4,37**

The basic result per share is thus EUR -1.61.

A diluted result would occur if the average number of outstanding shares was increased by conversion and option rights. As such rights do not exist in the MPC Münchmeyer Petersen Capital Group, the diluted result corresponds to the basic result.

NOTES ON THE CONSOLIDATED BALANCE SHEET

Non-current assets

19. INTANGIBLE ASSETS

The development of individual items of Group intangible assets is shown in the Group assets schedule.

2010

	Concessions, industrial property rights, licenses TEUR	Software TEUR	Goodwill TEUR	Total TEUR
2010 financial year				
Net opening carrying amount	6	185	1,328	1,519
Additions AC	0	141	0	141
Reclassification AC	0	0	0	0
First-time consolidation AC	0	0	5	5
Deconsolidation AC	0	-42	0	-42
Disposals AC	0	-3	0	-3
Currency differences AC	0	2	0	2
Impairment	0	-85	0	-85
Disposals amortisation	0	0	-9	-9
Reversals of write-downs	0	0	0	0
Reclassification of write-downs	0	0	0	0
Deconsolidation of write-downs	0	42	0	42
Currency differences of write-downs	0	-2	0	-2
Net closing carrying amount	**5**	**239**	**1,323**	**1,568**
As at Dec. 31, 2010				
Cost of acquisition	107	2,117	16,367	18,581
Cumulative amortisation	-102	-1,878	-15,043	-17,023
Net carrying amount	**5**	**239**	**1,323**	**1,568**

2009

	Concessions, industrial property rights, licenses TEUR	Software TEUR	Goodwill TEUR	Total TEUR
As at Jan. 1, 2009				
Cost of acquisition	317	1,914	4,295	6,526
Cumulative amortisation	-168	-1,810	-2,968	-4,946
Net carrying amount	**150**	**104**	**1,326**	**1,579**
2009 financial year				
Net opening carrying amount	150	104	1,326	1,579
Additions AC	8	57	0	65
Reclassification AC	-151	151	0	0
First-time consolidation AC	0	0	11,306	11,306
Deconsolidation AC	-67	-10	0	-77
Disposals AC	-1	-93	0	-94
Currency differences AC	0	0	762	762
Amortisation expense	-20	-104	0	-123
Impairment	0	0	-12,096	-12,096
Disposals amortisation	0	93	0	93
Reclassification amortisation expense	21	-21	0	0
Deconsolidation amortisation expense	65	9	0	74
Currency differences amortisation expense	0	0	31	31
Net closing carrying amount	**6**	**185**	**1,328**	**1,519**
As at Dec. 31, 2009				
Cost	107	2,018	16,362	18,487
Cumulative amortisation	-102	-1,833	-15,034	-16,968
Net carrying amount	**6**	**185**	**1,328**	**1,519**

The impairment is presented in the statement of comprehensive income in the item “Depreciation and amortisation of intangible assets and tangible assets”.

Goodwill of TVP Treuhand- und Verwaltungsgesellschaft für Publikumsfonds mbH

The TEUR 1,323 goodwill reported in intangible assets as at 31 December 2010 was the result of the partial acquisition of the company in 2000. The annual impairment test prescribed for this goodwill was carried out on 31 December 2010. The goodwill was distributed among the segments on a basis of proportionate benefit in accordance with IFRS 8.

	2010 TEUR	2009 TEUR
Ship investments	826	838
Real estate funds	177	197
Opportunity real estate funds	64	76
Life insurance funds	113	111
Private equity funds	68	61
Energy funds	32	34
Other	42	16
Total segment values	**1,323**	**1,328**

The recoverable amount for the segments is the value in use, which is determined on the basis of a DCF process. The company's detailed corporate planning at segment level was used over a period of three years to determine future cash flow. This was developed for income on the basis of management expectations for future market developments. For expenditure, internal plans were used, on the basis of past experience. Perpetual growth of 1 % was used to determine terminal value. Pre-tax interest of 11.2 % was used for discounting.

The test showed that the reported goodwill is recoverable in all segments.

20. TANGIBLE ASSETS

The majority of the tangible assets are office furniture and equipment.

The development of tangible assets is shown in the Group assets schedule.

2010

	Land, land rights and buildings TEUR	Operating and office equipment TEUR	Ships TEUR	Total TEUR
2010 financial year				
Net opening carrying amount	641	1,729	13,515	15,885
Additions AC	9	75	0	84
First-time consolidation AC	0	0	0	0
Deconsolidation AC	0	0	0	0
Reclassification acc. to IFRS 5 AC	0	0	-16,485	-16,485
Disposals AC	-32	-204	0	-236
Currency differences AC	0	17	0	17
Depreciation	-132	-446	-272	-850
Impairment	0	0	0	0
Disposals depreciation	0	121	0	121
Reclassification acc. to IFRS 5 depreciation	0	0	3,372	3,372
Deconsolidation depreciation	0	0	0	0
Currency differences depreciation	0	-14	-130	-144
Net closing carrying amount	**486**	**1,278**	**0**	**1,764**
As at 31 Dec. 2010				
Cost of acquisition	1,521	4,161	0	5,682
Cumulative depreciation	-1,035	-2,883	0	-3,918
Net carrying amount	**486**	**1,278**	**0**	**1,764**

2009

	Land, land rights and buildings TEUR	Operating and office equipment TEUR	Ships TEUR	Total TEUR
As at 1 Jan. 2009				
Cost of acquisition	1,215	4,590	0	5,805
Cumulative depreciation	-777	-2,240	0	-3,016
Net carrying amount	**438**	**2,351**	**0**	**2,788**
2009 financial year				
Net opening carrying amount	438	2,351	0	2,788
Additions	331	150	0	481
First-time consolidation	0	0	26,038	26,038
Deconsolidation cost	0	-189	0	-189
Reclassification under IFRS 5 cost	0	0	-5,164	-5,164
Disposals cost	-2	-281	-4,232	-4,514
Currency differences cost	0	3	-157	-154
Depreciation expense	-126	-532	-1,535	-2,193
Impairment	0	0	-3,035	-3,035
Disposals depreciation	0	129	137	267
Reclassification under IFRS 5 depreciation expense	0	0	1,399	1,399
Deconsolidation depreciation expense	0	98	0	98
Currency differences depreciation	0	0	65	64
Net closing carrying amount	**641**	**1,729**	**13,515**	**15,885**
As at 31 Dec. 2009				
Cost of acquisition	1,544	4,274	16,485	22,302
Cumulative depreciation	-903	-2,545	-2,970	-6,417
Net carrying amount	**641**	**1,729**	**13,515**	**15,885**

The impairment is presented in the statement of comprehensive income in the item “Depreciation and amortisation of intangible assets and tangible assets”.

CONSOLIDATED FINANCIAL STATEMENTS

21. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The following overview shows the aggregate key data of associates included in the consolidated financial statements of the MPC Münchmeyer Petersen Capital Group according to the equity method.

The figures do not relate to the stake allocated to the MPC Münchmeyer Petersen Capital Group but represent the assets, liabilities, expenses and income in the financial statements of the associates.

	2010 TEUR	2009 TEUR
Current assets	95,536	109,078
Non-current assets	884,137	336,831
Total assets	**979,673**	**445,909**
Current liabilities	292,964	318,466
Non-current liabilities	701,382	58,324
Total liabilities	**994,346**	**376,790**
Equity	-14,673	69,119
Sales	92,766	83,465
Expenses	-141,967	-153,228
Income	29,026	10,891
Net income	**-20,176**	**-58,872**

The key data for the associates MPC Global Maritime Opportunities S.A. SICAF, and HCI Capital AG are based on the most recent financial data available as at 30 September 2010. These last available financial data were carried forward to 31 December 2010.

Investment in HCI Capital AG

On 31 December 2010, the HCI Capital AG share was quoted at EUR 1.85. With an amount of 9,791,182 shares of HCI Capital AG this corresponds to a market capitalization of the investment of TEUR 18,113,686.70.

The Group tested the investment in HCI Capital AG for impairment on the basis of an impairment indicator. It was measured in line with the accounting policies presented in section 3.8. A recoverable amount of TEUR 50,985 was calculated for the investment with the measurement model used. No impairment losses were required.

If the key assumptions made by the management change, this would have the following effects on the carrying amount:

Discount rate
A discount rate of 8.25 % was assumed in the discount model used. This is composed of a risk-free interest rate and a market risk premium. If one of these components increases by one percentage point, the recoverable amount of the investment would decrease from TEUR 50,985 to TEUR 43,350. This would not lead to a write-down of the carrying amount.

Fund term
In deducing the revenues from trust management, an average fund term of twelve years was assumed in the discount model used. If the average term of the fund was reduced from four to eight years, the recoverable amount of the investment would decrease – all other things remaining equal – to TEUR 33,182. This would result in an impairment loss of TEUR 3,769.

Placed equity
In terminal value, placed equity of TEUR 258,600 was assumed in the measurement model used in the ship segment. If the placed equity in this segment falls by TEUR 100,000, the recoverable amount of the investment would decrease – all other things remaining equal – to TEUR 29,845. This would result in an impairment loss of TEUR 7,106.

Investment in eFonds Solutions AG
The Group tested the investment in eFonds Solution AG for impairment on the basis of an impairment indicator. It was measured in line with the accounting policies presented in section 3.8. A recoverable amount of TEUR 5,043 was calculated for the investment with the measurement model used. No impairment losses were required.

If the key assumptions made by the management change, this would have the following effects on the carrying amount:

Discount rate
A discount rate of 8.39 % was assumed in the discount model used. This is composed of a risk-free interest rate and a market risk premium. If one of these components increases by one percentage point, the recoverable amount of the investment would decrease from TEUR 5,043 – all other things remaining equal – by TEUR 790 to TEUR 4,253. This would not lead to a write-down of the carrying amount.

Market share
A market share of around 9 % was assumed for eFonds Solutions AG from 2011 in the discount model used (2010 around 8 %). If the assumed market share of eFonds Solutions AG is around one percentage point less – all other things remaining equal – the recoverable amount of the investment would decrease from TEUR 5,043 to TEUR 2,359, which would lead to an impairment loss of TEUR 771.

Investment in MPC Global Maritime Opportunities S.A.
The Group tested the investment in MPC Global Maritime Opportunities S.A. for impairment on the basis of an impairment indicator. It was measured in line with the accounting policies presented in section 3.8. A recoverable amount of TEUR 11,201 was calculated for the investment with the measurement model used. This did not result in any impairment losses.

If the key assumptions made by the management change, this would have the following effects on the carrying amount:

Discount rate
A discount rate of 6.02 % was assumed in the discount model. This is composed of a risk-free interest rate and a market risk premium. If one of these components increases by one percentage point, the recoverable amount of the investment established – all other things remaining equal – would be TEUR 10,839. This would not result in any impairment losses.

Disposal prices
Furthermore, the measurement model assumed proceeds from the sale of the assets of MPC Global Maritime Opportunities S.A., SICAF of TEUR 256,565 (TUSD 340,000). If the sale price fell by TEUR 22,638 (TUSD 30,000), the value of the investment – all other things remaining equal – would be TEUR 8,940. This would have resulted in an impairment loss for the Group of TEUR 392.

The following overview shows the attributable results of the two associated companies MPC Münchmeyer Petersen Steamship GmbH & Co. KG and Rio Lawrence Schifffahrtsgesellschaft mbH & Co. KG. The pro rata loss of MPC Münchmeyer Petersen Steamship GmbH & Co. KG and Rio Lawrence Schifffahrtsgesellschaft mbH & Co. KG was no longer recognised since the corresponding carrying amount of the investment was already utilised.

	2010 TEUR	2009 TEUR
MPC Münchmeyer Petersen Steamship GmbH & Co. KG	-28,167	-6,591
”Rio Lawrence” Schifffahrtsgesellschaft mbH & Co. KG	-1,703	-345

The pro rata cumulative losses for the associated companies consolidated according to the equity method, which were no longer recognised in profit or loss in the absence of a relevant settlement obligation as a result of the stake already reported according to the equity method with a value of EUR 0.00, were TEUR 43,012.

The following overview shows the aggregate key data of joint venture included in the consolidated financial statements of the MPC Münchmeyer Petersen Capital Group according to the equity method.

The figures do not relate to the stake allocated to the MPC Münchmeyer Petersen Capital Group but represent the assets, liabilities, expenses and income in the financial statements of the joint ventures.

	2010 TEUR	2009 TEUR
Current assets	146	60
Non-current assets	10	15
Total assets	**156**	**76**
Current liabilities	41	38
Non-current liabilities	0	0
Total liabilities	**41**	**38**
Equity	115	37
Sales	620	580
Expenses	-544	-567
Income	0	0
Net income	**77**	**13**

The only joint venture included in the item is the 49.8 % stake in MPC Synergy Real Estate AG, Küsnacht, Switzerland.

22. RECEIVABLES DUE FROM RELATED PARTIES

The receivables due from related parties are as follows:

	2010 TEUR	2009 TEUR adjusted
Receivabales due from fund companies	16,344	19,654
Receivabales due from associated companies	0	1,904
Receivabales due from related parties	**16,344**	**21,558**

The receivables relate in full to liquidity bridging loans and cost advances.

The receivables from related parties are payable in the medium term over a period of between one and five years, and bear interest at between 5.0 % and 6.0 % p.a.

In the last financial year, value adjustments of TEUR 7,833 (previous year: TEUR 2,147) were carried out on the receivables due from related parties.

The value adjustments are presented in the statement of comprehensive income in the item “Other operating expenses”.

23. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are composed as follows:

	2010 TEUR	Dec. 31, 2009 TEUR adjusted	Jan. 1, 2009 TEUR adjusted
Other investments	66,537	62,633	56,142
Investments in project companies of Sachwert Rendite-Fonds Indien 2 GmbH & Co. KG	*63,681*	*59,777*	*51,646*
Investments in project companies of the MPC Opportunity Amerika-Funds	*2,122*	*2,122*	*3,706*
Securities	29,177	21,362	15,326
Investments in fund companies	7,848	7,741	7,541
Shares in affiliates (non-consolidated)	3,871	3,701	3,737
San A ships	11,820	11,820	11,820
Available-for-sale financial assets	**119,254**	**107,258**	**94,567**

Shares in fund companies are reported in the balance sheet at amortised cost if the market values cannot be determined reliably.

The securities are certificates issued by MPC Sachwert Rendite-Fonds Opportunity Asien GmbH & Co. KG, Hamburg, which were measured at fair value without any impact on profit or loss.

The shares in non-consolidated affiliated companies and other investments are not consolidated. These are carried at amortised cost. In the last financial year, value adjustments of TEUR 1,356 (previous year: TEUR 3,189) were carried out on available-for-sale financial assets.

The value adjustments are presented in the statement of comprehensive income in the item “Finance expenses”.

San A ships

The Group tested the investment in Kommanditgesellschaft MS “San Adriano” Offen Reederei GmbH & Co. KG, Kommanditgesellschaft MS “San Aurelio” Offen Reederei GmbH & Co. KG and Kommanditgesellschaft MS “San Alessio” Offen Reederei GmbH & Co. KG for impairment on the basis of an impairment indicator. The calculation must be based on management assumptions and estimates. They were measured in line with the accounting policies presented in section 3.10. This did not result in any impairment losses. If the key assumptions made by the management change, this would have the following effects on the carrying amount:

Discount rate

A discount rate of 8.53 % was assumed in the discount model used. This is composed of a risk-free interest rate and a market risk premium. If one of these components increases by one percentage point, the carrying amount of the ship investments would reduce by the following amounts, all other things remaining equal:

Ship	TEUR
San Adriano	-474
San Aurelio	-542
San Alessio	-391

Charter rate:

An average charter rate of USD 18,955 per day was assumed in the measurement models used. If the market level would decline by 10 %, all other things remaining equal, the carrying amount of the investments would be reduced by the following amounts:

Ship	TEUR
San Adriano	-2,320
San Aurelio	-2,336
San Alessio	-2,039

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24. OTHER FINANCIAL ASSETS

Other financial assets are composed as follows:

	2010 TEUR	Dec. 31, 2009 TEUR adjusted	Jan. 1, 2009 TEUR adjusted
Loan receivables	5,754	5,122	8,510
Other loans	102	125	161
Receivables from employees	101	100	0
Bank balances with long-term restrictions on disposal	0	20,000	0
Other financial assets	**5,958**	**25,347**	**8,671**

25. OTHER ASSETS

Other assets are payments for the biomass power stations in Brazil acquired as part of the MPC bio energy project.

26. TAXES ON INCOME PAID

The actual income taxes in the consolidated balance sheet are made up as follows:

	2010 TEUR	2009 TEUR adjusted
Current income tax receivables	901	1,400
Tax liabilities	4,951	5,311

The deferred taxes in the consolidated balance sheet are made up as follows:

	2010 TEUR	2009 TEUR
Deferred tax assets	0	0
Deferred tax liabilities	204	171

The deferred tax assets and liabilities reported as at 31 December 2010 are the result of deferred taxes on temporary differences between the figures reported in the IFRS consolidated financial statements and the figures reported in the tax accounts.

There have been the following changes to deferred taxes:

	2010 TEUR	2009 TEUR adjusted
Carrying amount of deferred taxes	-204	-171
Change as against previous year	-33	-2,189
thereof in profit or loss	*0*	*-2,245*
thereof currency differences	*-33*	*-3*
offset in equity	*0*	*59*

Deferred tax assets and liabilities are divided between the following balance sheet items.

	2010		2009	
	Assets TEUR	**Liabilities** TEUR	**Assets** TEUR	**Liabilities** TEUR
Non-current assets				
Investments in associates and joint ventures	0	3	0	11
Related party receivables	464	134	0	0
Available-for-sale financial assets	0	366	101	101
Other financial assets	0	115	0	131
Current assets				
Trade receivables	0	3	0	0
Related party receivables	1,854	1,206	8	252
Other financial assets	90	0	0	0
Other current assets	1	0	0	0
Equity				
Capital reserve	219	0	215	0
Non-current liabilities				
Financial liabilities	13	85	0	190
Derivative financial instruments	563	0	594	0
Other liabilities	310	25	0	0
Current liabilities				
Provisions	87	0	137	3
Financial liabilities	13,649	0	10,175	0
Liabilities to related parties	0	6	978	22
Tax loss carryforwards	**714**	**0**	**11**	**0**
Gross value	**17,963**	**1,943**	**12,219**	**710**
thereof non-current	*1,349*	*728*	*909*	*434*
Netting	-1,738	-1,738	-539	-539
Valuation adjustments	-16,244	0	-11,679	0
Carrying amount	**0**	**204**	**0**	**171**

The value adjustments for the year under review chiefly relate to future deductible temporary differences from the different measurement of receivables due to different discount factors and from the different measurement of minority shares in partnerships. In the previous year, the value adjustments related mainly to future deductible temporary differences due to different measurements of derivative financial instruments and other financial liabilities.

Deferred tax assets and liabilities were adjusted in connection with the corrections to key accounting policies undertaken in the 2010 financial year. The adjustments shown above for the previous year related primarily to the balance sheet items, financial liabilities and available-for-sale financial assets.

Deferred tax receivables for tax loss carryforwards and temporary differences are recognised at the amount, at which realisation of the associated tax benefits through future fiscal gains is likely or there are sufficient deferred tax liabilities. The Group did not recognise deferred tax receivables of TEUR 19,742 (previous year: TEUR 12,021), which relate to corporation tax losses of TEUR 56,766 (previous year: TEUR 30,801) and to trade tax losses of TEUR 68,023 (previous year: TEUR 41,760). According to the current legal position, tax loss carryforwards may be carried forward for an unlimited period in Germany and the countries in which the foreign Group subsidiaries are based. Because of the non-deductibility of interest expenses in Germany (interest limitation), no deferred taxes were recognised for the interest expenses of TEUR 3,609 (previous year: TEUR 3,236), which can be carried forward. No deferred taxes for corporation tax claims from temporary differences of TEUR 50,150 (previous year: TEUR 34,872) were recognised. As were done for trade taxes from temporary deviations of EUR 50,383 (previous year: EUR 36,144).

No deferred taxes were recognised for temporary differences in connection with investments in subsidiaries in the amount of TEUR 14,044 (previous year: TEUR 9,583), since it is not likely that these temporary differences will be reversed in the foreseeable future.

As part of the capital increases carried out in the reporting period, no capital procurement costs were recorded that would have been shown in the capital reserve. The deferred tax asset recognized in equity of TEUR 59 (previous year: TEUR 59) resulting from the difference in recording transaction costs in the tax accounts remained unchanged.

Current assets

27. INVENTORIES

This item contains work in progress deferred as at the balance sheet date.

In total, inventories of TEUR 631 were accounted for as an expense in the reporting period.

In the past financial year, no value adjustments were carried out (previous year: TEUR 2,103).

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28. ACCOUNTS RECEIVABLES

In essence, trade receivables are the result of services for placing limited partner’s interest.
The receivables have a remaining maturity of less than one year.

In the last financial year, value adjustments of TEUR 232 (previous year: TEUR 199) were carried out on the trade receivables.

The value adjustments are presented in the statement of comprehensive income in the item “Other operating expenses”.

29. RECEIVABLES DUE FROM RELATED PARTIES

The receivables due from related parties are as follows:

	2010 TEUR	2009 TEUR adjusted	Jan. 1, 2009 TEUR adjusted
Receivables from fund companies	36,751	32,215	30,040
Receivables from associates	1,536	57	24
Receivables from affiliates	92	8	157
Receivables from the MPC Group	0	52	143
Other investments	0	0	7
Receivables from related companies	**38,379**	**32,332**	**30,370**

The receivables due from fund companies are liquidity bridging loans and cost advances of TEUR 8,867 and trade receivables due from fund companies of TEUR 20,289.

The receivables have a remaining maturity of less than one year.

In the last financial year, value adjustments and write-downs of TEUR 5,702 (previous year adjusted: TEUR 473 reversal) were carried out on the receivables due from related parties.

The value adjustments are presented in the statement of comprehensive income in the item “Other operating expenses”.

30. CURRENT INCOME TAX RECEIVABLES

See Section 25.

31. OTHER FINANCIAL ASSETS

Other financial assets are composed as follows:

	2010 TEUR	2009 TEUR
Securities	176	456
Other financial instruments	290	79
Miscellaneous financial assets	110	0
Other financial assets	**576**	**535**

32. OTHER ASSETS

Other assets are composed as follows:

	2010 TEUR	2009 TEUR adjusted
Receivables from investors	833	0
Receivables from sureties	500	0
Receivables from disposals	440	440
Administrative fee for accounting group	225	220
Prepaid expenses	216	302
Receivables from value-added tax	18	8
Advance payments	16	108
Other	814	1,597
Other assets	**3,064**	**2,675**

CONSOLIDATED FINANCIAL STATEMENTS

33. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are composed as follows:

	2010 TEUR	Dec. 31, 2009 TEUR adjusted	Jan. 1, 2009 TEUR adjusted
Cash	6	31	16
Bank balances	8,987	9,107	27,731
Cash and cash equivalents	**8,993**	**9,138**	**27,747**

A detailed analysis of changes in cash is shown in the cash flow statement.

Equity

34. EQUITY

On 26 March 2010, the Management Board of MPC Münchmeyer Petersen Capital AG resolved with the agreement of the Supervisory Board to raise the company's share capital with a rights issue from authorised capital to up to EUR 27,022,877.00. A total of 8,807,082 shares were subscribed to during the subscription period from 1 April to 15 April 2010. The rights issue strengthens the company's equity basis by around TEUR 24,200 (following the deduction of transaction costs of TEUR 12).

The details of the changes to equity are shown in the statement of changes in equity.

Share capital

Share capital is TEUR 27,020 and consists of 27,020,000 non-par fully paid shares at a nominal value of EUR 1.00 each. Of this figure, 8,807,082 shares were subscribed to during the 2010 financial year as part of an authorised capital increase. The shares are made out to the bearer.

The Management Board is authorised, in accordance with the resolution by the Annual General Meeting on 11 May 2010, until 10 May 2015 to raise the company's share capital with the agreement of the Supervisory Board once or several times by up to a total of EUR 12,742,822.00 by issuing up to 12,742,822 new shares for cash or kind (authorised capital 2010). In each case, ordinary shares and / or non-voting preferred shares may be issued. The Management Board is also authorised, with the approval of the Supervisory Board, to exclude the subscription right of the shareholders. However, exclusion of the subscription right is only possible in the following cases:

(i) in the event of rights issues against non-cash contributions, particularly in connection with the acquisition of companies, parts of companies, participations or economic assets, (ii) insofar as it is necessary in order to grant a subscription right to the holders of convertible bonds or convertible profit-sharing rights or rights of option to the same extent as would be granted to them as shareholders following exercise of the right of conversion or right of option, or following execution of the conversion requirement, (iii) for fractional amounts; (iv) if the shares are issued at an initial carrying amount which is not significantly lower than the stock market price and does not exceed the total of 10 % of share capital. To be set off against this limit are shares which were sold or issued under exclusion of the subscription right due to other authorisations in direct or corresponding application of Article 186 Section 3 Sentence 4 of the German Stock Corporation Act.

	Shares
Number of shares on January 1, 2010	18,212,918
Capital increase	8,807,082
Number of shares on December 31, 2010	27,020,000

Capital reserve

The capital reserve as of 31 December 2010 is TEUR 879 (31 December 2009: TEUR 15,383). The capital reserve results partly from the premium from the IPO in 2000 and partly from the rights issues in 2008, 2009 and 2010.

The capital increase in 2010 was carried out on the basis of the resolution of the Management Board on 15 April and thereby increased the share capital from 18,212,918 to 27,020,000 shares. The shares were issued at a purchase price of EUR 2.75, of which EUR 1.75 was placed in the capital reserve. In total, this increase in the capital reserve amounted to TEUR 15,401.

On 10 January 2011, the Management Board resolved to offset the net loss for 2010 in terms of commercial law against the capital reserve.

Retained earnings

Retained earnings contain all earnings from the Group companies combined in the consolidated financial statements for the current and previous periods, reduced in each case by the dividends paid.

In 2009 and 2010, no dividend was paid to investors.

Other comprehensive income

Other comprehensive income is composed of:

	2010 TEUR	2009 TEUR adjusted
Currency differences (IFRS)	2,258	1,048
Available-for-sale financial assets	2,519	-3,289
Share in other comprehensive income of associates	2,859	3,196
HCI Capital AG	*4,164*	*4,167*
Global Vision AG Private Equity Partners	*-7*	*0*
MPC Global Maritime Opportunities S.A., SICAF	*-1,298*	*-971*
Other comprehensive income	**7,637**	**955**

Note: Deviations may occur as a result of the rounding of figures.

Treasury shares at acquisition costs

As at 31 December 2010, MPC Münchmeyer Petersen Capital AG owns 593,000 own shares in total with a nominal value of EUR 593,000.00. The cost of the 593,000 shares acquired in 2007 and 2008, at an average purchase price of EUR 47.15, totals TEUR 27,957 and represents a share of 3.26 % in the company's share capital.

These treasury shares are recognised at their nominal value as a separate item in equity. Transaction costs were recognised as an expense in profit or loss. If the shares were sold, the MPC Münchmeyer Petersen Capital Group would report the difference between the cost of acquisition and the fair value as a cumulative effect not influencing the result.

Shares of non-controlling shareholders

The shares of external shareholders in the capital and results of Sapphire Capital Ltd., Port Louis/Mauritius amounting to TEUR 8,981 are recognised under the "non-controlling interest" item.

Non-current liabilities

35. FINANCIAL LIABILITIES

	2010 TEUR	Dec. 31, 2009 TEUR adjusted	Jan. 1, 2009 TEUR adjusted
Amounts due to banks	209,260	157,750	158,220
Financial liabilities (non-current)	**209,260**	**157,750**	**158,220**
Overdraft facilities	12,296	7,167	7,647
Non-controlling interests in companies	42,270	31,526	14,524
Amounts due to banks	7,467	80,206	67,120
Financial liabilities (current)	**62,033**	**118,899**	**89,291**
Total financial liabilities	**271,293**	**276,650**	**247,511**

Liabilities due to banks

The bank liabilities have a duration between one month and five years and bear interest at between 2.001 % and 8.85 % p.a.

Total financial liabilities include collateralised and non-collateralised credit liabilities (overdraft facilities and liabilities due to banks) amounting to TEUR 229,023 (2009: TEUR 245,123). The financial liabilities are collateralised with shares, company shares and trade receivables.

Financial liabilities also include the liabilities of non-controlling interests in companies of TEUR 42,270 (2009: TEUR 31,526).

The interest rate risks and contractual interest adjustment dates associated with financial liabilities are composed as follows on the balance sheet date:

	2010 TEUR	2009 TEUR
6 months or under	212,023	210,567
6 – 12 months	0	0
1 – 5 years	17,000	34,556
More than 5 years	0	0
	229,023	**245,123**

The table does not include liabilities of non-controlling interests as these are not subject to interest risks.

The carrying amounts of the financial liabilities for the following currencies are:

	2010 TEUR	2009 TEUR
Euro	264,404	254,240
Pound sterling	0	0
US dollar	6,889	22,410
Other currencies	0	0
	271,293	**276,650**

The Group has the following unutilised facilities:

	2010 TEUR	2009 TEUR
With floating interest rate		
Expiry within one year	0	0
Expiry after one year	0	0
With fixed interest rate		
Expiry within one year	0	0
Expiry after one year	6,202	3,751
	6,202	**3,751**

The facilities relate to a current credit line in the current accounts.

With the signing of an agreement between MPC Münchmeyer Petersen Capital AG and its financing partners on 26 March 2010, MPC Münchmeyer Petersen Capital AG successfully protected itself from the risks of the existing contingent liabilities. Accordingly, MPC Münchmeyer Petersen Capital AG will not be held liable under liabilities assumed in the context of sureties and placement guarantees until 30 September 2013 at the earliest. In addition, commitments in principle were secured on the extension of existing credit lines, the suspension of existing covenants and the provision of equity bridging loans for some fund projects.

For the financing of the MPC Münchmeyer Petersen Capital Group, this agreement means a partial deferral of interest and repayment until 30 September 2013. This was agreed in the bank accord concluded on 26 March 2010.

Payment delays

There was a delay in repayment for two loans.

The delayed redemption repayment was TEUR 4,564. The carrying amount of the loans at the end of the period was TEUR 28,449 including the delay in repayment.

Collateral provided
The investment in HCI Capital AG serves as collateral for the associated loans.

Shares in TVP Treuhand- und Verwaltungsgesellschaft für Publikumsfonds mbH were also provided to the financing banks for restructuring loans in 2009.

This collateral remains in place until complete repayment of each loan.

Should MPC Münchmeyer Petersen Capital AG be unable to fulfil its interest and redemption repayment obligations, the banks are authorised to realise the economic assets provided for collateralisation.

On the balance sheet date, the carrying amount of the investment in HCI Capital AG comes to TEUR 36,951. The carrying amount of the investment in TVP Treuhand- und Verwaltungsgesellschaft für Publikumsfonds mbH amounts to TEUR 0 in the Group and TEUR 2,698 in the separate financial statements of MPC Münchmeyer Petersen Capital AG.

36. LIABILITIES PAYABLE TO RELATED PARTIES

The liabilities due to related parties sum up to:

	2010 TEUR	2009 TEUR adjusted
Liabilities to joint ventures	2,055	888

The liabilities to joint ventures consist of monitoring fees from Indian project companies, which will be paid out at the end of the term of the Sachwert Rendite Fonds Indien 2.

37. DERIVATIVE FINANCIAL INSTRUMENTS

As a hedging instrument for part of the financing for the investment in HCI Capital AG, a hedge was agreed in the form of an interest swap for a loan amount of TEUR 17,000. The result of a market-to-market measurement as at 31 December 2010 gave the following market value:

As at	Maturity	Interest rate	Measurement without accrued interest
Dec. 31, 2010	May 31, 2014	5.06 % p.a.	EUR -1,743,619,00
Dec. 31, 2009	May 31, 2014	5.09 % p.a.	EUR -1,839,772.75

Accrued interest on the balance sheet date was EUR 56,066.94.

The hedging instrument recognised last year for part of the financing of the investment in LPG Tankern has been reversed through disposal.

The derivative from the equity payment obligations for MPC Global Maritime Opportunities S.A., SICAF, which was also recognised last year, no longer existed as at 31 December 2010 and was derecognised through profit or loss.

No further hedging transactions were concluded.

38. OTHER LIABILITIES

Total other liabilities:

	2010 TEUR	2009 TEUR
Other liabilities	3,217	0

Other liabilities consist of a liability for compensation of TEUR 2,056 and the pro rata accrued costs of the bank accord of TEUR 1,161.

Current liabilities

39. PROVISIONS

Provisions are composed as follows:

	2010 TEUR	2009 TEUR
Provisions for staff costs	1,508	63
Provisions for interest	1,134	1,140
Provisions for liabilities	268	209
Provisions	**2,911**	**1,413**

In the case of provisions for liabilities and provisions for taxes, utilisation is expected in the next 12 months.

In the case of provisions for personnel costs, utilisation is anticipated in the next six months.

For information on the development of provisions, refer to the Group accrued liabilities schedule.

	As at Jan. 1, 2010 TEUR	Utilisation TEUR	Reversal TEUR	Addition TEUR	Currency translation TEUR	As at Dec. 31, 2010 TEUR
Provisions for liabilities	209	43	0	102	0	268
Provisions for staff costs	63	63	0	1,508	0	1,508
Provisions for interest	1,140	6	0	0	0	1,134
Other provisions	**1,413**	**112**	**0**	**1,610**	**0**	**2,911**

40. TAX LIABILITIES

Total tax liabilities:

	2010 TEUR	2009 TEUR
Tax liabilities	4,951	5,311

In the case of tax liabilities, utilisation is anticipated in the next 12 months.

41. FINANCIAL LIABILITIES

See Section 35

42. LIABILITIES PAYABLE TO RELATED PARTIES

The liabilities due to related parties are as follows:

	2010 TEUR	Dec. 31, 2009 TEUR adjusted	Jan. 1, 2009 TEUR adjusted
Liabilities to affiliates	**4,697**	**4,645**	**0**
Liabilities to the MPC Group	**7**	**18**	**355**
Liabilities to other investees and investors	**4,546**	**4,949**	**4,873**
thereof liabilities to associates	*62*	*1,474*	*1,307*
thereof liabilities to joint ventures	*1,168*	*1,168*	*1,308*
thereof liabilities to fund companies	*3,229*	*2,233*	*3,991*
thereof liabilities to other equity interests	*88*	*75*	*125*
Liabilities to related companies	**9,250**	**9,611**	**6,816**

The liabilities due to affiliates consist of loans from non-consolidated subsidiaries to the Group.

The liabilities due to fund companies result primarily from distributions received and partially from outstanding deposits with fund companies.

The liabilities due to related parties are all due in a period of less than one year.

43. TRADE PAYABLES

Total trade payables:

	2010 TEUR	2009 TEUR adjusted
Trade payables	4,823	7,241

Trade payables are all due in a period of less than one year.

44. OTHER LIABILITIES

Other liabilities are composed as follows:

	2010 TEUR	Dec. 31, 2009 TEUR adjusted	Jan. 1, 2009 TEUR adjusted
Liabilities from MPC Sachwert Rendite-Fonds Opportunity Amerika 3	4,210	0	0
Liabilities from legal and consultancy costs	1,581	1,433	1,012
Liabilities to the tax office	999	988	776
Liabilities from outstanding invoices	477	632	808
Liabilities from costs of audits of financial statements	452	501	536
Liabilities from project initiation costs	160	650	1,143
Liabilities from sureties	0	1,528	0
Further other liabilities	3,497	4,261	1,342
Other liabilities	**11,376**	**9,993**	**5,617**

Other liabilities are all due in a period of less than one year.

44.1 SHARE-BASED PAYMENTS

In the reporting year, the Group issued virtual stock options (phantom stocks) to some employees for the first time. Up to a third of the stock options can exercised each time after a vesting period of two, three and four years. Should the right to exercise not be utilised on the first two cut-off dates, this can be made good at a later date.

The virtual options lapse either five years after issue or if the employment relationship of the beneficiary ends within this period.

Should shares not be exercised, the option holder will be paid the difference between the strike price and the mean value of the price established in the closing auction in Xetra trading for one share on the ten trading days before the start of the respective exercise period in cash.

On 1 July 2010, 258,750 stock options were issued at a strike price of EUR 2.75 per share.

The liability of this share-based payment is re-measured on each balance sheet date. In the process, the figure needed to cover the total expenditure accrued up to the balance sheet date is determined each year with the help of an option model (Black-Scholes).

The weighted average of the fair value of the options issued, calculated in accordance with the Black-Scholes valuation model, amounts to EUR 1.40, EUR 1.62 and EUR 1.70 depending on the tranche. The strike price of EUR 2.75 on the first possible grant date, with a volatility of 72.48 %, 68.47 %, and 60.50 % an expected option period of two, three and four years, a dividend yield of 0 %, and an annual risk-free interest rate of 0.87 %, 1.25 % and 1.63 % were assumed as key calculation parameters for the model. The volatility of the standard deviation from permanent interest bearing share yields is based on a statistical analysis of share prices over the corresponding remaining term on a daily basis.

It is recognised under other uncertain liabilities and has developed as follows during the reporting year:

	Average exercise price per share (EUR)	Options	Value as at reference date in EUR
As at Jan. 1, 2010	**0.00**	**0**	**0**
Granted	2.75	258,750	
Lapsed	2.75	6,000	
Exercised	0.00	0	
Expired	0.00	0	
As at Dec. 31, 2010	**2.75**	**252,750**	**56,084.37**

The addition of TEUR 56 was recognised in personnel costs.

The options outstanding as of 31 December 2010 cannot yet be exercised on the balance sheet date.

The members of the Management Board of MPC Münchmeyer Petersen Capital AG did not receive any options.

The stock options outstanding at the end of the year have the following expiry dates and exercise prices:

	Exercise price per share (EUR)	Shares (thou.) 2010	2009
Expiry date June 30, 2015	2.75	252,750	0
As at Dec. 31, 2010	**2.75**	**252,750**	**0**

45. CONTINGENT LIABILITIES

There are contingent liabilities as defined in IAS 37. They relate to default and fixed liability guarantees.

Contingent liabilities of TEUR 8,748 result from liabilities arising from the provision of security for third-party liabilities in accordance with IAS 37.86.

Liabilities arising from the provision of security for third-party liabilities primarily concern guarantees assumed as a result of long-term financing for ship funds.

The associates have total contingent liabilities of TEUR 91,695. These are distributed across the individual companies as follows:

	Total contingent liabilities TEUR	**MPC share of contingent liabilities** TEUR
MPC Münchmeyer Petersen Steamship GmbH & Co. KG	34,578	8,679
Global Vision AG Private Equity Partners	5,000	1,513
MPC Global Maritime Opportunities S.A., SICAF	10	1
eFonds Solutions AG	3,133	915
HCI Capital AG	48,974	15,212
	91,695	**26,319**

The consolidated joint venture MPC Synergy Real Estate AG has contingent liabilities of TEUR 21.

In addition, there are other financial liabilities of TEUR 2,053,066 which are primarily the result of placement guarantees (TEUR 1,417,934) and of directly enforceable guarantees (TEUR 624,961). Their utilisation depends on a number of factors. Exact projections cannot be made for the amount utilised and the due date for this.

Other financial obligations also include rental and lease obligations of TEUR 6,201. Future minimum lease payments to be received from uncancellable operating leases amount to:

	2010 TEUR	**2009** TEUR
Due within one year	837	691
Due in between one and five years	5.364	8.304
Due after more than five years	0	0
Rental and lease obligations	**6.201**	**8.996**

Note: Deviations may occur as a result of the rounding of figures.

The company has various leases for vehicles. The agreements end between 2011 and 2016 and do not include renewal options.

Contributions by limited partners held in trust amount to TEUR 2,430,507. They relate mainly to the amounts that the TVP Treuhand- und Verwaltungsgesellschaft für Publikumsfonds mbH, Hamburg, holds. TVP Treuhand- und Verwaltungsgesellschaft für Publikumsfonds mbH has recourse facilities as regards the respective trustors for the majority of these contingent liabilities. In addition, TVP Treuhand- und Verwaltungsgesellschaft für Publikumsfonds mbH, Hamburg, manages bank deposits in trust in the amount of TEUR 14,787.

There are currently no indications of MPC Münchmeyer Petersen Capital AG being called on to utilise existing contingent liabilities. Utilisation of one or more contingent liabilities would have a considerable impact on the financial position of the MPC Münchmeyer Petersen Capital Group.

MPC Münchmeyer Petersen Capital AG will probably make contributions together with companies from the Peter-Döhle Group, as main shareholders, to the successful conclusion of the restructuring of HCI Capital AG. Among other things, they will ensure the execution of a rights issue for TEUR 11,000. Overall, this would lead to a maximum outflow of funds of up to TEUR 7,000 at MPC Münchmeyer Petersen Capital AG.

There was no uncertainty regarding the amount or due date of contingent liabilities after the balance sheet date. No events occurred after the balance sheet date which led to further contingent liabilities. For this reason, an estimation of the financial effects in accordance with IAS 10.21 is not required.

On 26 March 2010, MPC Capital AG concluded an agreement with its financing partners securing the financing basis of the company in the long term.

This agreement, which will apply from 26 March 2010, includes important and far-reaching commitments on the part of the financing partners with regard to existing loan agreements and liabilities as well as their conditions. This includes agreements on the prolongation of existing credit lines and interim financing and the suspension of covenants already in place. The outcome of this is financing security for current funds and funds yet to be placed as well as security for all significant company liabilities, including the placement guarantees and sureties issued. The agreement shall apply until at least the end of September 2013.

For this reason, the company is not currently anticipating the utilisation of the contingent liabilities reported off-balance sheet or in the notes.

46. TRANSACTIONS WITH RELATED PARTIES

Companies and persons which control or to a significant extent influence the MPC Münchmeyer Petersen Capital Group or which are controlled or to a significant extent influenced by the MPC Münchmeyer Petersen Capital Group are to be regarded as associated persons in the sense of IAS 24. For this reason, the Managing Directors and members of the Management Board as well as MPC Münchmeyer Petersen & Co. GmbH, HCI Capital AG, MPC Münchmeyer Petersen Steamship GmbH & Co. KG, MPC Global Maritime Opportunities S.A. SICAF, GbR Offiziershäuser, Casino Palmaille GbR, MPC Münchmeyer Petersen Group Services GmbH, companies in the eFonds Group consolidated in eFonds Solutions AG and Global Vision AG Private Equity Partners are to be regarded as associated parties of the MPC Münchmeyer Petersen Capital Group.

The 100 % subsidiary of MPC Münchmeyer Petersen Capital AG, MPC Münchmeyer Petersen Portfolio Advisors GmbH, has a 30.25 % interest in Global Vision AG Private Equity Partners. Global Vision AG Private Equity Partners is an independent management company specialising in venture capital and private equity investments. On the basis of the agency agreement with MPC Global Equity Funds I to VI, MPC Münchmeyer Petersen Portfolio Advisors GmbH receives total remuneration of TEUR 1,337 from Global Vision AG Private Equity Partners.

MPC Münchmeyer Petersen Capital AG has a 29.19 % interest in eFonds Solutions AG. The eFonds Group operates in three business areas: closed-end funds, investment consultation / securities and platform solutions. In the past, MPC Münchmeyer Petersen Capital AG held a 100 % interest in eFonds Financial Services AG, a company in the eFonds Solutions AG.

MPC Münchmeyer Petersen Capital AG holds 25.1 % of MPC Münchmeyer Petersen Steamship GmbH & Co. KG which, as a shipping company, is responsible for the shipping business of the MPC Group. The service portfolio of MPC Münchmeyer Petersen Steamship GmbH & Co. KG includes the initiation of shipping projects, particularly in the container ship segment and the provision of ocean-going ships to shipping companies. As at 31 December 2010 there were only immaterial clearing balances / amounts due to MPC Münchmeyer Petersen Steamship GmbH & Co. KG totalling TEUR 60.

MPC Münchmeyer Petersen Capital AG also has a 12.26 % interest in MPC Global Maritime Opportunities S.A., SICAF, a special fund according to Luxembourg law in the legal form of a société anonyme. The target fund invests within the entire value-added chain of the maritime economy. The participation of MPC Münchmeyer Petersen Capital AG amounts to USD 25.0 million of the total capital of USD 228.0 million. In addition, MPC Münchmeyer Petersen Capital AG owns stock options amounting to a further 20 % of the total capital. If these stock options were exercised, the proportionate interest would be 30.01 %. These stock options may be exercised at any time. In the 2010 financial year, stock options of TEUR 2,611 were granted for the activities of MPC Münchmeyer Petersen Capital AG, which were measured at TEUR 1,149 on the balance sheet date.

As a result of overlapping responsibilities in management and activities in the Investment Committee, in some cases the members of the contracting parties MPC Global Maritime Opportunities S.A., SICAF, MPC Münchmeyer Petersen Steamship GmbH & Co. KG (contract carrier of MPC Global Maritime Opportunities S.A., SICAF) and MPC Münchmeyer Petersen Capital AG are identical.

As management holding, MPC Münchmeyer Petersen & Co. GmbH controls the strategic alignment of the MPC Group and holds a 29.79 % interest in MPC Münchmeyer Petersen Capital AG. In 2010, MPC Münchmeyer Petersen & Co. GmbH received TEUR 17 for hiring out garage parking spaces, TEUR 411 for office space and TEUR 150 for personnel administration.

GbR Offiziershäuser manages real estate assets and is an affiliate of MPC Münchmeyer Petersen & Co. GmbH. In the 2010 financial year, the MPC Münchmeyer Petersen Capital Group paid TEUR 1,126 and TEUR 44 in rent for office space and garage parking spaces to GbR Offiziershäuser.

As a 100 % subsidiary of MPC Münchmeyer Petersen Capital & Co. GmbH, MPC Group Services GmbH (previously: MPC Palmaille Services GmbH) is an affiliate company of MPC Münchmeyer Petersen Capital AG, and, as the premises management, it is responsible for all of the MPC Group's office premises. These services resulted in expenditure of EUR 1,029 in 2010.

Joachim Pawlik, who was a member of the Management Board of MPC Münchmeyer Petersen Capital AG until 15 November 2010, is Chairman of the Management Board of Pawlik Sales Consultants AG. Legal transactions were undertaken as part of ordinary operating activity between Pawlik Sales Consultants AG and an individual company in the Group. The legal transactions relate to consultancy services for sales support activities. In the period from 1 January 2010 to 15 November 2010, these services came to TEUR 186. The legal transactions were concluded on standard industry terms.

Otherwise, there were no further business relations subject to reporting requirements between the Managing Directors and members of the Management Board in 2010.

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47. EXECUTIVE BODIES

a) Members of the Management Board in the reporting year

Dr. Axel Schroeder, Management Board, Hamburg, (Chairman)
(CEO; Strategy, Mergers & Acquisitions)
Further mandates in the following Supervisory Boards and similar bodies:
- MPC Münchmeyer Petersen Asset Management AG, Hamburg (Member of the Supervisory Board until 23 September 2010)
- MPC Global Maritime Opportunities S.A., SICAF, Luxembourg (Member of the Investment Committee)
- MPC Münchmeyer Petersen Steamship GmbH & Co. KG, Hamburg (Member of the Advisory Council)
- eFonds Solutions AG, Munich (Chairman of the Supervisory Board)
- eFonds Financial Services AG, Munich (Chairman of the Supervisory Board)
- Deutsche Schiffsbank AG, Hamburg (Member of the Administrative Board)
- HSBA Hamburg School of Business Administration (Member of the Advisory Council for the course of study “Shipping and Ship Financing”)

Ulf Holländer, Management Board, Hamburg
(CFO; Finance and Accounting, Controlling, Risk Management, Law and Taxation)
Further mandates in the following Supervisory Boards and similar bodies:
- MPC Münchmeyer Petersen Capital Austria AG, Vienna (Chairman of the Supervisory Board)
- MPC Venture Invest AG, Vienna (Chairman of the Supervisory Board)
- MPC Münchmeyer Petersen Asset Management AG, Hamburg (Member of the Supervisory Board until 23 September 2010)
- MPC Global Maritime Opportunities S.A., SICAF, Luxembourg (Member of the Investment Committee)
- Engel & Völkers Capital AG (Member of the Supervisory Board since November 2010)

Tobias Boehncke, Management Board, Hamburg
(COO; Organisation, IT and Personnel)
Further mandates in the following Supervisory Boards and similar bodies:
- MPC Münchmeyer Petersen Asset Management AG, Hamburg (Member of the Supervisory Board until 23 September 2010)

Alexander Betz, Management Board, Hamburg
(CSO; Sales, Product Strategy and Marketing) since 1 April 2010
Further mandates in the following Supervisory Boards and similar bodies:
- SCM Kompass AG (Chairman of the Supervisory Board)
- Südvers Group (Member of the Advisory Board)

Ulrich Oldehaver, Management Board, Norderstedt
(CPO; Product Strategy) until 31 March 2010
Further mandates in the following Supervisory Boards and similar bodies:
- MPC Münchmeyer Petersen Capital Austria AG, Vienna (Member of the Supervisory Board)
- MPC Venture Invest AG, Vienna (Member of the Supervisory Board)
- Global Vision AG Private Equity Partners, Munich (Member of the Supervisory Board)
- Engel & Völkers Capital AG (Chairman of the Supervisory Board since 1 October 2010)

Joachim Pawlik, Management Board, Hamburg
(CSO; Marketing & Sales in 2009) since 15 November 2010
Further mandates in the following Supervisory Boards and similar bodies:
- Stern-Wywiol Gruppe Holding GmbH & Co. KG, Hamburg (Advisory Council)
- Scan.up AG (Chairman of the Supervisory Board)
- MPC Münchmeyer Petersen Capital Austria AG, Vienna (Deputy Chairman of the Supervisory Board)
- MPC Venture Invest AG, Vienna (Deputy Chairman of the Supervisory Board)

b) Members of the Supervisory Board in the reporting year

Axel Schroeder (Chairman)
Managing Partner MPC Münchmeyer Petersen & Co. GmbH, Hamburg
Further mandates in the following Supervisory Boards and similar bodies:
- MPC Münchmeyer Petersen & Co. GmbH, Hamburg (Chairman of the Advisory Council)
- MPC Münchmeyer Petersen Marine GmbH, Hamburg (Chairman of the Advisory Council)
- MPC Münchmeyer Petersen Steamship GmbH & Co. KG, Hamburg (Chairman of the Advisory Council)
- Coutinho & Ferrostaal GmbH & Co. KG, (Advisory Council)
- FPC First Properties Company GmbH (Chairman of the Advisory Council)

D. T. Ignacio Jayanti (Deputy Chairman)
President Corsair Capital, New York
Further mandates in the following Supervisory Boards and similar bodies:
- Corsair II investment fund (Member of the Investment Committee)
- Corsair III investment fund (Member of the Investment Committee)
- Corsair IV investment fund (Member of the Investment Committee)

John Botts since 11 May 2010
Chairman of the Board of Directors of Chrisman Botts & Company Ltd., London
Further mandates in the following Supervisory Boards and similar bodies:
- Allen & Company, London (Senior Advisor)
- Euromoney Institutional Investor Plc., London (Director)
- United Business Media Ltd., London (Chairman)
- Songbird Estates Plc., London (Director)

Ulrich W. Ellerbeck until 11 May 2010
Businessman, Hamburg
Further mandates in the following Supervisory Boards and similar bodies:
- Helm AG, Hamburg, (Chairman of the Supervisory Board)
- Doelling Hareico GmbH & Co. KG (Advisory Council)

c) Executive bodies' remuneration

The members of the Management Board of MPC Münchmeyer Petersen Capital AG received a total gross remuneration of TEUR 2,476 (previous year: TEUR 1,600) for the 2010 financial year.

In the same period, total gross remuneration of TEUR 107 was approved for the members of the Supervisory Board (previous year: TEUR 107).

All remuneration for executive bodies is remuneration within the meaning of IAS 24.17a and therefore classified as current.

Further remuneration in accordance with IAS 24.17b-e was not granted.

Management Board Remuneration Disclosure Act (VorstOG)

The Management Board Remuneration Disclosure Act provides for individualised disclosure of the remuneration of Management Board members subdivided by components independent of performance and performance-related components as well as components with a long-term incentive. The information required can be omitted if the Annual General Meeting approves this with a three-quarters majority of the share capital represented at the passing of the resolution. The Annual General Meeting of MPC Münchmeyer Petersen Capital AG held on 11 May 2011 approved the omission of this information for the period of five years with 97.01 % of those present entitled to vote.

48. SHARES HELD BY THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

The Management Board of MPC Münchmeyer Petersen Capital AG directly or indirectly holds 8.14 % of shares in the company. The Supervisory Board directly or indirectly holds 11.15 % of the shares in MPC Münchmeyer Petersen Capital AG. Of this figure, 11.15 % is attributable to Mr Axel Schroeder, Managing Director and majority shareholder in MPC Münchmeyer Petersen & Co. GmbH ("MPC Holding"), which held 27.89 % of shares in MPC Münchmeyer Petersen Capital AG on 31 December 2010.
The following Management Board and Supervisory Board members hold more than 1 % of shares issued by the company directly or indirectly:
- Axel Schroeder 11.15 %
- Dr Axel Schroeder 4.98 %
- Ulrich Oldehaver 2.75 %

49. DISCLOSURES ON SECURITIES TRANSACTIONS AND INVESTMENTS SUBJECT TO LEGAL REPORTING REQUIREMENTS

a) Directors' Dealings

In the 2010 financial year, the securities transactions listed in the following table were carried out by members of the Management Board and Supervisory Board (as well as related parties according to the Securities Trading Act) of MPC Münchmeyer Petersen Capital AG in accordance with Article 15a of the Securities Trading Act.

MPC Münchmeyer Petersen Capital AG publishes these transactions immediately after they have been disclosed to the company.

Up-to-date information on this can be found on the Internet at http://www.mpc-capital.de.

Date	Name	Function	Transaction	Financial instrument	Number	Rate/Price (EUR)	Total volume (EUR)
Apr. 19, 2010	Tobias Boehncke	COO	Exercise of purchase/subscription rights	Bearer shares	4,394	2.75	12,083.50
Apr. 19, 2010	Dr. Axel Schroeder	CEO	Exercise of purchase/subscription rights	Bearer shares	10,025	2.75	27,568.75
Apr. 19, 2010	Betz Unternehmensentwicklung GmbH	Company closely connected to a person with executive functions	Exercise of purchase/subscription rights	Bearer shares	67,000	2.75	184,250.00
Apr. 19, 2010	Alexander Betz	CPO	Exercise of purchase/subscription rights	Bearer shares	15,000	2.75	41,250.00

b) Investments subject to reporting requirements

In the 2010 financial year, MPC Münchmeyer Petersen Capital AG received the following notifications in accordance with Article 21 of the Securities Trading Act concerning investments subject to reporting requirements:

Shareholder	Date	Process	New share of voting rights*
MPC Münchmeyer Petersen & Co. GmbH	Apr. 16, 2010	Threshold overrun 30, 50 %	63.38 %
Corsair III Investments (Luxembourg) S.à.r.l.	Apr. 16, 2010	Threshold overrun 30, 50 %	59.69 %
Oldehaver Beteiligungsgesellschaft mbH	Apr. 16, 2010	Threshold overrun 3, 5, 10, 15, 20, 25, 30 %	33.48 %
Ulrich Oldehaver	Apr. 16, 2010	Threshold overrun 3, 5, 10, 15, 20, 25, 30 %	33.48 %

*The notifications on voting rights were subject to pooling agreements between the shareholders.

The two major shareholders of MPC Capital AG, Münchmeyer Petersen & Co. GmbH (MPC Holding) and Corsair III Investments (Luxembourg) S.a.r.l. (Corsair Capital) announced a voting rights pool agreement on 16 April 2010. With this agreement, the voting rights of the other partner are assigned to the shareholders concerned. As a result of this, the two major shareholders MPC Holding and Corsair Capital hold a notional 60 % of the voting rights in MPC Münchmeyer Petersen Capital AG.

A further pool agreement is in place between MPC Holding and Oldehaver Beteiligungsgesellschaft mbH and Ulrich Oldehaver as an individual.

With the voting rights pool agreements, the main shareholders have ensured a high level of transparency of the shareholder structure.

The voting rights pool agreements came into effect before allocation of the shares subscribed to as part of the rights issue in April 2010. As a consequence of this, the stakes subject to reporting requirements were produced on the basis of the shares held by the shareholders at this time. On the balance sheet date, 31 December 2009, these corresponded to:

Shareholder	
Corsair III Investments (Luxembourg) S.à.r.l.	29.90 %
MPC Münchmeyer Petersen & Co. GmbH	29.79 %
Familie Oldehaver (Oldehaver Beteiligungsgesellschaft mbH und Ulrich Oldehaver)	3.69 %
MPC Münchmeyer Petersen Capital AG	3.26 %
Freefloat	33.36 %

50. EVENTS AFTER THE REPORTING PERIOD

Strengthenin of equity by EUR 44.5 million

In the context of an agreement with some of its creditor banks to convert debt to equity (debt-to-equity swap), MPC Münchmeyer Petersen Capital AG has managed to build up and strengthen its overall financing position on a long-term basis. According to the agreement a total of around 2.8 million new non-par bearer shares from authorised capital with exclusion of subscription rights for shareholders were issued to the participating banks. This increased the company's share capital from the EUR 27,020,000.00 to EUR 29,845,397.00 as of March 31, 2011. In return, the participating banks contributed loan receivables with a nominal value of around EUR 44.5 million to MPC Münchmeyer Petersen Capital AG as a non-cash contribution.

With the debt-equity swap, MPC Münchmeyer Petersen Capital AG is strengthening its overall financing position on a long-term basis, as the ratio of debt in relation to the company's equity will be far lower in future. In addition, the debt converted in the context of the agreement will no longer incur interest payments, which will have a positive impact on the future liquidity position of the company.

MPC Münchmeyer Petersen Capital AG suspends marketing its closed-end real estate investment MPC Japan

Against the background of the severe earthquake in Japan and its far-reaching consequences, MPC Münchmeyer Petersen Capital AG has suspended marketing its real estate fund MPC Japan until further notice. The fund invests in nine fund properties with retail and commercial space. No employees of the affiliated company were on site and no people in the properties were injured as a consequence of the earthquake and the tsunami. There was either no damage or only minor damage to the properties themselves and it has already been rectified. MPC Japan has a total investment volume of around EUR 162 million. The equity portion to be placed amounts to EUR 66 million. The fund's financing is secured through the bank agreement of 26 March 2010 until 30. September 2013. The effects on the balance sheet are currently under investigation.

MPC Münchmeyer Petersen Capital AG is participating in the restructuring of HCI Capital AG

As the conclusion of its restructuring programme, HCI Capital AG announced on 29 March 2011 that it would be carrying out a rights issue by issuing new, no-par bearer shares with a pro rata amount of the share capital of EUR 1 each.

MPC Münchmeyer Petersen Capital AG and the Döhle Group have agreed to participate in the capital increase subject to certain conditions. The aim is for MPC Münchmeyer Petersen Capital AG and the Döhle Group to achieve an equal stake in HCI Capital AG of 25.1 % in each case. Following execution of the capital increase, HSH Nordbank AG is to participate in HCI Capital up to a maximum of 19.9 %. If applicable, these shares of the voting rights will be achieved by a reallocation between the main shareholders. The major shareholders MPC Münchmeyer Petersen Capital AG and the Döhle Group have also concluded an agreement on pooling voting rights. The financial contribution by MPC Capital AG will depend on the subscription price and utilisation of subscription rights by the free float; it is likely to lie in the mid-single digit millions.

MPC Münchmeyer Petersen Capital AG, which holds a stake of 33.4 % in HCI Capital AG as at 31 December 2010, welcomed this step and has supported the restructuring programme at HCI Capital AG from the beginning.

Together with the other main shareholder, the Döhle Group, MPC Münchmeyer Petersen Capital AG has therefore already promised HCI Capital AG that it will participate in the planned capital increase subject to certain preconditions. The financial contribution by MPC Münchmeyer Petersen Capital AG will depend on the subscription price and utilisation of subscription rights by the free float; it is likely to lie in the mid-single digit millions. The Döhle Group and MPC Münchmeyer Petersen Capital AG are each aiming for a stake of 25.1 % in the share capital of HCI Capital AG. The effects on the balance sheet are currently under investigation.

In addition to the capital increase, MPC Münchmeyer Petersen Capital AG has also reorganised the financial obligations of HCI Capital AG under the joint Deepsea Oil Explorer project. While MPC Münchmeyer Petersen Capital AG has complied with the majority of its placement obligations within the placement phase, HCI Capital still has outstanding placement obligations of some USD 23.5 million including soft costs. Given the company‘s economic situation in the reporting period, settlement of this placement and consequently equity payment obligation seemed unlikely. MPC Münchmeyer Petersen Capital AG has therefore reorganised the financing of this obligation. To this end, receivables of some USD 18.5 million, which MPC Münchmeyer Petersen Capital AG holds vis-à-vis Deepsea Oil Explorer mbH & Co. KG, were used to fulfil the outstanding obligations. The HCI Capital Group also assigned its own claims to reimbursement of soft costs vis-à-vis HCI Deepsea Oil Explorer mbH & Co. KG of some USD 5 million to MPC Münchmeyer Petersen Capital AG. This claim was subsequently given to company as a contribution in kind. Consequently, MPC Münchmeyer Petersen Capital AG will hold an indirect stake of around 22 % in HCI Deepsea Oil Explorer GmbH & Co. KG in future.

The preceding capital measures complete the financial restructuring programme at HCI Capital AG. As a result, the company will be able once more to focus all its energies on operating business in future. The rights issues also make a material contribution to maintaining the value of the investment in HCI Capital AG held by MPC Münchmeyer Petersen Capital AG.

MPC Capital manages to substantially reduce contingent liabilities
On 21 April 2008, MPC Capital AG took over performance guarantees and a bond totaling around EUR 1.2 billion in conjunction with the order of nine container ships, each with a loading capacity of 13,100 TEU. With the performance guarantees, MPC Capital assured the shipyard, Hyundai Heavy Industries Co., Ltd. („Hyundai“), that the new ordering companies would attend to their duties as laid down in the shipbuilding contracts. Additionally, the bond for the financing banks served as security of all receivables of the banks for the new ordering companies from the financing of the ships.

On July 15, 2011, MPC Capital together with its partners successfully reached an agreement that the construction contracts of the nine container ships will be taken over by third-party investors. Financing and employment were secured based on an agreement between the investors and the financing syndicate of banks as well as the Korean company Reederei Hanjin Shipping Co. Ltd. As a result, Hyundai and the financing banks released MPC Capital from the performance guarantees and the bond. In return, MPC Capital was obliged to take on guarantees for the financing banks on Japanese Yen (JPY)-swaps and forward exchange transactions totalling EUR 18.7 million that had been concluded in 2008. Liability from those guarantees depends on several covenants that will be effective as of the year 2023. MPC Capital values the current value of the guarantees with zero, as at the present time MPC Capital

does not expect the coverants and thus guarantees to come into effect. In the future these guarantees will be held as contingent liabilities.

Moreover, MPC Capital AG can no longer be drawn on in conjunction with the order for these container ships in the future. As a result, the contingent liabilities of around EUR 2.1 billion as at 31 December 2010 are significantly reduced by around EUR 1.2 billion. With this transaction, MPC Capital AG has actively adapted its available product pipeline with regard to the number and size of the project to the changed market conditions and thereby secured a long-term stable financing position.

51. CORPORATE GOVERNANCE CODE

On March 30, 2011, the Management Board and the Supervisory Board of MPC Münchmeyer Petersen Capital AG issued the Declaration of Compliance in accordance with Article 161 of the German Stock Corporation Act and made it available to shareholders on the Internet.

The declaration can be found on the Internet at www.mpc-capital.com.

52. AUDITOR'S FEE

The auditor's fee is composed as follows:

	2010 TEUR	2009 TEUR
Audit services	647	676
Other confirmation services	366	132
Tax consultancy services	87	0
Other services	608	1,242

Hamburg, July 15, 2011

Dr. Axel Schroeder
Chairman

Ulf Holländer

Tobias Boehncke

Alexander Betz

CONSOLIDATED FINANCIAL STATEMENTS

9.
Auditor's report

We have audited the consolidated financial statements prepared by the MPC Münchmeyer Petersen Capital AG, Hamburg, comprising the statement of financial position, the statement of comprehensive income, statement of changes in equity, cash flow statement and the notes to the consolidated financial statements, together with the group management report for the business year from January 1 to December 31, 2010. The preparation of the consolidated financial statements and the group management report in accordance with the IFRSs, as adopted by the EU, and the additional requirements of German commercial law pursuant to § (Article) 315a Abs. (paragraph) 1 HGB ("Handelsgesetzbuch": German Commercial Code) is the responsibility of the parent Company's Board of Managing Directors. 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 § 317 of the German code of commercial law (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 the entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by the Company´s Board of Managing Directors, 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.

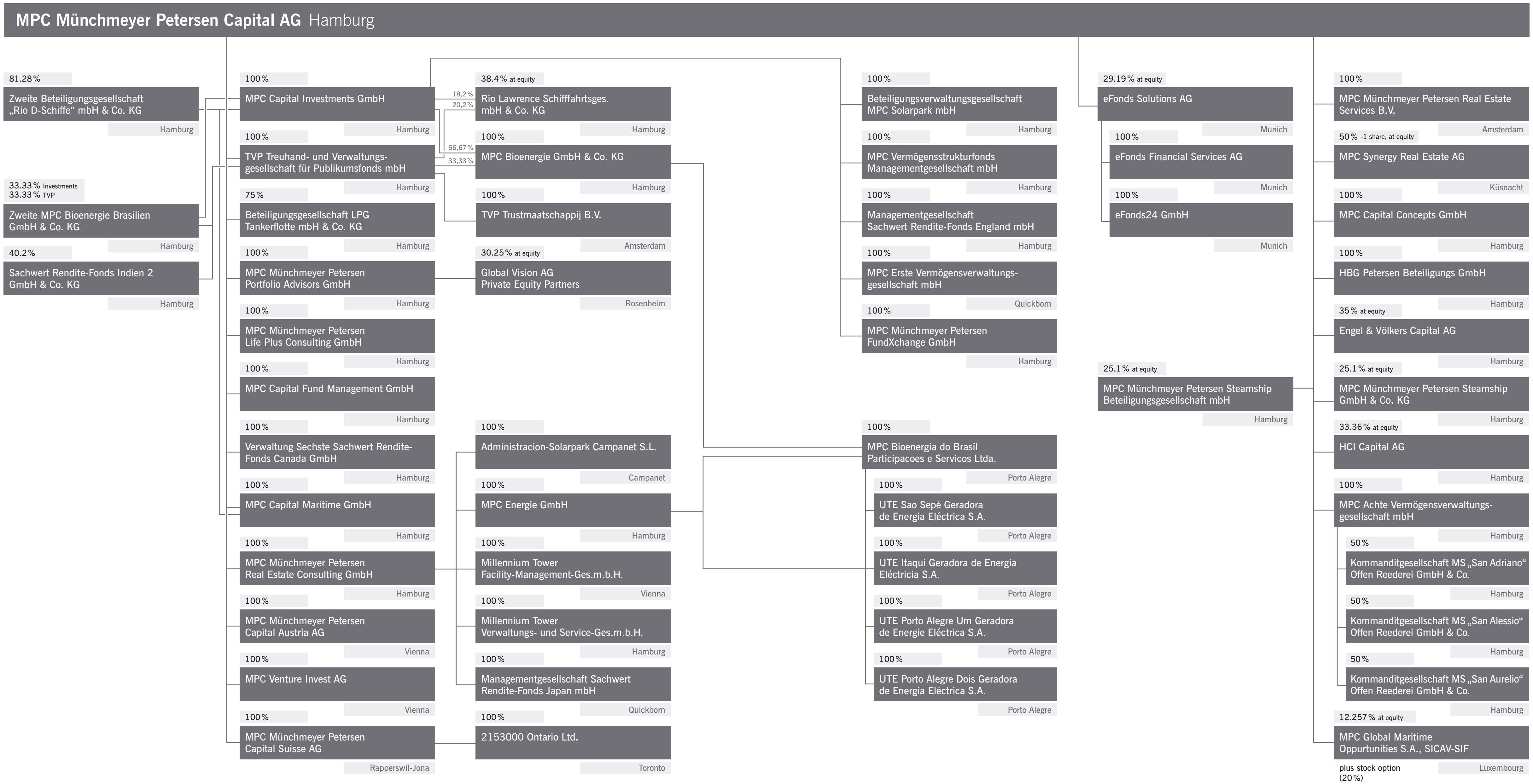
Our audit has not led to any reservations.

In our opinion based on the findings of our audit the consolidated financial statements comply with the IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315a Abs. 1 of the German code of commercial law (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.

Hamburg, July 19, 2011
PricewaterhouseCoopers Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

Niklas Wilke	ppa. Vinzent Graf
German Public Auditor	German Public Auditor

Organisational structure



Financial calendar 2011

August 12, 2011
publication of six-month figures

August 30, 2011
Annual shareholder's meeting

November 11, 2011
publication of nine-month figures

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