

Buoyant growth for CHG-MERIDIAN in the first half of 2016

- Momentum: Strong growth impetus in western and southern Europe
- Solidity: Gross profit stabilizes at a high level
- Innovation: New enterprise mobility solution opens up potential

Your contact:

Matthias Steybe
Head of Communications
and Marketing

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The CHG-MERIDIAN Group generated buoyant revenue growth in the first half of 2016, with the volume of lease originations increasing by around 9 percent to almost €509 million. The Company, which is headquartered in the southern German town of Weingarten and has 36 branch offices in 23 countries, offers non-captive solutions for the financing and management of technology investments. "This growth is particularly encouraging in view of the low level of interest rates. It shows that customers recognize the added value of our solutions and that traditional loan finance is simply no match. We are extremely focused on our customers' market needs, and I am therefore optimistic about the rest of the year," said Jürgen Mossakowski, Chief Executive Officer of CHG-MERIDIAN.

Contact details:

Franz-Beer-Strasse 111
88250 Weingarten
Germany

Tel: +49 (0)751 503 248
Fax: +49 (0)751 503 7248
Cell: +49 (0)172 667 1341
matthias.steybe@chg-meridian.de

www.chg-meridian.com

Momentum: Strong growth in southern and western Europe

In its home market of Germany, where it has a large market share, CHG-MERIDIAN delivered impressive growth of 9.1 percent. The volume reported for the entire Central Europe region (Germany, Austria, Switzerland, Slovenia) lived up to expectations, rising by 8.5 percent to €264 million (H1 2015: €243 million). The other regions also performed well. Lease originations in the Southern Europe region (Italy, France, Spain) were up by 14.4 percent year on year, reaching almost €63 million (H1 2015: €54 million). The strongest rate of growth was achieved by the Western Europe region (Belgium, United Kingdom, Ireland, Netherlands), where the volume of lease originations climbed by 15.5 percent to €92 million (H1 2015: €79 million).

In Central Europe, gross profit held steady at a high level, with slight growth of 2.7 percent. This region therefore contributed 61.1 percent of total gross profit. With the exception of the Americas region, gross profit in the other markets was on a par with the prior-year period. Total gross profit amounted to just over €77 million, which was roughly the same as in the first half of last year.

New customers: Small rise in the proportion of business with new customers

Whereas the number of current leases increased by 1.9 percent to 69,356 despite a slight fall in the number of customers, the proportion of business with new customers advanced by 1 percentage point to 27 percent. By contrast, services at the end of the investment cycle lagged behind expectations, with a slight decrease in both the number of remarketed assets



and the number of assets undergoing secure data erasure. The Company believes this is only a temporary phenomenon, however.

Innovation: Enterprise mobility solution is an opportunity for growth

Thanks to the TESMA® software platform, which was launched in April for the commercial and technical management of technology landscapes, and the new Enterprise Mobility Solutions (EMS), the product pipeline is in a healthy state. The EMS package comprises efficient customized business concepts for mobile technology. Frank Kottmann, member of the Management Board and Chief Sales Officer for Central Europe, believes this field offers particularly attractive potential for future sales success: "We offer an end-to-end and highly flexible solution in an area of application that has been dominated by a patchwork of individual products until now." The use of the EMS package means customers no longer have to concern themselves with security issues, repairs, or interface compatibility because they have an efficient service provider at their side, freeing them up to concentrate on their day-to-day core business. Given the advances in solution development at CHG-MERIDIAN, Mossakowski is convinced that "the ongoing enhancement of our products and the clear focus on customer benefits, easy operation, and cost transparency will continue to provide solid foundations for further increases in revenue and profit."

Further information and photos can be found at www.chg-meridian.com

Key performance indicators of the CHG-MERIDIAN Group for the six months to June 30, 2016

€000's	H1 2016	H1 2015	2015
Group lease originations	508,953	468,246	1,056,511
By region:			
Central Europe (Germany, Austria, Switzerland, Slovenia)	263,910	243,189	540,573
Western Europe	91,964	79,623	185,967
Southern Europe	62,821	54,916	127,219
Northeastern Europe	18,577	20,229	19,649
Americas	64,647	59,537	142,515
of which: Germany	247,530	226,964	499,770
of which: international	261,423	241,282	556,741
New customer lease originations (%)	8.6%	26.0%	
Group gross profit*	77,105	77,942	183,059