GRENKELEASING: Strong growth in Europe

Baden-Baden, 03 January 2006: GRENKELEASING closed 2005 with new business volume – i.e. the total acquisition costs of newly purchased leased assets – of EUR 419 million (previous year EUR 363 million). This corresponds to year-on-year growth in new business of 15.4 % for the full year of 2005.

With a year-on-year growth rate of 42.8 % and contributing 32.9 % (previous year 26.6 %) to the group's new business, the European markets ex Germany are meanwhile a significant part of Grenke Group and a major driver of its growth. The French subsidiary achieved growth of 37.2 %. Business in Switzerland rose by 18.4 % with new business in Germany increasing by 5.5 % despite 2 fewer working days compared to the previous year.

The new business margin (contribution margin 1) – a key profitability indicator of new business – showed a similarly positive trend. It rose to EUR 47 million in 2005, against EUR 40 million in the same period of the previous year representing a 18.8 % increase.

The company will publish its audited consolidated financial statements on 27 January 2006.

The Executive Board

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End of ad hoc report

Explanatory text

"As forecast, we closed financial year 2005 with double-digit growth in new business, despite having two fewer working days in Germany. Particularly our strong foreign growth is a clear indication that our strategy of building a truly European business is bearing fruit. We will continue to expand our European presence during the coming year", says Dr. Uwe Hack, CFO of GRENKELEASING AG, commenting on the annual result.

The company now has operations in 15 European countries. GRENKELEASING is represented in 20 cities throughout Germany. In addition to its six French branch offices and three branch offices in Switzerland, the company has subsidiaries in Austria, Italy, the Czech Republic, Spain, the Netherlands, Denmark, Sweden, Ireland, and Belgium. GRENKELEASING operates through a franchise system in the UK, Poland, and Norway.

IBM Global Financing and GRENKELEASING, having already started a joint initiative to make IT leasing quicker, simpler and more flexible for small and medium-sized enterprises in Germany, have now expanded their partnership to include France. In this regard, GRENKELEASING will operate as the service provider for processing leasing contracts concluded within the scope of IBM Financing Advantage France.

The group recorded a total of 108,315 leasing enquiries in financial year 2005 (of which 40,831 were ex-Germany), leading to 56,450 new leasing contracts (of which 18,353 were ex-Germany). The average value per concluded contract came to EUR 7,427 and is thus slightly higher than in the previous year (2004: EUR 7,047).

GRENKELEASING mainly offers small-ticket IT leasing contracts, i.e. for products such as PC's, notebooks, copiers, printers, or software having relatively small transaction values. The company is the German and Swiss market leader in this segment. GRENKELEASING AG is listed in the Prime Standard segment of the German stock exchange in Frankfurt and has a listing on the SDAX (small-cap) index.

Information on the company and its products is available on the Internet under http://www.grenkeleasing.de.