

GRENKELEASING®



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KEY FIGURES

	01.01.2008 to 30.09.2008	% Change	01.01.2007 to 30.09.2007	Units
Key figures of GRENKE Group including franchise partners				
New business of GRENKE Group	433,848	16	374,328	EURk
- of which: Germany	229,542	2	226,070	EURk
-of which: International	204,306	38	148,257	EURk
New business of franchise partners (2008 ex Poland and UK)	62,838	-9	68,954	EURk
- of which: Factoring business (Germany)	39,826	18	33,814	EURk
Key figures of GRENKE Group leasing business excluding factoring				
New business GRENKE Group leasing business	394,022	16	340,514	EURk
Contribution margin 2 of new business	59,557	25	47,659	EURk
Number of new contracts	50,961	16	44,075	Units
Share of IT products in the lease portfolio	84	-1	87	percent
Share of corporate customers in the lease portfolio	100	0	100	percent
Mean acquisition value	7,7	0	7,7	EURk
Mean term of contract	46	2	45	Months
Volume of leased assets	1,641	13	1,447	EURm
Number of current contracts	216,594	10	197,141	Units
GRENKELEASING AG Group, consolidated figures				
Net interest income from leasing business	50,842	9	46,702	EURk
Expenses from settlement of claims	14,640	14	12,847	EURk
Profit from insurance business	14,625	17	12,525	EURk
Profit from new business	18,398	23	14,940	EURk
Profit from disposals (income exceeding the calculated residual value)	1,862	3	1,815	EURk
Result from currency translation difference	-926	-	90	EURk
Other operating income	830	-7	982	EURk
Costs of new contracts	11,279	19	9,504	EURk
Costs of current contracts	3,840	13	3,390	EURk
Project costs and basic distribution costs	10,673	29	8,289	EURk
Management costs	8,283	13	7,319	EURk
Other costs	1,615	20	1,349	EURk
EBIT (Earnings before interest and taxes)	35,301	3	34,266	EURk
Other interest result	16	-	-132	EURk
Income/Expenses from market valuation of financial instruments	0	-100	10	EURk
EBT (Earnings before taxes)	35,317	3	34,144	EURk
Net profit (consolidated net profit pursuant to IFRS)	24,947	0	24,906	EURk
IFRS earnings per share	1.82	0	1.82	EUR
Dividend	0.60	9	0.55	EUR
Embedded value of the lease portfolio (incl. Equity before taxes)				
Embedded value of the lease portfolio (incl. Equity after taxes)	343	10	313	EURm
Embedded value of the lease portfolio (incl. Equity after taxes)	314	13	277	EURm
Cost/income ratio	50.9	9	46.7	percent
Return on equity (RoE) after taxes	13.7	-10	15,2	percent
Average number of employees	485	17	414	People

Explanation of ratios on page 42 et seq.

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

Dear Shareholders,
Ladies and Gentlemen,

The GRENKE Group, including franchise partners posted a pleasing business performance in Q3 of 2008, as was already the case in the first half of the fiscal year. In view of the banking crisis, which has recently intensified significantly, we nevertheless remain cautious about the future. Changes are currently taking place within the banking industry, which had until recently been considered far from realistic and future developments cannot reliably be predicted.

The common global efforts of government and central banks to stabilise the banking system can be seen in a positive light. However, it will not be possible to avoid a recession in many economies. GRENKELEASING has the right business model and is well positioned to benefit from these developments. We are able to manage future risks from the changed economic environment.

Our current results of operations are developing positively because we are now gradually receiving the income from the rapidly growing and profitable new business of past years and more than offset the costs of our international expansion. In the new business, we are quickly gaining market share and improving our margin at the same time. This is strengthening the Group's earnings power to a considerable extent.

The new business of the GRENKE Group, including franchise partners, thus rose by 21.4% in Q3 of 2008. The contribution margin 2 improved parallel to this in the reporting quarter by 170 basis points to 14.2%. Outside Germany, the development was even more pronounced with growth of 43.5% and an improvement in the margin of 280 basis points to 16.4%. In Q3, we again financed a significantly higher business volume than in the previous year and also generated a net cash inflow. This, and the current upgrading of the rating of our ABS bond, underscores our excellent reputation on the capital market.

We are properly positioned even for a phase of economic weakness since in this period leasing financing experiences even high demand. With our decades of experience in identifying and appropriately considering risks we are able to secure our earnings power even in such periods. With our broad presence across what is now twenty European countries, we have diversified sales markets, which we are able to individually manage according to their respective development.

Baden-Baden, October 2008



Wolfgang Grenke
Chairman of the Board of Directors

THE GRENKELEASING AG SHARE

For the first nine months of the 2008 fiscal year, the price of GRENKELEASING AG shares tracked sideward overall. The shares began the year at EUR 23.20 dropping to EUR 21.61 on 30 September. With a price decrease of only 3.5 percent, they suffered significantly less than the SDAX price index, which fell 37 percent in the same period as a result of the financial market crisis and the increasing fear of recession.

The DAX sector Financial Services which comprises the German financial sector companies listed in the Prime Standard, decreased by 48 percent as a result of the strong uncertainty due to the further development of the global financial industry. From the beginning of October until 17 October, GRENKELEASING AG shares fell 11 percent as a result of the general sell-out on the world's stock markets, while the SDAX lost 18 percent and the DAX sector Financial Services lost 16 percent.

In the third quarter too, the significant outperformance of GRENKELEASING AG shares was again a positive result, particularly in view of their peer group Financial Services. This demonstrates that the GRENKE Group's business model and performance are being received extremely positively on the stock market – even, and especially, in times of distinct mistrust regarding the further development of the financial sector. Due to its outstanding market position and its continued good rating, GRENKELEASING AG remains well positioned. The rating agency Standard & Poor's recently considerably raised the rating of the 'Goals 2006' ABS bonds issued based on leases originated by GRENKELEASING AG in 2006. While the A tranche remains at AAA, the B tranche was raised from A to AAA and the C tranche from BBB to A.

After analysts' previously positive assessments had already been confirmed following our notification about new business in the second quarter, the Reuters Consensus Estimates in mid-October stood at 'outperform' following our report on new business in the third quarter; on average, the analysts set their target price at EUR 26.60. The appeal of the GRENKELEASING business model and our capital market communication built upon it combined with the proven success of our international expansion strategy sustainably support the fundamental assessment of the shares.

DEVELOPMENT OF THE SHARE PRICE AND DAILY TURNOVER



DIRECTORS' HOLDINGS

Shares held by managing board members

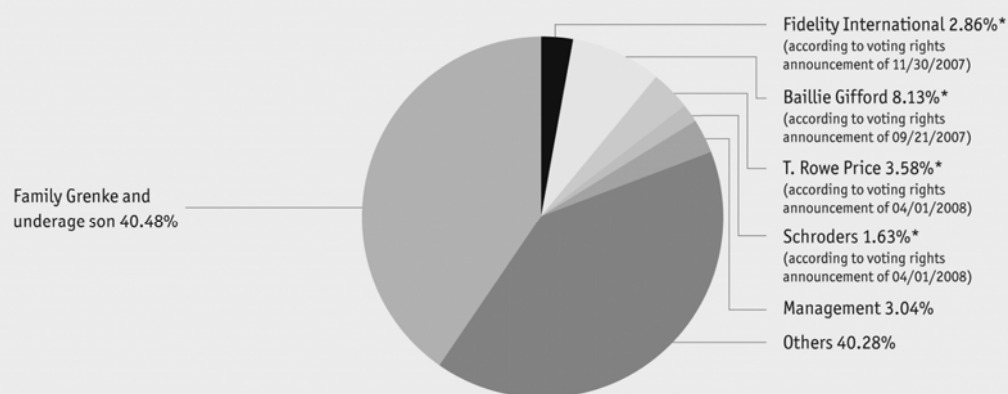
	Wolfgang Grenke	Thomas Konprecht	Mark Kindermann	Michael Kostrewa	Dr. Uwe Hack
	Units	Units	Units	Units	Units
Status as per September 30, 2008	4,916,619	330,730	52,053	27,500	5,000

Shares held by super-visory board members

	Dieter Münch Münch	Prof. Dr. Ernst-Moritz Lipp	Erwin Staudt
	Units	Units	Units
Status as per September 30, 2008	75	21,000	1,000

SHAREHOLDER STRUCTURE

Shareholder Structure of GRENKELEASING AG



* Release according to Article 26, Section 1 of the WpHG (the German Securities Trading Act)
 Per: 09/30/2008

GRENKE GROUP GROWTH STRATEGY

Growth combined with high and stable performance is the focus of GRENKELEASING's business model. Starting from our position of market leadership in small-ticket IT leasing in Germany and Switzerland, we are targeting market leadership in Europe and also intend to tap other interesting leasing markets and factoring business. Our European market penetration is now so well advanced that this is the Group's growth driver. In total, we are already represented in twenty European countries. We are therefore well positioned to balance out the various macroeconomic developments of individual countries within our portfolio. We are focussing clearly on profitable growth and are therefore managing our new business rigorously in line with the contribution margin 2.

We are ensuring our stable earnings by measuring the inherent risks and taking them sufficiently into consideration with regard to our prices. This is GRENKELEASING's core competence, in which we have a long and successful track record. We are thus sustainably ensuring our high return on equity and, as a result, our access to a variety of refinancing opportunities on the capital market.

We are generating growth with a broad spectrum of flexible contract offers, which are oriented to the various requirements of our commercial customers, so that the actual leasing condition is not the focus. We are also offering our currently over 14,000 resellers – of which 7,100 in our international markets – a wide variety of additional offers in addition to pure financing and are thus positioning ourselves as a strategic partner of their own corporate development. The resellers are supported directly by our decentralised sales organization or through our franchise partners.

The establishment of a large network as quickly as possible with competitive and efficient customer access is our top priority. Therefore, the number of customer inquiries is a key indicator for our business for the generation of new business. In the first nine months of 2008, the GRENKE Group recorded 105,440 leasing inquiries, of which 57,076 were international, corresponding to growth of 20.9 percent (prior year: 87,202 inquiries, of which 40,340 international). These inquiries resulted in 50,961 new leases, of which 26,973 were international (previous year: 44,075 leases with 19,459 international).

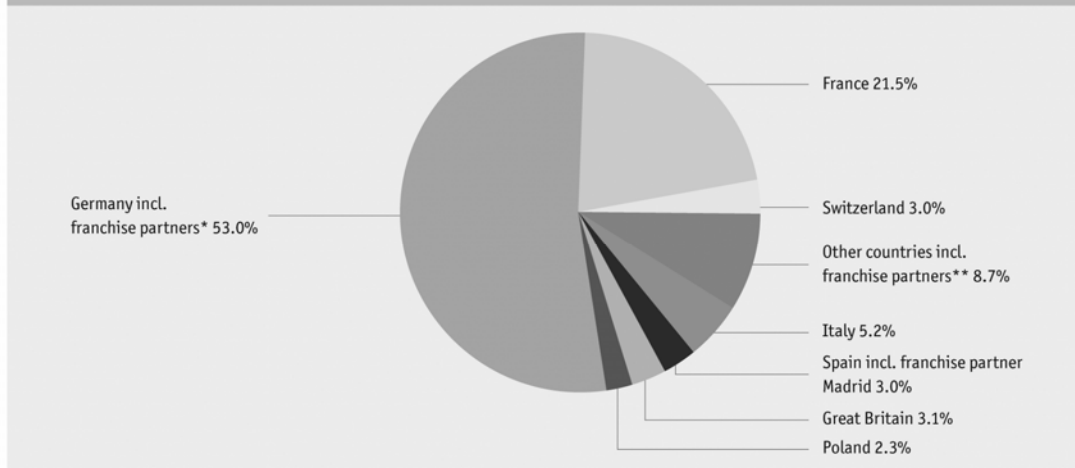
This means that 15.6 percent more new leasing agreements were concluded than in the previous year, with a strong increase of 38.6 percent in our international markets. This is already a very good development. However, the current strength and quality of our business will become even more clear considering the growth during 2008. In Q1, leasing enquiries rose by 12.7 percent, new contracts by 9.0 percent and new contracts international by 30.4 percent. Parallel to this growth, we have continuously extended the contribution margin 2 of the new business from 13.4 percent in Q1 to 14.0 percent in the nine-month period.

Overall, new business generated by the GRENKELEASING franchise partners increased in the nine-month period of 2007 from EUR 51.6 million to EUR 62.8 million in the reporting quarter, adjusted for the acquisition of the two largest franchise companies in the UK and Poland. The contribution margin 2 increased from EUR 2.2 million to EUR 4.4 million. The franchise operations employed 66 people in the nine-month period.

The largest individual activity is the factoring business, which continues to develop as planned. During the 2008 nine-month period, its volume increased from EUR 33.8 million in the previous year to EUR 39.8 million. The average factoring period was around 32 days, down from around 40 days in the previous year. The decrease in the factoring margin to 2.1 percent compared with 2.3 percent in the previous year was mainly due to the reduction of the factoring period, which, however, did not affect profitability.

EXPANSION IN EUROPE

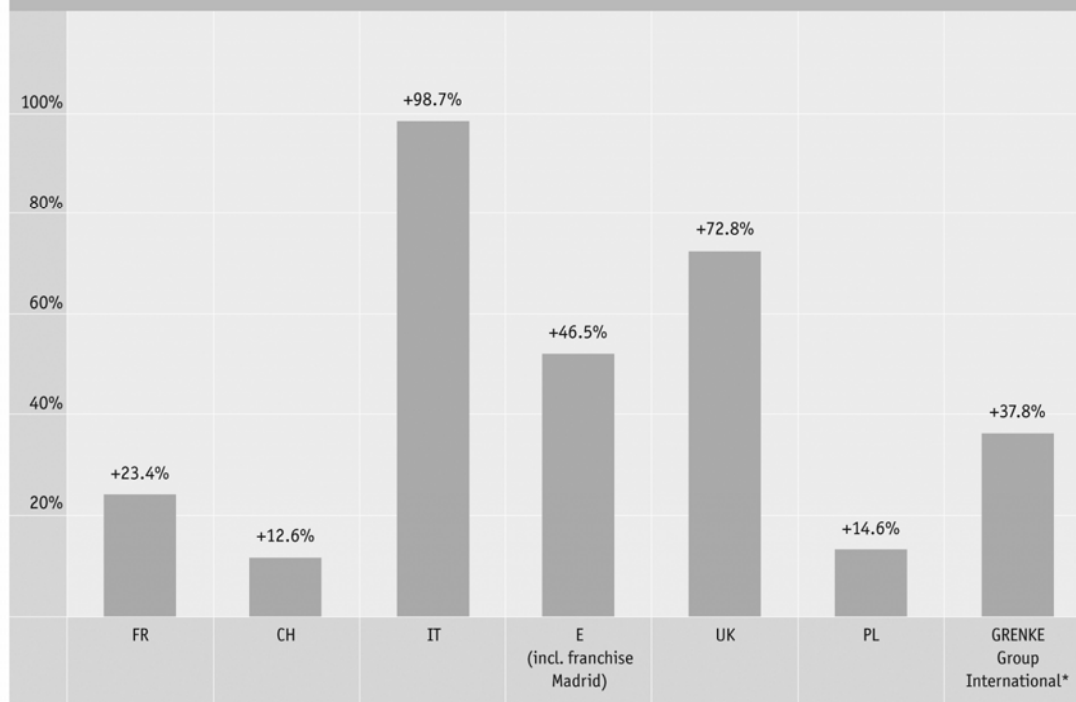
Shares in New Business of the GRENKE Group incl. franchise partners as of September 30, 2008



* Carleasing, Factoring

** Belgium, Denmark, Ireland, Netherlands, Austria, Sweden, Czech Republic, Norway, Romania, Hungary, Portugal, Slovakia

Growth Rates Leasing Division 9M-2008 (compared to 9M-2007)



* incl. franchise partners

GRENKE GROUP LOCATIONS IN EUROPE



With franchise companies:

* Oslo (NO), Budapest (HU), Bucharest (RO), Madrid (ES), Bratislava (SK), Lisbon (PT), Helsinki (FI)

** FACTORING Baden-Baden (DE), CAR LEASING Karlsruhe (DE)

INTERIM MANAGEMENT REPORT

ECONOMIC ENVIRONMENT

The leading economic research institutes forecast a global economic downturn in their current business assessments. Among the reasons, they list the global inflation increase due to commodities, the adjustments in the property markets of numerous countries and the global financial markets crisis. In particular the dramatic intensification of the financial market crisis also clouds the economic outlook. Recession thus threatens a series of industrial countries, in particular where the financial or construction sector is of great significance, such as in the US. However, Western Europe leading indicators are also showing a drastic decrease, the German economy is on the verge of a recession in the autumn of 2008 and a decrease in production is expected for the coming months. The emerging markets expect a significant reduction in their previously above-average expansion.

As a result of the considerable burdens – in particular on the part of the financial and property markets – the global economy will slow down further, according to the institutes. A gradual recovery of the global economy from mid-2009 is forecast only under the proviso that the banking sector can be stabilised over the coming months. Otherwise, a sharp decline in capital expenditure in the real economy is expected.

The International Monetary Fund's (IMF) forecasts are similar. According to its assessment, real global economic growth next year of 3.0 percent will be contributed exclusively by the emerging markets, after 3.9 percent in 2008. However, their growth rates are expected to decrease significantly. According to the IMF, the industrial countries will generate an increase in added value of only 0.5 percent in 2009 following 1.5 percent in 2008. With +0.1 percent, the US is also expected to stagnate, as will the Eurozone with +0.2 percent. The IMF is even expecting minus figures for France, Italy, Spain and the UK.

According to the institutes' assessments, Germany's GDP will decrease by 0.7 percent over the second half of the year. However, an increase of 1.8 percent is expected for 2008 as a whole. To take the increased uncertainty for the coming year into account, the institutes have added a risk scenario to their pessimistic basic forecast. In the basic scenario for 2009, GDP rises just 0.2 percent. In the risk scenario, the economy is expected to weaken further and for longer. It assumes a recession of the global economy, significantly increased financing costs as a result of the financial market crisis and thus decreasing capital expenditure on equipment, as well as weak consumption and increasing unemployment. Germany would enter a distinct recession; GDP would decrease by 0.8 percent. The risk of this unfavourable development taking place has increased significantly over recent weeks, according to the institutes.

REPORT ON THE RESULTS OF OPERATIONS

The GRENKELEASING AG Group's results of operations are influenced by the respective current economic environment only to the limited extent, reflected chiefly in the development of the loss rate and the funding costs. By contrast, the results of operations is affected by the growth of new business and its profitability in the past as well as the momentum and costs of the ongoing international expansion. This special feature of the development of the results of operations results from the nature of our business. In the leasing industry, the income from a new contract flows to the lessor not upon conclusion of the contract, but over the term of the contract.

Conversely, growth and profitability of the new business is influenced by the development of the overall economic data and the capital markets. For more information on this, please see our notes in the segment report from page 12 and the report on opportunities and risks from page 15.

In the third quarter of 2008, the GRENKELEASING AG Group continued the positive business performance of the first half-year. Our rapid growth of the past year and our consistent focus on the profitability of the new business are now visible in the continued growth of income on our income statement. We are optimising the speed of our international expansion with a market penetration as rapid as possible and by ensuring the stability of income.

At the same time, we experienced only a limited negative impact from the international banking crisis. Overall, earnings before taxes (EBT) thus increased by 3.0 percent to EUR 35.3 million over the nine-month period of the current fiscal year. The third quarter posted above-average growth with an upward move of around 7.1 percent.

The initial consolidation of both former franchise companies in the UK and Poland on 1 January 2008, which took place during Q1, has had a visible effect on the rates of change of individual items on the income statement. However, the net profit is not affected overall since the companies taken together are currently operating at the breakeven point. The influence of the initial consolidation on consolidated net interest income also remained limited since we are refinancing the leasing receivables of our franchise partners and are earning a margin, even if it is a narrow one, on this refinancing.

Overall, we again increased consolidated net interest income after settlement of claims in both reporting periods. Even including the currently posted high settlement of claims, consolidated interest income rose over the 2008 nine-month period year-on-year by a pleasing 6.9 percent and in the third quarter by 8.1 percent.

Rising losses are a normal development in phases of declining overall economic growth. Accordingly, this has been taken into account in our pricing and earnings forecasts. With a loss rate of 1.2 percent in the first nine months of 2008, we are still below our calculated value of 1.5 percent, which emphasises our ability to identify and measure risks correctly.

We have also generated significantly increased earnings contributions from the insurance and new business. In the third quarter of 2008, the profit from disposals was below that of the previous year due to fluctuations typical for the type of business. However, it was slightly above that of the previous year for the nine-month period. Due to the overall rising income, EBIT was successfully expanded in the third quarter, although we are driving forward our international expansion with extraordinary speed in the current fiscal year. Accordingly, some expense items have risen sharply.

In line with the nature of our business, the largest single item of these is staff costs. The negative currency effects on other operating expenses resulting from the increased volatility of the currency markets has been reduced during the third quarter, so that in the reporting quarter the increase of these cost items were clearly below that in the nine-month period. While economic currency risks are hedged within the Group, this does not always result in completely balanced accounts for currency fluctuations, particularly on a quarter by quarter basis.

The consulting and audit costs, which had significantly negative impact on us in the previous year, have gradually decreased over the course of the current fiscal year as announced, so that they are now below those of the previous year, even in the nine-month period. Including the financial result, the EBT in the third quarter and in the nine-month period was therefore increased.

The tax burden of the third quarter of 2007 was exceptionally low, since the positive full-year effects from the adjustment of the tax rate in the context of the reform of the German corporation taxes were taken into account in that quarter. As a result of this basis effect the net profit in the third quarter of 2008 of EUR 8.6 million remained below the previous year's value of EUR 9.3 million. However, in the nine-month period it was unchanged against the previous year at EUR 24.9 million despite the positive tax effect in 2007. Nevertheless, this has no significance for the assessment of the operating development of the Group.

Report on the Development of the Segments

The primary segments that the GRENKELEASING AG Group operates in are its geographical regions. Regional segmentation distinguishes between lessees based in Germany, France, Switzerland, or in another country. As in fiscal 2007, the "other countries" segment comprises the subsidiaries in Belgium, Denmark, Ireland, Italy, the Netherlands, Austria, Sweden, Spain, and the Czech Republic. Furthermore, this also includes the UK and Poland after the takeover of the former franchise companies in the first quarter of 2008.

In this quarterly financial report, segment revenue has been calculated in the same way as presented in the 2007 annual report. When evaluating the performance of each segment, it should be noted that key GRENKELEASING AG Group functions are located at the headquarters in Baden-Baden, Germany, and that their costs are thus accounted for in the German segment.

The GRENKELEASING AG Group clearly increased the already pleasing growth of the first half-year in the third quarter of 2008, thus exceeding the Group's growth objective, even without the initial consolidation of both former franchise partners. Adjusted for this effect, new business rose in the reporting quarter by 15.8 percent and in the nine-month period by 13.3 percent to EUR 346.0 million. Including the new companies, new business of EUR 371 million was generated in the cumulative period. At GRENKELEASING, growth is not at the expense of the margin. The contribution margin 2 was widened in the third quarter (without the initial consolidation) by 150 basis points to 15.6 percent and by 90 basis points to 15.3 percent in the nine-month period. Including the new subsidiaries, the Group generated a contribution margin 2 of 15.1 percent in the cumulative period.

The international business remains The Group's driving force. The largest international market, France, continues to grow at an above-average rate and increased by 23.4 percent to EUR 93.1 million over the nine-month period. At 21.2 percent, the growth in the third quarter of 2008 was at a similar level to that of the cumulative period. The significant expansion of the contribution margin 2 in the first nine months to 15.7 percent, following 14.2 percent in the previous year, and in the third quarter to 16.7 percent following 12.5 percent, is particularly pleasing.

In Switzerland we resumed our growth path as scheduled in the first half-year. However, growth of only 2.2 percent was generated in the third quarter due to internal changes at the subsidiary. Overall, new business grew in the first nine months by 12.6 percent to EUR 12.8 million. However, the far above-average contribution margin 2 of 20.7 percent in the third quarter following 21.3 percent in the previous year and the margin of around 21 percent in the first nine months should be emphasised.

Italy increased its enormous growth of new business in the third quarter of 2008 to 112.7 percent and thus generated an overall expansion of 98.7 percent to EUR 22.6 million. Parallel to this, the contribution margin 2 rose in the third quarter to 15.5 percent, following 12.3 percent in the previous year. An improvement to 14.6 percent was therefore achieved in the nine-month period, following 14.3 percent in the previous year. The expected relaxation of the competitive situation has clearly occurred here, creating lucrative new business opportunities for us.

In Spain, the strengthening of our presence in Madrid with a franchise partner is now paying off. The partner and our own subsidiary in Barcelona increased new business overall in the third quarter by 65.0 percent and by 46.5 percent to EUR 12.9 million in the nine-month period. Parallel to this, the contribution margin 2 in the reporting quarter rose to 16.4 percent following 13.5 percent, and in the nine-month period to 16.0 percent following 12.0 percent.

The Group's strengthened commitment in the UK has also paid off with the acquisition of the former franchise company. The volume of new business increased by 105.8 percent in the reporting quarter and by 72.8 percent to EUR 15.0 million in the nine-month period. The contribution margin 2 in the reporting quarter rose to 13.9 percent following 11.1 percent and in the nine-month period to 14.5 percent following 12.6 percent. Not least, the benefit is also felt by our new subsidiary in Poland with a growth in new business of 36.8 percent in the reporting quarter and by 14.6 percent in the nine-month period to EUR 10.0 million. The contribution margin 2 was in the third quarter 10.8 percent following 11.5 percent in the previous year and 11.2 percent in the nine-month period following 10.9 percent. From the countries not yet reported separately, the Netherlands and Austria continue to develop particularly positively.

We intend to use the growth opportunities which have arisen not least as a result of the banking crisis and the resulting weakening of the competition intensity. The new location in Salzburg in Austria will therefore begin operations soon; we will open our third branch in Italy in November and we are planning the first cell division already for next year for the UK and Poland.

In line with the high growth of the new business, which has been maintained for some time, the revenues in the segments France and Other Foreign Countries rose sharply in the first nine months of 2008. In Switzerland, the weakness of the new business was reflected in more reserved growth in revenues. Of the foreign markets, France contributed to the Group's EBT with a high segment result, which rose sharply in the nine-month period. Other Foreign Countries also realised visible growth of the segment results, even if from a low basis. The segment result in Switzerland was reduced due to higher costs as a result of personnel fluctuation.

In addition to this very positive development of our international markets, our domestic market in Germany was again stable in the third quarter. The Group's new domestic business improved by 3.9 percent, so that the decrease in the nine-month period was limited to 1.3 percent. Overall, the Group thus realised new business of EUR 189.7 million in Germany over the first nine months. The segment revenue increased slightly in this period and the segment result remained at the level of the previous year.

REPORT ON THE FINANCIAL SITUATION AND NET ASSETS

In the balance sheet, the first-time consolidation of the new subsidiaries in the UK and Poland essentially resulted in a shift between lease receivables and loans to franchisees as against the end of fiscal 2007. The Group's balance sheet structure has not materially changed as the two companies share the same business model as the Group on account of being former franchise partners of GRENKELEASING AG.

Total assets increased by 9.6 percent to EUR 1,383.0 million in the nine-month period. The important items in assets and liabilities concern leasing receivables and liabilities for their refinancing. The Group only incurred bank liabilities to finance investments in our office buildings. Only around one percent of total assets relate to these liabilities.

The GRENKELEASING AG Group has a very sound equity ratio. Although currently only the net profit from the nine-months of business activity was generated and funded and in addition in 2008 a higher dividend than in the previous year was distributed, the equity ratio on 30 September 2008 at 17.6 percent was only slightly below the 17.9 percent

at the end of fiscal 2007. The equity ratio remains thus above our mid-term target of at least 16 percent. In view of the current banking crisis, we feel in a good position with this slight overcapitalisation. For the medium term, our goal is to reach an equity ratio of at least 16 percent with a RoE of 16 percent – based on this equity ratio. This key data ensures our good long-term rating of BBB+ with a stable outlook and our short-term rating of A2 by Standard & Poor's as well as our good reputation on the capital markets.

At EUR 54.6 million, the Group's cash on hand and balances with banks as of 30 September 2008 was slightly above the volume at the end of fiscal 2007 of EUR 53.4 million. Cash on hand and balances with banks increased by EUR 6.9 million in the third quarter. The availability of liquidity for the GRENKELEASING AG Group continues to be good.

After we had increased the available funds by a total of EUR 223 million in the first half of 2008 and agreed a framework agreement with a volume of PLN 74 million (around EUR 22 million) via the local refinancing of our new Polish subsidiary, we concluded a three-year promissory note for EUR 21 million in the third quarter.

Furthermore, the framework agreement on the local financing of our Swiss subsidiary was increased from CHF 50 million to CHF 60 million (around EUR 38 million). Among the sponsors of our ABCP programme, DZ Bank replaced Deutsche Bank as planned. As a result all leasing contracts of around EUR 22 million still refinanced at Deutsche Bank as part of the ABCP sponsoring programme were bought back.

In the cash flow statement for the 2008 nine-month period, the total from the EBT and non-cash items increased to EUR 38.9 million following EUR 36.7 million in the previous year. Due to the high level of growth of the Group, leasing receivables rose by EUR 76.1 million against a rise of EUR 39.9 million in the previous year's period.

In the nine-month period and in the third quarter of 2008, an 80 percent higher volume than in the previous year had to be refinanced at EUR 840.4 million and EUR 302.4 million respectively. The Group refinanced these obligations and its growing new business and generated an inflow of funds of EUR 57.8 million after EUR 22.5 million in the previous year. The increase in cash inflow during the first half of 2008 was also continued in the third quarter. Of the total of EUR 35.3 million higher inflow in the first nine months, EUR 7.8 million was attributable to the reporting quarter. This highlights the Group's strong position on the capital markets.

The loans to the franchises were reduced in line with the acquisitions of both of the largest companies. After EUR 18.1 million was paid out for additional loans in the previous year, this amount was EUR 13.1 million in the 2008 nine-month period – however, with a significant rising trend due to the growth of activities there.

Including a significantly increased cash outflow as a result of the takeover of other assets of EUR 24.0 million following an inflow of EUR 14.7 million in the previous year – due to increased VAT receivables as of the reporting date – and easing of the liquidity essentially in the case of deferred lease payments and taxes paid, the net cash flow improved from operating activities in the 2008 nine-month period to EUR 16.4 million following EUR 1.3 million in the previous year.

This cash was predominantly used for the acquisition of the two former franchise companies – EUR 7.5 million was paid out for this purpose in Q1 – and for the dividend distribution of EUR 8.2 million in the second quarter. As described above, the Group's cash on hand and balances as of the reporting date thus rose overall slightly against the volume of fiscal 2007.

REPORT ON FORECASTS AND THE OUTLOOK FOR THE GROUP

Opportunities and Risks

The following opportunities and risks relate both to the Group and to the segment. The risks concerning the GRENKELEASING AG Group presented in the 2007 annual report remain relevant. There are no additional risks.

However, the US sub-prime crisis has now reached the capital markets and led to a substantial stock exchange and banking crisis. The governments of the large industrial, and the most important emerging markets, are currently trying to dampen the crisis with coordinated measures. While confidence can be derived from this that the banking system can be stabilised, we are now expecting the crisis to impact on the real economy and expect significantly reduced growth rates in the economy or even a possible recession in our markets. However, this will not be apparent during the remaining fiscal 2008. Rather we expect to grow further in the closing months of the year. The costs already risen over the year as a whole from settlements of claims should also remain in line with expectations.

The continued shortage of refinancing funds on the capital markets as a result of the banking crisis has also not affected the GRENKELEASING AG Group in the third quarter of the current fiscal 2008. Even in these currently difficult times, our widely diversified access to varied refinancing funds has proved itself. Thus we are able to react to the development of the individual submarkets and position ourselves accordingly. The new business expected of Q4 can be refinanced from the existing loans and from the Group's high equity. Furthermore, no refinancing funds with medium term will be due in Q4 2008, so that no risks can arise. Subsequent maturities will not eventuate before Q2 2009. As throughout this crisis we have already started at an early stage to prepare the refinancing of these obligations.

The risk of increasing interest continues to be important for the Group's earning prospects. With the decrease in the global growth expectations, the inflation risks have declined temporarily and also, the central banks across the world are currently making cash available at favourable conditions to an unparallel extent in order to stabilise the banking system and to improve the real economy's supply of credit. Nevertheless, we have come through a long phase of 'cheap money' – also because the market participants have rediscovered a risk awareness and demand suitable premiums. We therefore assume another rise in the interest spreads for the future.

However, in refinancing lease receivables, the Group is only exposed to a low level of interest rate risk as these – if floating at all – are hedged with derivatives. This kind of submarket for derivative products, which we require for our business, also works in the current banking crisis and offers liquid instruments at suitable prices. However, risks from interest and spread changes can always arise impacting growth and profitability of the new business. As a result, the length of time before we can pass changes in interest rates on to customers has a temporary effect on profitability.

Despite of this, we nevertheless were able again to pass over the increase in the financing costs of our new business which were caused by the adverse developments on the financial markets during the third quarter. The contribution margin 2 of the new business in the Group was thus 15.4 percent following 14.8 percent in the previous year. An improvement to 15.1 percent was therefore achieved in the nine-month period, following 14.4 percent in the comparable period of the previous year. The current market changes are becoming apparent in this regard. Due to the currently significantly declining equity ratio of the banks as a result of their increased risk awareness, a clear relaxing of the competitive situation in the leasing business is apparent.

Our bank-independent competitors, who are also positioning themselves less aggressively than in the past, also contribute to this. We are thus assuming that we will be able to pass on possible increases in refinancing costs in the remaining three months of 2008. The risk of interest sensitivity which is part of our business model, remains clearly limited.

In addition, currency risks may arise from the refinancing of our franchise partners outside the euro zone. However, we can reduce these with our strict financial risk strategy of using foreign exchange hedges. The financial products necessary for our business are also available in this area in sufficient liquidity.

At the start of 2008, we also expanded our franchise system with a new partner in Slovakia, thereby increasing the possibility of currency risks. However, at the same time we reduced currency risks in the second quarter of 2008 as, following the acquisition of our former franchise partner, our new Polish subsidiary will be refinanced locally in future. This eliminates the internal exchange rate risk of refinancing. In Switzerland we raised the existing refinancing volume in local currency to CHF 60 million (EUR 38 million).

Anticipated Development of Business

In the first half of 2008, growth and profitability of the new business of the GRENKE Group, including franchise partners, was at the upper end of the guidance range. The positive development continued into the third quarter. As announced, we took advantage of the noticeably more restrictive bank lending policies and the observed tendency of some competitors to withdraw from the small ticket leasing business, thereby easing the overall competitive situation somewhat. We also intend to continue to make further use of our growth opportunities in Q4 of 2008. On the same time, we will continue to focus clearly on strengthening earnings power and are therefore geared towards improving the contribution margin.

At EUR 24.9 million, the GRENKELEASING AG Group's net profit remained in the nine-month period at the level of the comparable period of 2007 despite the fact that the net profit of Q3 2007 benefited from the positive tax effects of the corporation tax reform in Germany.

We profited from the fact that we did not suffer any tangible direct impact of the international banking crisis during the reporting period. However, this risk still applies to the future. In addition, detailed questions relating to the taxation of forfeiting have still not been clarified, which means that there is still planning uncertainty regarding our tax rate for the current fiscal year.

Taking these risks into account, we therefore confirm our forecast of a stable and positive development in net profit within a range of EUR 30.6 million to EUR 33 million.

GRENKELEASING AG, BADEN-BADEN
CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD FROM JANUARY 1, 2008 TO SEPTEMBER 30, 2008

EURk	3-month report		9-month report	
	01.07.2008 to 30.09.2008	01.07.2007 to 30.09.2007	01.01.2008 to 30.09.2008	01.01.2007 to 30.09.2007
Income from interest on lease receivables	28,256	24,294	81,669	71,289
Expenses from interest on refinancing liabilities	11,080	8,832	30,828	24,587
Net interest income from leasing business	17,176	15,462	50,841	46,702
Settlement of claims	4,614	3,841	14,640	12,847
Net interest income after settlement of claims from leasing business	12,562	11,621	36,202	33,855
Income from insurance business	5,479	4,750	15,816	13,863
Expenses from insurance business	452	470	1,191	1,338
Profit from insurance business	5,027	4,280	14,625	12,525
Profit from new business	6,135	5,167	18,398	14,940
Income from disposals	4,357	3,617	12,358	10,562
Expenses from disposals	4,170	3,184	10,496	8,747
Profit from disposals	187	433	1,862	1,815
Other operating income	413	203	831	982
Personnel expenses	7,049	5,503	20,253	16,307
Operating expenses	1,655	1,378	4,735	4,124
Administrative expenses	698	672	2,205	2,071
Consulting and audit fees	537	719	1,932	2,029
Selling expenses (without commissions)	858	865	2,900	2,388
Amortization / depreciation	538	566	2,050	1,583
Other operating expenses	488	328	1,803	739
Other taxes	264	249	738	610
Profit / loss from ordinary operations	12,237	11,424	35,301	34,266
Expenses / income from the fair value measurement	0	0	0	10
Other interest income	176	98	585	404
Other interest expenses	177	203	569	536
Earnings before taxes	12,236	11,319	35,317	34,144
Income taxes	3,368	362	10,662	19,561
Deferred taxes	261	1,684	-292	-10,323
Net profit for the period	8,607	9,273	24,947	24,906
Earnings per share (basic; in EUR)	0.63	0.68	1.82	1.82
Earnings per share (diluted; in EUR)	0.63	0.68	1.82	1.82
No. of average shares outstanding (basic)	13,684,099	13,684,099	13,684,099	13,681,897
No. of average shares outstanding (diluted)	13,684,099	13,684,099	13,684,099	13,681,897

**GRENKELEASING AG, BADEN-BADEN
CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 2008**

EURk Assets	9-month report 30.09.2008	Annual financial statements 31.12.2007
Current assets		
Cash on hand and balances with banks	54,623	53,395
Financial assets	2,771	2,721
Lease receivables	431,950	387,454
Trade receivables	2,973	2,122
Lease assets for sale	11,979	11,878
Tax receivables	3,007	6,111
Other current assets	72,737	64,874
Total current assets	580,040	528,555
Non-current assets		
Lease receivables	682,474	612,604
Property, plant and equipment	34,911	32,830
Intangible assets	12,244	3,180
Deferred tax assets	17,298	14,572
Other non-current assets	56,074	69,668
Total non-current assets	803,001	732,854
Total assets	1,383,041	1,261,409

GRENKELEASING AG, BADEN-BADEN
CONSOLIDATED BALANCE SHEET AS OF SEPTEMBER 30, 2008

EURk Liabilities and Equity	9-month report 30.09.2008	Annual financial statements 31.12.2007
Liabilities		
Current liabilities		
Liabilities from the refinancing of lease receivables	469,767	340,666
Trade payables	6,537	7,410
Tax liabilities	6,182	3,781
Provisions	2,479	1,838
Current portion of non-current bank liabilities	7,943	5,705
Financial instruments with negative fair market value	1,377	1,261
Other current liabilities	5,193	11,038
Deferred lease payments	60,046	52,219
Total current liabilities	559,524	423,918
Non-current liabilities		
Liabilities from the refinancing of lease receivables	524,035	558,108
Non-current bank liabilities, less the current portion	7,690	8,209
Deferred tax liabilities	45,671	43,585
Other non-current liabilities	2,410	1,422
Total non-current liabilities	579,806	611,324
Equity		
Capital stock	17,491	17,491
Capital reserve	60,166	60,166
Revenue reserves	5,159	2,417
Currency translation	593	-608
Hedging reserve	861	1,200
Reserve for actuarial gains / losses	-117	-62
Profit carryforward	159,558	145,563
Total equity	243,711	226,167
Total liabilities and equity	1,383,041	1,261,409

GRENKELEASING AG, BADEN-BADEN
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD FROM JANUARY 1, 2008 TO SEPTEMBER 30, 2008

EURk	01.01.2008 to 30.09.2008	01.01.2007 to 30.09.2007
Earnings before taxes	35,317	34,144
Non-cash items contained in net profit for the period and reconciliation to cash flow from operating activities		
+/- Amortization/ depreciation	2,050	1,583
-/+ Profit/ loss from the disposals of equipment and intangible assets	63	1
-/+ Investment income	-16	132
-/+ Non-cash changes in equity	803	58
+/- Increase/ decrease in other provisions	641	745
- Additions of lease receivables	-392,494	-322,009
+ Payments by lessees	333,089	292,713
+ Disposals/ reclassifications of lease receivables at residual carrying values	69,907	61,652
+/- Changes from other set-offs	0	-33
- Interest income from lease receivables	-81,669	-71,289
- Increase in other receivables from lessees	-3,833	-2,063
+/- Currency translation differences	-1,105	1,149
= Change in lease receivables	-76,105	-39,880
+ Additions of liabilities from the refinancing of lease receivables	840,435	463,536
- Payment of annuities to refinancers	-176,331	-170,517
- Disposal of liabilities from the refinancing of lease receivables	-601,095	-291,097
+ Interest expense from lease liabilities	30,720	24,587
+ Change from fair value measurement	0	0
+/- Currency translation differences	1,299	-790
= Change in liabilities from the refinancing of lease receivables	95,028	25,719
- Issue of loans	-13,073	-18,143
Changes in other assets/liabilities		
-/+ Increase/decrease in other assets	-24,034	14,685
+/- Increase/decrease in deferred lease payments	7,827	1,287
+/- Increase/decrease in other liabilities	-6,932	-8,093
= Cash flow from operating activities	21,569	12,238

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GRENKELEASING AG, BADEN-BADEN
CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD FROM JANUARY 1, 2008 TO SEPTEMBER 30, 2008: CONTINUED

EURk	01.01.2008 to 30.09.2008	01.01.2007 to 30.09.2007
-/+ Taxes paid/ received	-5,155	-10,760
- Interest paid	-569	-536
+ Interest received	585	404
= Net cash flow from operating activities	16,430	1,346
- Purchase of equipment and intangible assets	-1,409	-3,482
+ Proceeds from sale of equipment and intangible assets	315	50
- Acquisition of subsidiaries (net of cash acquired)	-7,544	0
= Cash flow from investing activities	-8,638	-3,432
+/- Raising/ repayment of bank liabilities	-521	-697
- Distribution of dividends	-8,210	-7,524
+ Proceeds from capital increase through stock options program	0	119
= Cash flow from financing activities	-8,731	-8,102
Cash funds at the beginning of period		
Cash on hand and balances with banks	53,395	46,421
- Bank liabilities from overdrafts	-4,604	-1,011
= Cash and cash equivalents at beginning of period	48,791	45,410
+/- Change due to currency translation	-72	38
= Cash funds after currency translation	48,719	45,448
Cash funds at the end of period		
Cash on hand and balances with banks	54,623	38,460
- Bank liabilities from overdrafts	-6,843	-3,200
= Cash and cash equivalents at end of period	47,780	35,260
Change in cash and cash equivalents during the period (Sum of cash flows)	-939	-10,188
Net cash flow from operating activities	16,430	1,346
+ Cash flow from investing activities	-8,638	-3,432
+ Cash flow from financing activities	-8,731	-8,102
= Total cash flow	-939	-10,188

GRENKELEASING AG, BADEN-BADEN STATEMENTS OF CHANGES IN CONSOLIDATED EQUITY

EURk	Subscribed capital	Capital reserve	Legal reserve	Statutory reserve	Hedging reserve	Reserve for actuarial gains and losses	Currency translation	Profit carry-forward	Equity, share-holders	Equity, Group
Equity as per 01.01.2007	17,486	60,052	1,871	48	1,310	-36	-511	121,460	201,680	201,680
Distribution of dividends in 2007 for 2006								-7,524	-7,524	-7,524
Pension reserve						-18			-18	-18
Deferred taxes on pension reserve						9			9	9
Fair value measurement of hedging instruments					355				355	355
Deferred taxes on hedging reserve					-40				-40	-40
Distribution to legal reserve			156					-156	0	0
Issue of shares	5	114							119	119
Net profit for 2007								24,906	24,906	24,906
Currency translation							-241		-241	-241
Equity as per 30.09.2007	17,491	60,166	2,027	48	1,625	-45	-752	138,686	219,246	219,246
Equity as per 01.01.2008	17,491	60,166	2,369	48	1,200	-62	-608	145,563	226,167	226,167
Distribution of dividends in 2008 for 2007								-8,210	-8,210	-8,210
Pension reserve						-73			-73	-73
Deferred taxes on pension reserve						18			18	18
Fair value measurement of hedging instruments					-397				-397	-397
Deferred taxes on hedging reserve					58				58	58
Distribution to legal reserve			2,156	586				-2,742	0	0
Profit for the period 2008								24,947	24,947	24,947
Currency translation							1,201		1,201	1,201
Equity as per 30.09.2008	17,491	60,166	4,525	634	861	-117	593	159,558	243,711	243,711

GRENKELEASING AG, BADEN-BADEN
SEGMENT REPORTING AS OF SEPTEMBER 30, 2008
REGIONS (PRIMARY REPORTING FORMAT)

SEGMENT REPORTING

In keeping with the rules on segment reporting, the individual data of the financial statements were broken down into regions („Primary Segments“). The regional breakdown shows whether the lessees are resident in Germany, France, Switzerland or in other foreign countries. The segment “Other Countries” comprises Belgium, Denmark, United Kingdom, Ireland, Italy, the Netherlands, Austria, Poland, Sweden, Spain and the Czech Republic.

	Segment Germany		Segment France		Segment Switzerland		Segment Other Countries		Total Segments	
EURk	01.01.2008 to 30.09.2008	01.01.2007 to 30.09.2007	01.01.2008 to 30.09.2008	01.01.2007 to 30.09.2007	01.01.2008 to 30.09.2008	01.01.2007 to 30.09.2007	01.01.2008 to 30.09.2008	01.01.2007 to 30.09.2007	01.01.2008 to 30.09.2008	01.01.2007 to 30.09.2007
Revenues	69,882	68,837	29,968	23,585	5,499	5,243	22,894	12,988	128,243	110,653
Segment result	18,292	18,368	13,128	11,374	1,665	2,237	2,233	2,165	35,317	34,144
Earnings before taxes									35,317	34,144
Income taxes									10,370	9,238
Net profit for the period									24,947	24,906

DETERMINATION OF SEGMENT DATA

The segment revenues comprise the proceeds from the capitalisation of lease receivables, from the sale of leasing items, insurance revenues and interest income. The segment result is determined without consideration of taxes (EBT).

GRENKELEASING AG, BADEN-BADEN
STATEMENT OF RECOGNIZED PROFITS AND LOSSES

EURk	01.01.2008 to 30.09.2008	01.01.2007 to 30.09.2007
Change in the fair of financial instruments used for hedging purposes recognized in equity	-397	355
Adjustment item for the currency translation of foreign subsidiaries	1,201	-241
Accounting gains and losses from defined benefit pension commitments and similar obligations	-73	-18
Deferred taxes on changes in value recognized directly in equity	76	-31
Changes in value recognized directly in equity	807	65
Profit after taxes	24,947	24,906
Total net profit for the period and changes in value recognized in equity	25,754	24,971

SELECTED EXPLANATORY NOTES

ACCOUNTING POLICIES

Like the consolidated financial statements as of December 31, 2007, GRENKELEASING AG's (hereinafter also referred to as the "Company") interim financial reporting as of September 30, 2008 complies with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB) and adopted by the EU.

The provisions of IAS 34 concerning interim financial reporting have been applied. All interim financial statements of the companies included in the consolidated financial statements of GRENKELEASING AG have been prepared in accordance with uniform accounting policies.

As the interim financial statements are based on the consolidated financial statements, please see the detailed description of accounting, measurement and consolidation methods in the notes to the consolidated financial statements as of December 31, 2007.

NEW MANDATORY ACCOUNTING STANDARDS

In recent years, the IASB has published various amendments of IFRSs and new IFRSs and International Financial Reporting Interpretations Committee interpretations (IFRICs). The provisions which have been mandatory since January 1, 2008 and are relevant or potentially relevant for GRENKELEASING AG are outlined below, together with their impact on the consolidated financial statements. Changes to the IFRSs which have not been explicitly mentioned are not relevant for the Company's financial statements and do not have any effect on recognition and measurement.

On November 2, 2006, IFRIC 11, "IFRS 2 Group and Treasury Share Transactions" was published. The interpretation states that share-based payment transactions in which an entity receives services or goods as consideration for its own equity instruments must be accounted for in accordance with IFRS 2, regardless of how the equity instruments were acquired. Adoption of IFRIC 11 is mandatory for fiscal years beginning on or after March 1, 2007. IFRIC 11 was adopted by the EU on June 1, 2007. There were no effects stemming from its mandatory adoption as no relevant transactions were carried out.

On October 13, 2008, amendments were made to IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures" by the IASB and endorsed by the EU. Under extraordinary circumstances, certain financial instruments can be reclassified from the held for trading category to a different category. These amendments are applicable from July 1, 2008 onwards. GRENKELEASING did not make use of these options.

VOLUNTARY ADOPTION OF NEW ACCOUNTING STANDARDS OR STANDARDS YET TO BE ENDORSED BY THE EU

Apart from the IFRSs whose application is mandatory for fiscal years 2007 and 2008, the IASB has also published other IFRSs and IFRICs, some of which have already received EU endorsement but which will only become mandatory at a later date. Below, only those standards and interpretations which could be relevant for GRENKELEASING AG and were not discussed in the consolidated financial statements as of December 31, 2007 are described. Voluntary early application of these standards is explicitly permitted and encouraged. However, GRENKELEASING AG only applies this option where mentioned explicitly below.

The amendments to IFRS 2 were published in January 2008 and are operative for the first time for fiscal years beginning on or after January 1, 2009. The revision clarifies that vesting conditions are service and performance conditions. It also specifies that cancellations of share-based payment arrangements by employees should receive the same accounting treatment as cancellations by other parties. The transitional provisions provide for retrospective application of the new regulation.

The revised IFRS 3 was published in January 2008 and is operative for the first time for fiscal years beginning on or after July 1, 2009. The standard was subject to comprehensive revision as part of the IASB and FASB convergence project. The main changes include the introduction of an option for the measurement of non-controlling interests between recognizing them at their share of the acquiree's net identifiable assets (purchased goodwill method) and the full goodwill method, whereby the total amount of goodwill acquired, including that attributable to non-controlling interests, is recognized.

Additional changes are the subsequent measurement of existing equity interests in profit or loss after obtaining control for the first time (successive business combination), the necessary recognition of consideration contingent on future events as of the acquisition date and the recognition of transaction costs in profit or loss. The transitional provisions specify prospective application of the changes. Assets and liabilities that arose from business combinations prior to the first-time application of the new standard are not affected.

The revised version of IAS 27 was issued in January 2008. The changes are operative for the first time for fiscal years beginning on or after July 1, 2009. The amendments are the result of a joint project undertaken by the IASB and the FASB to revise the accounting provisions for business combinations. The amendments primarily relate to accounting for non-controlling interests (minority interests) that will in future participate in full in the group's losses and for transactions that lead to loss of control of a subsidiary and the effects of which are to be recognized in profit or loss.

Changes in ownership interest that do not result in a loss of control are accounted for as equity transactions. The transitional provisions, which generally specify retrospective application of changes, stipulate prospective application of the above changes. Assets and liabilities that arose from such transactions prior to the first-time application of the new standard are therefore not affected.

If the revised versions of IFRS 3 and IAS 27 are adopted early or business combinations occur in periods when they are applied for the first time, a difference may arise in the amount of goodwill determined upon first-time consolidation. This is especially true if non-controlling interests (minority interests) are created, which is currently not anticipated.

The amendments to IAS 32 and IAS 1 were issued in February 2008 and become effective for fiscal years beginning on or after January 1, 2009. The revision mainly concerns the classification of puttable shareholder contributions as equity or financial liabilities. The previous regulation forced entities in some cases to report the entity's capital as financial liabilities as a consequence of statutory termination rights on the part of the shareholder. In the future, such shareholder contributions should be classified as equity if settlement at fair value is agreed and the contributions have no priority over other claims to the net assets of the entity.

On May 22, 2008, the IASB published changes to existing standards for the first time as part of an annual procedure. The changes mainly serve to resolve inconsistencies and to clarify formulations and terms as well as other changes that could affect accounting. The changes are mandatory for fiscal years beginning on or after January 1, 2009.

IFRIC 16 "Hedges of a Net Investment in a Foreign Operation" was published on July 3 2008. In conjunction with IAS 21 "The Effects of Changes in Foreign Exchange Rates" and IAS 39 "Financial Instruments: Recognition and Measurement", IFRIC 16 clarifies what can be considered a risk in a foreign operation when hedging a net investment and where the hedge can be held within the company group to minimize this risk. The interpretation is operative for fiscal years beginning on or after October 1, 2008.

An addition to IAS 39 "Financial Instruments: Recognition and Measurement" was published on July 31, 2008. It contains principles for showing one-sided risks and inflation with regard to hedged items.

Otherwise, the aforementioned standards and interpretations are not expected to have a significant impact on the financial statements of GRENKELEASING AG.

ACQUISITIONS IN FISCAL YEAR 2008

Business combinations are recognized using the acquisition method.

Goodwill is initially measured at cost, which is the excess of the purchase price over and the fair value of the identifiable assets and liabilities of the acquired entity as of the date of acquisition plus the directly attributable acquisition costs.

After initial recognition, all goodwill must be tested for impairment at least once a year pursuant to IAS 36 to prove its adequate valuation (impairment-only approach). This regular impairment test is conducted in the third quarter of each year on the basis of the six-month figures. If there are indications that goodwill might be impaired, more frequent tests must be conducted in addition to the mandatory annual impairment test.

Effective January 1, 2008, GRENKELEASING AG acquired all of the shares in GRENKELEASING Sp.z o.o, Poznan, Poland, and Grenke Leasing Ltd., Guildford, UK. The dates of purchase (date control was obtained) as defined in IFRS 3 were January 24, 2008 and January 30, 2008, respectively.

Both entities were part of the GRENKELEASING AG franchise system before they were acquired.

The fair values of the identifiable assets and liabilities at the acquisition date and the corresponding carrying amounts immediately before the date of acquisition of GRENKELEASING Sp.z o.o, Poznan, Poland, are as follows:

GRENKELEASING Sp.z o.o, Poznan, Poland

EURk	Fair value under IFRSs	Carrying amount in local statutory accounts
Intangible assets (dealer network)	1,330	2
Property, plant and equipment	84	114
Trade receivables	2	2
Lease receivables	16,965	15,893
Cash and cash equivalents	1,136	1,136
Deferred tax assets	404	171
Other assets	195	195
Total assets	20,116	17,513
Liabilities from the refinancing of lease receivables	15,703	15,703
Trade payables	386	386
Deferred tax liabilities	915	464
Other liabilities	112	112
Total liabilities	17,116	16,665
Net assets	3,000	
Goodwill arising on acquisition	4,978	
Total acquisition cost	7,978	

The acquisition cost of the merger with GRENKELEASING Sp.z o.o totalled EUR 7,978k and included the costs directly attributable to the business combination.

Acquisition cost	EURk
Purchase price	7,881
Cost directly attributable to the acquisition	97
Total	7,978
Cash outflow on acquisition	EURk
Net cash acquired with the subsidiary	1,136
Cash paid	7,978
Net cash outflow	6,842

Goodwill of EUR 4,978k was disclosed.

The fair values of the identifiable assets and liabilities at the acquisition date and the corresponding carrying amounts immediately before the date of acquisition of Grenke Leasing Ltd., Guildford, UK, are as follows:

Grenke Leasing Ltd., Guildford, UK

EURk	Fair value under IFRSs	Carrying amount in local statutory accounts
Intangible assets (dealer network)	618	0
Property, plant and equipment	378	93
Trade receivables	11	11
Lease receivables	21,296	19,718
Cash and cash equivalents	336	336
Deferred tax assets	1,656	0
Other assets	176	176
Total assets	24,471	20,334
Liabilities from the refinancing of lease receivables	23,959	23,959
Trade payables	645	645
Deferred tax liabilities	967	0
Other liabilities	173	173
Total liabilities	25,744	24,777
Net assets	-1,273	
Goodwill arising on acquisition	2,311	
Total acquisition cost	1,038	

The acquisition cost of the merger with Grenke Leasing Ltd. totalled EUR 1,038k and included the costs directly attributable to the business combination.

Acquisition cost	EURk
Purchase price	1,000
Cost directly attributable to the acquisition	38
Total	1,038
Cash outflow on acquisition	EURk
Net cash acquired with the subsidiary	336
Cash paid	1,038
Net cash outflow	702

Goodwill of EUR 2,311k was disclosed.

The companies have contributed EUR 36k to the consolidated profit after taxes since the date of first-time consolidation. The companies contributed revenues from the lease agreement of EUR 1,247k (UK) and EUR 981k (Poland).

Goodwill includes the fair value of expected synergies and growth opportunities from the acquisition. The dealer network is disclosed under intangible assets in accordance with IAS 38. It is identifiable and expected to generate future economic benefits. The amortization period is six years.

Receivables from finance leases were measured at their present values taking into account the refinancing interest rate valid on the acquisition date, the probability of default, and other related risks.

The purchase price allocation is still provisional in both cases pursuant to IFRS 3.62 as the information required is not yet complete.

USE OF JUDGMENT AND MAIN SOURCES OF ESTIMATING UNCERTAINTIES

The main estimating uncertainties and the associated disclosure requirements are in the following areas:

- ▶ Measurement of non-performing lease receivables on the basis of the recoverability rate
- ▶ Use of estimated residual values at the end of the lease term in determining the present value of lease receivables
- ▶ Recognition of lease assets for sale at estimated residual values

Non-performing lease receivables are carried at nominal value less appropriate bad debt allowances. The amounts of bad debt allowances are determined using percentages and processing categories. Percentages are calculated using statistical methods. They are reviewed once a year for validity. Processing statuses are grouped together in processing categories set up with a view to risk. The following table lists the processing categories:

Category	Description
0	Current contract not in arrears
1	Current contract in arrears
2	Terminated contract with serviced installment agreement
3	Terminated contract (recently terminated or court order for payment applied for)
4	Legal action (pending or after objection to court payment order)
5	Order of attachment issued
6	Statement in lieu of oath (applied for or issued)
7	Derecognized
8	Being settled (not terminated)
9	Discharged (completely paid)

A decrease in value is assumed for categories 2 to 7 as the contracts have been terminated due to defaults in payment. The allowance rates range between 5 percent and 100 percent.

Receivables from non-performing contracts are included in other current lease receivables. Lease receivables are as follows:

Non-guaranteed residual values are used to calculate lease receivables in accordance with the definition in IAS 17. They are determined on the basis of past experience and statistical methods. Based on experience, residual values for additions until 2006 range between 11 percent and 15 percent of historical cost, depending on the term of the lease. In fiscal year 2007, this classification was split further into several groups according to the contract term. For additions from 2007 onward, the residual values range between 7.7 and 28.4 percent of the historical cost.

Lease assets for sale are measured at historical residual values, taking into account their actual saleability. As of the balance sheet date, the residual values used amounted to between 6.4 and 22.5 percent of the historical cost. If a sale is considered unlikely due to the condition of the asset, the asset is written off and recognized as an expense.

EURk	30.09.2008	30.09.2007
Changes in performing lease receivables		
Balance at beginning of period	930,195	876,755
+ Change in the period	109,461	37,817
Lease receivables (current + non-current) from current contracts at period-end	1,039,656	914,572
Changes in non-performing lease receivables		
Gross receivables at beginning of period	139,435	134,248
- Accumulated valuation allowances at beginning of period	-69,572	-65,790
= Non-performing lease receivables at beginning of period	69,863	68,458
+ Change in gross receivables during the period	19,121	14,056
- Disposals of gross receivables during the period	11,109	8,572
+ Disposal of accumulated valuation allowances during the period	4,501	5,143
- Addition of accumulated valuation allowances during the period	7,608	8,564
Non-performing lease receivables at period-end	74,768	70,521
Lease receivables (carrying amounts of current and non-current receivables) at period-beginning	1,000,058	945,213
Lease receivables (carrying amounts of current and non-current receivables) at period-end	1,114,424	985,093

REFINANCING

On September 18, 2006, GRENKE FINANCE Plc, Dublin, Ireland, concluded three revolving credit facilities with three German banks. In the first quarter 2008 two further credit facilities were concluded. The total volume of those facilities thus rose from EUR 90,000k to EUR 150,000k. Over the one-year term of the agreement, minimum amounts of EUR 5,000k can be drawn on at any time for a period of at least one month. Three of the loan facilities in place since 2006 with a total volume of EUR 90,000k were prolonged for a further year in September 2008 at the same conditions.

As of September 30, 2008, EUR 130,000k of these facilities had been drawn on at an average interest rate of 5.12 percent.

On March 6, 2008, GRENKE FINANCE Plc, Dublin, Ireland, issued a fixed-interest promissory note loan with a nominal value of EUR 25,500k and a three-year term, bearing interest at a rate of 4.719 percent.

On the same date, the company took out a variable-interest promissory note loan for EUR 37,500k maturing on March 10, 2011. The loan carries variable interest at three-month Euribor plus a margin of 85 basis points.

Furthermore, on February 29, 2008, a fixed-interest promissory note loan with a nominal value of EUR 40,000k has been taken out. The note was disbursed on April 30, 2008. It has a three-year term and carries an interest rate of 4.6905 percent.

A further fixed-interest promissory note loan with a nominal value of EUR 10,000k was concluded on April 24, 2008. It has a term of three years and bears interest at 5.21 percent.

In the third quarter a fixed-interest promissory note loan with an interest rate of 6.05 percent and a nominal value of EUR 21,000k was concluded. Annual repayments of EUR 7,000k will be made over the three-year term.

A bond with a nominal amount of EUR 100,000k was repaid on time effective April 30, 2008.

The following interest swaps were concluded in fiscal 2008 to date:

Date of conclusion	Initial volume (EURk)	Fixed interest rate (%)
January 24, 2008	25,000	3.67 %
January 24, 2008	35,000	3.99 %
January 25, 2008	19,900	3.87 %
March 28, 2008	7,500	4.245 %
March 28, 2008	10,000	4.22 %
March 28, 2008	35,000	4.56 %
March 28, 2008	27,600	4.04 %

On January 29, 2008, the hedging relationship for one of the swaps was terminated since the forecasted transaction (hedged item) is no longer expected to be carried out. This generated income of EUR 78k.

Effective May 30, 2008, the Polish subsidiary GRENKLEASING Sp.z o.o concluded a master agreement for local refinancing with a Polish bank. The maximum possible refinancing is PLN 74,000k based on a term-based SWAP rate plus a margin of 0.85 percent. The internal Group refinancing previously in place was therefore dissolved. As a result of the local refinancing, the Group no longer has an internal exchange rate risk from refinancing.

The GRENKELEASING AG Group runs three asset-backed commercial paper (ABCP) programs. The volume of Kebne-kaise Funding Limited, the ABCP program with SEB AG, has been raised from EUR 150,000k to EUR 200,000k as per January 30, 2008.

The ABCP program Rheingold No. 9 Limited, which was organized with Deutsche Bank AG and had been in place since December 1999, ended on September 26, 2008 by the buyback of all the leases still refinanced there in the amount of around EUR 22,000k.

The derivatives previously used by the ABCP program to secure interest rates (interest rate caps) were transferred to Grenke Investitionen Verwaltungs-KGaA. The nine interest rate caps currently have a nominal volume of EUR 51,339k and the positive fair value as of the reporting date was EUR 361k.

The agreement with DZ-Bank for a new ABCP program (CORAL) was signed on September 26, 2008. The contract largely corresponds with the agreements of the ABCP programs already in place and allows for a sale of receivables from German leases of up to EUR 150,000k. The first financing is expected to take place on October 22, 2008.

On September 25, 2008, the refinancing volume for receivables sales agreements with UBS AG, Switzerland was increased from CHF 50,000k to CHF 60,000k.

PENSIONS

As of the balance sheet date, the provision for pensions disclosed under non-current liabilities amounted to EUR 121k (CHF 191k). This amount comprises the present value of the obligation (DBO) of EUR 513k (CHF 809k), the fair value of the plan assets of EUR 392k (CHF 618k) and an actuarial loss of EUR 14k (CHF 22k). The actuarial loss was recognized in equity in a separate line under capital reserves in accordance with the IAS 19.

As of September 30, 2008, the following income and expenses were disclosed:

- ▶ Service cost: EURk 38 (CHF 61k)
- ▶ Interest expense: EURk 11 (CHF 18k)
- ▶ Income from interest on plan assets: EURk 5 (CHF 8k)

Until the end of fiscal 2007, gains and losses were amortized using the corridor method. The SORIE method (statement of recognized income and expense) has been used since the start of fiscal 2008.

DIVIDEND PAYMENT

The Annual General Meeting on May 6, 2008 adopted the resolution on the appropriation of GRENKELEASING AG's retained earnings for fiscal year 2007 of EUR 50,472,724.26. The Annual General Meeting approved the proposal of the Board of Directors and the Supervisory Board, resolving to appropriate the retained earnings for 2007 as follows:

Retained earnings	EUR 50,472,724.26
Distribution of a dividend of 0.60 EUR per share for a total of 13,684,099 shares	EUR 8,210,459.40
Transfer to revenue reserves	--
Profit carryforward (to new account)	EUR 42,262,264.86

The dividend was paid to the shareholders of GRENKELEASING AG on May 7, 2008.

In the prior year, the Annual General Meeting adopted the proposal of the Board of Directors and the Supervisory Board, resolving to appropriate, and appropriating, the retained earnings for 2006 as follows:

Retained earnings	EUR 51,069,498.00
Distribution of a dividend of 0.55 EUR per share for a total of 13,679,679 shares	EUR 7,523,823.45
Transfer to revenue reserves	--
Profit carryforward (to new account)	EUR 43,545,674.55

RELATED PARTY TRANSACTIONS

Phantom Stock Agreement

The Supervisory Board of GRENKELEASING AG concluded a phantom stock agreement on March 12, 2007 with Dr. Hack, a member of the Board of Directors, as the beneficiary. Under this agreement, Dr. Hack receives for the current fiscal year and the following fiscal year a claim to payment equal to the increase in value of 30,000 shares in GRENKELEASING AG in relation to a defined basic share price for the respective fiscal year.

The share price is the unweighted arithmetic mean of the Xetra closing prices on all trading days from December 1 to December 23 of the respective prior year. The basic share price for 2008 is EUR 22.18. The maximum payment arising from this agreement is limited to EUR 600,000 for the total period of three years. Under the program, Dr. Hack is obligated to invest the respective net amount paid plus a personal contribution of 25 percent of that amount in GRENKELEASING AG shares.

As of September 30, 2008, the phantom stock was worth EUR 66k. The plan was treated as a cash settlement plan. The EUR 14k change in fair value for the second quarter was recognized pro rata in income after EUR 35k was recognized in the first and second quarters of 2008.

Supervisory Board Elections

Pursuant to Sec. 102 (1) AktG and Art. 7 (2) of the article of incorporation of GRENKELEASING AG, the terms in office of the Supervisory Board members Prof. Dr. Ernst-Moritz Lipp and Mr. Gerhard E. Witt ended as of the end of the Annual General Meeting on May 6, 2008.

The Annual General Meeting approved the proposal of the Supervisory Board to re-elect Prof. Dr. Ernst-Moritz Lipp and Mr. Gerhard E. Witt. They were elected for the period until the end of the Annual General Meeting that resolves the official approval of the actions of the Supervisory Board for the fiscal year 2012.

AUTHORIZATION TO ACQUIRE TREASURY STOCKS

The authorization to acquire treasury share pursuant to Sec. 71 (1) no. 8 AktG ("German stock corporation act") ends on November 7, 2008. By resolution of the Annual General Meeting, the Company has been authorized to acquire treasury stocks of up to a total of 10 percent of the capital stock existing at the time of the resolution. The authorization may be exercised in whole or in part, on one or more occasions, by the Company itself or by third parties assigned by the Company. This authorization became operative from the end of the ordinary Annual General Meeting on May 6, 2008 and expires on November 5, 2009.

ADDITION TO ARTICLE 14 OF THE ARTICLES OF INCORPORATION

In order to prevent abuse of the right to speak and ask questions by shareholders and allow a more efficient execution of the Annual General Meeting, the rights of the Chair of the Annual General Meeting have been increased in that – pursuant to Sec. 131 (2) AktG – he can limit the time allowed to shareholders to speak and ask questions on the basis of the corresponding addition to the articles of incorporation.

The Annual General Meeting approved the proposal of the Board of Directors and the Supervisory Board to supplement Article 14 of the articles of incorporation with the following paragraph 3:

"(3) The Chairperson can appropriately place a time limit on the right of shareholders to speak and ask questions. In particular, the Chairperson is authorized to set an appropriate timeframe for the course of the meeting, the discussion of the individual items of the agenda and for individual questions and speeches at the start of or during the Annual General Meeting."

GOODWILL

In the past quarter the goodwill in the consolidated financial statements was subjected to a scheduled impairment test in line with IAS 36.

The recoverable amount of the respective cash generating units was determined on the basis of the calculation of the value in use using cash flow forecasts based on financial planning approved by the Company's management for a period of five years. The fair value less start-up costs was not available. The discount rate used for the cash flow forecasts after taxes was between 5,10 percent and 6,35 percent. Cash flows after a period of five years were extrapolated using a growth rate of zero percent.

The cash generating units that form the basis for the goodwill impairment tests correspond to the legal units. The key parameters for determining value are the future expectations for the development of new business and profitability.

EUR 379k of goodwill relates to WEBLEASE NETBUSINESS AG, CZK 33,914k (EUR 1,375k) relates to GRENKELEASING s.r.o., Prague, and EUR 504k relates to the Group's interests in Italy (GRENKE Locazione S.r.l and GRENKE LEASING S.r.l, both Milan). As a result of company acquisitions, GBP 1,695k (EUR 2,145k) related to Grenke Leasing Ltd., Guildford and PLN 17,888k (EUR 5,266k) to GRENKELEASING Sp.z o.o, Poznan as of the reporting date. No impairment was detected

EXPANSION OF THE FRANCHISE SYSTEM

Three new franchise companies signed agreements in the first half of 2008:

- ▶ GC Leasing Slovensko s.r.o. with registered office in Bratislava, Slovakia, (contract signed on January 15, 2008)
- ▶ GRENKE RENTING, S.A., with registered office in Lisbon, Portugal (contract signed on January 25, 2008)
- ▶ GC Leasing Finland Oy with registered office in Helsinki, Finland (contract signed on 25 April 2008)

The franchise partners are entitled to use the "GRENKELEASING" brand name, but are legally and financially independent entities.

EMPLOYEES

During the reporting period, the GRENKELEASING AG Group employed an average of 485 persons (prior year: 414), excluding directors.

EVENTS AFTER THE BALANCE SHEET DATE

There were no reportable events subsequent to the reporting date of the interim financial statements.

REVIEW OF THE INTERIM FINANCIAL STATEMENT AND INTERIM MANAGEMENT REPORT

The presented interim financial statement and the interim management report have neither been audited or reviewed by an auditor.

THE BOARD OF DIRECTORS OF GRENKELEASING AG



Wolfgang Grenke

Chairman of the Board

57 years old

Strategy, business development,
internal audit



Dr. Uwe Hack

Vice-Chairman of the Board

46 years old

Investor relations,
treasury, financial control



Mark Kindermann

47 years old

Accounting, quality management,
human resources, legal, administration



Thomas Konprecht

49 years old

Marketing, sales,
management services



Michael Kostrewa

40 years old

Information technology,
e-Business

THE SUPERVISORY BOARD OF GRENKELEASING AG

Name	Activity	Other Supervisory Board/ Advisory Board Functions
► Prof. Dr. Ernst-Moritz Lipp Age: 57 First elected: 2003 Elected until the Annual General Meeting 2012	Chairman of the Supervisory Board, Professor of international finance General manager of ODEWALD & COMPAGNIE Gesellschaft für Beteiligungen mbH, Baden-Baden, DE	BOA Holding GmbH, Karlsruhe, Stuten-see, DE; TFL International GmbH, Weil a. Rhein, DE; Burkart Verwaltungen GmbH, Singen, DE; Oystar Holding GmbH, Karlsruhe, DE; SG technologies GmbH, Wadern, DE; SG Holding GmbH, Wadern, DE
► Gerhard E. Witt Age: 63 First elected: 1997 Elected until the Annual General Meeting 2012	Vice Chairman of the Supervisory Board, Public auditor and tax advisor, Baden-Baden, DE	Grenke Investitionen Verwaltungs KGaA, Baden-Baden, DE
► Dr. Brigitte Sträter Age: 68 First elected: 2001 Elected until the Annual General Meeting 2010	Member of the Supervisory Board, Owner and manager of the PR agency CENA, Dusseldorf, DE	
► Dieter Münch Age: 65 First elected: 2000 Elected until the Annual General Meeting 2010	Member of the Supervisory Board, Retired bank officer, Chairman of a foundation, Weinheim, DE	Grenke Investitionen Verwaltungs KGaA, Baden-Baden, DE, Weisenburger Bau + Grund AG, DE, Halle/Saale, DE
► Dr. Oliver Nass Age: 40 First elected: 2005 Elected until the Annual General Meeting 2010	Member of the Supervisory Board, Commercial general manager of ESG France, Paris, France	
► Erwin Staudt Age: 60 First elected: 2005 Elected until the Annual General Meeting 2010	Member of the Supervisory Board, Economics graduate, President of the soccer club VfB Stuttgart 1893 e.V., Leonberg, DE	PROFI Engineering Systems AG, Darmstadt, DE, USU AG, Möglingen, DE, Hahn Verwaltungs-GmbH, Fellbach, DE

OVERVIEW OF THE GROUP



THE GRENKELEASING FRANCHISE SYSTEM

Franchise partners	
GRENKEFACTORING GmbH	GC Leasing Slovensko s.r.o.
Baden-Baden (Germany)	Bratislava (Slovakia)
GC Autoleasing GmbH	GRENKELEASING Kft.
Karlsruhe (Germany)	Budapest (Hungary)
Kazenmaier FleetService GmbH	Grenke Leasing S.R.L.
Karlsruhe (Germany)	Bucharest (Romania)
	GC Leasing Finland Oy
	Helsinki (Finland)
	GRENKE RENTING S.A.
	Lisbon (Portugal)
	GRENKE RENT S.A.
	Madrid (Spain)
	GRENKELEASING AS
	Oslo (Norway)

We have used our franchise system since 2003 to develop new markets quickly and for the long term. We have customized the system in line with our business model. Our goal is to introduce our business model and the GRENKELEASING brand to a country and make them known as quickly as possible. For this purpose, we rely on individuals with entrepreneurial spirit and a well-established network in the small-ticket IT business in each country. We give them an opportunity to establish their own company and work for the success of that company. The franchisees receive access to expertise, proven management tools, and back office support from GRENKELEASING and are entitled to use the "GRENKE" and "GRENKELEASING" brand names.

We also assume responsibility for the audit and refinancing of lease contracts. This is how we ensure that we are always informed of the exact quality of the receivables portfolio and that the GRENKE name becomes established on the market. GRENKELEASING does not hold a stake in these legally independent franchise entities, but after a specific period of usually four to six years, it has the option to buy the company on pre-defined terms. The structure of the purchase option creates incentives for growth as well as high level of quality of the receivables portfolio for the franchise partners.

In fiscal 2008, we expanded our franchise network considerably with a total of three new companies and, for the first time, acquired two franchise companies. We use the franchise system not only to penetrate new countries but also to develop new products beyond traditional small-ticket IT leasing. For instance, our partner Kazenmaier FleetService GmbH, Karlsruhe, Germany, has been offering financing for vehicle fleet management in the southern part of Germany since mid-2006. And at the beginning of 2006, GRENKEFACTORING GmbH commenced its operations.

THE GRENKEFACTORING GMBH

With small-ticket factoring we are opening a market which does not currently exist in this form. Our goal is to offer to our existing customer network the factoring of smaller amounts which banks and traditional factoring companies would usually not purchase. This represents an organic development of our business model for small-ticket IT leasing, transferring our core competences – standardization and automation of business processes, efficiency and speed in their settlement – to additional types of financing.

We offer notification factoring, i.e., we take care of the entire receivables management, including the collection of receivables and any dunning letters to debtors. For small companies comprising our main target group, this is a significant additional service which relieves them of a substantial administrative burden. For GRENKELEASING, notification factoring, as opposed to non-notification factoring, means additional security against counterparty risk as debtors will only be discharged in respect to their payment obligations if they pay directly to us.

In Germany, factoring is still less common than in the rest of Europe, but is increasing significantly and is steadily developing into the third pillar of debt financing by companies in addition to bank loans and leasing. GRENKELEASING has positioned itself fast in this attractive market and with 50 factoring users has already captured a market share of around one percent of the German factoring business. The general trend toward the use of factoring will be supported by the financial markets crisis as the banks will once again be much more restrictive in their lending.

GLOSSARY

ABCP Program

Abbreviation for “Asset-backed commercial paper -program”. Under ABCP programs, companies such as leasing companies sell their receivables to a special-purpose entity which issues interest-bearing securities to investors through the capital market. Interest and the principal payments on these securities are made using the cash flows from the assigned receivables on these securities.

ABS bond

Type of refinancing with which several tranches of bonds with different ratings (risk classes) are issued by the SPE. The size of the best-rated tranche is a reflection of the quality of a company's leasing portfolio and risk management and directly impacts the cost of this type of financing.

Asset Broker

GRENKELEASING sells used leased assets in Germany, France, Austria, and Switzerland via its internet portal www.asset-broker.com. Our resellers can also use the portal to sell their own demonstration equipment or used goods.

Average number of employees

This is the average number of employees of the GRENKELEASING AG Group in the reporting period. This figure does not include directors; part-time employees are included on a pro rata basis.

BDL

German Leasing Association “Bundesverband Deutscher Leasingunternehmen e.V.” BDL, Berlin, www.leasing-verband.de

BITKOM

German Association for the Information Industry “Bundesverband Informationswirtschaft, Telekommunikation und neue Medien e.V.”, Berlin, www.bitkom.org

Contribution margin

The “contribution margin”, also known as gross profit, is a term used in operational cost accounting. The contribution margin is the contribution made, for example, by a product to cover fixed costs and generate a net profit. It is calculated as the difference between revenues and variable costs incurred directly by the product.

At GRENKE, contribution margin 1 is calculated as the present value of the interest margin net of commissions to third parties. Contribution margin 2 includes all present value cash flows from expected revenues (e.g. net income from insurance business) and expenses (excluding sales costs) over the entire term of a lease agreement.

Cost/income ratio

Comparing expenses with income produces the “cost/income ratio”. Contrary to approaches typically used in the banking sector, we deduct the cost of loss settlement/risk provisioning from income, even though this results in a less favourable ratio. Increased sales revenue in the leasing market would be possible if greater risks were taken. However, such a cosmetic improvement of the cost/income ratio cannot be the motivation for our business activities, and consequently we do not report in this way.

We determine the cost/income ratio as the ratio of the total of all expenses (less settlement of claims and taxes) to income, comprising net interest income from leasing business after loss settlement, net income from insurance business, net income from new business, additional income from realization of assets, other operating income and net interest income (other than from leasing business).

DAXsector Financial Services Index

That sector index tracks the performance of stocks in the financial sector (excluding banks, which constitute a separate index) admitted to the Prime Standard. The index consists of 50 stocks. The Prime Financial Services Index is one of 18 sector indices of Deutsche Börse AG for the Prime Standard, which include companies of all sizes.

Debt issuance program

The debt issuance program is a flexible refinancing program with standardized documentation. It enables issuers to cover their financing needs by borrowing various currencies and volumes and with varying terms. Within the scope of this program (long-term issue), bonds can be issued on the stock exchange or off the floor. The interest rate is fixed or variable. Depending on the volume, the bonds are placed by one or more dealer banks. The participating banks do not usually assume any underwriting risk. The issuer bears the placement risk.

DISPO framework agreement

Major customers who invest regularly in new equipment conclude a framework agreement with GRENKELEASING and benefit from standardized, attractive terms within that framework. The agreed leasing volumes can also be drawn on in

individual tranches by customers. Hence, customers benefit from favourable terms, lower costs and greater flexibility. The customer's reseller is informed of the framework agreement, giving him additional options for increasing business with this customer.

EBIT

Earnings before interest and taxes

EBT

Earnings before taxes

Embedded value

The calculation method for embedded value originated in the insurance industry and is also applicable to leasing companies. Contrary to the trading business, income from lease contracts concluded as of the balance sheet date is not generated immediately, but rather during the term of the contract. The embedded value is the present value of future income from the leasing portfolio and the value of equity without taking future new business into account. The estimated expenses are deducted from the present value of income as of the balance sheet date and supplemented by equity.

Factoring

Factoring is a financial service for the purpose of short-term sales financing. The factor buys the factoring customer's receivables due from its debtor and collects them directly from the debtor. In return for relinquishing the receivables, the factor immediately pays the factoring customer a sum based on the value of the receivable.

Franchise system of GRENKELEASING

GRENKELEASING have used a franchise system since 2003 with the goal to introduce the business model and the GRENKELEASING brand to a country and make them known as quickly as possible.

The franchisees receive access to expertise, proven management tools, and back office support from GRENKELEASING and are entitled to use the "GRENKE" and "GRENKELEASING" brand names. GRENKELEASING also assume responsibility for the audit and refinancing of lease contracts. This is how GRENKELEASING ensures that they are always informed of the exact quality of the receivables portfolio and that the GRENKE name becomes established on the market.

GRENKELEASING does not hold a stake in these legally independent franchise entities, but after a specific period of usually four to six years, it has the option to buy the company on pre-defined terms.

Ifo Institute

“Institut für Wirtschaftsforschung e.V.” The ifo institute is one of the largest economic research institutions in Germany which regularly publishes economic research results (www.cesifo-group.de).

IFRS

The International Financial Reporting Standards (IFRSs) are external reporting regulations developed by the International Accounting Standards Board (IASB), an independent private body. The IFRSs, formerly known as the International Accounting Standards (IASs), comprise the standards themselves and the interpretations by the International Financial Reporting Interpretations Committee (IFRIC), formerly known as the Standing Interpretations Committee (SIC). As of fiscal year 2005, the application of these standards is compulsory for publicly traded companies with their registered office in the European Union (EU) in the form endorsed by the EU.

IT Asset Management

Customers who conclude a DISPO framework agreement (see above) are also offered active support for their IT infrastructure (inventory and cost management) in the form of our IT Asset Management tool (“ITAM”). This web-based software facilitates the management of the customer’s entire asset portfolio using a standard platform.

ITC-Market

IT and telecommunications market

Mean acquisition value

The “mean acquisition value” is determined as the arithmetic mean of the acquisition costs of all leased assets for which lease agreements were concluded in the reporting period.

New business

“New business” comprises the acquisition costs of all newly acquired assets from leasing and lease-purchase contracts and the factoring volume in the reporting period.

Prime Standard

The Prime Standard is a listing standard of the Frankfurt Stock Exchange with transparency requirements for issuers which exceed those of the General Standard (e.g. quarterly reports have to be published and all corporate communication must also be available in English). A listing in the Prime Standard is a requirement for a listing on one of Deutsche Börse’s selective indices such as the DAX, MDAX, TecDAX, or SDAX. GRENKELEASING AG is listed in the SDAX.

Rating

Rating agencies rate the creditworthiness of an issuer over long and short-term periods using a standard rating method. "AAA", for example, is the highest solvency rating, and "C" or "D" indicates a low probability of payment. The leading rating agencies are Moody's and Standard & Poor's.

RoE

Abbreviation for "return on equity". The return on equity is calculated as a ratio of the net profit to the equity disclosed in the balance sheet. The ratio gives an indication as to the return on shareholder capital.

Scoring system

A scoring system is used at leasing companies to determine the creditworthiness of a potential lessee. Using a statistical calculation, the probability of default is determined for a new lease agreement, which forms the basis for a decision as to whether or not to accept the application for a lease. Since 1994, GRENKELEASING has assessed the creditworthiness of its lessees using a scoring system, based on external sources of information, e.g. the credit rating agency Creditreform, and supplemented by its own database. Each potential lessee receives a score which ultimately sways the decision as to whether or not a lease agreement is concluded.

SDAX

The SDAX index contains the 50 largest and most liquid companies from classic sectors ranking just below the MDAX. These may include German and foreign companies, as long as they are listed in the Prime Standard. On January 1, 2003, GRENKELEASING was admitted to the Prime Standard and listed on the SDAX as of February 11, 2003. This new regulation became effective as of March 24, 2003.

Share of corporate customers in the lease portfolio

"Corporate customers" are all lessees who are not subject to specific consumer protection regulations. The figure relates to the number of newly concluded lease agreements in the reporting period.

Share of IT products in the lease portfolio

"IT products" refers to computer equipment (such as PCs, servers, printers), copiers and communication equipment. The figure relates to the number of newly concluded lease agreements in the reporting period.

Small caps

Small companies which do not belong to the highly traded companies of the main indices.

Small-ticket IT leasing

In this market segment, equipment such as notebooks, personal computers, monitors and other peripheral devices, smaller networks, software and telecommunications, backup and copier technology normally costing up to EUR 25,000 are leased.

Volume of leased assets

The volume of leased assets is the total of all (historical) acquisition costs of assets from ongoing leasing and lease purchase agreements.

CALENDAR OF EVENTS 2009

- 05.02.2009 Publication of Annual Accounts for 2008
DVFA Analyst Conference/Balance Press Conference in Frankfurt (Main)
- 30.04.2009 Publication of Quarterly Financial Report as per March 31, 2009
- 12.05.2009 Annual General Meeting in Baden-Baden
- 28.07.2009 Publication of Quarterly Financial Report as per June 30, 2009
- 28.10.2009 Publication of Quarterly Financial Report as per September 30, 2009
DVFA Analyst Conference in Frankfurt (Main)

CONTACT

Renate Hauss
Corporate Communications

GRENKELEASING AG
Neuer Markt 2
76532 Baden-Baden

Tel.: +49 (0) 7221 5007-204
Fax: +49 (0) 7221 5007-112

www.grenke.de
www.weblease-europe.com
www.asset-broker.com

E-Mail: investor@grenke.de

The report is published in German and as an English translation. In the event of any conflict or inconsistency between the English and the German versions, the German original shall prevail.

