GRENKELEASING AG: EBIT rises by 25 % - profits by 20 %

Baden-Baden, 28 January 2005: GRENKELEASING posts consolidated earnings before interest and taxes (EBIT) of EUR 39 million for the financial year 2004, representing a year-on-year increase of 25 % (2003: EUR 31 million). After-tax profits increased by 20 % to EUR 24 million in 2004 (2003: EUR 20 million). Earnings per share (EPS) rose from EUR 1,45 to EUR 1.74 in 2004.

As already reported in advance, the group's new business (i.e. the total acquisition costs of newly purchased leased assets) rose from a figure of EUR 309 million in 2003 to EUR 363 million in 2004. This corresponds to a growth in new business of 17.5 %. New business in Germany rose by 10.4 %. GRENKELEASING's foreign subsidiaries accounted for 27 % of the group's total new business.

The margin of new business (contribution margin 1), from which the financial result over the life of a contract is derived and which is therefore a key profitability indicator, rose correspondingly to EUR 40million in 2004 against last year's comparable of EUR 34 million, representing an increase of 18 %.

The stand-alone balance sheet of GRENKELEASING AG shows a profit of EUR 31 million. The Executive Board and Supervisory Board shall, at the general meeting due to be held on May 3, 2005, submit a proposal for paying out a dividend of EUR 0,40 per share for the financial year 2004 (FY 2003: EUR 0.33 per share).

The GRENKELEASING Group's full report for 2004 is available under www.grenkeleasing.de INVESTOR RELATIONS – Figures.

The Executive Board

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End of ad-hoc report

"Our earnings situation has again shown a very positive trend in 2004, which we especially attribute to stringent cost management. This is clearly shown by the cost/income ratio, which shows the relation of costs to earnings. It has fallen to 43 % against 47 % in 2003. GRENKELEASING has outperformed market growth. GRENKELEASING has thus consistently expanded its market share and strengthened its presence in the European market. It has won new cooperation partners. Its refinancing basis has been reinforced by a third securitisation programme. The result is only slightly marred by the valuation of financial instruments under IAS 39, putting a little squeeze on our profits. However, this merely means deferment to a different time: This effect will be reversed in the next two years thanks to valuation increments or more favourable interest payments," said Wolfgang Grenke, Chairman of the Executive Board, commenting on the annual accounts.

“In 2005, we again seek to achieve double-digit increases in our new business and profits through organic growth.”

The average number of employees came to 285 in 2004 against 270 in 2003 (on a full-time basis excluding the Executive Board).

The group recorded 101,691 leasing enquiries in FY 2004, leading to the generation of 51,546 new leasing contracts. The average value per concluded contract came to EUR 7,047 and is thus higher than in the previous year (2003: EUR 6,850).

The company now has operations in 13 European countries. GRENKELEASING is represented in 20 cities throughout Germany. In addition to its five French branch offices, it has subsidiaries each in Switzerland, Austria, Italy, the Czech Republic, Spain, the Netherlands, Denmark, Sweden and Ireland. A franchise system gives GRENKELEASING a presence in the UK and Poland.

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

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