GRENKELEASING
AKTIENGESELLSCHAFT

GRENKELEASING: Quarterly Financial Report as per June 30, 2008

- **Earnings after taxes increased by 5 % to EUR 16.3 million**
- **Increase in new business of the GRENKE Group by 13.2 %**

Baden-Baden, 28 July 2008: Consolidated earnings after taxes of GRENKELEASING AG increased by 5% to EUR 16.3 million in the first half of 2008 (HY1-2007: EUR 15.6 million). Consolidated earnings before interest and taxes (EBIT) amounted to EUR 23.1 million in the first half of 2008 (HY1-2007: EUR 22.8 million). Earnings per share rose from EUR 1.14 EUR 1.19 in the first half of 2008.

The strong growth and high profitability of new business in recent years has visibly impacted the income side of our figures and compensated for the increased costs of our rapid international expansion. At the same time, we did not suffer any tangible negative effects of the crisis on the international financial markets in the first half of the year. Thus, we increased our net profit for both the second quarter and the first half of 2008.

The results of the GRENKELEASING AG Group are only affected by the respective economic environment to a limited extent. This is essentially reflected in the development of the loss rate. In addition, current results are influenced in particular by the historic growth of new business and its profitability as well as the rate and costs of international expansion. This is due to a particular characteristic of our business, namely that the income from a new lease agreement is not generated when the agreement is concluded, but instead only flows to the Group over its term.

Overall, we again increased consolidated net interest income after settlement of claims in both reporting periods. This is thanks to the systematic increase in the profitability of new business, which is gradually getting through to the income statement. Even including the current higher figures for claims settlement, net interest income for the first half of 2008 increased by an encouraging 6.3 %.

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. In the first half of 2008 we are still below our calculated value, which emphasizes our ability to identify and measure risks correctly.

We also generated significant increases in all other earnings components – insurance business, new business and the sale of lease assets. Thus, we have been able to expand EBIT slightly, even though we are pushing ahead with our international expansion at an unusually high rate in 2008. Accordingly, some expense items have risen sharply. In line with the nature of our business, the largest single item of these is staff costs.

As already reported the GRENKE Group’s (incl. franchise partners) volume of new business - i.e. the sum total of acquisition costs of newly purchased leasing assets and factoring volume – rose by 13.2 % to EUR 284.1 million in HY1 2008 (HY1-2007:

EUR 251 million). New business growth recorded by the GRENKE Group abroad, at 35.1 % compared with the previous year. The international segment contributed a share of 47.6 % (HY1-2007: 39.9 %) to the new business of the GRENKE Group.

The CM1 margin of the GRENKE Group's leasing operations (contribution margin 1 at acquisition values), at 10.8 % in the first half of 2008, exceeded our target margin of 10%, reaching a value of EUR 28 million (HY1 2007: EUR 22.9 million – comparative figure for leasing operations). Both the CM1 margin achieved and the level of growth year-on-year reflect quite a positive trend against the background of a sharp rise in interest rates in the second quarter, even though the CM1 margin declined in comparison with the previous quarter on account of higher interest rates.

The corresponding CM2 amounts to EUR 39.3 million, likewise up by a gratifying 19.8 % year-on-year (HY1 2007: EUR 32.8 million). This is where our focus on contribution margin growth is clearly obvious, along with our management of new business in line with profitability aspects.

The result was generated by 481 employees, compared with 410 in the first half of 2007 (full-time equivalents excluding directors). 59 employees are active in franchise operations (HY1-2007: 90).

"The growth and profitability of the GRENKE Group's new business including its franchise partners encouragingly developed in line with expectations in the first half of the current fiscal year. In second quarter, we again significantly widened contribution margin 2 as against the first quarter. Just as we stated, we thereby leveraged the noticeably more restrictive bank lending policies and the observed tendency of some banks starting to withdraw from the small-ticket leasing business, thereby easing the competitive situation somewhat. We will also continue to take advantage of growth opportunities systematically as the year progresses. We are again well on course for the GRENKE Group including its franchise partners to achieve our new business growth target of more than 10 percent in fiscal 2008. We will continue to focus clearly on strengthening earnings power and are therefore geared towards improving the contribution margin. " says Dr. Uwe Hack, Deputy Chairman of the Executive Board of GRENKELEASING AG, in commenting on the results.

He added: "In the first half of 2008, the GRENKELEASING AG Group generated a positive increase in net profit to EUR 16.3m. We profited from the fact that we did not suffer any tangible direct impact of the international financial market crisis. However, this risk still applies to the future. In addition, detailed questions relating to the taxation of forfaiting 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 for the year within a range of EUR 30.6m to EUR 33m.

Despite the ongoing crisis in the international financial markets we also further improved the availability of liquidity. After greatly increasing the volume of available funds by EUR 213m in the first quarter, we further expanded this volume by around EUR 32m in the second quarter. We are well positioned to continue our successful business development in the second half of 2008 and to handle any imponderable factors that may arise from the development of the economy as a whole or the financial markets. “

The GRENKE Group (incl. franchise partners) now operates in twenty European countries.

The GRENKELEASING AG Group (excluding franchise partners) is represented in 20 German cities. In addition to eight branches in France, three in Switzerland and two in Italy, the enterprise operates with subsidiaries in Austria, Czechia, Spain, the Netherlands, Denmark, Sweden, Ireland, United Kingdom, Poland and Belgium.

In the Norway, Hungary, Romania, Spain (Madrid), Portugal, Slovakia and Finland as well as in Germany in the field of car leasing and factoring, GRENKELEASING has a franchise system in place.

GRENKELEASING offers contracts predominantly in the field of small-ticket IT leasing for such products as PCs, notebooks, copiers, printers or software of a relatively low asset value.

GRENKELEASING AG shares are listed at Frankfurt Stock Exchange (SDAX) with the code GLJ, ISIN DE0005865901.

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

The full six months report for 2008 is available on the internet under www.grenke.de Investor Relations – Financial Data.

Should you have any queries, please contact:

Renate Hauss
Tel.: 0049-7221/5007-204
Fax: 0049-7221/5007-112
Email: investor@grenke.de
Internet: http://www.grenke.de