



CHG-MERIDIAN
Deutsche Computer Leasing AG

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CHG-MERIDIAN reports record growth for 2011

- **The technology leasing specialist aims to generate lease originations in excess of €1 billion**
- **Recently founded subsidiary CHG-MERIDIAN Mobilien GmbH plans to originate leases worth around €40 million in 2012**
- **Broader funding base owing to syndicated loans from savings banks and credit cooperatives**

Stuttgart, February 8, 2012

CHG-MERIDIAN, a non-listed technology leasing specialist headquartered in Weingarten in southwest Germany, aims to generate in excess of €1 billion from lease originations in 2012. Jürgen Mossakowski, the chairman of the Management Board, announced at the Company's annual press conference in Stuttgart that the sum total of all new leases signed during the record-breaking year of 2011 had surged by 30 percent to €858 million (2010: €661 million). By contrast, the Federation of German Leasing Companies (BDL) reported at the end of 2011 that the German equipment leasing market had grown by only 11.8 percent year on year. "In view of this positive trend we have set ourselves the target within the next two years of generating a lease origination volume in excess of €1 billion", said Jürgen Mossakowski.



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The Company was particularly successful in the German market and is one of the leading providers in its sector: No other leasing company in this service segment has delivered such a consistently strong financial performance. "This is proof positive that our strategy of technology portfolio management throughout the entire lifecycle is paying off", stressed Jürgen Mossakowski, who also represents the interests of the leasing sector as a member of the BDL's management board. In 2011, CHG-MERIDIAN achieved its highest international growth rates in southern Europe and North America (Mexico and the United States). In addition to six locations in Germany the Company maintains 25 branch offices in 18 other countries. "Our foreign subsidiaries increased their total contribution to our volume of lease originations by 30 percent compared with 2010", explained Mossakowski. Despite significant capital expenditure both inside and outside of Germany, this record level of domestic and international growth has also boosted the Company's earnings: its gross profit (present value of all new leases and remarketed assets minus direct acquisition and funding costs) rose by roughly 12 percent to €118 million in 2011 (2010: €105 million), which is the highest figure in the Company's history. Total headcount grew to 718 people worldwide on the back of the strong growth (2010: 657 employees), of which 362 people worked in Germany (2010: 344 employees).

Recently established subsidiary securing growth

CHG-MERIDIAN's business strategy has been constantly evolving ever since the Company was founded in the 1970s. Apart from providing flexible forms of financing for technologies such as PCs, servers, and printers for large and medium-sized companies as well as public-sector clients, CHG-MERIDIAN has increasingly been supplementing its product range with its technology portfolio management offering, which comprises comprehensive strategic, advisory, and other services throughout the entire lifecycle. These include officially certified data erasure and the remarketing of used



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equipment as well as the administration and management of technology assets at companies and public-sector entities using the TESMA[®] Online web-based asset management system.

The CHG-MERIDIAN Group now intends to use this successful strategy to generate further growth outside of the IT sector. In December 2011 it therefore set up the subsidiary CHG-MERIDIAN Mobilien GmbH, which will initially offer financing solutions for the procurement of production machinery and equipment in Germany. The BDL reckons that the leasing of production machinery and equipment is the fastest-growing segment in the leasing industry after it achieved growth of 21 percent in 2011. "A combination of highly successful aspects of our existing service model – such as professional contract management and our asset management systems – can be ideally applied to other product categories", stressed Mossakowski in Stuttgart. "For this reason we already expect to generate lease originations worth a total of some €40 million in the first year of this business. However, our main focus will still be on the IT market."

Further international expansion in emerging markets

The Company's entry into the South American market will also have a positive effect. CHG-MERIDIAN is pressing ahead with its ongoing international expansion as a matter of urgency. It already operates a rental company in Brazil and plans to add a leasing company to this presence by the end of 2012. Brazil's national financial regulator has yet to approve this but is expected to give its final consent by the end of the first quarter of this year. Brazil is one of the fastest-growing IT investment markets.

Funding from regional banks strengthened

The CHG-MERIDIAN Group has significantly increased the number of its funding partners in recent years in order to diversify its funding risk even more. In 2011 it raised a total of €794 million (2010: €612 million) in funding



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from over 3,700 transactions with banks. Its largest funding partner is still Landesbank Baden-Württemberg (LBBW), which is based in Stuttgart, Germany). Syndicated loans also played an increasingly important role last year and provide a sound and low-risk form of long-term funding at a time when financial markets remain volatile. Under these loan arrangements – which are lead-managed by major institutions such as LBBW, DZ Bank, and Bremer Landesbank – savings banks and credit cooperatives provide direct funding totaling €113.5 million (2010: €25 million) for CHG-MERIDIAN's operations. "The value of new syndicated loans agreed last year underlines the level of trust that savings banks and credit cooperatives have in CHG-MERIDIAN", added Mossakowski. A total of 15 savings banks and 12 credit cooperatives are currently involved in CHG-MERIDIAN's syndicated lending model.

Forecast for 2012: trends in the IT market will boost business

Growing cost pressures on IT departments at large and medium-sized companies as well as the latest trends in the IT market will continue to boost CHG-MERIDIAN's business in 2012. Those responsible for IT will press ahead with the further consolidation of their server infrastructure in order to cut costs. In addition, the transformation of server hardware will be supported by the use of virtualization and cloud technologies. The workplace of the future will increasingly shift toward cloud computing. Various software products and services will be carried out centrally from there and operated remotely from the device concerned. We can therefore see a clear trend toward the centralization of these IT services. CHG-MERIDIAN's equipment leasing business is increasingly being characterized by companies' use of devices such as smartphones, tablet PCs, and thin clients. New types of device, such as the Ultrabook presented at the Consumer Electronics Show (CES) in Las Vegas in January, will accelerate this trend and alter the way in which companies invest. "We reckon that manufacturers will continue to follow this trend at the forthcoming CeBIT digital technology exhibition being held in Hannover



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from March 6 to 10 this year. We also expect to see considerable capital expenditure on server infrastructure and virtualization over the next two years", concluded Mossakowski.

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Large and medium-sized companies and public-sector entities in 19 countries worldwide have entrusted CHG-MERIDIAN with their advisory, financing, and other service needs in the field of technology portfolio management. With a total workforce of more than 700 people – most of them employed at six locations in Germany – the Company, which is headquartered in Weingarten in southwest Germany, has leased assets worth approximately €2.5 billion under management. What distinguishes CHG-MERIDIAN is its non-captive status with respect to banks and manufacturers in the expert advice and financing that it provides in its technology portfolio management offering throughout the entire lifecycle.