

CHG-MERIDIAN increases its lease originations by 9 percent in 2016

- Sustained organic growth at a high level shows that the strategy is working
- Excellent progress in the delivery of the service strategy, record result for certified data erasure
- Two new sites in Germany bring the Company closer to its customers and create further potential for growth

Weingarten, February 10, 2017

CHG-MERIDIAN, a specialist in non-captive technology management and financing based in Weingarten, southern Germany, can look back on another strong year characterized by dynamic growth. Overall, the volume of leases originated went up by 9 percent to €1.155 billion (2015: €1.057 billion). "We succeeded in maintaining our high level of organic growth. For me, this is a clear indicator that we are making very good progress and have made the right strategic decisions for the future," said Dr. Mathias Wagner, Chairman of the Board of Management of CHG-MERIDIAN, at the Company's annual press conference.

There was particularly encouraging growth in the Southern Europe region (Italy, Spain, France), where the volume of leases originated increased by around 26 percent to reach €161 million (2015: €127 million). The Americas region (USA, Canada, Mexico, Brazil) also made an exceptionally strong contribution to the Group's overall total, with lease originations climbing by around 17 percent to €167 million (2015: €142 million). In its domestic market of Germany, CHG-MERIDIAN's lease originations increased at a healthy rate of around 10 percent to €548 million (2015: €500 million).

CHG-MERIDIAN was again able to call on an international network for its external funding, the volume of which exceeded €1 billion. More than 140 funding partners and investors from around the world helped the Company to provide external funding of €1.02 billion (2015: €960 million) for technology investments.

Gross margin in 2016 was also up on the prior year, rising by around 4 percent to a total of €190 million (2015: €183 million). CHG-MERIDIAN generated 58 percent of this amount in Germany.

Progress in the delivery of the service strategy

Services that complement CHG-MERIDIAN's core business of financing IT investments also gained in importance in 2016: "The successful delivery of the service strategy, which we launched a few years ago, made a positive contribution to our business performance," said Dr. Wagner. It enabled the Company to win new customers and sell new services to existing customers, which played a key role in the increase in lease originations.

Date: February 10, 2017

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In 2016, a new version of the TESMA® technology and service management system was launched onto the market. CHG-MERIDIAN customers use this software to efficiently manage the commercial and technical data generated by their extensive IT infrastructures.

The Enterprise Mobility Solutions (EMS) portfolio, which made its debut in Germany in 2015, also helped CHG-MERIDIAN to achieve further market penetration. Enterprise Mobility Solutions encompasses a wide range of services that focus on the efficient use of mobile devices. In mid-2016, the solution was rolled out across many other parts of Europe.

eraSURE: record result for certified data erasure

The data erasure service, which is tailored to a wide range of customer requirements, continued to be a sustainable engine of growth in 2016: The number of IT devices that underwent erasure in compliance with TÜV or DEKRA standards rose by just over a third to reach a record level of more than 141,000 (2015: 106,000). "Companies are becoming increasingly aware of the importance of data protection and data security and these figures show that our certified eraSURE service is ideally positioned to cater to this trend," said Dr. Wagner.

Using certified processes to erase sensitive data from used devices such as PCs, laptops, cell phones, and printers is one of the core tasks in the remarketing of assets. The number of assets remarketed by CHG-MERIDIAN remained at a high level last year. At the Company's Technology and Service Center near Frankfurt, it professionally refurbished around 495,000 items of IT equipment for the secondary market (2015: 490,000).

Closer to the customer: two new sites in Germany

By opening two new offices in its home market of Germany, CHG-MERIDIAN is looking to get closer to its customers and capitalize on further opportunities to drive sales. The first new site opened in February in Stuttgart, in the southern German region of Baden-Württemberg. It will be followed by a further site in Bielefeld in the western region of North Rhine-Westphalia in March.

In June 2016, CHG-MERIDIAN laid the foundation for future growth by officially opening a new building at its headquarters in Weingarten. The additional building at the site provides a further 4,700 square meters of office space, with room for another 250 workstations.

At the end of 2016, CHG-MERIDIAN employed 910 people at more than 40 sites in 23 countries. This total headcount includes 490 employees in Germany, 290 of whom work at the Company's headquarters in Weingarten. As at December 31, 2016, CHG-MERIDIAN employed eleven apprentices, 15 students, and five management trainees.

Further information can be found at
www.chg-meridian.com

THE CHG-MERIDIAN GROUP'S KEY PERFORMANCE INDICATORS FOR 2016 (DECEMBER 31, 2016)

€000's	2016	2015
Group lease originations	1.154.727	1.056.511
nach Regionen:		
Germany	548.470	499.770
Western Europe	184.889	185.967
Southern Europe	160.644	127.219
Eastern Europe	19.759	19.649
Americas	167.516	142.515
Northern Europe	38.905	40.588
International	606.257	556.741
New customer lease originations	287.751	279.644
Group gross margin*	190.090	183.059

* Gross margin: Total lease payments discounted to net present value less total acquisition cost of underlying equipment.

CHG-MERIDIAN: The company

CHG-MERIDIAN is one of the world's leading manufacturer- and bank-independent providers of technology management services to the IT, industry and healthcare sectors. With some 1,000 employees, CHG-MERIDIAN offers its customers comprehensive support for their technology infrastructures – from consulting, to financial and operational services, to used-equipment re-marketing services through its two technology and service centers in Germany and Norway. CHG-MERIDIAN provides efficient technology management to large- and medium-sized companies and government agencies. It now serves around 11,000 customers worldwide, managing technology investments worth a total of over €4.4 billion. The online-based TESMA® Technology and Service Management System provides more than 10,000 users with maximum transparency in technology controlling. The company has offices in 37 locations in 23 countries across the globe; its headquarters are in the South German city of Weingarten.

Efficient Technology Management®