

## CHG-MERIDIAN's first-quarter earnings power increases yet again

- Lease originations increase in Southern and Eastern Europe
- Technology manager's gross profit increases significantly over same quarter last year
- Extension building in the works in Weingarten: Move-in around end of 2015

Weingarten, Friday, April 24, 2015

The investment climate in Southern and Eastern Europe is improving significantly, if CHG-MERIDIAN lease originations are any indication. The Weingarten (Baden-Wuerttemberg, Germany)-based financial consultants and technology managers' first-quarter Southern European lease originations climbed to €29.7 million in 2015 (Q1 2014: €23.9 million), while in Eastern Europe they climbed to €6.7 million (Q1 2014: €3.0 million).

The fact that the group's overall new investment volumes for the quarter still totaled €233 million, €11.7 million under 2014's Q1 total of around €245 million, has to do with growth in North America having remained modest thus far. "The year is still long," asserted Jürgen Mossakowski, Chairman of the CHG-MERIDIAN board, "and we are confident that we will steer the group back onto the growth track over the course of the year." Mossakowski said that, generally speaking, nothing had changed about the investment climate in their home market, but large-scale investment decisions often took a long time and "we still have a few contracts in the pipeline from which we expect sustainable growth."

### **Significantly higher gross profit in first quarter**

In terms of revenue, the first quarter of 2015 was a great one for CHG-MERIDIAN: gross profit within the group, which is active in 23 countries worldwide, rose to €32.3 million (Q1 2014: €26.7 million). First-quarter earnings jumped in the Americas region, and in Northern Europe, a late-2014 purchase only finalized during this quarter added another €1.4 million boost to the earnings side. "In other words," said Mossakowski, "CHG-MERIDIAN remained on a profitable course throughout the first part of 2015."

Both new contracts and completed contracts were up overall in the first quarter, which Mossakowski described as a good sign and a trend barometer for 2015: "It shows that our business model is highly attractive, and that we've managed to convince more and more customers to employ our services." The fact that more and more contracts are necessary to reach the same volumes, he noted, also has to do with the fact that the smartphones and iPads frequently financed today are far less expensive than conventional PCs or servers.

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### Mossakowski: keep pushing ahead with transition to technology managers

At the Technology and Service Centers CHG-MERIDIAN operates in Gross-Gerau (near Frankfurt am Main, Germany) and Skien (Norway), preparing desktop computers, notebooks and printers for resale, around 35,000 pieces of IT equipment underwent "eraSURE", a TÜV- and DEKRA-certified data erasure procedure. For comparison purposes, that corresponds to around half the annual total for as recently as 2011 (2011: 78,000 erasures). Company service volumes in this area of business have doubled over the past five years, and are continuing to increase rapidly.

For the 2015 fiscal year, Jürgen Mossakowski is aiming to increase both lease originations and net earnings over the previous year. He is well aware that this will take a great deal of effort. "We're in an excellent position; in terms of both service provision and financing, we're benefiting from some good choices made in previous years. But we mustn't let up in our efforts—we need to keep pushing ahead with our transition to a comprehensive technology management organization."

The company is already busy creating space for additional growth: employees at the Head Office in Weingarten recently held a topping out ceremony for a 51,020-square-foot extension building, which will be occupied starting around the turn of the year.

### CHG-MERIDIAN AG KEY FINANCIAL FIGURES – AS OF 03/31/2015

in TEUR	3/31/2015	3/31/2014	2014
Group lease originations	233,045	244,790	1,004,494
by region:			
Central Europe (D, A, CH, SLO)	120,777	125,437	517,689
Western Europe	39,598	45,098	155,714
Southern Europe	29,724	23,973	115,785
Eastern Europe	6,722	3,033	21,177
Northern Europe	9,721	- -	22,711
Americas	26,503	47,249	171,418
national (Germany)	113,310	117,412	491,149
International	119,735	127,378	513,345
Lease originations with new customers	37,624	55,987	299,243
Group gross profit* / contribution margin	32,268	26,669	151,928

\*Gross profit refers to the cash value of all new contracts and after-market sales, less direct acquisition and financing costs.

**For more information and photos, please visit: [www.chg-meridian.com](http://www.chg-meridian.com)**

#### 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, telecommunication, industry and health care sectors. With some 800 employees, CHG-MERIDIAN provides its customers with comprehensive support for their technology infrastructures—from consulting, to financial and operational services, to remarketing used equipment through its Technology and Service Center. CHG-MERIDIAN provides mid-sized and large companies as well as government agencies with efficient technology management; worldwide, it now serves more than 8,000 customers and manages more than €3.5 billion in technology investments. More than 1,600 of its customers also use TESMA® Online, its technology and service management system, for their internal technology controlling needs. The company has offices in 40 locations in 23 countries across the globe; its headquarters are in the South German city of Weingarten.

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