

CHG-MERIDIAN AG replicates record prior-year results

- **Continuity: volume of lease originations once again exceeds €1 billion in 2014**
- **Diversification: establishment of the Healthcare technology segment gets off to a good start**
- **Strategy: decisions taken in Northern Europe, the US, and Mexico will secure further growth**

Weingarten, February 13, 2015

Thanks to the continuous growth that it has generated, CHG-MERIDIAN AG – a financial and technology manager that operates through 40 branch offices in 23 countries around the world and is headquartered in Weingarten, southern Germany – managed to keep its volume of lease originations more or less unchanged last year at €1.004 billion (2013: €1.006 billion). On the income side, the Company increased its gross profit by 1.4 percent to €152 million in 2014 (2013: €150 million).

Lease originations in CHG-MERIDIAN AG's core market of Central Europe (Germany, Austria, Slovenia and Switzerland) grew by 2.2 percent to €518 million (2013: €507 million). By contrast, the volume of leases originated by CHG-MERIDIAN AG declined slightly year on year to €21 million in Eastern Europe (2013: €27 million) and decreased to €156 million in Western Europe (2013: €180 million). These results partly reflected the Company's cautious approach – especially in the Russian market. "The fact that we have almost seamlessly replicated the record results we achieved in 2013 vindicates the strategy on which we have embarked and shows that we can gradually expand our market share even further," said Jürgen Mossakowski, Chief Executive Officer of the privately owned company, at the annual press conference in Weingarten.

Healthcare technology segment gets off to a good start

A case in point is the Healthcare technology segment, which the Company has been in the process of establishing since 2013. CHG-MERIDIAN managed healthcare investments worth more than €30 million for clients in Europe and North America in 2014. Taken together, the Company manages information technologies, industrial technologies,

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and healthcare technologies worth an aggregate €4.2 billion for customers in 23 countries. It plans to significantly increase the proportion of healthcare investments over the next few years.

Strategic decisions will secure further growth

Mossakowski also expects additional growth to be generated by the Company's recent international expansion into Northern Europe. CHG-MERIDIAN acquired the Norway-based ACENTO Group in the third quarter of 2014. ACENTO is one of the major providers of finance and services in information technologies, industrial technologies, and healthcare technologies in Northern Europe. It manages technology investments worth in excess of €167 million. This firm – which from now on will be reported in the CHG-MERIDIAN Group's consolidated financial statements as the Northern Europe region – contributed lease originations totaling more than €22 million to CHG-MERIDIAN's financial results for 2014.

The Company also expects to generate further significant growth from the Americas region, which includes the United States, Mexico and Brazil. In 2014, however, its US subsidiary fell short of expectations and failed to meet its ambitious earnings targets. "We see the US, Mexico and Brazil as strategically important markets that offer us huge growth potential. We need to get back on track here – and that's exactly what we will do," stressed Mossakowski. By carrying out a local management restructuring in the fourth quarter of 2014, CHG-MERIDIAN has cleared the way for further growth.

Shareholding in service provider Abakus it AG sold

Since the turn of the millennium, CHG-MERIDIAN has evolved from a traditional German IT financing company into a multinational technology manager that offers full-service solutions throughout the product lifecycle of high-value capital equipment for information technologies, industrial technologies, and healthcare technologies. Its shareholding in Abakus it AG – which is based in Waldburg, southern Germany – was a remnant from the early period of this development. This shareholding was sold in 2014.

Abakus it AG – an engineering firm that provides information technology (IT) solutions and services – remains a key partner. "We and our solutions portfolio have evolved considerably in recent years, and we now work with a number of partners to ensure that we can deliver our services both nationally and internationally," explained Mossakowski. "It therefore no longer makes sense for us to maintain a direct shareholding in a single service provider." The parties involved have agreed not to disclose the purchase price. There will be no changes to the number of employees at Abakus it AG nor to its management team.

CHG-MERIDIAN continues to strengthen its service activities

The Company continued to invest heavily in establishing and expanding its service business in 2014. Two IT solution segments – Software Solutions (SWS) and Employer Benefits Solutions (EBS) – were totally reconfigured. CHG-MERIDIAN hopes that these two IT solution segments will enable it to achieve even greater penetration in the market for services throughout the IT lifecycles of both existing and new customers.

The Company once again systematically expanded its service operations in 2014. The ongoing development and refinement of its strategically important service business focused on putting new organizational structures in place, continuing to establish its Service Delivery segment – which included downstream regional service structures in Germany, Austria, and Switzerland – and further improving the training and skills of its service staff in line with internationally recognized project management standards.

Remarketing and secure data erasure at an all-time high

Other service segments that delivered an excellent performance in 2014 included the professional erasure of data from IT equipment at the end of its useful life as well as the reconditioning and remarketing of used devices at CHG-MERIDIAN's proprietary Technology and Service Centers near Frankfurt (Germany) and in Skien (Norway). 456,000 assets (2013: 398,000) – some 15 percent more than in the previous year – were refurbished for the secondary market. 2014 was the first year in which more than 100,000 devices (2013: 87,000) underwent a professional, officially certified, secure data erasure process as an additional service for customers.

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

THE CHG-MERIDIAN GROUP'S KEY PERFORMANCE INDICATORS FOR 2014 (DECEMBER 31, 2014)

€ 000's	2014	2013
Group lease originations	1,004,494	1,005,725
by geographic region:		
Central Europe (Germany, Austria, Switzerland, Slovenia)	517,689	506,758
Western Europe	155,714	179,834
Southern Europe	115,785	116,229
Eastern Europe	21,177	27,439
Americas	171,418	175,465
Northern Europe*	22,711	- -
Domestic (Germany)	491,149	480,743
International	513,345	524,982
New customer lease originations	299,243	362,089
Group gross profit**	151,928	149,834

* This is the first year in which the northern Europe region has been included in CHG-MERIDIAN's annual financial results. CHG-MERIDIAN acquired the Norway-based ACENTO Group in 2014.

** Gross profit is defined as the present value of all new leases and remarketed equipment minus direct funding and acquisition costs.

About CHG-MERIDIAN

CHG-MERIDIAN is one of the world's leading non-captive providers of technology management in the fields of IT, industry, and healthcare. CHG-MERIDIAN has a workforce of approximately 850 professionals and offers one-stop management of customers' technology infrastructure. Its product range includes consulting, financial and operational services, as well as remarketing services for used equipment at its two proprietary Technology and Service Centers in Germany and Norway. CHG-MERIDIAN offers efficient technology management for large corporations, small and medium-sized enterprises, and public-sector clients. It provides services for over 10,000 customers around the world and manages technology investments in excess of €4.2 billion. More than 1,600 of its customers also monitor their technology portfolios online using the TESMA® Online technology and service management system. The company has a global presence with 40 branch offices in 23 countries and is headquartered in Weingarten, Southern Germany.

Efficient Technology Management by CHG-MERIDIAN®